

Magellan Global Trust

Product Disclosure Statement

For the Offer of fully paid Units in Magellan Global Trust (ARSN: 620 753 728)

Responsible Entity and Investment Manager:
Magellan Asset Management Limited ABN 31 120 593 946, AFS Licence No. 304 301

Lead Arranger and Joint Lead Manager to the Broker Firm and General Public Offers



TAYLOR COLLISON

AFS Licence 247083

Joint Lead Managers to the Broker Firm and General Public Offers

CommSec



AFS Licence 238814



AFS Licence 230686

ORD MINNETT

AFS Licence 237121

Co-Managers to the Broker Firm and General Public Offers

BELL POTTER

AFS Licence 243480

 **FORSYTH BARR**

CN 150925

JBWere

AFS Licence 341162



AFS Licence 237504

Morgans IN ALLIANCE WITH **CIMB**

AFS Licence 235410

Important Information

This is an important document which should be read in its entirety before making any investment decision. You should obtain independent advice if you have any questions about any of the matters contained in this product disclosure statement ("PDS").

Magellan Global Trust ARSN 620 753 728 ("Trust") is an Australian registered managed investment scheme.

This document is a product disclosure statement for the purposes of Part 7.9 of the Corporations Act and has been issued by Magellan Asset Management Limited ("Magellan") (AFSL 304301).

LODGEMENT AND LISTING

This PDS is dated 21 August 2017 and a copy of this PDS was lodged with ASIC on that date. Magellan will apply to ASX no later than seven days after the date of the first issue of Units for admission to the official list of ASX. Magellan will also apply to ASX no later than seven days after the date of issue of any Units for official quotation of these Units on ASX. These time periods are modified by ASIC relief. Neither ASIC, ASX nor their officers take any responsibility for the contents of this PDS. Admission to the official list of ASX is in no way an indication of the merits of the Trust.

RESPONSIBLE ENTITY

Magellan is the responsible entity of the Trust.

FORWARD-LOOKING STATEMENTS

This PDS contains forward-looking statements, statements identified by use of the words 'believes', 'estimates', 'anticipates', 'expects', 'predicts', 'intends', 'targets', 'plans', 'goals', 'outlook', 'aims', 'guidance', 'forecasts', 'may', 'will', 'would', 'could' or 'should' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of Magellan, its directors and its management. While Magellan believes that expectations in forward-looking statements in this PDS are reasonable, no assurance can be given that such expectations will prove correct. They are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

As set out above, Magellan does not make any representation, express or implied, in relation to forward-looking statements other than required by law and potential investors are cautioned not to place undue reliance on these statements. Magellan does not intend to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this PDS, except where required by law.

These statements are subject to various risk factors that could cause the Trust's actual results to differ materially from the results expressed or anticipated in these statements. Key risk factors are set out in Section 6. These and other factors could cause actual results to differ materially from those expressed in any statement contained in this PDS.

FEES AND COSTS INFORMATION

As part of the disclosures of fees and costs required by the Corporations Act, certain fees and costs information disclosed within this PDS is based upon Magellan's reasonable estimates of these fees and costs. Such fees and costs information is not indicative of the fees and costs that you may actually incur for your investment.

NOTICE TO INVESTORS

No person is authorised to provide any information, or to make any representation, about the Trust that is not contained in this PDS. Potential investors should only rely on the information contained in this PDS. Any information or representation not contained in the PDS may not be relied on as having been authorised by Magellan in connection with the Trust. Except as required by law and only to the extent required by such law, neither Magellan and its employees, agents or officers nor any other person associated with the Trust guarantees, in relation to the Trust, the success, repayment of capital, any rate of return on income or capital, the investment performance, that there will be satisfactory liquidity in Units once they are listed on ASX, that the market price of Units when listed on ASX will be similar to the NAV per Unit or the security of your investment. An investor's investment does not represent deposits or other liabilities of the Magellan Group companies.

Before deciding to invest in the Trust, investors should read the entire PDS. The information contained in individual sections is not intended to and does not provide a comprehensive review of the business and the financial affairs of the Trust. The information in this PDS is of a general nature only and does not take into account an investor's personal financial situation, investment objectives or needs. An investment in the Trust is subject to investment risk, which may include loss of principal invested. For more information on the risks associated with an investment in the Trust, please refer to Section 6 of this PDS. Before making an investment decision based on this PDS, investors should seek professional guidance from your stockbroker, solicitor, accountant or other professional adviser to obtain advice that is tailored to suit their personal circumstances. No cooling-off regime (whether provided for by law or otherwise) applies to the Trust.

NO OFFER WHERE OFFER WOULD BE ILLEGAL

This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Units in any jurisdiction outside Australia and New Zealand. The distribution of this PDS outside Australia and New Zealand may be restricted by law and persons who come into possession of this PDS outside Australia and New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

EXPOSURE PERIOD

Pursuant to the Corporations Act, this PDS is subject to an exposure period of seven days after the date of the PDS, which period may be extended by ASIC by a further period of seven days.

The exposure period enables this PDS to be examined by market participants. The examination may result in the identification of deficiencies in this PDS. If deficiencies are detected, Magellan will provide a supplementary or replacement PDS that corrects the deficiency. This PDS will be made generally available to Australian and New Zealand residents during the Exposure Period by being posted on the following website: www.magellanglobaltrust.com.au.

RIGHTS AND OBLIGATIONS ATTACHED TO THE UNITS

Details of the rights and obligations attached to each Unit are summarised in Section 13 and set out in the Constitution. The material provisions of the Constitution are also summarised in Section 13. A copy of the Constitution is available, free of charge on request from Magellan.

ELECTRONIC PDS

The PDS may be viewed online at www.magellanglobaltrust.com.au. Any person accessing the electronic version of this PDS, for the purpose of making an investment in the Trust, must only access the PDS from within Australia, New Zealand, or any jurisdiction outside Australia and New Zealand where the distribution of the electronic version of this PDS is not restricted by law. Any eligible person may obtain a paper copy of this PDS by contacting the Magellan Global Trust Offer Information Line on 1300 032 754 within Australia or +61 2 8023 5419 outside Australia.

UPDATED INFORMATION

Information in this PDS may need to be updated from time to time. Any updated information that is considered not materially adverse to investors will be made available on the Offer website: www.magellanglobaltrust.com.au and Magellan will provide a copy of the updated information, free of charge to any investor who requests a copy by contacting the Magellan Global Trust Offer Information Line on 1300 032 754 within Australia or +61 2 8023 5419 outside Australia.

In accordance with its obligations under the Corporations Act, Magellan may issue a supplementary PDS to supplement any relevant information not disclosed in this PDS. You should read any supplementary disclosures made in conjunction with this PDS prior to making any investment decision.

CURRENCY

References in this PDS to currency are to Australian dollars unless otherwise indicated.

TIME

All references to time in this PDS refer to the local time in Sydney, Australia unless stated otherwise.

GLOSSARY

Certain terms and abbreviations in this PDS have defined meanings that are explained in Section 14. Defined terms are generally identifiable by the use of an upper case first letter.

DIAGRAMS

Diagrams used in this PDS are illustrative only.

TRUST WEBSITE

Any references to documents included on the Trust or Magellan's website are provided for convenience only, and none of the documents or other information on those websites is incorporated by reference into this PDS.

DATA

All data contained in charts, graphs and tables is based on information available as at 31 July 2017 unless otherwise stated.

Contents

Important Information	2
Contents	4
Letter to Investors	5
Important Dates	6
1. Key Information	7
2. Overview of the Investment Strategy	12
3. About the Investment Manager	15
4. About the Magellan Global Trust	17
5. Details of the Offer	20
6. Risk Factors	26
7. Fees and Costs	28
8. Corporate Governance	31
9. Financial Information	33
10. Independent Limited Assurance Report	35
11. Tax	38
12. Material Contracts	40
13. Additional Information	41
14. Glossary	45
15. Directory	47



Dear Investor,

It gives me great pleasure to invite you to become an investor in the Magellan Global Trust (the "Trust").

The Trust will invest in a focussed, global equities portfolio that aims to deliver investors a Target Cash Distribution yield of 4% per annum and will apply for Units allotted under the Offer to be listed on the ASX.

Since Magellan was established in 2006, our goal has been to provide Australian investors with an opportunity to globally diversify their savings and wealth. We believe it is important that Australian investors diversify a meaningful portion of their equity investments into global equities. The available investment universe in Australian equities is relatively narrow and, in our opinion, remains heavily dependent on the ongoing economic success of China, the domestic economy and the large Australian banks. Companies such as Alphabet (the owner of Google), Apple, Microsoft, Nestle, PayPal and Yum! Brands are world leaders in their fields that have no equivalents on the ASX. Australians are familiar with these names because we use their products and services all the time.

The portfolio will be managed by myself and Stefan Marcionetti. Stefan has been working with me on our global equities strategy and will be working with me as co-portfolio manager of the Trust.

Our investment philosophy is to invest in a focussed portfolio (15 – 35 investments) of the world's best companies, as assessed by us, and to invest at a discount to our assessment of each company's underlying intrinsic value. We believe investing in such a portfolio should generate attractive investment returns over time whilst reducing the risk of a permanent capital loss.

All costs of the Offer will be paid for by the Magellan Group in cash. This means investors will be subscribing for Units in the Trust at a price equal to the pro forma NAV per Unit after completion of the Offer. Importantly, the initial investable cash of the Trust will also be identical to the capital raised under the Offer, ensuring investors are generating returns on every dollar they invest in the Trust. Investors may also benefit from an attractive distribution reinvestment plan with a 5% discount and the full cost of the discount to be paid for by Magellan. We believe this will be well received by investors.

To our existing shareholders and investors in our retail funds, Magellan would like to thank you for your ongoing support by inviting you to invest via the Priority Offer. By participating in the Priority Offer, Priority Applicants may be eligible to receive valuable Loyalty Units based on the number of Units allotted to them under the Priority Offer. The Magellan Group will bear the economic cost of the Loyalty Units. Full details of the Loyalty Units are set out in Section 5 of this PDS.

The Directors of Magellan intend to apply for Units under the Offer. The Directors have agreed to cap their participation under the Priority Offer, where eligible, to \$100,000 per Director and will be eligible to receive Loyalty Units. The Directors may apply for additional Units under the General Public Offer however, consistent with the terms of that Offer, will not be entitled to receive Loyalty Units on Applications made under the General Public Offer.

I intend, via a personal investment company, to subscribe for \$20 million worth of Units in the Trust and intend to subscribe for all of these Units under the General Public Offer and, as such, I will not be entitled to receive Loyalty Units.

To investors new to Magellan, I would like to welcome you to the Magellan family and the world of global investing.

Like all investments, there is a number of risks to investing in the Trust. These risks are set out in Section 6 of this PDS which we encourage you to read in full.

Yours sincerely,

Hamish Douglass
Co-founder, Chief Executive Officer & Chief Investment Officer, Magellan Financial Group
Portfolio Manager, Magellan Global Trust

Important Dates

Lodgement of the PDS with ASIC	21 August 2017
Offer opens	29 August 2017
Broker Firm Offer and General Public Offer close	22 September 2017
Priority Offer closes	29 September 2017
Expected date for the allotment of Units under the Priority Offer	12 October 2017
Expected date for the allotment of Units under the Broker Firm Offer and General Public Offer	13 October 2017
Expected date for dispatch of holding statements	13 October 2017
Trading of Units commences on ASX (on a normal settlement basis)	18 October 2017
Loyalty Unit Determination Date	11 December 2017
Ex-Distribution date for the period ending 31 December 2017	28 December 2017
Distribution record date for the period ending 31 December 2017	29 December 2017
Loyalty Unit Issue Date	15 January 2018

The above timetable is indicative only. Magellan reserves the right to vary the dates and times set out above subject to the Corporations Act and other applicable law. In particular, Magellan reserves the right to close the Offer early, extend the Closing Date, withdraw the Offer or accept late Applications (generally or in particular cases) without notifying any recipients of this PDS or any Applicants. Investors who wish to submit an Application are encouraged to do so as soon as practicable after the Offer opens.

1. Key Information

This is a summary only. This PDS should be read in full before making any decision to apply for Units.

Question	Answer	For more information
About the Magellan Global Trust and investment Overview		
What is the Magellan Global Trust?	The Magellan Global Trust ("Trust") is a unit trust which has been registered as a managed investment scheme under the Corporations Act and will apply to be admitted to the official list of ASX as an investment entity.	Section 4
What is the proposed ASX code?	MGG	n/a
Who is the responsible entity and investment manager of the Trust?	Magellan Asset Management Limited (ABN 31 120 593 946) ("Magellan") is the responsible entity and investment manager of the Trust. Magellan is a wholly owned subsidiary of Magellan Financial Group Limited ("MFG"), which is listed on the ASX.	Section 4
What experience does the investment manager have?	Magellan has a long track record in global investing, having commenced its management business in 2006. It currently manages approximately \$50 billion in funds under management as at the date of this PDS for retail, high-net worth and institutional clients.	Section 3
Who are the portfolio managers?	Hamish Douglass (Co-Founder, Chief Executive Officer and Chief Investment Officer of MFG) and Stefan Marcionetti (Portfolio Manager of Magellan) are the Portfolio Managers responsible for the investment decisions for the Trust.	Section 3
What are the Trust's investment objectives?	The investment objectives of the Trust are to achieve attractive risk-adjusted returns over the medium to long-term, whilst reducing the risk of permanent capital loss.	Section 2
What is the Investment Strategy?	Magellan seeks to invest in a focussed portfolio of outstanding global companies and seeks to purchase investments when they are trading at a discount to their assessed intrinsic value. Magellan undertakes extensive fundamental analysis on the individual companies and the industries in which they operate. Magellan believes that outstanding companies are those that are sustainably able to exploit competitive advantages in order to earn returns on capital that are in excess of their cost of capital. Magellan also undertakes detailed macroeconomic analysis in order to take advantage of mis-pricing of economic cycles to manage investment risk. Magellan is able to invest up to 50% of the Trust's gross assets in cash and cash equivalents. Magellan focuses on generating attractive absolute returns over the medium to long term. The Investment Strategy is benchmark agnostic as the strategy has few similarities to market benchmarks or share market indices. Magellan is focussed on delivering attractive risk adjusted returns over the medium to long term whilst minimising the risk of a permanent capital loss, rather than benchmark-relative returns. Notwithstanding, Magellan may be entitled to a performance fee that is calculated with reference to the Index Relative Hurdle and Absolute Return Hurdle, further details of which are outlined in Section 7 of this PDS. The Portfolio will typically comprise 15 to 35 investments. The Trust may also manage its foreign currency exposure arising from investments in overseas markets.	Section 2
What disclosures will Magellan make around the value of the Trust and the Portfolio?	Magellan intends to make the following disclosures in relation to the value of the Trust and the Portfolio: <ul style="list-style-type: none"> • NAV per Unit published on Magellan's website daily and on ASX weekly; • Indicative intra-day NAV per Unit ("iNAV") published on Magellan's website daily and which is updated throughout the ASX trading day; • Monthly Trust factsheets on Magellan's website and ASX; and • The full Portfolio on a quarterly basis with a delay period of no longer than two months on ASX. 	Section 4

Question	Answer	For more information
Will the Trust pay distributions?	<p>Magellan intends to target a cash distribution yield of 4% per annum ("Target Cash Distribution") based on the average of the month-end NAV per Unit over a two year rolling period. The Target Cash Distribution will be paid semi-annually, with the actual amount for each period determined using the average of the month-end NAV per Unit over the two year period ending on the last Business Day of the prior distribution period.</p> <p>For the first two years, Magellan intends to pay the following Target Cash Distributions:</p> <ul style="list-style-type: none"> • \$0.03 per Unit for the period from the Allotment Date to 31 December 2017; • \$0.03 per Unit for the six months ending 30 June 2018; • \$0.03 per Unit for the six months ending 31 December 2018; and • \$0.03 per Unit for the six months ending 30 June 2019; <p>Magellan will announce the Trust's Target Cash Distribution per Unit on ASX at the beginning of each semi-annual distribution period.</p> <p>Magellan expects that the distribution policy will provide Unitholders with greater certainty on the amount of upcoming distributions.</p> <p>Where net income or net capital gains earned in a particular year exceeds the Target Cash Distribution, Magellan intends that the portion of any distribution in excess of the Target Cash Distribution will be required to be reinvested as additional Units in the Trust in accordance with the DRP Rules.</p> <p>Magellan retains the discretion to amend the distribution policy of the Trust.</p>	Section 4
Will distributions be franked?	<p>Distributions are paid to investors on a pre-tax basis and will typically be unfranked. Distributions may be franked to the extent the Trust earns franked dividends from investments in the Portfolio, for example if the Trust invests in the shares of an Australian company.</p>	Section 4
Will there be a distribution reinvestment plan?	<p>Yes. Magellan has established a DRP in respect of distributions made by the Trust.</p> <p>In respect of each Target Cash Distribution, Magellan may elect to offer or not offer the DRP. Under the DRP, Unitholders may elect to have all or part of their Target Cash Distribution reinvested as additional Units in the Trust. The DRP Rules provide detail on the methodology for determining the price at which Units are issued to Unitholders and can be found at www.magellangroup.com.au. Magellan intends to offer Unitholders who elect to participate in the DRP in respect of the Target Cash Distribution an issue price which is set at a 5% discount to the NAV per Unit as defined in the DRP Rules. As an additional benefit to Unitholders and to ensure that Unitholders who elect not to participate in the DRP suffer no dilution as a result of the DRP discount, the Magellan Group will pay the Trust an amount of consideration equal to the cost of this discount in accordance with the terms of the MFG Subscription and Commitment Deed.</p> <p>Elections to participate in the DRP in respect of the Target Cash Distribution can be made via the Application Form attached to this PDS or must be made by the election date announced by Magellan in respect of each relevant Target Cash Distribution.</p> <p>Under the DRP rules, no discount is applicable to Units issued in respect of the distribution in excess of the Target Cash Distribution.</p>	Section 4
What are the key benefits associated with an investment in the Trust?	<p>The Offer provides investors with an opportunity to invest in an ASX listed investment trust which aims to provide investors with:</p> <ul style="list-style-type: none"> • Access to the investment experience and expertise of Magellan; • Exposure to a focussed portfolio of high quality global companies as assessed by Magellan; • An attractive Target Cash Distribution yield of 4% per annum; • An attractive DRP with a 5% discount to the NAV per Unit in respect of the Target Cash Distribution with the discount being paid by the Magellan Group; • A Pro Forma NAV per Unit equal to the Offer Price as the Magellan Group is paying for all costs associated with the Offer; • Transparency in relation to the value of the Trust and the Portfolio; and • For Applicants eligible to participate in the Priority Offer, a valuable loyalty reward of 6.25% of the number of Units allotted to the Applicant under the Priority Offer. 	Sections 2, 3, 4 and 5
What are the key risks associated with an investment in the Trust?	<p>There is a number of risks associated with investing in the Trust which are set out in further detail in Section 6 of this PDS. Key risks specific to an investment in the Trust include:</p> <ol style="list-style-type: none"> 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. Company specific risk: The value of the Trust's investments in a company's securities may be impacted by the risks to which that particular company is itself exposed. Concentration risk: The investment returns of the Trust may be dependent upon the performance of a small number of individual companies in the Portfolio. Conflicts of interest risk: Magellan and its various service providers may from time to time have potential conflicts of interest with the Trust. 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 Trust such that all conflicts (if any) are resolved fairly. Counterparty risk: There is a risk that the Trust may incur a loss arising from the failure of another party to a contract (the counterparty) to meet its obligations. 	Section 6

Question	Answer	For more information
	<p>f) Currency management risk: The Trust's foreign currency exposure may at times negatively impact investment values and returns. There is also a risk that the Trust's currency management activities might not be effective and may lose the Trust money.</p> <p>g) Derivative risk: The value of a derivative can be highly volatile and may change due to factors including movements in the value of the underlying asset, potential liquidity of the derivative and counterparty credit risk.</p> <p>h) Distribution policy risk: Under the distribution policy for the Trust, there may be circumstances where a portion of a distribution in a particular period will be required to be reinvested as additional Units in the Trust. In such circumstances, there is a risk the distribution received by Unitholders in cash may be insufficient to cover a Unitholder's tax payable on the total distribution.</p> <p>i) DRP issue price risk: Because Units issued under the DRP are issued at the NAV per Unit or a discount to the NAV per Unit, there is a risk that the DRP issue price could be at a premium to the trading price of Units on ASX.</p> <p>j) iNAV risk: The iNAV published by the Trust is indicative only and might not be up to date or might not accurately reflect the underlying value of the Trust.</p> <p>k) Leverage risk: The Trust may borrow against all or part of the Portfolio to fund a buyback of Units and/or for investment purposes. Borrowings can magnify the gains and losses in the Trust.</p> <p>l) Liquidity of investments risk: Under extreme market conditions, the Trust may be unable to liquidate sufficient assets to meet its obligations within required timeframes or it may be required to sell assets at a substantial loss in order to do so.</p> <p>m) Loyalty Unit vesting risk: Priority Applicants eligible to receive Loyalty Units are required to be unitholders in the Trust on 11 December 2017. Priority Applicants who, on this date, hold a lower number of Units than allotted to them under the Priority Offer will receive a number of Loyalty Units which is proportionally lower (rounded down to the nearest whole Unit) than the amount they may have received had they held at least the same number of Units allotted to them. Priority Applicants who, on this date, do not hold any Units will not receive Loyalty Units. Priority Applicants who transfer their allotted Units to a different HIN, SRN or Intermediary in the period after allotment of Units under the Priority Offer and prior to the issue of Loyalty Units will not receive Loyalty Units.</p> <p>n) Market risk: There is a risk that the market price of the Trust's assets and investments will fluctuate.</p> <p>o) Operational risk: The risk that inadequacies with systems and procedures or the people operating them could lead to a problem with the Trust's operation and result in a decrease in the value of Units.</p> <p>p) Performance risk: There is a risk that the Trust may not achieve its investment objectives.</p> <p>q) 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 Trust. Changes in key personnel and resources of Magellan may also have a material impact on investment returns of the Trust.</p> <p>r) Price of Units on ASX risk: The Trust's Unit price may not equal the underlying value of the Portfolio as reflected in its NAV per Unit. The Trust's Units may trade on ASX at a discount or a premium to the Trust's NAV per Unit. As such, there is a risk that Unitholders may not be able to sell their investment in the Trust at the Trust's NAV per Unit.</p> <p>s) Regulatory risk: There is a risk that a change in laws and regulations could have an adverse impact on the Trust or on the Trust's investments.</p> <p>t) Target Cash Distribution risk: The Target Cash Distribution is calculated as a percentage of the average of the month-end NAV per Unit over a two year rolling period and therefore there is a risk that the Target Cash Distribution in cents per Unit may decline in some periods if the Trust's NAV per Unit declines. There is also a risk that, in the future, Magellan changes the target level for Target Cash Distributions.</p> <p>u) Trust risk: Trust risk refers to specific risks associated with the Trust, such as termination and changes to fees and expenses. The performance of the Trust or the security of an investor's capital is not guaranteed. An investment in the Trust is governed by the terms of the Constitution and this PDS, each as amended from time to time, and the rules of the ASX.</p>	<p>Section 6</p>

Question	Answer	For more information
B. Fees and Costs		
What fees will Magellan receive?	<p>Management Costs <u>Management and administration fees.</u> Magellan is entitled to receive management and administration fees of 1.35% p.a. (inclusive of the estimated net effect of GST less any RITC). The management and administration fees are calculated daily based on the value of the Trust on that Business Day. An estimate is accrued daily in the NAV per Unit and the fees are payable monthly in arrears.</p> <p><u>Performance fee</u> Magellan may be entitled to a performance fee of 10% (inclusive of the estimated net effect of GST less RITC and other recoveries available to the Trust) of the excess return of the Trust above the higher of the Index Relative Hurdle (the MSCI World Net Total Return Index (AUD)) and the Absolute Return Hurdle (the yield of 10-year Australian Government Bonds) over each six-month period ending 31 March and 30 September in each year ("Calculation Period"). Performance fees are accrued daily in the NAV. Performance fees are paid subject to the performance hurdles and the High Water Mark being met for the relevant Calculation Period and an overall cap.</p>	Section 7
C. About the Offer		
Who is the issuer of the Units, and this PDS?	Magellan Asset Management Limited.	Section 5
What is the Offer?	<p>The Offer comprises an offer of Units at an Offer Price of \$1.50 per Unit to raise a minimum of \$250 million.</p> <p>The Offer comprises a Priority Offer, a Broker Firm Offer and a General Public Offer.</p> <p>Magellan has not set an upper limit on the amount that can be raised under the Offer due to the nature of the Priority Offer and potential number of applicants, particularly in respect of those applying through Intermediaries. Further information is set out in Section 5.9. Magellan has the discretion to scale back Applications made under each of the Offers.</p>	Section 5
What is the pro forma Net Asset Value ("NAV") backing per Unit?	<p>\$1.50</p> <p>The Pro Forma NAV per Unit will equal the Offer Price as the Magellan Group will pay for all costs associated with the Offer in cash.</p>	Section 9
Who can participate in the Priority Offer?	<p>The Priority Offer is open to any person who has a registered address in Australia or New Zealand and who, as at 5.00pm (Sydney time) on 1 August 2017, was a direct or indirect holder or investor in any one of the following (each an "Eligible Vehicle"):</p> <ol style="list-style-type: none"> Magellan Financial Group (ASX: MFG); Magellan's Active ETFs: Magellan Global Equities Fund (Managed Fund) (ASX: MGE), Magellan Global Equities Fund (Currency Hedged) (Managed Fund) (ASX: MHG) and Magellan Infrastructure Fund (Currency Hedged) (Managed Fund) (ASX: MICH); Magellan's unquoted registered managed investment schemes: Magellan Global Fund (ARSN 126 366 961); Magellan Global Fund (Hedged) (ARSN 164 285 661); Magellan Infrastructure Fund (ARSN 126 367 226); Magellan Infrastructure Fund (Unhedged) (ARSN 164 285 830); and Magellan High Conviction Fund (ARSN 164 285 947); and at Magellan's discretion, any fund or investment strategy for which Magellan is the investment manager or adviser. <p>A direct holder is a registered shareholder or registered Unitholder of an Eligible Vehicle ("Direct Magellan Holder"). Any person invested in an Eligible Vehicle indirectly through an Intermediary (being, an "Indirect Magellan Holder") on the Priority Determination Date may participate in the Priority Offer via their Intermediary or directly through the Unit Registry under certain circumstances. Please refer to Section 5.2 for more information on how an Indirect Magellan Holder may participate in the Priority Offer.</p> <p>Priority Applicants are invited to subscribe under the Priority Offer for an amount of Units equal to the higher of:</p> <ul style="list-style-type: none"> \$30,000, equivalent to 20,000 Units; or \$1.00 worth of Units for every \$10.00 directly or indirectly held in Eligible Vehicles. <p>Priority Applicants are able to subscribe for a lower number of Units than the number for which they have been invited to subscribe. However, all Applicants must subscribe for a minimum of 1,500 Units (\$2,250) to participate in the Offer.</p> <p>Priority Applicants who wish to subscribe for Units in excess of the number of Units for which they have been invited to subscribe under the Priority Offer will need to apply for Units under either the Broker Firm Offer or General Public Offer.</p> <p>Priority Applicants will be taken to have applied for a number of additional Units, being Loyalty Units, (rounded down to the nearest whole Unit) equivalent to 6.25% of the number of Units allotted under the Priority Offer. The economic cost associated with Loyalty Units will not be borne by the Trust or its Unitholders. The Magellan Group will bear the economic cost associated with the Loyalty Units as set out in Section 13.1.</p> <p>Magellan reserves the right to scale back Applications under the Priority Offer at its discretion.</p> <p>Further information on the Priority Offer is set out in Section 5.</p>	Section 5

Question	Answer	For more information
When will Priority Applicants receive their Loyalty Units?	<p>Priority Applicants need to be a unitholder (either directly as a Unitholder or indirectly via the Intermediary through which they were allotted Units) in the Trust on the Loyalty Unit Determination Date of 11 December 2017 in order to receive Loyalty Units.</p> <p>Priority Applicants who, on this date, hold at least the same number of Units allotted to them under the Priority Offer will receive 100% of their Loyalty Units.</p> <p>Priority Applicants who, on this date, hold a lower number of Units than allotted to them under the Priority Offer will receive a number of Loyalty Units which is proportionally lower (rounded down to the nearest whole Unit) than the amount they may have received had they held at least the same number of Units allotted to them under the Priority Offer.</p> <p>Priority Applicants who, on this date, do not hold any Units will not receive any Loyalty Units.</p> <p>Trading in Units in the Trust on ASX will ordinarily settle two Business Days after trade date (in the same way as other ASX listed securities). Therefore, Priority Applicants who have been allotted Units under the Priority Offer should be aware that any Units purchased on or after 8 December 2017 or sold before 8 December 2017 will not be recognised on the Unit register on the Loyalty Unit Determination Date of 11 December 2017.</p> <p>It is expected that Loyalty Units will be issued on or around 15 January 2018.</p>	Section 5
Who can participate in the Broker Firm Offer?	The Broker Firm Offer is open to persons who have received a firm allocation from their stockbroker or financial adviser and have a registered address in Australia or New Zealand. If you have been offered a firm allocation to participate in the Broker Firm Offer, your Application Form must be received by your stockbroker or financial adviser by 5:00pm Sydney time on the Broker Firm Offer Closing Date.	Section 5
Who can participate in the General Public Offer?	Members of the general public who have a registered address in Australia and New Zealand can participate in the General Public Offer. Applicants applying under the General Public Offer should follow the instructions in Section 5.	Section 5
Is the Offer underwritten?	No.	Section 5
Who are the Lead Managers to the Broker Firm Offer and General Public Offer?	Commonwealth Securities Limited National Australia Bank Limited Ord Minnett Limited Taylor Collison Limited (also the Lead Arranger)	Section 5
Who are the Co-Managers to the Broker Firm Offer and General Public Offer?	Bell Potter Securities Limited Forsyth Barr Limited JBWere Limited Macquarie Equities Limited Morgans Financial Limited	Section 5
What are the fees and costs of the Offer?	<p>The fees and costs associated with the Offer will be borne by the Magellan Group.</p> <p>The Magellan Group will pay the Lead Arranger a fee equal to 0.05% (plus GST) of the total amount raised under the Broker Firm Offer and General Public Offer. The Magellan Group will also pay the Joint Lead Managers a fee equal to 1.0% (plus GST) of the total amount raised under the Broker Firm Offer and General Public Offer. The Magellan Group will pay to each Joint Lead Manager a Broker Firm Offer selling fee of 1.5% (plus GST) of the total amount in the Broker Firm Offer raised by the relevant Joint Lead Manager (directly, through a Co-Manager or through its retail broking channel) for which Units are allotted.</p> <p>The Magellan Group will pay a stamping fee of 1.0% (plus GST) to AFSL holders based on the value of Units allotted in respect of Priority Offer Application Forms and General Public Offer Application Forms bearing a stamp from an AFSL holder.</p>	Section 12
Is there a Minimum subscription amount for the Offer to proceed?	Yes, a Minimum Subscription of \$250,000,000, which equates to approximately 166,700,000 Units, is required in order for the Offer to proceed.	Section 5
Is there a minimum subscription amount for each Application?	Yes, each Applicant under the Offer must subscribe for a minimum subscription amount of \$2,250 which equates to 1,500 Units (at the Offer Price of \$1.50 per Unit). Subscriptions for Units in excess of the minimum subscription amount must be made in multiples of 100 Units.	Section 5
Is there a cooling off period?	No.	Section 5
How can I obtain further information in relation to the Offer?	If you would like more information or have any questions relating to the Offer, you can refer to the Offer website at www.magellanglobaltrust.com.au or contact the Magellan Global Trust Offer Information Line on 1300 032 754 (within Australia) or +61 2 8023 5419 (outside Australia) between 8:30am and 5:00pm (Sydney time) Monday to Friday. If you are uncertain as to whether an investment in the Trust is suitable for you, please contact your stockbroker, financial adviser, accountant, lawyer or other professional adviser.	Section 5

2. Overview of the Investment Strategy

2.1 Investment objectives

The investment objectives of the Trust are to achieve attractive risk-adjusted returns over the medium to long-term, whilst reducing the risk of permanent capital loss.

The Trust offers investors the opportunity to invest in a portfolio of high quality global companies, as assessed by Magellan, be paid an attractive Target Cash Distribution yield of 4% per annum and also benefit from capital growth over the medium to long term.

2.2 Investment Strategy

Magellan seeks to invest in a focussed portfolio of outstanding global companies and seeks to purchase investments when they are trading at a discount to Magellan's assessment of their intrinsic value. Magellan undertakes extensive fundamental analysis on the individual companies and the industries in which they operate.

Magellan believes that outstanding companies are those that are able sustainably to exploit competitive advantages in order to earn returns on capital that are in excess of their cost of capital.

Magellan also undertakes detailed macroeconomic analysis in order to take advantage of mis-pricing of economic cycles and to manage investment risk. Magellan is able to invest up to 50% of the Trust's gross assets in cash and cash equivalents and borrow up to 20% of the Trust's gross assets.

Magellan focuses on generating attractive absolute returns over the medium to long term. The Investment Strategy is benchmark agnostic as the strategy has few similarities to market benchmarks or share market indices. Magellan is focussed on delivering attractive risk adjusted returns over the medium to long term whilst minimising the risk of a permanent capital loss, rather than benchmark-relative returns. Notwithstanding, Magellan may be entitled to a performance fee that is calculated with reference to the Index Relative Hurdle and Absolute Return Hurdle, further details of which are outlined in Section 7 of this PDS.

The Trust may also manage its foreign currency exposure arising from investments in overseas markets.

2.3 Investment process

Magellan's investment process integrates three key disciplines:

1. intensive bottom-up stock analysis and industry research;
2. broad and detailed macroeconomic insight; and
3. rigorous portfolio construction and risk discipline.

Intensive bottom-up stock analysis and industry research

Magellan undertakes in-depth, proprietary company research, seeking to identify sustainable competitive advantages that enable businesses to generate excess returns on capital and predictable cash flow streams. This information is then used to identify stock valuation anomalies. Company research includes an assessment of a company's inherent quality based on the following specific key quality criteria:



Broad and detailed macroeconomic insight

Magellan undertakes proprietary macroeconomic research in order to identify and manage risks and opportunities presented by the macroeconomic environment. Although this expertise has been particularly useful both during and in the aftermath of the global financial crisis, Magellan regards detailed knowledge of macroeconomics as beneficial in most market conditions.

Rigorous portfolio construction and risk discipline

Magellan views both portfolio construction and formal risk controls as important processes in protecting the Portfolio from external shocks. These processes seek to provide downside protection in falling markets, whilst also providing the flexibility to participate in different stages of the market cycle.

2.4 Permitted investments

Whilst the Trust will invest predominantly in global listed securities, it is permitted to invest in a wide variety of assets, including but not limited to the following:

- a) securities quoted (or soon to be quoted) on a global securities exchange including ASX;
- b) specialised investment trusts and other pooled investment vehicles;
- c) unlisted securities;
- d) options to purchase or sell any investment which is a permitted investment;
- e) discounted or purchased bills of exchange, promissory notes or other negotiable instruments accepted, drawn or endorsed by any bank or any corporation;
- f) convertible notes or preference shares;
- g) equity swaps; and
- h) foreign exchange contracts.

2.5 Investment parameters

The key investment parameters for the construction of the Portfolio will be based on the following principles:

Exposure	Guidelines	
Number of companies	Typically, 15-35 companies.	
Asset classes and asset allocation ranges	Asset class	Investment range
	Securities	50% - 100%
	Cash & cash equivalents	0% - 50%
Geographical	The Trust will invest in securities listed on global securities exchanges.	
Industry/Sector	No limitations, subject to Magellan's commitment to responsible investing (refer to Section 2.6).	
Single security position limit	15% of the Trust's gross asset value at the time of purchase.	
Currency hedging	The Trust may manage its foreign currency exposure arising from investments in overseas markets.	
Borrowing policy	The Trust may borrow against all or part of the Portfolio, provided that, at the time, aggregated borrowings do not exceed 20% of the Trust's gross asset value. The Trust may borrow for the predominant purpose of funding a buyback of Units and may also, at times, borrow for investment purposes.	

Derivatives

The Trust may use derivatives for the predominant purpose of managing foreign currency exposures.

2.6 Responsible investment

Magellan is committed to responsible investment and became a signatory to the United Nations Principles of Responsible Investment ("UNPRI") in March 2012. The UNPRI is the globally recognised accord for responsible investing. Environmental, Social and Governance ("ESG") issues are considered to be a natural component of Magellan's investment process, as gaining a robust understanding of these issues is a key input to assessing the outlook for future cash flow generation and risks facing investors. Magellan seeks to apply a rigorous assessment of ESG issues as part of its investment process and act as a responsible owner by engaging with Portfolio companies where a material ESG issue exists and exercising its proxy voting rights where appropriate. Magellan maintains an ESG Policy, which outlines how ESG issues are incorporated into Magellan's investment analysis framework and investment process.

The Trust will not invest in companies that generate the majority of their revenues from tobacco, oil and gas production or mining of natural resources.

In May 2017, Magellan became a signatory of the UNPRI's Montreal Pledge. Under the Pledge, Magellan commits to measure and publicly disclose the carbon footprint of its actively managed investment portfolios. As such Magellan will publicly disclose the carbon footprint of the Portfolio.

2.7 Allocation policy

Magellan is also responsible for managing a number of other funds and investment mandates (collectively "Clients") and it applies the same general investment philosophy and methodology in managing each of them (subject to any investment restrictions or guidelines specific to any vehicle). Therefore, it is not uncommon for Magellan to be purchasing or selling the same security on behalf of several Clients at or about the same time. Trade allocation is determined on a basis that is fair, reasonable and equitable to all of Magellan's Clients to avoid any Client receiving preferential treatment. This process is generally facilitated by amalgamating Client orders placed for the same security and trading strategy into a single block-booked trade. In situations where a trade involving two or more Clients receives a partial fill, allocations are applied equitably on a pro-rata basis to the respective Client accounts. In the instance where an allocation to a Client account would be very small, the Magellan's trading procedures allow for allocation discretion.

2.8 Labour standards and environmental, social and ethical considerations

Magellan believes that issues relating to labour standards, and to environmental, social and ethical considerations have the potential to affect the business outcomes of the Trust's investment companies. Accordingly, Magellan reviews labour standards, environmental, social and ethical considerations as part of the risk assessment that is completed when it determines the investment grade status of a company.

3. About the Investment Manager

3.1 Overview of the investment manager

The Trust's Investment Strategy will be implemented by the investment manager, Magellan, which holds AFSL 304 301.

Magellan is a specialist investment management business based in Sydney and manages global equities and global listed infrastructure equities investment strategies. Established in 2006, Magellan employs a team of experienced investment professionals.

Magellan is the wholly owned operating subsidiary of Magellan Financial Group Limited which is listed on ASX (ASX: MFG).

3.2 Role of the investment manager

As the investment manager, Magellan is responsible for selecting and managing the investments of the Trust.

Magellan will:

- (a) implement the Investment Strategy, including actively manage and supervise the Trust's investments;
- (b) manage the Trust's exposure to markets, derivatives and cash; and
- (c) regularly update investors regarding the Trust.

3.3 Differences between the Trust and Magellan's Global Equities strategy

Investment Strategy

Magellan launched its Global Equities strategy in 2007. As at 31 July 2017, Magellan managed \$41.3 billion in the strategy for high net worth, retail and institutional investors including on behalf of registered managed investment schemes. Both the Trust and Magellan's Global Equities strategy leverage Magellan's investment philosophy and investment processes. However, the Trust has a differentiated investment mandate from the broader Global Equities strategy. A brief comparison of the investment mandate of the Trust and Magellan's Global Equities strategy is outlined below.

		Magellan's Global Equities strategy	Magellan Global Trust
Core Principles	Benchmark agnostic	Absolute risk – adjusted returns	
	Universe of quality companies	Deep research on companies less likely to suffer from permanent erosion of shareholder value	
	Long-term focus	Looking beyond short-term 'noise' to focus on risks and opportunities that materially affect the fundamental value of a business	
	Macroeconomic input	Identify and manage risks and opportunities through economic cycles	
Risk Parameters	Concentration	20-40 companies	15-35 companies
	Dynamic cash allocation	20%	50%
	Currency hedging	Either unhedged or hedged	Currency management
	Derivatives use	Yes, but only used or intended to be used for managing foreign currency exposure in currency hedged vehicles	Yes, but only used or intended to be used for managing foreign currency exposure
Other	Borrowing	Up to 5%	Up to 20%
	Distribution	No target distribution yield, distributions paid annually	Target Cash Distribution yield of 4% per annum paid semi-annually

Trust structure

Magellan's existing funds are registered managed investment schemes that are structured as open-ended unit trusts. As such, their cash flows are affected by applications and redemptions by investors. Each trust, being open-ended, may receive cash inflows via investments from investors and is accordingly able to redeploy capital without necessarily selling down any securities it already holds. Each trust can also be subject to cash outflows due to investors redeeming investments and units that may need to be funded by the entity having to sell down security positions. The Trust is a closed-end investment vehicle and therefore there is no ability for investors to apply to, or redeem from, the Trust on a daily basis.

3.4 Investment team

As at 31 July 2017, Magellan's investment team comprised 34 investment professionals, with expertise across different industries, and three trading professionals.

Hamish Douglass is Co-Founder, Chief Executive Officer and Chief Investment Officer of MFG and is the Lead Portfolio Manager of Magellan's Global Equities strategies. Hamish Douglass and Stefan Marcionetti will be Portfolio Managers of the Trust and will be supported by Magellan's investment team. This team is organised into sector teams, with investment analysts responsible for global industry coverage within their assigned sector(s) as set out below.

Franchises¹	Financials	Infrastructure & Industrials
Technology, Communications & Media	Healthcare	Macro

¹ Includes Household and Personal Care, Food, Consumer Staples and Retailing, Restaurants, Textiles, Apparel and Luxury Goods and specialty retailing.

Portfolio Managers to the Trust

Portfolio Manager	Biography
Hamish Douglass	Hamish Douglass is Co-Founder, Chief Executive Officer and Chief Investment Officer of MFG, and Lead Portfolio Manager of Magellan's Global Equities strategies. Prior to Magellan, Mr Douglass was Co-Head of Global Banking for Deutsche Bank AG in Australia and New Zealand. Mr Douglass is a former member of the Australian Government's Financial Literacy Board, the Australian Government's Takeovers Panel, the Australian Government's Foreign Investment Review Board and the Forum of Young Global Leaders – World Economic Forum.
Stefan Marcionetti	Stefan Marcionetti joined Magellan in March 2013. Mr Marcionetti is an investment analyst in the Technology, Communications and Media team and in August 2016 was appointed to the additional role of Assistant Portfolio Manager of Magellan's Global Equities and High Conviction strategies. Prior to Magellan, Mr Marcionetti spent two and a half years as an analyst at Gladstone Partners, a London-based global fundamental long/short equity firm. Mr Marcionetti also spent six years in Global Banking at Deutsche Bank AG. Mr Marcionetti holds a Bachelor of Commerce (First Class Honours) from the University of New South Wales.

4. About the Magellan Global Trust

4.1 Introduction

The Trust is an Australian registered managed investment scheme structured as a unit trust, which has been registered with ASIC and is expected to be admitted to the official list of ASX on or around 18 October 2017. The registration date of the Trust is 11 August 2017.

4.2 About the responsible entity

The responsible entity of the Trust is Magellan, a wholly owned subsidiary of MFG, which is listed on ASX.

Magellan holds an Australian Financial Services Licence issued by ASIC, which authorises it to operate the Trust.

Magellan's Board comprises the following Directors:

- Brett Cairns, Executive Chairman;
- Hamish Douglass, Co-founder, Chief Executive Officer & Chief Investment Officer;
- John Eales AM, Non-executive Director;
- Robert Fraser, Non-executive Director / Senior Independent Director;
- Paul Lewis, Non-executive Director;
- Hamish McLennan, Non-executive Director; and
- Karen Phin, Non-executive Director.

Biographies for each of the Directors can be found at www.magellangroup.com.au/about/director-profiles/.

4.3 Role of the responsible entity

As responsible entity of the Trust, Magellan is bound by the Constitution of the Trust, the Corporations Act and the ASX Listing Rules. Magellan has lodged a compliance plan with ASIC which sets out the key measures which Magellan will apply to comply with the Constitution, the Corporations Act and the ASX Listing Rules.

Magellan has the power to delegate certain aspects of its duties.

4.4 Valuation, location and custody of assets

The Trust's NAV will be calculated daily using a framework for the valuation of financial instruments that is consistent with current industry practice and regulatory requirements.

The Trust's NAV is an estimate of the value of the Trust at the close of trading in each market in which the Trust invests. The estimated NAV per Unit may fluctuate each day as the market value of the Trust's assets rises or falls. Magellan's NAV Permitted Discretions Policy provides further information about how the NAV per Unit is calculated. Investors can request a copy of the policy free of charge by contacting Magellan.

The Northern Trust Company (acting through its Australian branch) ("Northern Trust") has been appointed by Magellan to hold the assets of the Trust under a custody agreement. As Custodian, Northern Trust will safe-keep the assets of the Trust, collect the income of the Trust's assets and act on Magellan's directions to settle the Trust's trades. Northern Trust does not make investment decisions in respect of the Trust's assets that it holds.

4.5 Units in the Trust

Following completion of the Offer, the Trust's units will comprise fully paid ordinary units ("Units") and Class A Units. Each unit confers on its unitholder an undivided absolute, vested and indefeasible beneficial interest in the Trust as a whole, subject to the Trust's liabilities, not in parts of or single assets.

Applicants will be issued Units under the Offer. As at the date of this PDS, Magellan also intends to issue Class A Units to MGT Investment, a subsidiary of MFG, pursuant to the MFG Subscription and Commitment Deed. MGT Investment is subscribing for Class A Units to facilitate the issue of Loyalty Units to eligible Priority Applicants and to bear the dilutive effect of the issue of Loyalty Units on the NAV per Unit that would otherwise arise. The number of Class A Units issued will be at least equal to the maximum number of Loyalty Units that could be issued under the Priority Offer following allotment of Units and will be subscribed for at a subscription price of \$1.50. Class A Units will have the same rights, restrictions and obligations as Units and will rank equally with the Units, other than certain consolidation obligations and conversion rights. Class A Units will not be quoted on ASX.

On the Loyalty Unit Issue Date, by which time Magellan will have determined the number of Loyalty Units to be issued to Priority Applicants, Magellan will issue that number of Loyalty Units and the Class A Units will then consolidate and automatically convert to Units on a 1-for-1 basis. The consolidation of Class A Units will reduce the number of Class A Units on issue by the number of Loyalty Units to be issued to Priority Applicants. Following this, the Trust's units will only comprise Units (being fully paid ordinary units).

Section 13.1 provides further detail on the rights of Units and Class A Units including the consolidation and conversion rights of the Class A Units.

4.6 Distribution policy

The Trust will generally make distributions to investors semi-annually (as at 30 June and 31 December of each year) but it may do so more or less frequently at the discretion of Magellan.

Magellan intends to target a cash distribution yield of 4% per annum based on the average of the month-end NAV per Unit over a two year rolling period. Distributions will be paid semi-annually, with the Target Cash Distribution for each period determined using the average of the month-end NAV per Unit over the two year period ending on the last Business Day of the prior distribution period. By way of example, the Target Cash Distribution for the semi-annual period ending 30 June 2020 will be calculated as 2% multiplied by the average of the month-end NAV per Unit over the period commencing 2 January 2018 and ending 31 December 2019. In respect of the Target Cash Distribution for the semi-annual period ending 31 December 2019, as the Trust will not have been in existence for two years, the average of the month-end NAV per Unit will be calculated over the period commencing 1 November 2017 and ending 28 June 2019.

Magellan intends to pay Target Cash Distributions in the first two years as follows:

- \$0.03 per Unit for the period from the Allotment Date to 31 December 2017;
- \$0.03 per Unit for the six months ending 30 June 2018;
- \$0.03 per Unit for the six months ending 31 December 2018; and
- \$0.03 per Unit for the six months ending 30 June 2019.

Magellan intends to announce a Target Cash Distribution per Unit on ASX at the beginning of each semi-annual distribution period. Magellan expects that the distribution policy will provide Unitholders with greater certainty on the amount of upcoming distributions.

The Trust may distribute a payment out of the capital invested in addition to a distribution of net income or net capital gains or where the Trust has not generated any net income.

The Constitution permits Magellan to require that distributions in excess of Target Cash Distributions are reinvested as additional Units in the Trust. Where net income or net capital gains earned in a particular year exceeds the Target Cash Distribution, Magellan intends that the portion of any distribution in excess of the Target Cash Distribution will be required to be reinvested as additional Units in the Trust in accordance with the DRP Rules. In this event, to the extent Unitholders are required to pay tax on the total distribution they receive, the distribution they receive in cash may or may not be sufficient to meet their tax obligation. Where Magellan has elected to require the portion of a distribution in excess of the Target Cash Distribution to be reinvested as additional Units in the Trust, Magellan will provide notification to Unitholders by way of ASX announcement. Under the DRP Rules, no discount to the NAV per Unit is applicable to Units issued in respect of the distribution in excess of the Target Cash Distribution. The Constitution provides that all Unitholders are bound by the DRP Rules.

The distribution Unitholders may receive will be based on the number of Units they hold at the nominated record date. The distribution is not calculated on a pro-rata basis according to the time that Unitholders have held their Units.

Distributions paid in cash will be paid directly into Unitholders' Australian dollar or New Zealand dollar bank accounts. Unitholders should contact their stockbroker or financial adviser to ask how they can provide bank account details.

Magellan retains the discretion to amend the distribution policy of the Trust.

Magellan has established a DRP in respect of distributions made by the Trust. In respect of each Target Cash Distribution, Magellan may elect to offer or not offer the DRP. Under the DRP, Unitholders may elect to have all or part of their Target Cash Distribution reinvested as additional Units in the Trust. The DRP Rules provide detail on the methodology for determining the price at which Units are issued to Unitholders and can be found at www.magellangroup.com.au. Magellan intends to offer Unitholders who elect to participate in the DRP in respect of the Target Cash Distribution an issue price which is set at a 5% discount to the NAV per Unit as provided in the DRP Rules. The application, and the extent of, a DRP discount, in respect of any Target Cash Distribution will be at the discretion of Magellan. As an additional benefit to Unitholders and to ensure that Unitholders who elect not to participate suffer no dilution as a result of the discount, the Magellan Group will pay the Trust an amount of consideration equal to the cost of this distribution in accordance with the terms of the MFG Subscription and Commitment Deed. As a result of the DRP issue price being set with reference to the NAV per Unit, the DRP issue price could be at a premium to the trading price of Units on ASX.

Under the DRP Rules, no discount is applicable to Units issued in respect of the distribution in excess of the Target Cash Distribution.

The DRP Rules in respect of the Trust can be found at www.magellangroup.com.au. Elections to participate in the DRP in respect of the Target Cash Distribution can be made via the Application Form attached to this PDS or must be made by the election date announced by Magellan in respect of each relevant Target Cash Distribution.

4.7 Liquidity

Whilst the Trust is listed on ASX, Units are not able to be redeemed. However, Magellan may undertake a buyback of Units which satisfies the requirements of the Corporations Act and the ASX Listing Rules.

Once the Trust is admitted to the official list of ASX and Units are quoted on ASX, Unitholders will be able to sell their Units on ASX, subject to there being sufficient buyers of Units at a price that is satisfactory to the selling Unitholder, ASX being open for trading and the Units not being suspended from trading. Units may be sold on ASX by Unitholders instructing their stockbroker.

As at the date of this PDS, Magellan does not offer a liquidity facility to Unitholders, but Unitholders may sell their Units on ASX after Units are quoted on ASX (subject to there being sufficient liquidity).

4.8 Further issues of Units

Magellan is permitted, subject to the Constitution, the Corporations Act, the ASX Listing Rules and applicable laws, to issue further Units after the Trust is admitted to the official list of ASX. This may include the issue of Units to satisfy a DRP, Unit purchase plan, rights issue, placement of Units or consideration for a takeover.

4.9 Capital management policy

Subject to any restrictions imposed under the Corporations Act, the ASX Listing Rules and the Constitution, once the Trust is admitted to the official list of ASX and Units are quoted on ASX, Magellan may undertake an on market buyback of Units where it determines that this is in the interests of Unitholders in accordance with the Corporations Act, the ASX Listing Rules (as modified or waived by ASX) and the Constitution.

Any Units acquired by Magellan under a buyback will be immediately cancelled, as required by the Corporations Act.

Magellan will need to obtain Unitholder approval for the buyback and comply with any Corporations Act, ASX Listing Rules and Constitution restrictions if it intends to buy back more than 10% of the smallest number of Units on issue over the 12 months prior to the buyback. To fund the buyback of Units, Magellan may look to liquidate some of the Trust's investments and/or may borrow up to the limit stated in Section 2.5.

4.10 Reports to Unitholders

The Trust is a disclosing entity, and is required to meet the continuous disclosure requirements of the Corporations Act and the ASX Listing Rules. Accordingly, the Trust will:

- (a) Prepare and lodge with ASIC both yearly and half yearly financial statements accompanied by a Directors' statement and report and an audit or review report;
- (b) Within 14 days after the end of each month, notify ASX of the NAV backing of its Units as at the end of that month; and
- (c) Immediately notify ASX of any information concerning the Trust of which it is, or becomes aware and which a reasonable person would expect to have a material effect on the price or value of Units, subject to certain limited exceptions related mainly to confidential information.

Copies of documents set out above that are lodged by the Trust with ASIC or ASX may be obtained from ASIC or ASX (respectively), or from Magellan.

Magellan intends to publish an estimated NAV per Unit and iNAV daily on Magellan's website at www.magellangroup.com.au and a NAV per Unit on ASX weekly. The iNAV will be updated in respect of the Trust's portfolio stocks that have live market prices during the ASX Trading Day and for foreign exchange movements to the extent that the impact is not offset by Magellan's management of the Trust's foreign currency exposure. No assurance can be given that the iNAV will be published continuously or that it will be up to date or free from error. To the extent permitted by law, neither Magellan nor its appointed agent shall be liable to any person who relies on the iNAV.

Magellan will also produce monthly Trust updates, which will be lodged with ASX, and quarterly and annual investment reports, which will be lodged with ASX and sent to Unitholders. All reports will be available at www.magellangroup.com.au.

5. Details of the Offer

This is a summary only. This PDS should be read in full before making any decision to apply for Units.

5.1 The Offer

Units

Magellan is offering for subscription fully paid ordinary units in the Trust ("Units"). Units will be issued at an Offer Price of \$1.50 per Unit. The Offer will aim to raise a minimum of \$250,000,000 for the Trust.

The Offer

The Offer is made up of the Priority Offer, the Broker Firm Offer and the General Public Offer.

The Offer will only be made to investors that have a registered address in either Australia or New Zealand.

Early lodgement of your Application is recommended, as Magellan may close the Offer at any time after the expiry of the Exposure Period without prior notice. Magellan may extend the Offer in accordance with the Corporations Act. Magellan reserves the right to terminate the Offer at any time or scale back applications on any part of the Offer at its discretion.

5.2 Priority Offer

The Priority Offer is open to any person who has a registered address in Australia or New Zealand and who, as at 5.00pm (Sydney time) on 1 August 2017 ("Priority Determination Date"), was a direct or indirect holder or investor in any one of the following (each an "Eligible Vehicle"):

- a) Magellan Financial Group (ASX: MFG);
- b) Magellan's Active ETFs: Magellan Global Equities Fund (Managed Fund) (ASX: MGE), Magellan Global Equities Fund (Currency Hedged) (Managed Fund) (ASX: MHG) and Magellan Infrastructure Fund (Currency Hedged) (Managed Fund) (ASX: MICH);
- c) Magellan's unquoted registered investment schemes: Magellan Global Fund (ARSN 126 366 961); Magellan Global Fund (Hedged) (ARSN 164 285 661); Magellan Infrastructure Fund (ARSN 126 367 226); Magellan Infrastructure Fund (Unhedged) (ARSN 164 285 830); and Magellan High Conviction Fund (ARSN 164 285 947); and
- d) at Magellan's discretion, any fund or investment strategy for which Magellan is the investment manager or adviser.

A direct holder is a registered shareholder or registered Unitholder of an Eligible Vehicle ("Direct Magellan Holder"). Any person invested in an Eligible Vehicle indirectly through an Intermediary ("Indirect Magellan Holder") on the Priority Determination Date may participate in the Priority Offer via their Intermediary, or directly through the Unit Registry under certain circumstances. Please refer to "Indirect Magellan Holders" below for more information on how an Indirect Magellan Holder may participate in the Priority Offer.

Priority Applicants are invited to subscribe under the Priority Offer for an amount of Units equal to the higher of:

- \$30,000, equivalent to 20,000 Units; or
- \$1.00 worth of Units for every \$10.00 directly or indirectly held in Eligible Vehicles.

Priority Applicants are able to subscribe for a lower number of Units than the number for which they have been invited to subscribe. However, all Applicants must subscribe for a minimum of 1,500 Units (\$2,250) to participate in the Offer.

The actual number of Units that a Priority Applicant will receive in the Trust will be determined by Magellan at its discretion.

Priority Applicants who wish to subscribe for Units in excess of the number of Units for which they have been invited to subscribe under the Priority Offer will need to apply for Units under either the Broker Firm Offer or General Public Offer.

Loyalty Units

Priority Applicants may be eligible to receive a number of additional Units, being Loyalty Units, (rounded down to the nearest whole Unit) equivalent to 6.25% of the number of Units allotted under the Priority Offer.

In submitting a Priority Offer Application Form, Priority Applicants are also applying for any Loyalty Units they may be allotted on the Loyalty Unit Issue Date under the terms of the Priority Offer as set out in this Section. No further consideration is payable by Priority Applicants for these Loyalty Units. The economic cost associated with Loyalty Units will not be borne by the Trust or its Unitholders. The Magellan Group will bear the economic cost associated with the Loyalty Units as set out in Section 13.1. Priority Applicants are not able to opt-out from subscribing for Loyalty Units under the Priority Offer.

Priority Applicants need to be a unitholder (either directly as a Unitholder or indirectly via the Intermediary through which they were allotted Units) in the Trust on the Loyalty Unit Determination Date of 11 December 2017 in order to receive Loyalty Units.

Priority Applicants who, on this date, hold at least the same number of Units allotted to them under the Priority Offer will receive 100% of their Loyalty Units.

Priority Applicants who, on this date, hold a lower number of Units than allotted to them under the Priority Offer will receive a number of Loyalty Units which is proportionally lower (rounded down to the nearest whole Unit) than the amount they may have received had they held at least the same number of Units allotted to them under the Priority Offer.

Priority Applicants who, on this date, do not hold any Units will not receive Loyalty Units.

Trading in Units in the Trust on ASX will ordinarily settle two Business Days after trade date (in the same way as other ASX listed securities). Therefore, Priority Applicants who have been allotted Units under the Priority Offer should be aware that any Units purchased on or after 8 December 2017 or sold before 8 December 2017 will not be recognised on the Unit register on the Loyalty Unit Determination Date of 11 December 2017.

The Loyalty Units will be issued shortly after the Loyalty Unit Determination Date on a date determined by Magellan (expected to be 15 January 2018). Loyalty Units do not carry an entitlement to the first distribution (distribution record date 29 December 2017). Until the Loyalty Units are issued, Priority Applicants will have a contingent interest in the Trust being the issue of new Units (the Loyalty Units) on the Loyalty Unit Issue Date. As described above, the issue of Loyalty Units is contingent on the number of Units Priority Applicants hold on the Loyalty Unit Determination Date.

If you are allotted Units under the Priority Offer on a HIN or SRN, your holdings on the Loyalty Unit Determination Date (11 December 2017) need to be held on the same HIN or SRN otherwise you will not receive Loyalty Units as the Unit Registry will not be able to confirm that you were allotted Units under the Priority Offer.

If you are allotted Units under the Priority Offer through an Intermediary, your beneficial Unit holdings on the Loyalty Unit Determination Date (11 December 2017) need to be held through the same Intermediary. You will need to hold your Units through this Intermediary until your Loyalty Units have been issued. If you do not hold your Units through the same Intermediary who beneficially held the allotted Units under the Priority Offer, you will not receive your Loyalty Units. Magellan is relying on the Intermediary to provide accurate representations on the Loyalty Unit Determination Date.

Magellan will apply to ASX for official quotation of all Loyalty Units upon Loyalty Units being allotted to Priority Applicants.

Magellan reserves the right to scale back Applications under the Priority Offer at its discretion.

Indirect Magellan Holders

The Intermediary through which an Indirect Magellan Holder has invested in an Eligible Vehicle is the registered legal owner of that interest in the Eligible Vehicle and, as a result, will be the applicant on behalf of the Indirect Magellan Holders (the underlying beneficial holders) for the purposes of the Priority Offer. The Intermediary through which an Indirect Magellan Holder has invested in an Eligible Vehicle should be in contact with each Indirect Magellan Holder to inform those Indirect Magellan Holders how they can participate in the Priority Offer. However, there may be certain limitations (for example, logistical, legal, or a requirement for the provision of financial advice) which preclude an Intermediary from contacting an Indirect Magellan Holder about the Priority Offer. If you are an Indirect Magellan Holder and you have not been contacted by your Intermediary, you should contact your financial adviser or your Intermediary in the first instance to determine the status of your ability to participate in the Priority Offer via your Intermediary. If you are not able to determine the status of your participation in the Priority Offer, you should contact the Unit Registry during business hours on 1300 032 754 within Australia or +61 2 8023 5419 outside Australia as you may be able to apply directly under the Priority Offer. You may be asked to provide evidence to support your claim that you are an Indirect Magellan Holder.

Beneficiaries or members of employer superannuation funds

If you are a beneficiary or member of an employer superannuation fund which invests in a Magellan investment strategy or fund, you will be eligible to apply directly under the Priority Offer. If the Trustee of your superannuation fund has not contacted you with information on how to apply under the Priority Offer, you should contact the Unit Registry during business hours on 1300 032 754 within Australia or +61 2 8023 5419 outside Australia. You may be asked to provide evidence to support your claim that you are an eligible Priority Applicant.

5.3 Broker Firm Offer

The Broker Firm Offer is open to persons who have received a firm allocation from their stockbroker or financial adviser and who have a registered address in Australia or New Zealand.

Applicants who have been offered a firm allocation by a stockbroker or financial adviser will be treated as Applicants under the Broker Firm Offer in respect of that allocation.

To participate in the Broker Firm Offer, your Application Form must be received by your stockbroker or financial adviser by 5:00pm (Sydney time) on the Broker Firm Offer Closing Date (expected to be 22 September 2017).

Applicants should contact their stockbroker or financial adviser to determine whether they may be allocated Units under the Broker Firm Offer.

Applicants under the Broker Firm Offer are not entitled to receive Loyalty Units.

5.4 General Public Offer

The General Public Offer is open to all Applicants with a registered address in Australia or New Zealand.

Applicants under the General Public Offer are not entitled to receive Loyalty Units.

5.5 Application Forms

Applying online

You may apply for Units online and pay your Application Monies by BPAY at www.magellanglobaltrust.com.au.

Applicants wishing to pay by BPAY should complete the online Application Form accompanying the electronic version of this PDS and follow the instructions on the online Application Form (which includes the Biller Code and your unique Customer Reference Number (CRN)).

You do not need to complete and return a paper Application Form if you complete the online Application Form and pay by BPAY. You should be aware that you will only be able to make a payment via BPAY if you are the holder of an account with an Australian financial institution which supports BPAY transactions. When completing your BPAY payment, please make sure you use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use the correct CRN your Application will not be recognised as valid.

It is your responsibility to ensure that payments are received by 5.00pm (Sydney time) on the Closing Date for the relevant Offer. Your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY, and policies with respect to processing BPAY transactions may vary between banks, credit unions or building societies.

Magellan accepts no responsibility for any failure to receive Application Monies or payments by BPAY before the Closing Date for the relevant Offer arising as a result of, among other things, processing of payments by financial institutions.

Applying by post or in person

If you are applying by post or in person, Applications under the Offer must be made and will only be accepted on the applicable paper Application Form that accompanies this PDS.

The Application Form marked "General Public Offer" must be completed by Applicants who are not participating in the Broker Firm Offer or the Priority Offer. General Public Offer Application Forms will be accepted at any time after the Opening Date and prior to 5:00pm (Sydney Time) on the General Public Offer Closing Date (expected to be 22 September 2017).

Priority Applicants who are Direct Magellan Holders should complete a Priority Offer Application Form that accompanies this PDS as relevant. Priority Offer Application Forms will be accepted at any time after the Opening Date and prior to 5:00pm (Sydney Time) on the Priority Offer Closing Date (expected to be 29 September 2017).

If you are a Priority Applicant and have not received a Priority Offer Application Form you should contact the Unit Registry during business hours on 1300 032 754 within Australia or +61 2 8023 5419 outside Australia. You may be asked to provide evidence to support your claim that you are a Priority Applicant.

If you are an Indirect Magellan Holder and have not received a notification to apply under the Priority Offer, this may be because your Intermediary will be contacting you directly. If you have not been contacted, you should contact your financial adviser or your Intermediary in the first instance to determine the status of your participation in the Priority Offer. If you are not able to determine the status of your participation in the Priority Offer via your financial adviser or Intermediary, you should contact the Unit Registry during business hours on 1300 032 754 within Australia or +61 2 8023 5419 outside Australia as you may be able to apply directly under the Priority Offer. You may be asked to provide evidence to support your claim that you are an Indirect Magellan Holder.

Cheque(s) or bank draft(s) must be drawn on an Australian branch of a financial institution and made payable to "Magellan Global Trust Offer" and crossed "Not Negotiable". Payments by cheque will be deemed to have been made when the cheque is honoured by the bank on which it is drawn. Accordingly, Applicants should ensure that sufficient funds are held in the relevant account(s) to cover your cheque(s).

If the amount of your cheque(s) or bank draft(s) for Application Monies (or the amount for which those cheques clear in time for the allocation) is insufficient to pay for the number of Units for which you have applied in your Application Form, you may be taken to have applied for such lower amount as your cleared Application Monies will pay for (and to have specified that amount in your Application Form) or your Application may be rejected.

Completed Application Forms and accompanying cheques may be lodged:

By post

Magellan Global Trust
c/- Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

In person

Magellan Global Trust
c/- Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

5.6 Minimum Subscription

There is a Minimum Subscription required of \$250,000,000 for the Offer to proceed. Magellan also reserves the right not to proceed with the Offer at its absolute discretion.

If the Minimum Subscription is not obtained within four months after the date of this PDS or Magellan elects not to proceed with the Offer, Magellan will repay all Application Monies in full without interest as soon as practicable or issue a supplementary or replacement product disclosure statement and allow Applicants one month in which to withdraw their Applications and be repaid their Application Monies in full without interest.

5.7 Applications by the Directors of Magellan

The Directors of Magellan intend to apply for Units under the Offer. The Directors have agreed to cap their participation under the Priority Offer, where eligible, to \$100,000 per Director and will be eligible to receive Loyalty Units. The Directors may apply for additional Units under the General Public Offer however, consistent with the terms of that Offer, will not be entitled to receive Loyalty Units on Applications made under the General Public Offer.

Magellan's Co-founder, Chief Executive Officer & Chief Investment Officer, Mr Douglass, intends, via a personal investment company, to subscribe for \$20 million worth of Units in the Trust. Mr Douglass intends to subscribe for all of these Units under the General Public Offer and, as such, will not be entitled to receive Loyalty Units.

5.8 Minimum subscription amount under the Offer

The minimum subscription amount under the Offer is \$2,250 which is equal to 1,500 Units (at the Offer Price of \$1.50 per Unit). Subscriptions for Units in excess of the minimum subscription amount must be made in multiples of 100 Units.

5.9 Maximum amount to be raised

There is no upper limit on the amount that can be raised under the Offer. Magellan considers this appropriate: (1) having regard to the Priority Offer and the fact that investors in the Offer will not suffer any dilution of their investment as a result of the Priority Offer; (2) given the highly liquid nature of the companies in which the Trust will invest, Magellan does not consider that the total amount raised under the Offer will impact the Investment Strategy or Magellan's ability to deploy the funds raised; and (3) as the Magellan Group will pay for all the costs associated with the Offer in cash, the Pro Forma NAV per Unit will equal the Offer Price. Magellan, however, reserves the right to scale back any part of the Offer at its sole discretion.

5.10 Underwriting

The Offer is not underwritten.

5.11 Allocation policy

The basis of allocation of Units under the Broker Firm Offer and General Public Offer will be determined by Magellan following a recommendation by the Joint Lead Managers.

Priority Applicants may participate in the Priority Offer in accordance with the process outlined in Section 5.2. The basis for allocation of Units under the Priority Offer will be determined solely by Magellan.

Magellan reserves the right to scale back Applications under the Offer at its discretion.

Magellan reserves the right in its absolute discretion not to issue any Units to Applicants under the Offer and may reject any Application or allocate a lesser number of Units than those applied for at its absolute discretion.

5.12 Application Monies

The Unit Registry will hold all Application Monies received on trust until the relevant Allotment Date when the Units are issued to successful Applicants. Application Monies may be held for up to 60 days starting on the day on which money was received, before the Units are issued or the Application Monies are returned (this time period is modified by ASIC relief).

Applicants under the Broker Firm Offer must lodge their Application Monies with their stockbroker or financial adviser, who will act as the Applicant's agent in providing their Application Monies to Magellan.

The Application Monies will be refunded in Australian dollars to the extent that an Application is rejected or scaled back, or the Offer is withdrawn. No interest will be paid on refunded amounts. The Trust will retain any interest earned on the Application Monies held on trust pending the issue of Units to successful Applicants.

5.13 Allotment

Magellan will not allot Units until the Minimum Subscription has been received and ASX has granted permission for quotation of the Units unconditionally or on terms acceptable to Magellan. The Trust is not currently seeking quotation of its Units on any financial market other than ASX. The fact that ASX may admit the Trust to the official list of ASX and grant official quotation of the Units is not to be taken in any way as an indication of the merits of the Trust or the Units offered for issue under the Offer.

ASX takes no responsibility for the contents of this PDS. Normal settlement trading in the Units, if quotation is granted, will commence as soon as practicable after the issue of holding statements to successful Applicants. It is the responsibility of Applicants to determine their allocation prior to trading in the Units. Applicants who sell Units before they receive confirmation of their allotment will do so at their own risk.

If ASX does not grant permission for the Units to be quoted within three months after the date of issue of any Units (this time period is modified by ASIC relief), the Units will not be issued and any Application Monies will be refunded (without interest) as soon as practicable.

It is expected that the allotment of Units under the Priority Offer will take place on 12 October 2017 and under the Broker Firm Offer and General Public Offer on 13 October 2017.

An Application constitutes an offer by the Applicant to subscribe for Units on the terms and subject to the conditions set out in this PDS. A binding contract to issue Units will only be formed at the time Units are allotted to Applicants.

Where the number of Units allotted is less than the number applied for or where no allotment is made, the surplus Application Monies will be returned to Applicants (without interest) in Australian Dollars within 60 days of the day that Application Monies were received (this time period is modified by ASIC relief).

5.14 ASX and CHESS

No later than seven days from the date of the first issue of Units, Magellan will apply to ASX for admission of the Trust to the official list of the ASX. Magellan will also apply to ASX no later than seven days after the date of issue of any Units for official quotation of these Units on ASX. Magellan will also apply to ASX no later than seven days from the date of the issue of Loyalty Units for Loyalty Units to be granted official quotation before the end of the three months after the date of issue of Loyalty Units. These time periods are modified by ASIC relief. Magellan is not currently seeking a listing of the Units on any stock exchange other than the ASX.

Magellan will also, in accordance with the ASX Listing Rules and the ASX Settlement Rules, maintain an electronic CHESS sub register (for Unitholders who are participants in CHESS or sponsored by such a participant) and an electronic issuer sponsored sub register (for all other Unitholders).

These two sub registers will together make up the Trust's principal register of Unitholders. Following allocation and issue of the Units to successful Applicants, each Unitholder will be sent an initial statement of holding that sets out the number of Units that have been allocated and the Unitholder's HIN, or in the case of issuer sponsored holders, the Unitholder's SRN.

Unitholders will subsequently receive statements showing any changes to their holding of Units. Certificates will not be issued for Units.

5.15 Brokerage, commission and stamp duty

No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Units under the Offer.

5.16 Lead Managers and Co-Managers

Magellan has appointed the following firms in respect of the Broker Firm and General Public Offers:

- Taylor Collison Limited to act as Lead Arranger and Joint Lead Manager;
- the following firms as Joint Lead Managers:
 - o Commonwealth Securities Limited;
 - o National Australia Bank Limited; and
 - o Ord Minnett Limited; and
- the following firms as Co-Managers:
 - o Bell Potter Securities Limited;
 - o Forsyth Barr Limited;
 - o JBWere Limited;
 - o Macquarie Equities Limited; and
 - o Morgans Financial Limited.

5.17 Overseas investors

The Offer is an offer to Australian investors and New Zealand investors only. The Offer does not constitute an offer in any place in which, or to any person to whom, it would be unlawful to make such an offer.

5.18 Additional information for New Zealand investors

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the PDS are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between the currency for the financial products and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

The dispute resolution process described in this PDS is available only in Australia and is not available in New Zealand.

5.19 Privacy

When you apply to invest in the Trust, you acknowledge and agree that:

(a) you are required to provide Magellan with certain personal information to:

- (i) facilitate the assessment of an Application;
- (ii) enable Magellan to assess the needs of Applicants and provide appropriate facilities and services for Applicants; and
- (iii) carry out appropriate administration; and

(b) Magellan may be required to disclose this information to:

- (i) third parties that carry out functions on behalf of the Trust, including marketing and administration functions, on a confidential basis; and
- (ii) third parties if that disclosure is required by law; and
- (iii) related bodies corporate (as that term is defined in the Corporations Act) of Magellan which carry out functions on behalf of the Trust.

Magellan may also disclose an investor's personal information to market products and services to them; and improve customer service by providing their personal details to other external service providers (including companies conducting market research).

Under the Privacy Act 1988 (Cth), Unitholders may request access to their personal information held by (or on behalf of) Magellan. Unitholders may request access to personal information by telephoning or writing to Magellan.

All personal information collected by Magellan will be collected, used, disclosed and stored by Magellan in accordance with its privacy policy, a copy of which will be made available on request.

5.20 Tax implications of investing in the Trust

The taxation consequences of any investment in Units will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in the Trust.

A general overview of the Australian taxation implications of investing in the Trust is set out in Section 11 and is based on current tax law and ATO tax rulings. The information in Section 11 is not intended as a substitute for investors obtaining independent tax advice in relation to their personal circumstances. Magellan recommends you seek independent tax advice.

5.21 Anti-Money Laundering / Counter Terrorism Financing Act 2006

Magellan or the Joint Lead Managers may be required under the AML/CTF Act or any other law to obtain identification information from Applicants. Magellan reserves the right to reject any Application from an Applicant who fails to provide identification information upon request.

6. Risk Factors

All investments carry risk. The likely investment return and the risk of losing money is different for each investment strategy as different strategies carry different levels of risk depending on the underlying mix of assets that makes up each fund. Those assets with potentially the highest long-term return (such as equities) may also have the highest risk of losing money in the shorter term.

Risks can be managed but they cannot be completely eliminated. It is important that you understand that:

- the value of your investment will rise and fall;
- investment returns will vary and future returns may differ from past returns;
- returns are not guaranteed and there is a risk that you may lose some money on any investment you make; and
- laws affecting your investment in a managed investment scheme may change over time.

The appropriate level of risk for you will depend on various factors and may include your age, investment timeframe, where other parts of your wealth are invested and your overall tolerance to risk. You may wish to consult a licensed financial adviser to understand better the risks involved in investing in this Trust.

The significant risks specific to an investment in the Trust include:

- ASX liquidity risk:** The liquidity of trading in the Units on the ASX may be limited. This may affect an investor's ability to buy or sell Units. Investors will not be able to purchase or sell Units on the ASX during any period that ASX suspends trading of Units in the Trust.
- Company specific risk:** Investments by the Trust in a company's securities will be subject to many of the risks to which that particular company is itself exposed. These risks may impact the value the securities of that company and the value of the Trust's portfolio. These risks include such factors as changes in management, actions of competitors and regulators, changes in technology and market trends.
- Concentration risk:** As the Trust will hold a focussed portfolio of 15-35 investments, returns of the Trust may be dependent upon the performance of a small number of individual companies. The concentrated exposure may lead to increased volatility in the Trust's Unit price, and also increases the risk of poor performance.
- Conflicts of interest risk:** Magellan and its various service providers may from time to time act as issuer, investment manager, Custodian, Unit Registry, broker, administrator, distributor or dealer to other parties or funds that have similar objectives to those of the Trust. It is, therefore, possible that any of them may have potential conflicts of interest with the Trust. 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 may invest in, directly or indirectly, or manage or advise other funds which invest in assets which may also be purchased by the Trust. Neither MFG nor any person connected with it is under any obligation to offer investment opportunities to the Trust. Magellan maintains a Conflicts of Interest Policy to provide reasonable assurance that it manages its obligations to the Trust such that all conflicts (if any) are resolved fairly.
- Counterparty risk:** There is a risk that the Trust may incur a loss arising from the failure of another party to a contract (the counterparty) to meet its obligations. Counterparty risk arises primarily from investments in cash, derivatives and currency transactions. Substantial losses can be incurred if a counterparty fails to deliver on its contractual obligations.
- Currency management risk:** The Trust's foreign currency exposure arising from investments in foreign securities may be hedged or unhedged. Where any part of the Trust's currency exposure is hedged, the Trust's investment returns will not benefit where the Australian dollar has declined relative to other currencies. Where any part of the Trust's currency exposure is unhedged, a rise in the Australian dollar relative to other currencies will negatively impact investment values and returns. Currency markets can be extremely volatile and are subject to a range of unpredictable events. There is also a risk that the Trust's currency management activities might not be effective and may lose the Trust money.
- Derivative risk:** The value of a derivative is derived from the value of an underlying asset and can be highly volatile. Changes in the value of derivatives may occur due to a range of factors that include rises or falls in the value of the underlying asset, potential liquidity of the derivative and counterparty credit risk. Forward foreign exchange contracts are utilised to manage the Trust's foreign currency exposure. These contracts will generally be of limited duration and reset regularly, resulting in a cash receipt or cash payment by the Trust. The contracts are not guaranteed by an exchange or clearing corporation and generally do not require payment of margin. To the extent that the Trust has unrealised gains in such instruments or has deposited collateral with its counterparty(ies) the Trust is at risk that its counterparty will become bankrupt or otherwise fail to honour its obligations.
- Distribution policy risk:** Under the distribution policy for the Trust, there may be circumstances where a portion of a distribution in a particular period will be required to be reinvested as additional Units in the Trust. In such circumstances, there is a risk the distribution received by Unitholders in cash may be insufficient to cover a Unitholder's tax payable on the total distribution.
- DRP issue price risk:** Because Units issued under the DRP are issued at the NAV per Unit or a discount to the NAV per Unit, there is a risk that the DRP issue price could be at a premium to the trading price of Units on ASX.
- iNAV risk:** The iNAV published by the Trust is indicative only and might not be up to date or might not accurately reflect the underlying value of the Trust.
- Leverage risk:** The Trust may borrow against all or part of the Portfolio to fund a buyback of Units and/or for investment purposes. Borrowings can magnify the gains and losses in the Trust.

- l) **Liquidity of investments risk:** Whilst the Trust is exposed to listed entities which are generally considered to be liquid investments, under extreme market conditions, there is a risk that such investments cannot be readily converted into cash or at an appropriate price. In such circumstances, the Trust may be unable to liquidate sufficient assets to meet its obligations within required timeframes or it may be required to sell assets at a substantial loss in order to do so.
- m) **Loyalty Unit vesting risk:** Priority Applicants eligible to receive Loyalty Units are required to be unitholders (either directly as a Unitholder or indirectly through an Intermediary) in the Trust on the Loyalty Unit Determination Date of 11 December 2017. Priority Applicants who, on this date, hold a lower number of Units than allotted to them under the Priority Offer will receive a number of Loyalty Units which is proportionally lower (rounded down to the nearest whole Unit) than the amount they may have received had they held at least the same number of Units allotted to them under the Priority Offer. Priority Applicants who, on this date, do not hold any Units will not receive any Loyalty Units. Priority Applicants who transfer their allotted Units to a different HIN, SRN or Intermediary during the period from allotment of Units under the Priority Offer and the issue of Loyalty Units will not receive Loyalty Units.
- n) **Market risk:** There is a risk that the market price of the Trust's assets will fluctuate. This may be as a result of factors such as economic conditions, government regulations, market sentiment, local and international political events, pandemic outbreaks, environmental and technological issues.
- o) **Operational risk:** Operational risk includes those risks which arise from carrying on a funds management business. The operation of the Trust requires Magellan, the Custodian, the Unit Registry, the administrator and other service providers to implement sophisticated systems and procedures. Some of these systems and procedures are specific to the operation of the Trust. Inadequacies with these systems and procedures or the people operating them could lead to a problem with the Trust's operation and result in a decrease in the value of Units.
- p) **Performance risk:** There is a risk that the Trust may not achieve the investment objectives of its Investment Strategy.
- q) **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 Trust. Changes in key personnel and resources of Magellan may also have a material impact on investment returns on the Trust.
- r) **Price of Units on ASX:** The Trust's Unit price may not equal the underlying value of the Portfolio as reflected in its NAV per Unit. The Trust's Units may trade on ASX at a discount or a premium to the Trust's NAV per Unit. As such, there is a risk that Unitholders may not be able to sell their investment in the Trust at the Trust's NAV per Unit.
- s) **Regulatory risk:** There is a risk that a change in laws and regulations governing a security, sector or financial markets could have an adverse impact on the Trust or on the Trust's investments. A change in laws or regulations can increase the costs of operating a business and/or change the competitive landscape.
- t) **Target Cash Distribution risk:** The Target Cash Distribution is calculated as a percentage of the average of the month-end NAV per Unit over a two year rolling period and therefore there is a risk that the Target Cash Distribution in cents per Unit may decline in some periods if the Trust's NAV per Unit declines. There is also a risk that, in the future, Magellan changes the target level for Target Cash Distributions.
- u) **Trust risk:** Trust risk refers to specific risks associated with the Trust, such as termination and changes to fees and expenses. The performance of the Trust or the security of an investor's capital is not guaranteed. There is no guarantee that the Investment Strategy of the Trust will be managed successfully, or will meet its objectives. Failure to do so could negatively impact the performance of the Trust. An investment in the Trust is governed by the terms of the Constitution and this PDS, each as amended from time to time. The Trust is also governed by the ASX Listing Rules, and is exposed to risks of listing on that platform, including such things as the platform or settlements process being delayed or failing. ASX may suspend, or remove the Units from listing on the ASX. Magellan may elect, in accordance with the Constitution and the Corporations Act, to terminate the Trust for any reason.

7. Fees and Costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Trust or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities & Investments Commission ("ASIC") website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options and which can also be used to calculate the effect of fees and costs on account balances.

This Section of the PDS shows fees and other costs that investors may be charged. These fees and costs may be deducted from an investor's investment, from the returns on their investment or from the Trust's assets as a whole. Investors should read all the information about fees and costs because it is important to understand the impact of these fees and costs on an investor's investment. Investors can also use this information to compare the fees and costs with those of other investment funds.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Fees when an investor moves their money in or out of the Trust		
<i>Establishment fee</i> The fee to open your investment	Nil	Not applicable.
<i>Contribution fee</i> The fee on each amount contributed to your investment	Nil	Not applicable.
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Nil	Not applicable.
<i>Exit fee</i> The fee to close your investment	Nil	Not applicable.
Management costs		
The fees and costs for managing an investment	Management and administration fees are 1.35%* per annum and consist of the following components: Management fee: 1.25% per annum Administration fee: 0.10% per annum	The management and administration fees are calculated daily based on the value of the Trust on that Business Day. An estimate is accrued daily in the NAV per Unit and the fees are payable monthly in arrears from the assets of the Trust.
Estimated performance fee	0.25%** per annum Performance fees are 10%* of the Excess Return of the Trust above the higher of the Index Relative Hurdle (the MSCI World Net Total Return Index (AUD)) and the Absolute Return Hurdle (the yield of 10-year Australian Government Bonds as at the first Business Day of the Calculation Period pro-rated for the number of days in the Calculation Period) over each 6 monthly period ending 31 March and 30 September (each a "Calculation Period"), or the period from the commencement of the Trust to 31 March 2018 in the case of the first Calculation Period.	Estimated daily and accrued in the NAV per Unit. Calculation of the fee is finalised and paid at the end of a Calculation Period (31 March and 30 September of each year) from the assets of the Trust. The first Calculation Period will end on 31 March 2018.
Total Estimated Management Costs	1.60%*** per annum	In accordance with fees and costs for managing an investor's investment and the performance fees as described immediately above.

* Inclusive of the estimated net effect of GST (i.e. inclusive of 10% GST, less any RITC and other recoveries available to the Trust). Please see Additional information about fees and costs in Section 7.2 for more details.

** The Trust does not have a performance history. The estimated performance fee represents Magellan's reasonable estimate of the prospective performance fee, and has been calculated using the simple average of the actual annual percentage per annum performance fees of another Magellan fund with a similar investment strategy over the last 10 financial years up to and including 30 June 2017. The estimate is inclusive of GST (i.e. inclusive of 10% GST, less any RITC and other recoveries available to the Trust). Past performance is not necessarily indicative of future performance and no person guarantees the future performance of the Trust, the amount or timing of any return from it, or that it will achieve its investment objectives.

*** Includes an estimated performance fee of 0.25% earned by Magellan for the relevant year.

7.1 Example of annual fees and costs

This table gives an example of how the fees and costs for this product can affect an investment over a one year period. Investors should use this table to compare this product with other managed investment products.

Example ¹		Balance of \$50,000 with total contributions of \$5,000 during year ²
Contribution fees	Nil	For every \$5,000 you put in, you will be charged \$0.
PLUS Management costs	1.60% ³	And, for every \$50,000 you have in the Trust you will be charged \$800 per annum.
EQUALS Cost of the Trust		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of \$800 ⁴

¹ This is an example only and does not take into account any movements in the value of Units that may occur over the course of the year or any abnormal costs.

² This example assumes the \$5,000 contribution occurs at the end of the first year. Management costs are calculated using the \$50,000 balance only.

³ This management cost amount consists of the management fee, the administration fee and an estimated performance fee that in Magellan's opinion, reflects a reasonable performance fee estimate. The estimated performance fee has been calculated using the simple average of the actual annual percentage per annum performance fees of another Magellan fund with a similar investment strategy over the last 10 financial years up to and including 30 June 2017. This rate is inclusive of the estimated net effect of GST (i.e. inclusive of 10% GST, less any RITC and other recoveries available to the Trust). Please see Additional information about fees and costs in Section 7.2 for more details.

⁴ Please note that this example does not capture all the fees and costs that may apply to an individual investor such as transaction costs.

7.2 Additional information about fees and costs

Management costs

Management costs include Magellan's management fee, administration fee and performance fee. The Trust pays a management fee of 1.25% per annum to Magellan for managing the assets of the Trust and overseeing the operations of the Trust. The administration fee of 0.10% per annum is paid to Magellan to help cover all fees, costs, charges, expenses and outgoings that are incurred in connection with the Trust (such as administration and accounting costs, registry fees, audit and tax fees, and investor reporting expenses). For details on the performance fee, please see the Performance fees section below. Magellan's management fee and administration fee are calculated each Business Day based on the NAV (before fees) of the Trust on that Business Day and are payable at the end of each month from the assets of the Trust. Estimated management costs are reflected in the NAV per Unit of the Trust.

Management costs described above are inclusive of the estimated net effect of GST less any RITC. As the Trust predominantly invests in international securities, the GST impact on the management costs is currently estimated to be negligible. To the extent the GST impact increases (for example, if the Trust's exposure to Australian securities increases), the actual management costs may exceed the rates stated above.

Performance fees

Depending on how well the Trust performs, Magellan may be entitled to a performance fee, payable by the Trust. Performance fees are calculated with reference to the Index Relative Hurdle and Absolute Return Hurdle and are subject to a High Water Mark requirement and an overall cap. The details of the calculation methodology and the hurdles are set out below.

The NAV per Unit includes an accrual for an estimate of the performance fee that would be payable if it were the end of a Calculation Period.

Calculation Methodology

The Trust's Total Return per Unit ("Total Return") is the dollar movement in its NAV per Unit during the Calculation Period (adjusted for any income or capital distributions and before any accrued performance fees during that Calculation Period). Adjustments will be made for any capital re-organisations such as Unit divisions or consolidations. Calculation Periods end on 31 March and 30 September of each year. The first Calculation Period is from the commencement of the Trust to 31 March 2018.

The Trust's Excess Return per Unit ("Excess Return") is its Total Return less the higher of the Index Relative Hurdle and Absolute Return Hurdle, expressed in dollar terms.

The performance fee per Unit is 10% of the Excess Return. The total performance fee is the performance fee per Unit multiplied by the number of Units on issue at the end of the Calculation Period.

Magellan will only be entitled to a performance fee where the NAV per Unit at the end of the Calculation Period exceeds the applicable High Water Mark. The High Water Mark is the NAV per Unit at the end of the most recent Calculation Period for which Magellan was entitled to a performance fee, less any intervening income or capital distribution. For the first Calculation Period after the commencement of the Trust, the High Water Mark is taken to be \$1.50. Furthermore, the fee to which Magellan is entitled will be subject to a performance fee cap such that the NAV per Unit (after the performance fee has been paid) is not less than the applicable High Water Mark.

The performance fee described above is inclusive of the estimated net effect of GST (i.e. inclusive of 10% GST, less any RITC and other recoveries available to the Trust). As the Trust predominantly invests in international securities, the GST impact on the performance fees for the Trust is currently estimated to be negligible. To the extent the GST impact increases (for example, if the Trust's exposure to Australian securities increases), the actual performance fees may exceed the rate of 10% stated above.

Performance Hurdles

Index Relative Hurdle

The Index Relative Hurdle for the Trust is the return (expressed as a percentage) of the MSCI World Net Total Return Index (AUD). If an index ceases to be published, Magellan will nominate an equivalent replacement index.

Absolute Return Hurdle

The applicable Absolute Return Hurdle for the Trust is the published 10-year Australian Government Bond yield as at the first Business Day of the Calculation Period, pro-rated for the number of days in the Calculation Period.

Total transactional and operational costs

The Trust does not have historical transactional and operational costs. An estimate of net transactional and operational costs in respect of the 2017/2018 financial year for the Trust is provided in the table below. These costs are estimated prospective costs based on the actual historical transactional and operational costs of another Magellan fund with a similar investment strategy.

Total transactional and operational costs (% pa of NAV)	Recovery through buy/sell spread (% pa of NAV)	Net transactional and operational costs (% pa of NAV)	For every \$50,000 you have in the Trust you will likely incur approximately:
0.08%	0.00	0.08%	\$40

Such transactional and operational costs will be incurred by the Trust when the Trust acquires and disposes of securities. The amount of such costs will vary from year to year depending on the volume and value of the trading activity in the Trust. Transactional and operational costs are paid out of the assets of the Trust and are not fees paid to Magellan.

7.3 Stockbroker fees for investors

Investors will incur customary brokerage fees and commissions when buying and selling the Units on the ASX. Investors should consult their stockbroker or financial adviser for more information in relation to their fees and charges.

7.4 Financial adviser fees

An investor's licensed financial adviser may also charge an investor fees for the services they provide. These should be set out in the statement of advice by the adviser. Magellan pays no commissions related to an investor's investment in the Trust to financial advisers. Magellan will pay stamping fees to financial advisers who procure subscriptions for Units in the Offer.

7.5 Changes in fees and costs

Fees may increase or decrease for a number of reasons including changes in the competitive, industry and regulatory environments or simply from changes in costs. Fees are capped by the Trust's Constitution. Management and administration fees disclosed above are the maximum permitted by the Trust's Constitution and the performance fee also disclosed above is below the relevant fee cap in the Constitution. Any increase beyond a fee cap would require Unitholder approval. Magellan may change the fees without an investor's consent provided that the fees remain below the relevant fee cap. Magellan will provide at least 30 days notice if it intends without the consent of investors to increase or decrease fees below the level of any fee cap.

8. Corporate Governance

8.1 Corporate governance policies

Responsibility for the Trust's proper corporate governance rests with Magellan as the responsible entity. The overarching principle is always to act in good faith and in the best interests of the Trust's Unitholders in accordance with its fiduciary duty. Magellan's duties and obligations in relation to the Trust principally arise from: the Constitution of the Trust; the compliance plan for the Trust; ASX Corporate Governance Council Principles and Recommendations, 3rd Edition March 2014 ("ASX Corporate Governance Principles"), regulatory requirements of ASIC and legislative and regulatory requirements of jurisdictions in which the responsible entity operates.

The board of Directors of MFG, in consultation with management and the responsible entity, determine appropriate corporate governance practices, taking into account the matters outlined in the preceding paragraph. Where, after due deliberation, Magellan's corporate governance practices differ from the ASX Corporate Governance Principles, the Corporate Governance Statement will set out the reasons for the difference.

MFG has established a governance framework for the Magellan Group, which includes Magellan as the responsible entity of the Trust, and has its own Corporate Governance Statement, details of which can be found in the Shareholder Centre section on the Magellan Group's website at www.magellangroup.com.au under "Corporate Governance". Except for limited exceptions as set out in its Corporate Governance Statement, MFG follows all recommendations.

Magellan has, as far as practicable, adopted the governance framework of MFG being cognisant of its fiduciary duty. The composition of the Boards of each of MFG and Magellan is identical.

As part of the governance process, the MFG Board and management periodically review MFG's policies and practices to ensure that they meet the requirements of stakeholders and that there is a process of continual improvement in governance standards.

Wherever possible, the corporate governance practices of the Trust follow those of MFG.

The key elements of the Trust's corporate governance framework are set out below. Magellan has also adopted a number of corporate governance policies to provide reasonable assurance that the Trust is governed efficiently and effectively, and in accordance with its fiduciary duty.

The corporate governance framework and policies are summarised below:

Code of Ethics – The Code of Ethics ("Code") applies to all Directors and employees of the Magellan Group. The purpose of the Code is to:

- articulate and reflect the standards of fiduciary obligations and conduct that Magellan expects of its employees;
- encourage the observance of obligations and standards of conduct to protect and promote the interests of Magellan, its Clients, funds under management, shareholders, Unitholders and other stakeholders;
- guide employees through the practices thought necessary to maintain confidence in Magellan's integrity; and
- set out the responsibilities and accountabilities of employees to report and investigate reports of unethical practices.

Continuous Disclosure Policy – The Continuous Disclosure Policy assists with clear and effective communication with Unitholders by ensuring:

- the Trust, at a minimum, complies with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules;
- the Trust provides Unitholders, together with the market, timely, direct and equal access to information issued by it; and
- information which is not generally available and which may have a material effect on the price or value of the Trust's Units be identified and appropriately considered for disclosure to the market.

Unitholder Communications Policy – The Unitholder Communications Policy describes the procedures in place to provide Unitholders with appropriate information about the Trust and its governance. The policy outlines:

- methods of communication and types of information provided by Magellan to Unitholders about the Trust;
- timing of such reports and communication; and
- other general information relevant to a Unitholder in the Trust.

Risk Management Framework – The Risk Management Framework ("RMF") for the Magellan Group is based on the Australian/New Zealand Standard AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines and Principle 7 of the ASX Corporate Governance Principles. Consideration has also been given to ASIC RG 259: Risk management systems of responsible entities issued in March 2017.

The compliance program which sets out the policies and procedures that the Magellan Group has adopted to satisfy its regulatory obligations is an integral part of the RMF. The RMF supports a structured and focussed approach to identifying, managing and reviewing risk to complement the strategies adopted to achieve the corporate objectives of the Magellan Group.

Trading Policy – The Trading Policy sets out the circumstances in which the MFG and Magellan Directors and employees may trade in Units in the Trust. The Trading Policy prohibits Directors and employees from dealing when they are in possession of price-sensitive information that is not generally available to the market and also places restrictions and notification requirements, including the imposition of blackout periods and the need to obtain pre-trade approval. The Trading Policy aligns to the ASX Listing Rules and relevant guidelines.

8.2 ASX corporate governance principles

The ASX Corporate Governance Council has developed and released the ASX Corporate Governance Principles for Australian listed entities in order to promote investor confidence and to assist entities to meet stakeholder expectations. The ASX Corporate Governance Principles are not prescriptions, but guidelines. However, under the Listing Rules, the Trust is required to provide

a statement in conjunction with its annual report disclosing the extent to which it has followed the ASX Corporate Governance Principles in the reporting period. Where the Trust does not follow a recommendation, it must identify the recommendation that is not being followed and give reasons for not following it. Except as set out below, the responsible entity does not anticipate that the Trust will depart from the ASX Corporate Governance Principles; however, it may do so in the future if it considers that such departure would be reasonable.

The Trust has a Corporate Governance Statement which reports against the ASX Corporate Governance Principles, a summary of which is set out below.

Principle 1 – Lay solid foundations for management and oversight

As the Trust is externally managed by Magellan, Principle 1 is not applicable.

Principle 2 – Structure the board to add value

As the Trust is externally managed by Magellan, the following recommendations are not applicable:

- 2.1 Nominations Committee;
- 2.2 Board skills matrix;
- 2.5 Board chairman independence; and
- 2.6 New director induction.

In relation to recommendations 2.3 and 2.4, five of the seven Directors of MFG and Magellan are independent Non-Executive Directors.

Principle 3 – Act ethically and responsibly

Magellan has in place policies and procedures to align with this principle in respect of the Trust.

Principle 4: Safeguard integrity in corporate reporting

Magellan has in place policies and procedures to align with this principle in respect of the Trust.

In relation to recommendation 4.3 (External Auditor attends AGM), the Trust does not intend to hold an annual general meeting and accordingly this recommendation is not applicable. If the Trust were to hold an annual general meeting this recommendation would be followed.

Principle 5: Make timely and balanced disclosure

The Trust has in place a Continuous Disclosure Policy to ensure it meets its disclosure obligations under the Corporations Act and the ASX Listing Rules.

Principle 6: Respect the rights of security holders

The Trust has in place a Unitholder Communication Policy to ensure it meets its disclosure obligations under the Corporations Act and the ASX Listing Rules.

Principle 7: Recognise and manage risk

The Magellan Group has in place an RMF and related policies and procedures to align with this principle in respect of the Trust with the exception of recommendations 7.1 and 7.3. Operational risk management is primarily considered by the Magellan Board and MFG and Magellan do not have an internal audit function.

MFG has an Audit and Risk Committee comprised of independent Directors to oversee audits in relation to some aspects of the operational risk management and compliance frameworks. The Magellan Board, chaired by the Executive Chairman, otherwise has oversight of the operational risk and compliance frameworks as it considers risk management matters should be a strong focus of the entire Magellan Board. The RMF is reviewed at least annually by the Magellan Board to satisfy itself that it continues to be sound. In addition, the Magellan Board consists of a majority of independent Non-Executive Directors and in the event of any conflict, the senior independent Non-Executive Director assumes the role of Chairman.

The Magellan Board has established a Risk and Compliance Committee ("RCC") to assist it in discharging its corporate governance and oversight responsibilities in relation to the Magellan Group's obligations, which include the requirement for adequate risk management and compliance systems. The RCC consists of the Executive Directors, Responsible Managers, and senior Magellan employees including the Chief Compliance Officer.

Magellan is the holder of AFSL 304301 and is also registered with a number of offshore regulators and is subject to external audits and exams. These external audits provide reasonable assurance on the design and operating effectiveness of Magellan's compliance and control environment. In addition, periodic monitoring of compliance with key policies and procedures is performed by Magellan and the results are reported to the Magellan Board. The Magellan Group's culture, size, simple and scalable operations, transparent reporting and flat organisational structure allow the Magellan Group Boards and management full and direct visibility of the key activities undertaken.

The Boards and senior management have the skills and expertise to understand and rigorously review and challenge the information provided and recommendations submitted for approval. Where additional assurance is desired, the relevant Board can commission external independent advice and reviews as necessary.

Principle 8: Remunerate fairly and responsibly

As the Trust is externally managed by Magellan, the following recommendations are not applicable:

- 8.1 Remuneration committee;
- 8.2 Disclosure of remuneration policies and practices; and
- 8.3 Equity based remuneration schemes.

The remuneration payable to Magellan in respect of the Trust can be found in this PDS at Section 7 Fees and Costs. Further details of actual management costs paid will be published in the Half Yearly Reports and Annual Reports of the Trust and will be available on the Magellan Group website.

9. Financial Information

9.1 Pro Forma Historical Statements of Financial Position

The pro forma historical statements of financial position of the Trust as at 11 August 2017 ("Pro Forma Historical Statements of Financial Position") set out below have been prepared to illustrate the financial position of the Trust following the completion of the Offer and the expenditure of funds associated with the Offer on the basis of the following:

- the raising of a minimum subscription of \$250 million; and
- the raising of an indicative subscription of \$1 billion

These Pro Forma Statements of Financial Position are intended to be illustrative only and may not reflect the actual or prospective financial position of the Trust as at the date of this PDS or at the completion of the Offer.

A\$ As at 11 August 2017	Minimum Subscription \$250 million raised	Indicative subscription \$1 billion raised
Cash	261,250,000	1,045,000,000
Net assets attributable to unitholders	261,250,000	1,045,000,000

Units on issue and NAV per Unit are shown in the table below.

A\$	Minimum Subscription \$250 million raised	Indicative subscription \$1 billion raised
Fully paid ordinary units (Units) on issue	166,666,667	666,666,667
Class A Units on issue	7,500,000	30,000,000
Total units on issue	174,166,667	696,666,667
Pro Forma NAV per Unit	\$1.50	\$1.50

A reconciliation of the pro forma historical cash balances is shown in the table below.

A\$	Minimum Subscription \$250 million raised	Indicative subscription \$1 billion raised
Pro forma adjustment – proceeds of the Offer	250,000,000	1,000,000,000
Pro forma adjustment – Class A Unit proceeds	11,250,000	45,000,000
Pro forma adjustment – expenses of the Offer	-	-
Pro forma historical net cash position as at 11 August 2017	261,250,000	1,045,000,000

The above pro forma historical financial information is for illustrative purposes only and do not reflect the responsible entity's expectations in respect of the capital raised through the Offer.

9.2 Assumptions

The Pro Forma Historical Statements of Financial Position have been derived from the historical statement of financial position of the Trust as at 11 August 2017 adjusted for the effects of the pro forma adjustments described below:

- Application of the significant accounting policies set out in Section 9.3;
- The column headed "Minimum Subscription \$250 million raised", has been prepared on the basis of subscriptions of 166,666,667 Units by Applicants under this PDS at an Offer Price of \$1.50 (including subscriptions by Priority Applicants of 120,000,000 Units) and a maximum total number of Loyalty Units of 7,500,000;
- The column headed "Indicative subscription \$1 billion raised", has been prepared on the basis of subscriptions of 666,666,667 Units by Applicants under this PDS at an Offer Price of \$1.50 (including subscriptions by Priority Applicants of 480,000,000 Units) and a maximum total number of Loyalty Units of 30,000,000;
- Expenses related to the Offer will be paid by the Magellan Group. No expenses related to the Offer will be paid out of the assets of the Trust;
- No interest is earned by the Trust on Application Monies during the Offer period;
- Priority Applicants may be eligible to receive a number of Loyalty Units based on the number of Units allotted to them under the Priority Offer. The economic cost of the Loyalty Units will not be borne by the Trust or its Unitholders. The Magellan Group will bear the economic cost of the Loyalty Units; and
- MGT Investment, a Related Body Corporate of MFG, will subscribe for a number of Class A Units at least equal to 6.25% of the total number of Units allotted under the Priority Offer, being the maximum total number of Loyalty Units. Refer to Section 13.1 for further details on the Class A Units. On the Loyalty Unit Issue Date, the consolidation of Class A Units will reduce the number of Class A Units on issue by the number of Loyalty Units to be issued to Priority Applicants. The consolidation and conversion of Class A Units, together with the issue of Loyalty Units, will not impact the total units on issue or Pro Forma NAV per Unit.

9.3 Significant accounting policies

The accounting policies set out below represent the significant accounting policies which have been adopted in the preparation of the Pro Forma Historical Statements of Financial Position and which are expected to be adopted prospectively by the Trust.

Basis of Preparation

The Pro Forma Historical Statements of Financial Position have been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards, other than that it includes adjustments which have been prepared in a manner consistent with Australian Accounting Standards, that reflect the impact of certain transactions as if they occurred as at 11 August 2017.

Australian Accounting Standards set out an accounting framework that the Australian Accounting Standards Board have concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with the recognition and measurement requirements of Australian Accounting Standards ensures that the Pro Forma Historical Statements of Financial Position also comply with the recognition and measurement requirements of International Financial Reporting Standards.

The financial information presented in the PDS is presented in an abbreviated form and does not contain all of the presentation and disclosures that are usually provided in an annual report prepared in accordance with Australian Accounting Standards.

Both the functional and presentation currency of the Trust is Australian dollars (\$).

a) Cash and Cash Equivalents

Cash includes cash at bank and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

b) Net Assets Attributable to Unitholders

The Units issued by the Trust are classified as a liability in the Pro Forma Historical Statements of Financial Position as the Trust's Constitution requires the net income of the Trust to be distributed to Unitholders of the Trust. Changes in net assets attributable to Unitholders are recognised in the Statement of Profit or Loss and Other Comprehensive Income as finance costs.

c) Terms and Conditions of Units

The units issued by the Trust comprise fully paid ordinary units ("Units") and Class A Units. Each Unit will entitle the holder to receive distributions declared and proceeds on winding up the Trust in proportion to the number of units on issue. A Unit entitles their holder to one vote, either in person or proxy, at a meeting of the Trust.

Class A Units will have the same terms and conditions and rank equally with Units other than the consolidation obligations and conversion rights which are discussed further below.

Class A Units will be issued to MGT Investment, a subsidiary of MFG, pursuant to the MFG Subscription and Commitment Deed. The number of Class A Units will be at least equal to the maximum number of Loyalty Units that could be issued under the Priority Offer as described in Section 5.2. After the number of Loyalty Units to be issued to Priority Applicants has been determined following the Loyalty Unit Determination Date on 11 December 2017, Class A Units will consolidate and automatically convert to Units on a 1-for-1 basis. The consolidation of Class A Units will reduce the number of Class A Units on issue by the number of Loyalty Units to be issued to Priority Applicants. Immediately after the consolidation of Class A Units, or if there is no consolidation of Class A Units, the Class A Units will automatically convert by redesignation to an equal number of Units (rounded down to the nearest whole Unit).

While the Trust is listed on ASX, Units are not able to be redeemed. However, Magellan may undertake a buyback of Units which satisfies the requirements of the Corporations Act and the ASX Listing Rules.

10. Independent Limited Assurance Report



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

18 August 2017

The Board of Directors
Magellan Asset Management Limited
MLC Centre
Level 36, 19 Martin Place
Sydney NSW 2000

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT ON PRO FORMA HISTORICAL STATEMENTS OF FINANCIAL POSITION

1. Introduction

We have been engaged by Magellan Asset Management Limited ("Magellan") as Responsible Entity for Magellan Global Trust (the "Trust") to report on the pro forma historical statements of financial position for inclusion in the Product Disclosure Statement ("PDS") to be dated on or about 18 August 2017, and to be issued by Magellan, in respect of the offer of fully paid units in the Trust and the admission of the Trust to the official list of, and for quotation of, its units on the ASX ("the Offer").

Expressions and terms defined in the PDS have the same meaning in this report.

2. Scope

Pro Forma Historical Statements of Financial Position

You have requested Ernst & Young to review the following pro forma historical financial information of the Trust:

- the pro forma historical statement of financial position as at 11 August 2017 based on the raising of the minimum subscription of \$250 million, as set out in section 9.1 of the PDS; and
- the pro forma historical statement of financial position as at 11 August 2017 based on the raising of an indicative subscription of \$1 billion, as set out in section 9.1 of the PDS.

(Hereafter the "Pro Forma Historical Statements of Financial Position" or the "Financial Information").

The Pro Forma Historical Statements of Financial Position have been derived from the historical statement of financial position of the Trust as at 11 August 2017, and adjusted for the effects of pro forma adjustments described in section 9.2 of the PDS.

The Pro Forma Historical Statements of Financial Position have been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards ("AAS") other than that it includes adjustments which have been prepared in a manner consistent with AAS, that reflect the impact of certain transactions as if they occurred as at 11 August 2017.

Due to its nature, the Pro Forma Historical Statements of Financial Position do not represent the Trust's actual or prospective financial position.

The Financial Information is presented in the PDS in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

3. Directors' Responsibility

The directors of Magellan, as Responsible Entity of the Trust, are responsible for the preparation and presentation of the Pro Forma Historical Statements of Financial Position, including the basis of preparation, selection and determination of pro forma adjustments made to the historical statement of financial position and included in the Pro Forma Historical Statements of Financial Position. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Pro Forma Historical Statements of Financial Position that are free from material misstatement, whether due to fraud or error.

4. Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Pro Forma Historical Statements of Financial Position based on the procedures performed and the evidence we have obtained.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited assurance procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the Financial Information.

5. Conclusions

Pro Forma Historical Statements of Financial Position

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information comprising:

- the pro forma historical statement of financial position as at 11 August 2017 based on the raising of the minimum subscription of \$250 million, as set out in section 9.1 of the PDS; and
- the pro forma historical statement of financial position as at 11 August 2017 based on the raising of an indicative subscription of \$1 billion, as set out in section 9.1 of the PDS

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 9.3(a) of the PDS.

6. Restriction on Use

Without modifying our conclusions, we draw attention to Section 9.1 of the PDS, which describes the purpose of the Financial Information. As a result, the Financial Information may not be suitable for use for another purpose.

7. Consent

Ernst & Young has consented to the inclusion of this limited assurance report in the PDS in the form and context in which it is included.

8. Independence or Disclosure of Interest

Ernst & Young does not have any interests in the outcome of this Offer other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully



Ernst & Young

Investing in the Trust is likely to have tax consequences. Before investing in the Trust, investors are strongly recommended to seek their own professional tax advice about the applicable Australian tax consequences and, if appropriate, foreign tax consequences that may apply to them based on their particular circumstances.

The taxation information contained in this PDS reflects the Australian income tax legislation in force, and the interpretation of the Australian Taxation Office ("ATO") and the courts, as at the date of issue of this PDS. Taxation laws are subject to continual change and there are reviews in progress that may impact the taxation of trusts and investors.

The Trust intends to elect to become an Attribution Managed Investment Trust ("AMIT"). Accordingly, investors will be subject to tax on the income of the Trust that is attributed to them under the AMIT rules each year ending 30 June. If there is income of the Trust that is not attributed to an investor, the Trust will be subject to tax at the highest marginal rate (plus Medicare levy) on that non-attributed income. The AMIT rules will also allow the Trust to reinvest part or all of your distribution and/or accumulate part or all of the Trust's income in the Trust, in which case the income of the Trust that is attributed to you (and which must be included in your income tax return) will be more than the total distribution you receive.

Investors will be assessed for tax on their share of the net income and net capital gains generated by the Trust that is attributed to them under the AMIT rules. Investors will receive a tax statement after the end of each financial year (referred to as an AMIT Member Annual Statement) that will provide them with details of the amounts that have been attributed to them by the Trust to assist them in the preparation of their tax return.

If the Trust were to incur a tax loss for a year then the Trust could not attribute that loss to investors. However, subject to the Trust meeting certain conditions, the Trust may be able to recoup such a loss against taxable income of the Trust in subsequent income years.

Depending on an investor's particular circumstances, they may also be liable to pay capital gains tax (or income tax if they hold their Units on revenue account) when they sell Units in the Trust or, where Units are not quoted on ASX, make off market withdrawals.

Loyalty Units issued pursuant to the Priority Offer

A Priority Applicant who does not sell or purchase any Units on market prior to the Loyalty Unit Determination Date will be taken to have subscribed for their Loyalty Units as part of their Application for Units under the Priority Offer. For capital gains tax ("CGT") purposes, such a Priority Applicant will:

- have a cost base in each of the Units originally issued to them ("Original Units") and their Loyalty Units equal to the Offer Price paid by that Applicant under the Priority Offer divided by the aggregate number of their Original Units and Loyalty Units; and
- be taken to have acquired all of their Original Units and Loyalty Units on the date on which their Application under the Priority Offer was accepted by the Trust.

A Priority Applicant who sells all of their Original Units and is not a unitholder (either directly as a registered Unitholder or indirectly via their Intermediary) on the Loyalty Unit Determination Date (11 December 2017) and does not purchase any other Units in order to be a unitholder (either directly as a Unitholder or indirectly via their Intermediary) on the Loyalty Unit Determination Date (11 December 2017) will not receive any Loyalty Units (refer to Section 5.2). Such a Priority Applicant will calculate their capital gain (or capital loss) on the sale of their Original Units by reference to a cost base per Unit equal to the Offer Price paid by them under the Priority Offer divided by the number of Original Units issued to them.

A Priority Applicant who acquires additional Units on market such that the number of Units held by them on the Loyalty Unit Determination Date (11 December 2017) exceeds the number of Original Units allotted to them ("Excess Units") will not receive Loyalty Units in respect of those Excess Units. Any such Excess Units will have a cost base for CGT purposes equal to the amount paid to acquire them on market, with the acquisition date of such Units for CGT purposes being the date on which the Priority Applicant entered into the contract(s) under which those Units were acquired.

A Priority Applicant who sells some of their Original Units and also acquires other Units on market such that they are a unitholder (either directly as a Unitholder or indirectly via their Intermediary through which they were allotted their Original Units) on the Loyalty Unit Determination Date (11 December 2017) will receive Loyalty Units in accordance with the PDS (but not in respect of any Excess Units). In such a case, for CGT purposes, the Priority Applicant will:

- have a cost base for the Original Units initially issued to them (some of which have been sold) plus any Loyalty Units they receive equal to the subscription amount paid by that Applicant under the Priority Offer divided by the aggregate number of the total number of Original Units initially issued to them plus any Loyalty Units allotted to them;
- be taken to have acquired all of their Original Units and any Loyalty Units allotted to them on the date on which their Application under the Priority Offer was accepted by the Trust; and
- have a cost base for any Units acquired by them on market (including any Excess Units) equal to the amount paid by them to acquire those Units, with the acquisition date of such Units for CGT purposes being the date on which that Priority Applicant entered into the contract(s) under which those Units were acquired.

Any Units acquired on market by a Priority Applicant on or after the day prior to the Loyalty Unit Determination Date (including in the period between the day prior to the Loyalty Unit Determination Date and the date on which the Loyalty Units are allotted) will have a cost base for CGT purposes equal to the amount paid to acquire them on market, with the acquisition date of such Units for CGT purposes being the date on which the Priority Applicant entered into the contract(s) under which those Units were acquired.

Units issued pursuant to the Broker Firm Offer or the General Public Offer

Applicants that acquire Units under the Broker Firm Offer or the General Public Offer (including any Applicants that are also separately entitled to acquire Units under the Priority Offer as Priority Applicants) will, for CGT purposes:

- have a cost base for the Original Units acquired by them under the Broker Firm Offer or the General Public Offer equal to the Offer Price paid by them under the applicable Offer; and
- be taken to have acquired all of the Original Units acquired by them under the Broker Firm Offer or the General Public Offer on the date on which their Application under the applicable Offer was accepted by the Trust.

Taxation of non-resident investors

If a non-resident Unitholder is entitled to taxable income of the Trust, the Unitholder may be subject to Australian tax at the rates applicable to non-residents. If you are a non-resident, you may be entitled to a credit for Australian income tax paid by the Trust in respect of your tax liability.

Taxation reforms

Reforms to the taxation of trusts are generally ongoing. Investors should seek their own advice and monitor the progress of announcements and proposed legislative changes on the potential impact.

Quoting your Tax File Number ("TFN") or an Australian Business Number ("ABN")

It is not compulsory for Unitholders to quote their TFN, ABN, or exemption details. However, should a Unitholder choose not to, Magellan is required to deduct tax from a Unitholder's distributions at the maximum personal rate (plus the Medicare levy). Collection of TFNs is permitted by taxation and privacy legislation.

GST

The goods and services tax will not be payable on your investment in the Trust.

Foreign Account Tax Compliance Act

Under the Foreign Account Tax Compliance Act ("FATCA") Magellan is deemed to be a "foreign financial institution" and is required to collect and report information about certain investors identified as U.S. tax residents or citizens. In order to comply with its FATCA obligations, Magellan may request investors to provide certain information ("FATCA Information").

To the extent that all FATCA Information is obtained, the imposition of US withholding tax on payments of US income, or gross proceeds from the sale of particular US securities, shall not apply. Although Magellan attempts to take all reasonable steps to comply with its FATCA obligations and to avoid the imposition of withholding tax, this outcome is not guaranteed. Under the terms of the intergovernmental agreement between the US and Australian governments, Magellan may provide FATCA Information to the ATO. Please be aware that Magellan may use your personal information in order to comply with FATCA, and may contact a Unitholder if additional information is required.

Common Reporting Standard (CRS)

The Common Reporting Standard ("CRS") is a new standard for the automatic exchange of financial account information for tax purposes. CRS requires Magellan to collect information about a Unitholder's tax residence. If the Unitholder is a tax resident of any country outside Australia, Magellan may be required to pass on certain information (including their financial account information) to the ATO. The ATO may then exchange this information with tax authorities of another jurisdiction or jurisdictions pursuant to intergovernmental agreements to exchange financial account information. Although the CRS does not involve any withholding tax obligations, please be aware that Magellan may use your personal information in order to comply with the CRS, and may contact a Unitholder if additional information is required.

12. Material Contracts

Magellan considers that the contracts described below are those which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this PDS for the purpose of making an informed assessment of the Offer.

This Section only contains a summary of the material contracts and their substantive terms. The provisions of each material contract are not fully described. To understand fully all rights and obligations pertaining to the material contracts, it would be necessary to read them in full.

12.1 Offer Management Agreement

Magellan and has entered into an Offer Management Agreement with the Joint Lead Managers with respect to management of the Offer. Under the Offer Management Agreement, the Joint Lead Managers have agreed to use their reasonable endeavours to procure Applications under the Offer. A summary of the key terms of the Offer Management Agreement are set out below.

Fees and Expenses

The Joint Lead Managers will be entitled to the following fees set out in the Offer Management Agreement:

- an arranger fee to the Lead Arranger of 0.05% (plus GST) of the total amount raised under the Broker Firm Offer and the General Offer;
- a management fee to the Joint Lead Managers in the proportions specified in the Offer Management Agreement of 1.0% (plus GST) of the total amount raised in the Broker Firm Offer and the General Offer;
- a stamping fee to each Joint Lead Manager of 1.0% (plus GST) of the total amount raised by that Joint Lead Manager in the Priority Offer in respect of all valid applications accepted under the Priority Offer, that have been stamped by that Joint Lead Manager; and
- a broker firm fee to each Joint Lead Manager of 1.5% (plus GST) of the total amount raised in the Broker Firm Offer in respect of the number of Units allocated to that Joint Lead Manager and its Broker and Affiliates under the Broker Firm Offer actually settled, payable by the Lead Arranger subject to the receipt of the broker firm fee.

The Joint Lead Managers will be reimbursed for all reasonable expenses (including any applicable GST, unless otherwise stated) incurred by the Joint Lead Managers in connection with the Offer Management Agreement, this PDS and the Offer.

Indemnity

Subject to certain exclusions such as fraud, wilful misconduct or gross negligence, Magellan indemnifies the Joint Lead Managers and certain affiliated parties against certain liabilities and losses incurred or sustained directly or indirectly as a result of the appointment of the Joint Lead Managers.

Warranties and representations

Customary and usual representations and warranties are given by both Magellan and the Joint Lead Managers in relation to matters such as the power to enter into the Offer Management Agreement, corporate authority and approvals and Magellan's compliance with the Corporations Act, the ASX Listing Rules, regulations and all other applicable laws in relation to making the Offer. Magellan makes a number of further representations and warranties, including that the PDS will not contain any untrue, inaccurate, misleading or deceptive statements and will not omit information necessary in order to make the statements therein not misleading.

Termination events

There is a number of customary and usual termination events under the Offer Management Agreement in relation to matters such as the non-compliance of any aspect of the Offer in a material respect with the Corporations Act, the ASX Listing Rules or any other applicable law or regulation.

Material termination events

A Joint Lead Manager may terminate its appointment under the Offer Management Agreement without cost or liability to that Joint Lead Manager at any time before the settlement date under the Offer by written notice to the other Joint Lead Managers and Magellan on the occurrence of certain specified events in the Offer Management Agreement which include among other things, matters such as prosecution of Magellan, non-compliance with the Corporations Act, the ASX Listing Rules or any other applicable law or regulation by Magellan, default by Magellan in the performance of any its obligations and breach of representations and warranties under the Offer Management Agreement. Such termination rights may be exercised if, in the reasonable opinion of the Joint Lead Managers, the event has had or is likely to have a material adverse effect on the marketing, outcome, success or settlement of the Offer or the ability of the Joint Lead Managers to market, promote or settle the Offer or the willingness of investors to subscribe for Units or has given or would be likely to give rise to a liability for the Joint Lead Managers under the Corporations Act or any applicable laws.

12.2 MFG Subscription and Commitment Deed

Magellan has entered into a Subscription and Commitment Deed with MFG and MGT Investment, a Related Body Corporate of MFG, in relation to the subscription of Class A Units by MGT Investment and certain other matters relating to the Offer and set out in the PDS ("MFG Subscription and Commitment Deed"). Under the terms of the MFG Subscription and Commitment Deed, MGT Investment agrees to subscribe for, and Magellan agrees to issue, Class A Units in accordance with the terms of the Constitution to facilitate the issue of the Loyalty Units on a non-dilutive basis and MFG covenants in favour of Magellan to observe and perform its obligations under the Offer, the PDS and the Constitution, which includes but is not limited to: i) the Magellan Group paying the initial expenses associated with the Offer and listing the Trust on the ASX; and ii) paying consideration equal to the cost of a DRP discount.

MGT Investment also acknowledges and agrees under the terms of the MFG Subscription and Commitment Deed that the Class A Units may be consolidated and converted by Magellan in accordance with the terms of the Constitution. The MFG Subscription and Commitment Deed may only be terminated by Magellan in certain circumstances. MFG and MGT Investment have no right to terminate the MFG Subscription and Commitment Deed. The MFG Subscription and Commitment Deed will automatically terminate on the retirement or removal of Magellan as responsible entity of the Trust.

13. Additional Information

13.1 Trust's Constitution

The operation of the Trust is governed under the law and the Constitution of the Trust. If you invest in the Trust, you agree to be bound by the terms of this PDS and the Constitution. Please consider the Constitution before investing in the Trust. Investors can inspect a copy of the Constitution at Magellan's head office or Magellan will provide a copy free of charge.

A summary of the key rights and obligations attaching to the Units and a description of the material provisions of the Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the terms of the Constitution. The rights and obligations attaching to ownership of Units are also governed by the Corporations Act, the ASX Listing Rules and general law.

Units

The beneficial interest in the Trust is divided into Units and Class A Units. Each Unit confers on its Unitholder an undivided absolute, vested and indefeasible beneficial interest in the Trust as a whole, subject to the Trust's liabilities, not in parts or single assets. A Unit does not confer any rights over the management of the Trust. A Unitholder holds a Unit subject to the rights and obligations attaching to that Unit.

Applicants will be issued Units under the Offer. As at the date of this PDS, Magellan also intends to issue Class A Units to MGT Investment pursuant to the MFG Subscription and Commitment Deed. Class A Units will have the same rights, restrictions and obligations as Units and will rank equally with the Units, other than the consolidation obligations and conversion rights set out in further detail below.

Class A Units

MGT Investment, a Related Body Corporate of MFG, will subscribe for a number of Class A Units at least equal to the maximum total number of Loyalty Units that could be issued under the Priority Offer based on the number of Units allotted under the Priority Offer. On the Loyalty Unit Issue Date, by which time Magellan will have determined the number of Loyalty Units to be issued to Priority Applicants, the Class A Units will consolidate and then automatically convert to Units on a 1-for-1 basis. The consolidation of Class A Units will reduce the number of Class A Units on issue by the number of Loyalty Units to be issued to Priority Applicants.

The consolidation and conversion of Class A Units, together with the issue of Loyalty Units will not impact the NAV per Unit.

The Constitution provides that Class A Units:

- consolidate to that number of Class A Units (rounded down to the nearest whole Unit) equal to the number of Class A Units on issue immediately prior to the consolidation less the number of Loyalty Units issued on the Loyalty Unit Issue Date simultaneously with the creation and issue of Loyalty Units on the Loyalty Unit Issue Date; and
- immediately after the consolidation of Class A Units or if there is no consolidation of Class A Units, automatically convert by redesignation to an equal number of Units (rounded down to the nearest whole Unit).

References to the Magellan Group bearing the economic cost of the Loyalty Units in this PDS have the meaning of the Magellan Group bearing the dilutive effect of the Loyalty Units on the NAV per Unit that would otherwise arise from the issue of Loyalty Units. There are no other costs to investors associated with the issue of Loyalty Units.

No redemption of Units

While the Trust is listed on ASX, Units are not able to be redeemed. However, Magellan may undertake a buyback of Units which satisfies the requirements of the Corporations Act and the ASX Listing Rules. Any Units acquired by Magellan under a buyback will be immediately cancelled, as required by the Corporations Act.

Issue of Units

Magellan may issue new Units upon and subject to the terms and conditions of the Constitution, including by way of placement, rights issue, Unit purchase plan, distribution reinvestment plan or consideration for a takeover. The Constitution provides Magellan with the discretion to determine the issue price in relation to Units where permitted by ASIC exemptions and the ASX Listing Rules. No Units may be issued after the 80th anniversary of the date of the Trust commenced.

Liability of Unitholders

The Constitution states that a Unitholder's liability is limited to the amount the Unitholder subscribed or agreed to subscribe for their Units, but the courts are yet to determine the effectiveness of provisions of this kind.

Magellan's powers and duties

Magellan has all the power in respect of the Trust that is legally possible for a natural person, corporate or trustee to have as if it were the absolute and beneficial owner of the Trust's assets. Magellan may invest in, dispose of or otherwise deal with assets, borrow or raise money, incur liabilities and obligations of any kind, grant a security interest over the Trust's assets, enter into underwriting arrangements, and mix and mingle the Trust's assets with other co-investors. Magellan may also delegate its powers to another person, including a related party or an associate.

Magellan's remuneration and recovery of expenses

The Constitution provides Magellan is entitled to charge the fees summarised in Section 7 of this PDS. All costs, charges, expenses and outgoings reasonably and properly incurred by Magellan in the proper performance of its duties may be payable or reimbursable out of the Trust's assets and, if appropriate, such expenses may be referable to a particular class of Unitholders.

Magellan's indemnity

Where Magellan acts without fraud, negligence or breach of trust, Magellan is indemnified out of the Trust's assets for any liability (including tax liability) properly incurred by it or through an agent, manager, adviser or delegate in relation to the Trust. This indemnity is in addition to any indemnity under law.

Removal and retirement of Magellan

Unitholders do not have a right to remove Magellan as the responsible entity other than the right granted by the Corporations Act. Subject to the ASX Listing Rules, Magellan may retire in accordance with the Corporations Act and must retire when required under the Corporations Act.

Duration of the Trust

The Trust commences when the first investor or investors are issued Units and will continue until terminated, subject to the Corporations Act and ASX Listing Rules (if applicable):

- as required by operation of law; or
- by Magellan on a date specified in a notice given to Unitholders.

On termination of the Trust, Magellan must distribute the net proceeds from the realisation of the Trust's assets among the Unitholders in proportion to the number of Units they hold on the termination date or, if there is more than one class, the net proceeds referable to a class are distributed among the Unitholders in proportion to the number of Units they hold in that class on the termination date. Any proper expenses of termination and winding up will be deducted from the net proceeds of realisation before being distributed to Unitholders.

Amendments to Constitution

Magellan may alter the Constitution if it reasonably considers the amendments will not adversely affect Unitholders' rights. Otherwise, Magellan must obtain Unitholders' approval to a special resolution at a meeting of Unitholders. Any amendment to the Constitution will not be effected until the modification is lodged with ASIC.

Unitholder meetings and voting

Unitholder meetings are to be held in accordance with the Constitution and the Corporations Act. Magellan may convene and conduct a meeting at any time and must do so if required under the Corporations Act. Unitholders' rights to requisition a meeting are contained in the Corporations Act. Votes are by show of hands, unless a poll is validly demanded or required under the Corporations Act.

Holders of Units and Class A Units have the same voting rights.

Proportional takeover bid

The Constitution sets out the process required for a person to obtain approval from Unitholders for a proportional takeover bid. Transfers of Units resulting from a Unitholder accepting an offer under a proportional takeover bid will be prohibited unless this process is followed.

Small holdings

In certain circumstances, Magellan may sell any Units held by a Unitholder which comprise less than a marketable parcel as provided in the ASX Listing Rules. This is to avoid the administrative cost and inconvenience of maintaining a register of multiple small holdings.

13.2 Allotment of Loyalty Units

Loyalty Units will be allotted to Priority Applicants on the Loyalty Unit Issue Date in accordance with the terms set out in Section 5.2. The economic cost associated with Loyalty Units will not be borne by the Trust or its Unitholders.

The economic cost associated with the Loyalty Units will be borne by the Magellan Group through the issue of Class A Units to MGT Investment and subsequent consolidation of Class A Units by Magellan pursuant to the Constitution and the MFG Subscription and Commitment Deed.

13.3 Compliance plan

Magellan has prepared and lodged a compliance plan for the Trust with ASIC. The compliance plan sets out how Magellan will ensure compliance with the Corporations Act, the Constitution and the ASX Listing Rules when operating the Trust. Magellan's board of Directors, which is comprised of a majority of independent Non-executive Directors, has established a Risk & Compliance Committee to monitor Magellan's compliance with the compliance plan.

13.4 Investor considerations

Before deciding to participate in this Offer, you should consider whether the Units to be issued are a suitable investment for you. There are general risks associated with any investment in an entity listed on the ASX.

The value of Units listed on the ASX may rise or fall depending on a range of factors beyond the control of Magellan.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this PDS from a stockbroker, solicitor, accountant or other professional adviser.

The potential tax effects relating to the Offer will vary between Investors. Investors are urged to consider the possible tax consequences of participating in the Offer by consulting a professional tax adviser.

13.5 ASX waivers and confirmations

In connection with the Offer and the listing of the Trust on ASX, Magellan has sought from ASX certain in-principle confirmations and waivers including the following:

- the Trust's structure and operations are appropriate for a listed entity for the purposes of ASX Listing Rule 1.1 (condition 1);
- the financial information provided in this PDS is sufficient for the purposes of ASX Listing Rule 1.3.5;
- the terms of the Units and the Class A Units are appropriate and equitable for the purposes of ASX Listing Rule 6.1;
- that Class A Units will not be regarded as options for the purposes of Chapter 6 of the ASX Listing Rules;
- the application for admission of the Trust to the official list of ASX specify the minimum subscription amount under the Offer as the number of Units to be quoted;
- the issue of the Loyalty Units will not reduce the Trust's placement capacity under ASX Listing Rule 7.1 or require approval of the holders of Units for the purposes of ASX Listing Rule 10.11;
- the conversion of the Class A Units to Units in accordance with their terms:
 - does not constitute a divestment of the Class A Units for the purposes of ASX Listing Rule 6.12;
 - will not reduce the Trust's placement capacity under ASX Listing Rule 7.1 (having regard to ASX Listing Rule 7.2 Exception 4); or
 - require approval of the holders of Units for the purposes of ASX Listing Rule 10.11 (having regard to ASX Listing Rule 10.12 Exception 7); and
- to permit Magellan to conduct on-market buybacks during the five ASX Trading Days from the date the Trust is listed on ASX at a price which is not above the Offer Price.

13.6 ASIC relief

ASIC has granted relief under:

- section 1020F of the Corporations Act from sections 1013H, 1016D and 1016E of the Corporations Act to permit Magellan to apply for listing on ASX no later than seven days of the date of issue of Units and the quotation of Units at the end of three months after the date of issue of Units on the condition that Magellan offers Units under a product disclosure statement lodged with ASIC that discloses the full particulars of the issue of Units;
- section 1020F of the Corporations Act from section 1017E(4) of the Corporations Act to enable Magellan to issue Units under the Offer on the dates set out in Important Dates section of the PDS. This relief will allow Magellan to hold Application Monies under the Offer for a period of up to 60 days; and
- paragraph 601QA(1)(b) of the Corporations Act to enable Magellan to determine the issue price of Units at a price equal to the NAV per Unit where the NAV per Unit is greater than or equal to the market price of Units on ASX.

13.7 Minimum/maximum size

If the Trust does not obtain the Minimum Subscription or ASX listing, Magellan may return your Application Monies to you without interest. Magellan will keep any interest earned on the account in this case to defray costs. Otherwise interest earned will be credited to the benefit of the Trust.

As detailed in Section 5.9, there is no upper limit on the amount that can be raised under the Offer.

13.8 Legal proceedings

To the knowledge of the Directors, there is no material current, pending or threatened litigation with which Magellan or the Trust is directly or indirectly involved.

13.9 Related party transactions and conflicts of interest

Magellan may use the services of related parties in the management of the Trust and pay fees for their services. All related party transactions are conducted on arm's length normal commercial terms and conditions.

From time to time, Magellan, its related bodies corporate or their Directors and employees may hold Units in the Trust.

Magellan may be subject to conflicts of interest when performing its duties in relation to the Trust. Magellan has policies and procedures in place to manage appropriately these conflicts of interest.

Interests of Directors

As at the date of this PDS, the Directors of Magellan do not hold any interests in the Trust.

Magellan has determined the Directors, where eligible, can participate in the Priority Offer up to \$100,000 per Director.

Remuneration of Directors

The fees and expenses of the Directors of Magellan are paid by Magellan in its own right and will not be reimbursed out of the assets of the Trust.

13.10 Consents

Each of the following parties has given and, before lodgement of the paper PDS with ASIC and the issue of the electronic version of this PDS, has not withdrawn its written consent to be named as performing the below role in the form and context in which it is so named.

Role	Name
Unit Registry	Boardroom Pty Limited
Custodian	The Northern Trust Company
Lead Arranger to the Broker Firm Offer and General Public Offer	Taylor Collison Limited
Joint Lead Managers to the Broker Firm Offer and General Public Offer	Commonwealth Securities Limited National Australia Bank Limited Ord Minnett Limited Taylor Collison Limited
Co-Managers to the Broker Firm Offer and General Public Offer	Bell Potter Securities Limited Forsyth Barr Limited JBWere Limited Macquarie Equities Limited Morgans Financial Limited
Legal adviser	MinterEllison
Investigating Accountant (Section 10)	Ernst & Young
Tax adviser	Allens

Each of the above parties has only been involved in the preparation of that part of the PDS where they are named. Except to the extent indicated above, none of the above parties have authorised or caused the issue of the PDS and takes no responsibility for its contents.

13.11 Offer and initial listing expenses

The Magellan Group intends to bear the initial expenses associated with the Offer and listing the Trust on ASX. These expenses include legal, tax, accounting and other services related to the Offer and listing the Trust on ASX, any fees or costs imposed by a regulator and initial ASX listing fees.

13.12 Ongoing Trust expenses

The Magellan Group will bear certain ongoing expenses associated with the Trust including custody, ongoing ASX listing costs and unit registry costs. Transaction costs, including brokerage and transaction taxes where it purchases or sells assets, the cost of managing foreign currency exposure, the cost of any borrowings drawn down by the Trust and any unusual costs incurred on behalf of the Trust will be borne by the Trust. The Trust will also bear the management costs (comprising management, administration and performance fees) payable to Magellan, further details of which are outlined in Section 7 of this PDS.

13.13 Complaints

If you have any concerns or complaints, as a first step please contact Magellan's Complaints Officer on +61 2 9235 4888 and Magellan will do its best to resolve your concern quickly and fairly. If you believe that your matter has not been dealt with satisfactorily, you can contact the Financial Ombudsman Service ("FOS") by calling 1300 780 808 or by writing to FOS at GPO Box 3, Melbourne VIC 3001.

13.14 Governing law

This PDS and the contracts that arise from the acceptance of Applications under the Offer are governed by the laws applicable in New South Wales, Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

14. Glossary

Defined terms and other terms used in the PDS	Definition
\$, A\$ or dollar	The lawful currency of Australia.
AFSL	Australian financial services licence.
Allotment Date	The relevant dates on which the Units are allotted under each of the Priority Offer, the Broker Firm Offer and the General Public Offer.
AML/CTF Act	The <i>Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth)</i> .
Applicant	A person who submits a valid Application Form and required Application Monies pursuant to this PDS.
Application	An application for Units under this PDS.
Application Monies	Subscription monies submitted by Applicants under the Offer.
Application Form	The application form attached to or accompanying this PDS for investors to apply for Units under the Offer.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 or the financial market known as the Australian Securities Exchange it operates, as the context requires.
ASX Corporate Governance Principles	The corporate governance principles and recommendations of the ASX Corporate Governance Council as at the date of this PDS.
ASX Listing Rules	The listing rules of ASX from time to time.
ASX Settlement Rules	The settlement rules of ASX from time to time.
ASX Trading Day	The day and time during which Units are traded on the ASX.
Broker Firm Offer	The broker firm offer described in Section 5.3.
Broker Firm Offer Closing Date	The date that the Broker Firm Offer closes.
Business Day(s)	The days identified by ASX upon which settlement occurs. In addition to weekends, a number of public holidays are also declared by ASX to be non-business days.
Calculation Period	Each six-monthly period ending 31 March and 30 September in each year.
CHESS	Clearing House Electronic Sub-register System, the Australian settlement system for equities and other issued products traded on ASX and other exchanges. CHESS is owned by ASX.
Class A Unit	Fully paid unit of such class in the Trust issued on terms granted under the Constitution for Class A Units as ascribed under the Constitution. Refer to Section 13.1 for further details.
Closing Date	The Priority Offer Closing Date, the Broker Firm Offer Closing Date and the General Public Offer Closing Date.
Co-Managers	Bell Potter Securities Limited, Forsyth Bar Limited, JBWere Limited, Macquarie Equities Limited and Morgans Financial Limited, individually a Co-Manager.
Constitution	The Constitution of the Trust.
Corporations Act	<i>Corporations Act 2001 (Cth)</i> .
Custodian	The entity that holds the assets of the Trust, initially being The Northern Trust Company.
Direct Magellan Holder	Has the meaning ascribed to that term in Section 5.2.
DRP	The distribution reinvestment plan established by Magellan for the Trust.
DRP Rules	The rules of the DRP as varied from time to time.
Eligible Vehicle	Has the meaning ascribed to that term in Section 5.2.
Exposure Period	The seven day period after the date of lodgement of the PDS with ASIC (as extended by ASIC (if applicable)).
FATCA	Foreign Account Tax Compliance Act.
FOS	Financial Ombudsman Service.
General Public Offer	The general public offer described in Section 5.4.
General Public Offer Closing Date	The date that the General Public Offer closes.
GST	Goods and Services Tax.
HIN	Holder Identification Number.

Indirect Magellan Holder	Has the meaning ascribed to that term in Section 5.2.
Intermediary	An Investor Directed Portfolio Service ("IDPS"), IDPS-like scheme or a nominee or custody service.
Investment Strategy	The investment objectives, investment strategy, investment process, permitted investments, investment parameters and elements of investing detailed in this PDS, in particular Sections 2 and 3.
Joint Lead Managers	Commonwealth Securities Limited, National Australia Bank Limited, Ord Minnett Limited and Taylor Collison Limited, individually a Joint Lead Manager.
Lead Arranger	Taylor Collison Limited.
Loyalty Unit	Additional Units to be received by Priority Applicants who are allotted Units under the Priority Offer on the terms set out in Section 5.2.
Loyalty Unit Determination Date	The record date for determining the vesting of Loyalty Units, being 11 December 2017. Priority Applicants who have been allotted Units under the Priority Offer must be unitholders (either directly as a Unitholder or indirectly via the Intermediary through which they were allotted Units) on this date to qualify to have Loyalty Units issued to them.
Loyalty Unit Issue Date	The date determined by Magellan for the issue of Loyalty Unit to eligible Priority Applicants, expected to be 15 January 2018.
Magellan	Magellan Asset Management Limited ABN 31 120 593 946; AFSL 304 301 as responsible entity and investment manager of the Trust or in its own capacity, as the context requires.
Magellan Group	MFG or a Related Body Corporate of MFG, including Magellan.
MFG	Magellan Financial Group Limited ABN 59 108 437 592.
MFG Subscription and Commitment Deed	The subscription and commitment deed between Magellan, MFG and MGT Investment in relation to, among other things, the subscription of Class A Units by MGT Investment dated on 18 August 2017, a summary of which is included in Section 12.2.
MGT Investment	MGT Investment Corp Pty Limited ACN 620 990 918 a Related Body Corporate of MFG.
Minimum Subscription	The minimum subscription being sought by Magellan under the Offer, being \$250,000,000.
NAV	Net asset value.
NAV per Unit	The NAV per Unit is equal to the NAV of the Trust divided by the number of units on issue.
Northern Trust	The Northern Trust Company (acting through its Australian branch).
Offer	The invitation to subscribe for Units in the Trust under the Priority Offer, Broker Firm Offer and/or the General Public Offer.
Offer Management Agreement	The agreement dated 9 August 2017 between Magellan and the Joint Lead Managers in respect of the Broker Firm Offer as amended by an amending deed dated 14 August 2017, a summary of which is included in Section 12.1.
Offer Price	The amount payable by Applicants to Magellan for the issue of Units under the Offer being \$1.50 per Unit.
Opening Date	The date that the Offer opens.
PDS	This Product Disclosure Statement as issued, amended or supplemented by Magellan and lodged with ASIC from time to time.
Portfolio	The portfolio of investments of the Trust from time to time.
Priority Applicant	A person who meets the criteria set out in Section 5.2 and who submits a valid Application Form and required Application Monies under the Priority Offer pursuant to this PDS.
Priority Determination Date	Has the meaning ascribed to that term in Section 5.2.
Priority Offer	The priority offer described in Section 5.2.
Priority Offer Closing Date	The date that the Priority Offer closes.
Pro Forma NAV per Unit	The pro forma NAV per Unit set out in Section 9.1.
Related Body Corporate	Has the meaning given to that term in the Corporations Act.
RITC	Reduced Input Tax Credits.
SRN	Securityholder Reference Number.
Target Cash Distribution	The target cash distribution yield of 4% per annum based on the average of the month-end NAV per Unit over a two year rolling period.
Unit	Fully paid ordinary Unit in the Trust.
Unit Registry	Boardroom Pty Limited ABN 14 003 209 836, being the entity that will operate the registry for the Units.
Unitholder	A registered holder of a Unit.

15. Directory

Trust

Magellan Global Trust
ARSN 620 753 728
Level 36, MLC Centre
19 Martin Place
Sydney NSW 2000

Responsible Entity and Investment Manager

Magellan Asset Management Limited
ABN 31 120 593 946
AFSL 304 301
Level 36, MLC Centre
19 Martin Place
Sydney NSW 2000

Unit Registry

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

Custodian

The Northern Trust Company
Level 47, 80 Collins Street
Melbourne, Victoria 3000

Investigating Accountant

Ernst & Young
200 George Street
Sydney NSW 2000

Tax Adviser

Allens
Level 28, Deutsche Bank Place
126 Phillip Street
Sydney NSW 2000

Auditor

Ernst & Young
200 George Street
Sydney NSW 2000

Legal Adviser

MinterEllison
Level 40, Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

Joint Lead Managers

to the Broker Firm and General Public Offers

Commonwealth Securities Limited
Ground Floor, Tower 1, 201 Sussex Street, Sydney

National Australia Bank Limited
Level 25, 255 George Street, Sydney

Ord Minnett Limited
Level 8, NAB House, 255 George Street, Sydney

Taylor Collison Limited
Level 16, 211 Victoria Square, Adelaide

Co-Managers

to the Broker Firm and General Public Offers

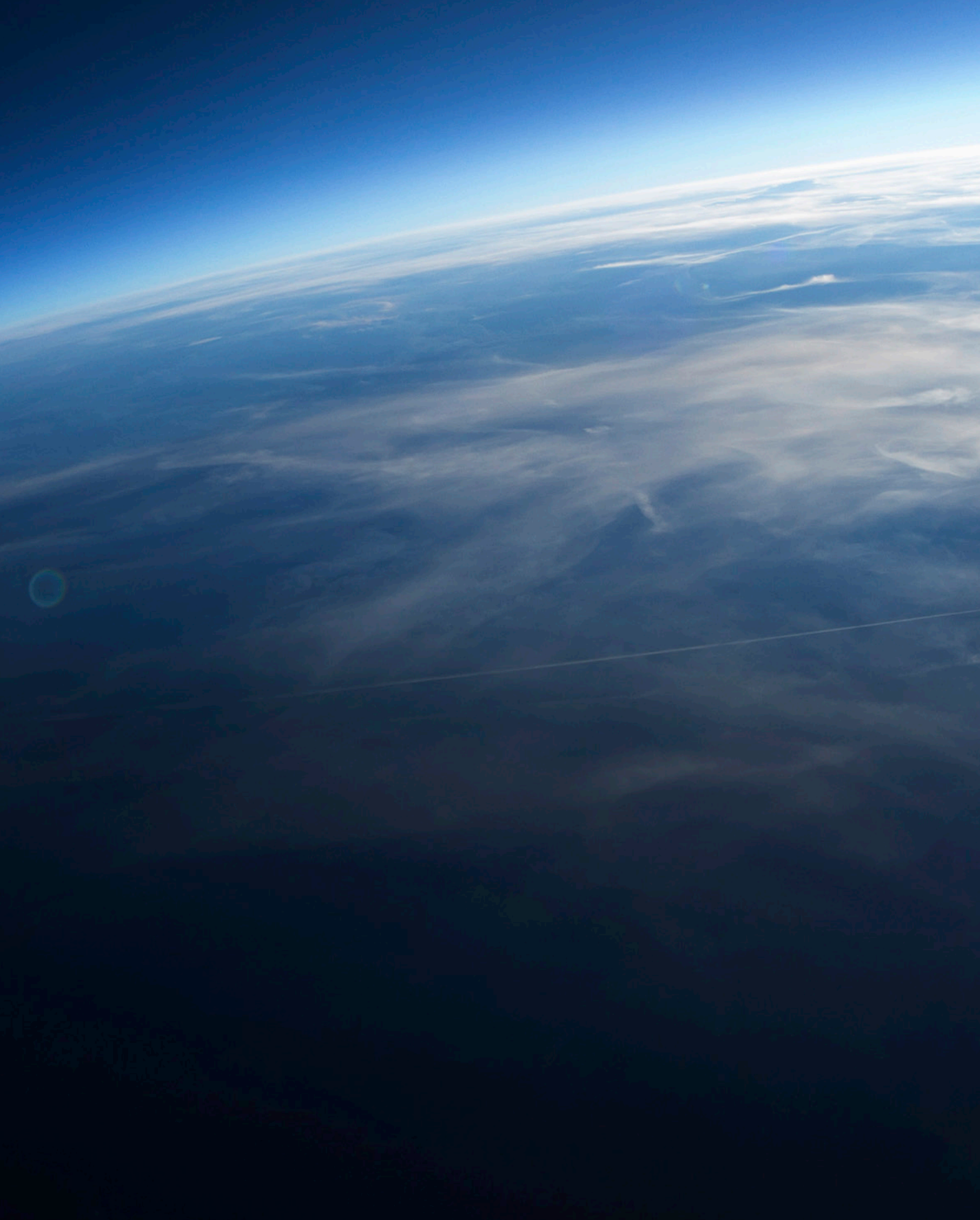
Bell Potter Securities Limited
Level 38, Aurora Place, 88 Philips Street, Sydney

Forsyth Barr Limited
Level 23, Lumley Centre, 88 Shortland Street, Auckland

JBWere Limited
Level 16, 101 Collins Street, Melbourne

Macquarie Equities Limited
1 Shelley Street, Sydney

Morgans Financial Limited
Level 29, 123 Eagle Street, Brisbane



www.magellangroup.com.au