

1 Key Questions

This Section 1 answers some frequently asked questions about the Restructure, the MGE Trust Scheme and proposed MGF Partnership Offer. It is not intended to address all relevant issues for MGE Unitholders. This Section 1 should be read together with all other parts of this Explanatory Memorandum.

Question	Answer	More Information
The Restructure		
<p>1 What is the Restructure?</p>	<p>The Restructure is a proposed series of transactions which will have the effect of consolidating three of Magellan’s existing global equities retail funds, being the Magellan Global Fund, MGE and MGG into a single trust (the Magellan Global Fund) which has two unit classes: an Open Class and a Closed Class.</p> <p>There are three key components to the Restructure:</p> <ul style="list-style-type: none"> – Amendments to the Magellan Global Fund constitution to enable it to offer Closed Class Units and Open Class Units (the MGF Constitutional Amendments); – The acquisition of units in MGE by Magellan Global Fund RE in exchange for Open Class Units of Magellan Global Fund by way of a trust scheme (the MGE Trust Scheme); and – The acquisition of units in MGG by Magellan Global Fund RE in exchange for Closed Class Units of Magellan Global Fund by way of a trust scheme (the MGG Trust Scheme), <p>(together, the Restructure).</p> <p>If the Restructure is implemented, on an indicative basis having regard to funds under management as at 30 September 2020, the restructured Magellan Global Fund would have approximately \$16.0 billion of assets.</p>	<p>Section 3</p>
<p>2 Why is the Restructure being undertaken?</p>	<p>The Directors of the MGE RE believe that the Restructure will deliver a number of benefits to MGE Unitholders and simplify Magellan’s Global Equities Strategy retail product offering.</p>	<p>Section 3.4</p>
<p>3 What are the benefits of the MGE Trust Scheme?</p>	<p>The Directors of MGE RE consider that the MGE Trust Scheme offers a number of benefits to MGE Unitholders, including:</p> <ul style="list-style-type: none"> – Greater choice in how to invest in open-ended units; – Greater efficiency in ASX trading of Open Class Units; and – The opportunity to participate in Magellan Group “partnership benefits” including the MGF Partnership Offer. 	<p>Section 3.4</p>
<p>4 What are the potential disadvantages and risks of the MGE Trust Scheme?</p>	<p>While the Directors of MGE RE have recommended that MGE Unitholders vote in favour of the MGE Trust Scheme, there are various disadvantages and risks which MGE Unitholders should consider. These include:</p> <ul style="list-style-type: none"> – the relative voting power of an MGE Unitholder will be lower in the enlarged Magellan Global Fund; – any borrowing by the Magellan Global Fund (limited to 5% of assets) may expose holders of a specific unit class to cross-collateralisation default risk; and – implementation and execution risks of the MGE Trust Scheme. 	<p>Section 3.4</p>
<p>5 What will I receive if the MGE Trust Scheme becomes Effective and is implemented?</p>	<p>If the MGE Trust Scheme is implemented, MGE Trust Scheme Participants (being MGE Unitholders other than Ineligible Foreign MGE Unitholders) will receive Open Class Units in Magellan Global Fund.</p> <p>MGE Trust Scheme Participants will receive that number of Open Class Units in Magellan Global Fund that is equal to the Exchange Ratio multiplied by the number of MGE Units that they hold at 7:00pm (Sydney time) on the MGE Trust Scheme Record Date being 1 December 2020.</p> <p>The Exchange Ratio will be calculated as the NAV of MGE per MGE Unit divided by the NAV per Open Class Unit in Magellan Global Fund as at the Effective Date.</p>	<p>Section 3.3</p>

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<p>6 What is a Magellan Global Fund Open Class Unit?</p>	<p>The Open Class Units are a class of units currently issued by the Magellan Global Fund. Subject to the approval of the MGF Constitutional Amendments, the Open Class Units are intended to be admitted to trading status on the ASX under the AQUA Rules. Open Class Units are expected to trade under the security code: MGOC.</p> <p>Holders of Open Class Units will have the ability to buy and sell their Open Class Units on the ASX or apply for or redeem their Open Class Units directly with the Magellan Global Fund RE at a price based on the NAV per Open Class Unit.</p> <p>Magellan Global Fund RE, on behalf of the Magellan Global Fund, may provide liquidity to investors on the ASX by acting as a buyer and seller of Open Class Units.</p>	<p>Section 7</p>
<p>7 What is a Magellan Global Fund Closed Class Unit?</p>	<p>The Closed Class Units are a class of units to be issued by the Magellan Global Fund, subject to the approval of the MGF Constitutional Amendments.</p> <p>Closed Class Units are intended to be quoted on the official list of ASX under the ASX Listing Rules. Closed Class Units are expected to trade under the security code: MGF.</p> <p>Holders of Closed Class Units will have the ability to buy or sell their Closed Class Units on the ASX.</p> <p>Similar to an investment company or investment trust quoted on the official list of ASX, Closed Class Unitholders do not have the ability to apply for or redeem units directly with Magellan Global Fund RE. The Magellan Global Fund RE can only issue or buy back Closed Class Units in accordance with the ASX Listing Rules.</p>	<p>Section 7</p>
<p>8 What are the main differences between Open Class Units and Closed Class Units in Magellan Global Fund?</p>	<p>Both Open Class Units and Closed Class Units will provide investors with interests in the same underlying pool of assets in the Magellan Global Fund. Magellan Global Fund RE manages this pool of assets on behalf of all unitholders in accordance with the Magellan Global Fund's investment strategy.</p> <p>However, there are important differences between Open Class Units and Closed Class Units. These differences include:</p> <p><i>i. Open-ended vs Closed-ended capital structure</i></p> <p>Open Class Units are an 'open-ended' unit class in Magellan Global Fund. This means that Magellan Global Fund RE has the power to issue or redeem Open Class Units on a daily basis.</p> <p>Closed Class Units are a 'closed-ended' unit class. Magellan Global Fund RE will only issue or buy back Closed Class Units in accordance with the ASX Listing Rules.</p> <p><i>ii. The ASX rules framework that will apply to each unit class</i></p> <p>Open Class Units will be subject to the AQUA Rules and Closed Class Units will be subject to the ASX Listing Rules.</p> <p><i>iii. Entering and exiting the Magellan Global Fund</i></p> <p>Subject to ASX approval, both the Open Class Units and Closed Class Units will be able to be bought and sold on the ASX.</p> <p>Under the ASX's AQUA Rules, Magellan Global Fund RE may provide liquidity to investors on the ASX by acting as a buyer and seller of Open Class Units. Open Class Unitholders will also have the ability to apply for or redeem their Open Class Units directly with Magellan Global Fund RE using an application form or withdrawal form (as applicable).</p> <p>Under the ASX Listing Rules, Closed Class Unitholders will not have the ability to apply for or redeem Closed Class Units directly with Magellan Global Fund RE.</p> <p>These differences mean that the prices at which the Open Class Units and Closed Class Units trade on the ASX, compared to their respective NAV per Unit, may differ as a result of secondary market liquidity in each unit class on ASX.</p> <p><i>iv. Access partnership benefits offered by Magellan Global Fund RE and Magellan Group</i></p> <p>All Magellan Global Fund Unitholders will be able to participate in the MGF Partnership Offer.</p> <p>Closed Class Unitholders are expected to have the opportunity to access partnership benefits funded by Magellan Group, that are not available to Open Class Unitholders.</p> <p>This is expected to include eligibility for the Bonus MGF Option Issue and the ability to participate in a distribution reinvestment plan at a 7.5% discount to the prevailing NAV per Closed Class Unit for which Magellan Group will bear the dilutive effect associated with the distribution reinvestment plan discount.</p>	<p>Sections 7.8 and 7.19</p>

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9 What will happen to MGE if the MGE Trust Scheme becomes Effective and is implemented?	<p>If the MGE Trust Scheme becomes Effective and is implemented, all of the units in MGE will be transferred to the Magellan Global Fund and the assets of MGE will indirectly form part of the assets of the Magellan Global Fund.</p> <p>MGE Units will be suspended from trading on the ASX from the Effective Date. MGE RE will subsequently apply for the removal of MGE Units from Trading Status on the ASX. The Magellan Global Fund RE will also apply for deregistration of MGE as a managed investment scheme under Chapter 5C of the Corporations Act.</p>	Sections 4.3 and 4.11
10 Who is entitled to participate in the MGE Trust Scheme?	<p>If the MGE Trust Scheme becomes Effective and is implemented, MGE Trust Scheme Participants (being all MGE Unitholders other than Ineligible Foreign MGE Unitholders) on the MGE Register at the MGE Trust Scheme Record Date will become entitled to receive Open Class Units in respect of the MGE Units they hold at that time.</p>	Section 4.5
11 Who is an Ineligible Foreign MGE Unitholder?	<p>An Ineligible Foreign MGE Unitholder is an MGE Unitholder whose address as shown in the MGE Register (on the MGE Trust Scheme Record Date) is a place not located in:</p> <ul style="list-style-type: none"> – Australia (or its external territories); – New Zealand; – Hong Kong, or – Singapore. <p>If the MGE Trust Scheme is implemented Ineligible Foreign MGE Unitholders will not receive Open Class Units. Instead, Ineligible Foreign MGE Unitholders will be paid cash they are entitled to receive under the Sale Facility.</p> <p>Ineligible Foreign MGE Unitholders may sell their MGE Units up to and including the Effective Date.</p>	Section 3.12
12 In what circumstances might the Restructure not proceed?	<p>The Restructure might not proceed where a condition precedent has not been satisfied or a termination event in the MGE Trust Scheme Implementation Deed or MGG Trust Scheme Implementation Deed has occurred. These circumstances include:</p> <ul style="list-style-type: none"> – Regulatory approvals required to implement the Restructure are not granted or obtained; – Magellan Global Fund Unitholders, MGE Unitholders and MGG Unitholders do not provide the requisite approvals; – Government or Governmental Agency action prohibits, materially restricts, makes illegal or restrains the completion of the Restructure; – A prescribed occurrence occurs (including insolvency, change in responsible entity, delisting, deregistration as a managed investment scheme under Chapter 5C of the Corporations Act) with respect to MGE; – The Court declines to grant the Second Judicial Advice or the second judicial advice relating to the Magellan Global Fund Unitholder Resolutions; or – ASX does not approve the quotation of the Open Class Units and Closed Class Units. 	Section 3.9 and 12.7
13 Has MGE RE considered alternatives to the MGE Trust Scheme?	<p>MGE RE has considered the alternatives to the MGE Trust Scheme of (i) amending the MGE Constitution to allow applications and redemptions directly with the MGE RE; (ii) whether an alternative transaction could be pursued with MGF involving the acquisition of MGE but no acquisition of MGG and (iii) not undertaking the MGE Trust Scheme and retaining the status quo, but determined that it would deny some or all of the benefits that MGE RE expects the MGE Trust Scheme to deliver to MGE Unitholders and that the MGE Trust scheme is in the best interests of MGE Unitholders.</p>	Section 3.7

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Question	Answer	More Information
MGF Partnership Offer		
14 What is the MGF Partnership Offer?	<p>The MGF Partnership Offer is the proposed offer of Closed Class Units (and MGF Options) available to Eligible Magellan Global Fund Unitholders following implementation of the Restructure and is subject to regulatory approvals.</p> <p>Under the MGF Partnership Offer, all Eligible Magellan Global Fund Unitholders will be invited to subscribe for \$1 of Closed Class Units for every \$4 of Magellan Global Fund Units held on the MGF Partnership Offer Calculation Date but capped at the value of their Magellan Global Fund holding on the Implementation Date.</p> <p>The subscription price for the new Closed Class Units will be the NAV per Closed Class Unit on the Business Day immediately prior to their allotment.</p> <p>Successful applicants will also receive a valuable benefit in the form of additional Closed Class Units worth 7.5% of their subscription as part of Magellan Group’s partnership approach with investors in Closed Class Units. Magellan Group will fund the 7.5% partnership benefit to minimise dilution.</p> <p>Successful applicants will also receive one MGF Option for every Closed Class Unit issued to them under the MGF Partnership Offer.</p>	Section 7.24
15 When will the MGF Partnership Offer take place?	<p>The MGF Partnership Offer will take place following implementation of the Restructure. A product disclosure statement is expected to be lodged with ASIC on 8 January 2021.</p>	Section 7.24
16 Who is eligible to participate in the MGF Partnership Offer?	<p>The record date for the MGF Partnership Offer will be the Implementation Date. All unitholders in Magellan Global Fund (including both the Open Class Units and Closed Class Units) at that date will be eligible. This will include MGE Trust Scheme Participants. The last day on which you can buy units in MGE and be eligible for the MGF Partnership Offer is the Effective Date.</p>	Section 7.24
17 What is the MGF Partnership Offer Calculation Date?	<p>If you hold units on the Implementation Date, you will be eligible to participate in the MGF Partnership Offer. The MGF Partnership Offer Calculation Date is the date on which your entitlement to participate in the MGF Partnership Offer will be calculated and is expected to be 8 January 2021.</p>	Section 7.24
18 How are entitlements to participate in the MGF Partnership Offer calculated?	<p>Your entitlement in the MGF Partnership Offer will be calculated as \$1 worth of Closed Class Units for every \$4 worth of Open Class Units you hold on the MGF Partnership Offer Calculation Date.</p> <p>The value of your Open Class Units on this date will be calculated as the NAV per Open Class Unit multiplied by the number of Open Class Units you hold on the MGF Partnership Offer Calculation Date, with that number of units capped at the number of Open Class Units you held on the Implementation Date.</p> <p>Only unitholders with a registered address in Australia, New Zealand, Hong Kong or Singapore are expected to be eligible to participate in the MGF Partnership Offer.</p>	Section 7.24
19 Is the MGF Partnership Offer part of the Restructure?	<p>No, the MGF Partnership Offer is not part of the Restructure. However, the MGF Partnership Offer is dependent on the Restructure having been implemented.</p> <p>Magellan Global Fund RE intends to proceed with the proposed MGF Partnership Offer following implementation, however it is not obliged to do so and the terms of the offer may differ from those outlined in this Explanatory Memorandum.</p>	Sections 7.24 and 7.25
20 What are MGF Options?	<p>Each MGF Option is an option to acquire one (1) Closed Class Unit in Magellan Global Fund at an exercise price equal to 92.5% of the prevailing net asset value of Closed Class Units at the time of exercise.</p> <p>Importantly, Magellan Group will bear the economic cost associated with the 7.5% discount on the exercise of MGF Options in accordance with the terms of the MGF Equity Commitment Deed.</p> <p>It is expected that MGF Options will be exercisable by the holder on a daily basis from the commencement of the exercise period. The MGF Options will have a three year term.</p> <p>Subject to ASX approval, MGF Options are expected to be quoted and tradeable on ASX.</p>	Section 7.25

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Independent Expert opinion and the Directors' recommendation		
21 What is the opinion of the Independent Expert?	<p>The Independent Expert has concluded that the MGE Trust Scheme is fair and reasonable and in the best interests of MGE Unitholders in the absence of a Superior Proposal.</p> <p>The reasons why the Independent Expert reached these conclusions are set out in the Independent Expert's Report, a copy of which is included in Schedule 2 of this Explanatory Memorandum. The Directors strongly encourage you to read this report in its entirety.</p>	Independent Expert's Report (Schedule 2)
22 Do the Directors recommend the MGE Trust Scheme?	<p>The Directors consider that the MGE Trust Scheme is in the best interests of MGE Unitholders and the Directors unanimously recommend that MGE Unitholders vote in favour of the MGE Trust Scheme in the absence of a Superior Proposal.</p> <p>In relation to the recommendation of Dr. Brett Cairns (CEO of the Magellan Group and director of MGE RE), MGE Unitholders should have regard to the fact that Dr. Cairns is eligible to receive an annual short-term incentive payment in respect of a financial year. This short-term incentive payment is determined having regard to a range of criteria which the MFG Board, in consultation with Dr. Cairns, will agree each year. Such criteria may include performance metrics relating to the delivery of key strategic projects, such as the Restructure. Accordingly, implementation of the MGE Trust Scheme may contribute to the total short-term incentive payable to Dr. Cairns for the 2021 financial year. The maximum amount payable to Dr. Cairns, should he satisfactorily achieve all of the conditions governing the payment of his short term incentives, as a result of the delivery of key strategic projects including implementation of the Restructure, is \$193,125.</p> <p>MGE Unitholders should have regard to these arrangements when considering Dr. Cairns' recommendation on the MGE Trust Scheme, which appears throughout this Explanatory Memorandum. Dr. Cairns considers that, despite these arrangements, it is appropriate for him to make a recommendation on the MGE Trust Scheme. The MGE RE Board (excluding Dr. Cairns) also considers that it is appropriate for him to make a recommendation on the MGE Trust Scheme given his role in the operation and management of MGE and his deep industry knowledge.</p>	Section 3.5
Magellan Global Fund		
23 Who is the responsible entity and investment manager of the Magellan Global Fund?	<p>Magellan Asset Management Limited (ABN 31 120 593 946) is the responsible entity and investment manager of the Magellan Global Fund.</p> <p>Magellan is a wholly owned subsidiary of Magellan Financial Group Limited (ABN 59 108 437 592) (MFG), which is listed on the ASX.</p>	Section 7.2
24 What is the Magellan Global Fund?	<p>The Magellan Global Fund is a unit trust which has been registered as a managed investment scheme under the Corporations Act.</p> <p>Subject to approval of the MGF Constitutional Amendments, the Magellan Global Fund will have two unit classes: Open Class and Closed Class.</p>	Section 7.1
25 When can Magellan Global Fund Units be traded on the ASX?	<p>Subject to approval by ASX, both Open Class Units and Closed Class Units in Magellan Global Fund are expected to commence trading on the ASX on a deferred settlement basis on 30 November 2020, the first Business Day following the Effective Date.</p> <p>Both unit classes are expected to trade on a deferred settlement basis until the date normal trading commences which is expected to be 9 December 2020.</p> <p>MGE Trust Scheme Participants who sell Open Class Units prior to the Implementation Date are responsible for the calculation of their holding before trading on the ASX. MGE Trust Scheme Participants who sell Open Class Units before they receive an initial holding statement do so at their own risk. Your stockbroker may not support a sale of Open Class Units during this period.</p>	Key Dates

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<p>26 What are the differences between the investment objectives or investment strategy of the Magellan Global Fund and MGE?</p>	<p>There are no differences.</p> <p>Both the Magellan Global Fund and MGE employ the Global Equities Strategy, Magellan’s flagship investment strategy which is managed by Magellan’s Chief Investment Officer, Hamish Douglass. It offers investors a focused portfolio of outstanding companies that Magellan believes can generate attractive risk-adjusted investment returns over time, while reducing the risk of permanent capital loss.</p> <p>Magellan Global Fund seeks to invest in outstanding companies at attractive prices, while exercising a deep understanding of the macroeconomic environment to manage investment risk.</p>	<p>Sections 7.4 and 8</p>
<p>27 Who is the portfolio manager of Magellan Global Fund?</p>	<p>The lead portfolio manager of the Magellan Global Fund is Hamish Douglass.</p> <p>The co-portfolio manager is Arvid Streimann.</p>	<p>Section 8</p>
<p>28 What are the fees on the Magellan Global Fund and how do these differ to MGE?</p>	<p>The level of Magellan Global Fund fees are the same as MGE. Please refer to Section 10 for a detailed explanation of fees and costs.</p> <p>At the Effective Date, any accrued management fees and any accrued performance fees in Magellan Global Fund and MGE will be crystallised and become payable to Magellan Global Fund RE and MGE RE respectively. The crystallisation of fees and reset of the High Water Mark should not impact the value of your MGE Units or the value of the Open Class Units since the accrued management fee and any accrued performance fee is already included in the NAV per Unit for MGE.</p> <p>A new performance fee Calculation Period will commence after the Effective Date and end on 30 June 2021. The High Water Mark for Magellan Global Fund, MGE, or MGG, whichever is the furthest above the respective fund’s NAV per Unit at the Effective Date (in relative terms), will determine the new High Water Mark for Magellan Global Fund Open Class Units.</p>	<p>Section 10</p>
<p>29 What distributions will I receive?</p>	<p>Magellan Global Fund RE intends to target a cash distribution yield of 4% per annum (Target Cash Distribution).</p> <p>For the first four semi-annual distributions following the Restructure, Magellan Global Fund RE intends to pay a Target Cash Distribution per Open Class Unit equal to 2% of the issue price of Open Class Units under the MGE Trust Scheme. This amount will be paid for each six month period ending 30 June 2021, 31 December 2021, 30 June 2022 and 31 December 2022.</p> <p>Due to the timing of the Restructure, MGE RE intends to pay a distribution of 7.38 cents per MGE Unit in respect of the six months ending 31 December 2020. This is expected to be paid to MGE Unitholders in November 2020, prior to the implementation of the MGE Trust Scheme.</p> <p>After 31 December 2022, the Target Cash Distribution will be paid semi-annually based on the average of the month-end NAV per Open Class Unit over a two year rolling period ending on the last Business Day of the prior distribution period.</p> <p>Magellan intends to announce the Target Cash Distribution per Open Class Unit on ASX at the beginning of each semi-annual distribution period.</p> <p>Magellan Global Fund RE retains the discretion to amend the distribution policy of the Magellan Global Fund.</p>	<p>Section 7.10</p>
<p>30 Will the activities of one unit class impact the NAV of the other unit class?</p>	<p>While a Unit will confer on its holder an undivided absolute, vested and indefeasible beneficial interest in Magellan Global Fund as a whole, operationally, the assets and liabilities of Magellan Global Fund will be allocated proportionately between the Closed Class Units and Open Class Units based on their respective net asset values as at the Effective Date. The calculation of the NAV of a unit class will include the impact of transactions specific to that unit class so that they do not impact the NAV per unit of the other unit class. For example, the impact from redemptions of Open Class Units will only impact the NAV of the Open Class and, similarly, the impact from buy-backs of Closed Class Units will only impact the NAV of the Closed Class.</p> <p>As Magellan Global Fund is an AMIT investors will be assessed for tax on the net income and net capital gains generated by Magellan Global Fund that are attributed to them. Magellan Global Fund RE intends to attribute an estimate of net capital gains realised as a result of the transactions specific to a unit class (such as redemptions of Open Class Units and buy-backs of Closed Class Units) to unitholders in the relevant unit class.</p>	<p>Sections 7.9 and 7.12</p>

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31 What are the key risks associated with an investment in Magellan Global Fund?	<p>As with most investments, an investment in Magellan Global Fund may have risks influenced by a number of factors, some of which are outside of the control of Magellan Global Fund RE. Set out below, in no particular order, is a non-exhaustive list of the key risks associated with an investment in Magellan Global Fund. See Section 9 further information.</p> <ul style="list-style-type: none"> a) ASX liquidity risk: The liquidity of trading in Units on the ASX may be limited at times and may affect an investor's ability to buy or sell Units. b) Company specific risk: The value of the Magellan Global Fund's investments in a company's securities may be impacted by the risks to which that particular company is itself exposed. c) Concentration risk: The investment returns of the Magellan Global Fund may be dependent upon the performance of a small number of individual companies in the portfolio. d) Conflicts of interest risk: Magellan and its various service providers may from time to time have potential conflicts of interest with the Magellan Global Fund. Such conflicts of interest include but are not limited to: management of multiple accounts with varying fee arrangements, trade allocation, proxy voting and staff personal trading. Magellan maintains a Conflicts of Interest Policy to ensure that it manages its obligations to the Magellan Global Fund such that all conflicts (if any) are resolved fairly. e) Currency risk: The Magellan Global Fund's foreign currency exposure may at times negatively impact investment values and returns. f) iNAV risk: The iNAV published by the Magellan Global Fund is indicative only and might not be up to date or might not accurately reflect the underlying value of the Magellan Global Fund. g) Magellan Global Fund risk: refers to specific risks associated with the Magellan Global Fund, such as termination and changes to fees and expenses. The performance of the Magellan Global Fund or the security of an investor's capital is not guaranteed. An investment in the Magellan Global Fund is governed by the terms of the Constitution and this PDS, each as amended from time to time, and the rules of the ASX. h) Market risk: There is a risk that the market price of the Magellan Global Fund's assets and investments will fluctuate. i) Performance risk: There is a risk that the Magellan Global Fund may not achieve its investment objectives. j) Personnel risk: The skill and performance of Magellan as investment manager can have a significant impact (both directly and indirectly) on the investment returns of the Magellan Global Fund. Changes in key personnel and resources of Magellan may also have a material impact on investment returns of the Magellan Global Fund. k) Pooled investment scheme risk: The risk associated with investing in a pooled investment scheme including voting power and attribution of net income and net capital gains. <p>There are risks specific to Open Class Units, including:</p> <ul style="list-style-type: none"> a) Magellan Global fund provision of liquidity on the ASX risk: the risk associated with Magellan Global Fund RE providing liquidity on the ASX, as the execution and settlement of such transactions may involve errors. b) Price of units on ASX risk: The price at which the Open Class Units trade on ASX may differ materially from the NAV per Open Class Unit and the iNAV of the Open Class Units. 	Section 9
Meeting details, voting and approval thresholds		
32 When and where will the Meeting be held?	<p>The Meeting will be held on 25 November 2020, commencing at 10.30am (Sydney time). MGE RE is closely monitoring, planning and responding to the impact of the COVID-19 pandemic in Australia and is following the guidance issued by the federal and state governments. In light of recent health guidance, the Meeting will be held as a virtual meeting using an online platform which allows attendees to vote, ask questions and participate electronically in real-time, rather than attend the meeting at a physical venue.</p> <p>Refer to the Notice of Meeting (Schedule 1) for information on how to participate in the Meeting online.</p>	Notice of Meeting (Schedule 1)

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33 Who is eligible to vote at the Meeting?	All MGE Unitholders on the MGE Register as at 7.00pm (Sydney time) on 23 November 2020 (the Voting Record Date) are entitled to participate and vote at the meeting except that, in accordance with section 253E of the Corporations Act, Magellan Global Fund RE and its Associates are not entitled to vote their interests if they have an interest in a MGE Trust Scheme Resolution other than as a member of MGE.	Notice of Meeting (Schedule 1)
34 Why should I vote?	Voting is not compulsory. However, your vote will be important in determining whether or not the MGE Trust Scheme will proceed. The Directors recommend that you read this Explanatory Memorandum carefully, including the Independent Expert's Report, and vote in favour of the MGE Trust Scheme, in the absence of a Superior Proposal.	N/A
35 What are the MGE Trust Scheme Resolutions?	<p>The MGE Trust Scheme Resolutions consist of the Constitutional Amendment Resolution and the Related Party Resolution.</p> <p>The Constitutional Amendment Resolution is a special resolution for the purposes of section 601GC(1) of the Corporations Act to approve amendments to the MGE Constitution, as set out in the Supplemental Deed Poll. These amendments are necessary to effect the MGE Trust Scheme and authorise MGE RE to implement the MGE Trust Scheme, including the transfer of MGE Units to Magellan Global Fund in exchange for Open Class Units.</p> <p>The Related Party Resolution is an ordinary resolution for the purposes of Part 2E.1 of the Corporations Act (as modified by Part 5C.7 of the Corporations Act) to approve the provision of financial benefits to related parties of MGE RE in connection with the MGE Trust Scheme. MGE RE proposes to seek MGE Unitholder approval for the MGE Trust Scheme in the way set out in Chapter 2E of the Corporations Act (as modified by Part 5C.7 of the Corporations Act). The financial benefits being provided to MGE RE and its related parties (being MFG and Magellan) are:</p> <ol style="list-style-type: none"> a potential increase in, and greater certainty of, Magellan's management fee revenue as a result of the increased number of Closed Class Units that may be on issue as a result of the MGF Partnership Offer and the exercise of MGF Options by holders; and the potential for performance fees to become payable in funds that would otherwise not have been payable, or to become payable earlier, as a result of the potential alignment of the performance fee periods of MGE, Magellan Global Fund and MGG. <p>For further details of these financial benefits, see Section 12.11.</p>	Notice of Meeting (Schedule 1) and Section 12.11
36 What voting majority is required for the Constitutional Amendment Resolution?	As a special resolution, for the Constitutional Amendment Resolution to be approved, it must be passed by at least 75% of the total number of votes cast on the resolution by MGE Unitholders entitled to vote on the resolution at the Meeting.	Notice of Meeting (Schedule 1)
37 What voting majority is required for the Related Party Resolution?	As an ordinary resolution, for the Related Party Resolution to be approved, it must be passed by at least 50% of the total number of votes cast on the resolution by MGE Unitholders entitled to vote on the resolution at the Meeting.	Section 12.11 and Notice of Meeting (Schedule 1)
38 How do I vote?	<p>The Meeting will be held as a virtual meeting using an online platform which allows participants to vote, ask questions and participate electronically in real-time, rather than attend the meeting at a physical venue.</p> <p>You can participate in the Meeting online on the day of the meeting by visiting https://agmlive.link/MGE20 on your smartphone, tablet or computer. You will need the latest version of Chrome, Safari, Internet Explorer 11, Edge or Firefox. Please ensure your browser is compatible.</p> <p>Please ensure you have your SRN/HIN available and the registered postcode of your holding as you will need to enter these details to access your Voting Card and participate at the meeting. A Virtual Meeting Online Guide is available at www.magellanfundrestructure.com.au.</p> <p>All MGE Unitholders participating virtually will be taken to be present at the meeting. You may vote by participating in the virtual Meeting (via a webcast or an online voting facility). Alternatively, if you do not want to, or cannot, participate in the Meeting in this way, you can vote by proxy, by attorney or by corporate representative (in the case of a body corporate) in accordance with the instructions in the Notice of Meeting.</p>	Notice of Meeting (Schedule 1)

1 Key Questions

Question	Answer	More Information
39 What happens if I vote against the MGE Trust Scheme Resolutions or do not vote?	<p>If you do not vote, or if you vote against the MGE Trust Scheme Resolutions, then the Restructure may or may not be approved.</p> <p>The Restructure cannot be implemented unless the MGE Trust Scheme Resolutions are passed by the requisite majority of MGE Unitholders at the Meeting.</p> <p>However, even if you do not vote or vote against the MGE Trust Scheme Resolutions, this does not mean the MGE Trust Scheme will not be approved. If you vote against the MGE Trust Scheme Resolutions and they are approved and the Conditions Precedent are satisfied or waived (if applicable) and the MGE Trust Scheme becomes Effective, the MGE Trust Scheme and the Restructure will be implemented.</p>	N/A
40 Can I keep my MGE Units if the MGE Trust Scheme is approved, becomes Effective and is implemented?	<p>If the MGE Trust Scheme becomes Effective and is implemented, you will be bound by the MGE Trust Scheme and all of your MGE Units will be transferred to the Magellan Global Fund.</p> <p>MGE Trust Scheme Participants will receive Open Class Units, with the exchange ratio based on the respective net asset values on the Effective Date.</p> <p>Ineligible Foreign MGE Unitholders will not receive Open Class Units but may receive cash under the Sale Facility.</p>	Section 4
41 What if I do not want to participate in the MGE Trust Scheme?	<p>If you do not want to participate in the MGE Trust Scheme, you can sell your MGE Units on the ASX at any time up to and including the Effective Date.</p> <p>You will not be able to sell your MGE Units after the Effective Date.</p>	N/A
42 What happens if the MGE Trust Scheme Resolutions are not approved?	<p>If the MGE Trust Scheme Resolutions are not approved by the requisite majorities of MGE Unitholders at the Meeting or any other Conditions Precedent are not satisfied or waived (if applicable), the MGE Trust Scheme will not be implemented and MGE Unitholders will continue to hold MGE Units.</p>	Section 3.11
Implementation and other matters		
43 When will the MGE Trust Scheme be completed and implemented?	<p>If the MGE Trust Scheme Resolutions are passed and the Conditions Precedent are satisfied or waived (if applicable) and the MGE Trust Scheme becomes Effective, the MGE Trust Scheme will be implemented on the Implementation Date, which is expected to be 8 December 2020.</p>	Key Dates
44 When will I be issued Open Class Units?	<p>Magellan Global Fund RE must transfer Open Class Units to the MGE Trust Scheme Participants on the Implementation Date, which is expected to be 8 December 2020.</p>	Key Dates and Section 4.6
45 Prior to implementation, can I buy or sell MGE Units?	<p>Yes. You can buy or sell MGE Units on the ASX up to and including the Effective Date.</p>	N/A
46 What are the transaction costs associated with the MGE Trust Scheme?	<p>Magellan Group will be responsible for paying for all transaction costs associated with the MGE Trust Scheme.</p> <p>Unitholders in MGE and Magellan Global Fund will not pay for these costs.</p>	Section 4.14
47 Do I have to pay brokerage fees or stamp duty to participate in the MGE Trust Scheme?	<p>No brokerage or stamp duty will be payable by MGE Trust Scheme Participants on the transfer of their MGE Units under the Restructure or the receipt by MGE Trust Scheme Participants of Open Class Units.</p> <p>If you subsequently sell your Open Class Units brokerage may be payable to your executing stockbroker or financial adviser.</p>	Section 3.15
48 What are the Australian tax implications of the MGE Trust Scheme for MGE Unitholders?	<p>For detailed tax implications of the MGE Trust Scheme, refer to the Taxation Report in Section 11 of this Explanatory Memorandum which sets out the general Australian taxation implications for MGE Unitholders in respect of the MGE Trust Scheme.</p> <p>MGE Unitholders should seek professional tax advice regarding the tax implications of the MGE Trust Scheme.</p>	Section 11
49 Further questions	<p>If after reading this Explanatory Memorandum you have any questions about the Restructure or the MGE Trust Scheme, you should call the MGE Unitholder Information Line on +61 1800 206 847 between 7.00am and 8.00pm (Sydney time) Monday to Friday. If you are in any doubt as to what you should do, you should consult your legal, investment or other professional adviser without delay.</p>	N/A