

5 January 2021



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MAGELLAN ASSET MANAGEMENT LIMITED

PARTNERSHIP OFFER PDS LODGEMENT

Magellan Asset Management Limited ("Magellan") as responsible entity of the Magellan Global Fund advises that the Product Disclosure Statement ("PDS") for the Magellan Global Fund Partnership Offer ("Partnership Offer") has now been lodged with the Australian Securities and Investments Commission ("ASIC") and is annexed to this announcement. This PDS can also be found online at www.mgfpartnershipoffer.com.au.

The Partnership Offer enables Eligible Unitholders in the Magellan Global Fund the opportunity to subscribe for up to \$1 of Closed Class Units for every \$4 of Units held.

In partnership with Magellan Group, investors who take up their entitlement under the Partnership Offer will also receive valuable benefits comprising:

- additional Closed Class Units worth 7.5% of their subscription; and
- One MGF Option for each Closed Class Unit allotted under the Partnership Offer. Each MGF Option will be exercisable into one Closed Class Unit with the exercise price set at a 7.5% discount to the prevailing net asset value per Closed Class Unit at the time of exercise. The MGF Options are intended to be quoted on ASX under the ticker MGFO and will have a three year term.

Importantly, these Partnership Benefits will be funded by Magellan Group and not by the Magellan Global Fund or Unitholders.

The Partnership Offer is open to both Open Class (ASX: MGOC) and Closed Class (ASX: MGF) Unitholders who were registered holders of Magellan Global Fund units on both the Record Date (8 December 2020) and the Calculation Date (8 January 2021) with a registered address in Australia, New Zealand, Hong Kong or Singapore. Entitlements will be calculated using the number of Units held by an Eligible Unitholder on the Record Date, or the Calculation Date, whichever is lower.

The Offer Price of Closed Class Units issued under the Partnership Offer will be the NAV per Closed Class Unit the business day immediately prior to their allotment.

The Partnership Offer is expected to open on 18 January 2021 and close on 23 February 2021. New Closed Class Units and MGF Options issued under the Partnership Offer are expected to be allotted on 1 March 2021 and holding statements are expected to be despatched by 5 March 2021.

Eligible Unitholders will receive a letter from Magellan informing them of their entitlement and how to apply under the Partnership Offer once the Partnership Offer is open.

Authorised by

Marcia Venegas | Company Secretary

Magellan Global Fund Partnership Offer

Product Disclosure Statement

For the offer of fully paid Closed Class Units and MGF Options in Magellan Global Fund (ARSN: 126 366 961) (the Offer)

Responsible Entity and Investment Manager:

Magellan Asset Management Limited ABN 31 120 593 946, AFS Licence No. 304 301

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 Fund (ARSN: 126 366 961) (**Fund**) 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 304 301).

DATE, LODGEMENT AND LISTING

This PDS is dated 5 January 2021 and a copy of this PDS was lodged with ASIC on that date.

Closed Class Units are admitted to trading on the official list of ASX. Magellan will apply to ASX no later than seven days after the Allotment Date for the Closed Class Units and MGF Options (together, **Securities**) for official quotation of the Securities on the official list of ASX. Magellan expects the MGF Options to be quoted on the main financial market operated by the ASX on or about 2 March 2021. 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 Fund.

RESPONSIBLE ENTITY

Magellan is the responsible entity of the Fund. Unless the context otherwise requires in this PDS, a reference to Magellan is a reference to Magellan in its capacity as responsible entity of the Fund.

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.

Neither Magellan, nor its officers, agents or advisers, or any person named in this PDS or involved in the preparation of this PDS (in any capacity) makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement. Accordingly, you are cautioned not to place undue reliance on those 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.

Forward looking statements are subject to various risk factors that could cause the Fund'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.

The historical financial performance of the Fund is no assurance or indicator of future financial performance of the Fund.

Magellan does not guarantee any particular rate of return or the performance of the Fund nor does it guarantee the repayment of capital or any particular tax treatment in respect of any investment in the Fund. The pro forma historical financial information provided in this PDS is for illustrative purposes only and is not represented as being indicative of Magellan's views on future financial conditions and/or performance.

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 Fund 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 this PDS may not be relied on as having been authorised by Magellan in connection with the Fund. 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 Fund guarantees, in relation to the Fund, the success, repayment of capital, any rate of return on income or capital, the investment performance, that there will be satisfactory liquidity in the Securities once they are listed on ASX, or that the market price of Closed Class Units when listed on ASX will be similar to the NAV per Closed Class 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 Securities, 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 Fund. 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 Fund is subject to investment risk, which may include loss of principal invested. For more information on the risks associated with an investment in the Fund, 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 Fund.

NO OFFER WHERE OFFER WOULD BE ILLEGAL

The release, publication or distribution of this PDS in jurisdictions other than Australia, New Zealand, Singapore and Hong Kong may be restricted by law or regulation in such other jurisdictions and persons outside Australia, New Zealand, Singapore and Hong Kong who come into possession of this PDS should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

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. This PDS has been prepared in accordance with the laws of the Commonwealth of Australia and the information contained in this PDS may not be the same as that which would have been disclosed if this PDS had been prepared in accordance with the laws and regulations of

jurisdictions outside Australia. This PDS does not constitute an offer to sell, or the solicitation of an offer to buy, the Securities in the United States. None of the Securities have been, or will be, registered under the U.S. Securities Act of 1933, as amended, or under the securities laws of any state or other jurisdiction of the United States, and none of such Units may be offered or sold, directly or indirectly, in the United States.

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 offer document 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 (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 that currency 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 offer document is available only in Australia and is not available in New Zealand.

ADDITIONAL INFORMATION FOR HONG KONG INVESTORS

WARNING: This document has not been, and will not be, authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorize this document or to permit the distribution of this document or any documents issued in connection with it.

No advertisement, invitation or document relating to the Closed Class Units or MGF Options has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Closed Class Units and MGF Options which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under that ordinance.

This document is confidential to, and solely for the use of, the person to whom it is addressed and must not be distributed, published, reproduced or disclosed (in whole or in part) by the recipient to any other person in Hong Kong or used for any purpose in Hong Kong other than in connection with an offer of Securities to existing Eligible Unitholders in the Fund.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

ADDITIONAL INFORMATION FOR SINGAPORE INVESTORS

This document and any other materials relating to the Closed Class Units and MGF Options have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore (**MAS**). Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Closed Class Units and MGF Options, may not be issued, circulated or distributed, nor may the Closed Class Units and MGF Options be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 2, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**) and/or Subdivision (3) Division 1A, Part XIII of the SFA, or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA. In particular, the Closed Class Units and MGF Options may only be offered in Singapore to less than 50 persons, each of whom is an “accredited investor” (as such term is defined in the SFA).

The offer of Closed Class Units and MGF Options does not relate to a collective investment scheme which is authorised under section 286 of the SFA or recognised under section 298 of the SFA and/or a business trust which is registered under Section 4 of the Business Trusts Act (Cap. 31A) or recognised under Section 282TA of the SFA. The Fund is not authorised or recognised by the MAS and Closed Class Units and MGF Options are not allowed to be offered to the retail public. This document is not a prospectus as defined in the SFA and, accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply. The offeree should consider carefully whether the investment is suitable.

Any offer is not made to you with a view to the Closed Class Units or the MGF Options being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Closed Class Units or MGF Options. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

EXPOSURE PERIOD

Pursuant to the Corporations Act, this PDS is subject to an exposure period of seven days after the date of this PDS, which period may be extended by ASIC by a further period of seven days (**Exposure Period**). Magellan will not process Applications during the Exposure Period.

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.mgfpartnershipoffer.com.au.

RIGHTS AND OBLIGATIONS ATTACHED TO THE CLOSED CLASS UNITS

Details of the rights and obligations attached to each Closed Class Unit are summarised in Section 4.7 and set out in the Constitution. The material provisions of the Constitution are also summarised in Section 12.1.

RIGHTS AND OBLIGATIONS ATTACHED TO THE MGF OPTIONS

Details of the rights and obligations attached to each MGF Option are summarised in Section 3 and set out in the Constitution.

ELECTRONIC PDS

This PDS may be viewed online at www.mgfpartnershipoffer.com.au. The information on the website does not form part of this PDS. Any person accessing the electronic version of this PDS, for the purpose of making an investment under the Offer, must only access this PDS from within Australia, New Zealand, Singapore, Hong Kong 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 Fund Unitholder Information Line on 1300 127 780 (Australia) or +61 2 8259 8566 (International), between 8:30am and 5:30pm Monday to Friday (Sydney time).

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.mgfpartnershipoffer.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 Fund Unitholder Information Line on 1300 127 780 (Australia) or +61 2 8259 8566 (International), between 8:30am and 5:30pm Monday to Friday (Sydney time).

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

Unless stated otherwise, all references to dollars, \$, cents or c in this PDS are to Australian currency.

TIME

All times and dates referred to in this PDS are times and dates in Sydney, Australia, unless otherwise indicated.

GLOSSARY

Certain terms and abbreviations in this PDS have defined meanings that are explained in Section 13. Defined terms are generally identifiable by the use of an upper case first letter.

CHARTS, DIAGRAMS AND DATA

Any diagrams, charts, graphs and tables appearing in this PDS are illustrative only and may not be drawn to scale. Data contained in diagrams, charts, maps, graphs and tables is based on information available as at the date specified.

WEBSITE REFERENCES

Any references to documents included on the Fund website 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.

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Offer Highlights and Important Dates

Overview of the Offer

Fund	Magellan Global Fund (Fund) (ARSN: 126 366 961)
Securities to be issued	<ul style="list-style-type: none"> • Closed Class Units • MGF Options
Eligible Unitholders	Any person who has a registered address in Australia, New Zealand, Hong Kong or Singapore and who was a registered holder of Units on the Record Date and on the Calculation Date (subject to Units being in the same Class as those held on the Record Date).
Offer Entitlement	Eligible Unitholders have an entitlement to subscribe for \$1 of Closed Class Units for every \$4 of Units held. Entitlements will be calculated using the number of Units held by an Eligible Unitholder on the Record Date, or the Calculation Date, whichever is lower.
Partnership Benefits for successful Applicants	Successful Applicants will receive: <ul style="list-style-type: none"> • additional Closed Class Units worth 7.5% of their Approved Application Amount; and • one MGF Option for every Closed Class Unit allotted to them.
Offer Price	The NAV per Closed Class Unit on the Business Day immediately prior to Allotment Date (expected to be 1 March 2021).
ASX Ticker: Closed Class Units	MGF
ASX Ticker: MGF Options	MGFO

Key Dates

Record Date for the Offer	8 December 2020
Lodgement of this PDS with ASIC	5 January 2021
Calculation Date for the Offer	8 January 2021
Offer opens	18 January 2021
Offer closes	23 February 2021
Expected date for the allotment of Closed Class Units and MGF Options under the Offer	1 March 2021
Trading of Closed Class Units and MGF Options commences on ASX	2 March 2021
Expected date for the despatch of holding statements	By 5 March 2021
Intended MGF Option Exercise Period start date	1 June 2021 (expected)
Expiry Date of the MGF Options	1 March 2024 (expected)

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.

LETTER TO INVESTORS

Dear Investor,

Following the successful implementation of the restructure of the Magellan Global Fund in December 2020, it gives us great pleasure to invite you to participate in the Magellan Global Fund Partnership Offer (**Offer**).

The Offer enables Eligible Unitholders in the Magellan Global Fund the opportunity to subscribe for up to \$1 of Closed Class Units for every \$4 of Units held. Eligible Unitholders will receive a letter informing them of their Entitlement under the Offer through their preferred method of contact.

In partnership with Magellan Group, investors who take up their Entitlement under the Offer will also receive valuable benefits comprising:

- additional Closed Class Units worth 7.5% of their subscription amount; and
- one MGF Option for each Closed Class Unit allotted under the Offer. Each MGF Option will be exercisable into one Closed Class Unit with the exercise price set at a 7.5% discount to the estimated net asset value per Closed Class Unit at the time of exercise. The MGF Options are intended to be quoted on ASX under the ticker MGFO and will have a three year term.


Importantly, these Partnership Benefits will be funded by Magellan Group and not by the Magellan Global Fund or Unitholders.

We believe this is an attractive opportunity to increase your investment in the Magellan Global Fund.

Details of the Offer are set out in this PDS which we encourage you to read in full.

Like all investments, there are a number of risks associated with an investment in Closed Class Units. These risks are set out in Section 6 of this PDS which we encourage you to read in full.

Yours sincerely,



Robert Fraser,
Chairman of Magellan Asset Management Limited



Hamish Douglass,
Chief Investment Officer and Lead Portfolio Manager, Magellan Global Fund

1. KEY INFORMATION

This is a summary only. This PDS should be read in full before making any decision to make an Application under the Offer.

A. ABOUT THE OFFER

Key Question	Answer	For more information
Key Information about the Offer		
Who is the issuer of the Securities and this PDS?	Magellan Asset Management Limited (ACN 120 593 946) in its capacity as the responsible entity of the Fund (Magellan) is the issuer of the Securities and the issuer of this PDS.	N/A
What is the Offer?	<p>The Offer is an offer by Magellan to Eligible Unitholders to subscribe for \$1 of Closed Class Units for every \$4 of Units held (Entitlement) at the Offer Price. Entitlements will be calculated using the number of Units held by an Eligible Unitholder on the Record Date, or the Calculation Date, whichever is lower. Separate Entitlements will be determined in respect of Open Class Units (ASX: MGO) and Closed Class Units (ASX: MGF) held by an Eligible Unitholder. Eligible Unitholders must hold Units in the same Class on the Record Date and Calculation Date to receive an Entitlement under the Offer.</p> <p>Successful Applicants under the Offer will also receive valuable Partnership Benefits, comprising:</p> <ul style="list-style-type: none"> • additional Closed Class Units worth 7.5% of their Approved Application Amount; and • one MGF Option for every Closed Class Unit allotted to them under this Offer. <p>All Securities issued to an Applicant via the Offer will form part of that Applicant's application. Applicants will be taken to have applied for a number of additional Closed Class Units, equivalent to 7.5% of the number of Closed Class Units allotted to them under the Entitlement. The economic cost associated with the issue of the Partnership Benefits will not be borne by the Fund or Unitholders. The Magellan Group will bear the economic cost associated with the provision of the Partnership Benefits as set out in Section 12.2.</p>	Section 2
What is the Offer Price for Closed Class Units?	<p>The Offer Price for Closed Class Units issued under this PDS will be the net asset value (NAV) per Closed Class Unit on the Business Day immediately prior to the Allotment Date, with the Allotment Date expected to be 1 March 2021.</p> <p>The Offer Price will determine how many Closed Class Units are issued to each successful Applicant (rounded down to the nearest whole Closed Class Unit).</p> <p>The Offer Price may be either higher or lower than the market price of Closed Class Units on ASX at the date the new Closed Class Units are issued under the Offer.</p>	Section 2.3
How many MGF Options will I receive?	Successful Applicants will receive one MGF Option for every Closed Class Unit allotted to them.	N/A
Who can participate in this Offer?	<p>The Offer is open to any person who is an Eligible Unitholder. An Eligible Unitholder is any person who has a registered address in Australia, New Zealand, Hong Kong or Singapore and who was a registered holder of Open Class Units or Closed Class Units on the Record Date and on the Calculation Date (subject to Units being in the same Class as those held on the Record Date).</p> <p>To participate in the Offer, you must have held Units of the same Class on the same HIN or SRN on both the Record Date and the Calculation Date, otherwise you will not be an Eligible Unitholder.</p> <p>Eligible Unitholders will be notified of their Entitlement by Magellan shortly after the Offer opens.</p> <p>Any person invested in the Fund indirectly through an Intermediary (being, an "Indirect Holder") may participate in the Offer via their Intermediary or directly through the Unit Registry under certain circumstances and at the discretion of Magellan.</p> <p>Magellan has the right to scale back Applications under the Offer at its discretion.</p>	Section 2.5
Do I have to participate in the Offer?	<p>No – participation in the Offer is optional.</p> <p>If you choose to participate, you can decide how much of your Entitlement you would like to take up. You may subscribe for a lower dollar value of Closed Class Units than the dollar amount of your Entitlement.</p>	N/A
Can I transfer my Entitlement?	The Entitlement to participate in the Offer is non-renounceable. Eligible Unitholders are not able to transfer their Entitlement to apply under the Offer to anyone else.	N/A
When can I trade my new Closed Class Units and MGF Options on ASX?	Subject to ASX approving quotation of the Closed Class Units and MGF Options, normal settlement trading is expected to commence on 2 March 2021.	Section 2.2

Is there a cooling off period?	No. There are no cooling off rights for any of the Securities.	N/A
What are the fees and costs associated with the Offer?	The fees and costs associated with the Offer will be borne by the Magellan Group. The fees and costs of the Securities themselves are explained in Section 7.	Sections 12.13 and 7
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.mgfpartnershipoffer.com.au , or call the Magellan Global Fund Unitholder Information Line on 1300 127 780 (Australia) or +61 2 8259 8566 (International), between 8:30am and 5:30pm Monday to Friday (Sydney time). If you are uncertain as to whether to participate in the Offer, please contact your stockbroker, financial adviser, accountant, lawyer or other professional adviser.	N/A
What is the Bonus MGF Option Issue?	The Bonus MGF Option Issue is a separate offer of bonus MGF Options being made by Magellan to Closed Class Unitholders only. On or about the date of this PDS, Magellan has separately lodged a product disclosure statement with ASIC offering the Bonus MGF Option Issue by the Fund, under which eligible Closed Class Unitholders on the record date (26 February 2020) will be issued MGF Options for no consideration. Further details are set out in Section 4.5, and the pro-forma impact of the Offer and Bonus MGF Option Issue on the capital structure of the Fund is also disclosed in Section 4.6.	Section 4.5

B. Magellan Global Fund

Key Question	Answer	For more information
Magellan Global Fund		
What is Magellan Global Fund?	Magellan Global Fund (the Fund) is a unit trust which has been registered as a managed investment scheme under the Corporations Act and is admitted to the official list of ASX as an investment entity. The Fund has two classes of Units: Closed Class Units (offered under this PDS) which trade under the ASX ticker MGF and Open Class Units which trade under the ASX ticker MGOC. On completion of the Offer, the Fund will also have MGF Options on issue which, if admitted for quotation on ASX, will trade under the ASX ticker MGFO. As at 8 December 2020, the Fund had approximately \$16.1 billion in funds under management.	Section 4
What is the Fund's investment objective?	The investment objectives of the Fund are to achieve attractive risk-adjusted returns over the medium to long-term, whilst reducing the risk of permanent capital loss.	Section 5.1
What is the Fund's Investment Strategy?	The Fund offers investors an opportunity to invest in a specialised and focused global equity fund. In its capacity as investment manager, Magellan aims to invest in companies that have sustainable competitive advantages which translate into returns on capital in excess of their cost of capital for a sustained period of time. Magellan endeavours to acquire these companies at discounts to their assessed intrinsic value. The Fund's portfolio comprises 20 to 40 investments. Magellan believes such a portfolio will achieve sufficient diversification to ensure the Fund is not overly correlated to a single company, or to industry specific or macroeconomic risks.	Section 5.2
Who are the Portfolio Managers of the Fund?	Hamish Douglass (Co-Founder and Chairman of Magellan Financial Group, Chief Investment Officer of Magellan) and Arvid Streimann (Portfolio Manager of Magellan) are the Portfolio Managers responsible for the investment decisions of the Fund.	Section 5.10
What are the main differences between Open Class Units and Closed Class Units in the Fund?	Both Open Class Units and Closed Class Units provide investors with interests in the same underlying pool of assets in the Fund. Magellan manages this pool of assets on behalf of all Unitholders in accordance with the Fund's Investment Strategy. However, there are important differences between Open Class Units and Closed Class Units. These differences include: i. Open-ended vs Closed-ended capital structure Open Class Units are an 'open-ended' Class in the Fund. This means that Magellan has the power to issue or redeem Open Class Units on a daily basis. Closed Class Units are a 'closed-ended' Class in the Fund. The Fund will only issue or buy back Closed Class Units in accordance with the ASX Listing Rules. ii. The ASX rules framework that applies to each Class Open Class Units are subject to the AQUA Rules and Closed Class Units are subject to the ASX Listing Rules.	Section 4.7

	<p>iii. Entering and exiting the Fund</p> <p>Both the Open Class Units and Closed Class Units are able to be bought and sold on the ASX.</p> <p>Under the ASX's AQUA Rules, Magellan may provide liquidity to investors on the ASX by acting as a buyer and seller of Open Class Units. Open Class Unitholders also have the ability to apply for or redeem their Open Class Units directly with Magellan using an application form or withdrawal form (as applicable).</p> <p>Under the ASX Listing Rules, Closed Class Unitholders do not have the ability to apply for or redeem Closed Class Units directly with Magellan.</p> <p>These differences mean that the prices at which the Open Class Units and Closed Class Units trade on the ASX, compared to their respective NAV per Unit, may differ as a result of secondary market liquidity in each unit class on ASX.</p> <p>iv. Access to partnership benefits offered by Magellan and Magellan Group</p> <p>Closed Class Unitholders are expected to have the opportunity to access partnership benefits funded by Magellan Group that are not available to Open Class Unitholders.</p> <p>Examples of those partnership benefits include eligibility for the Bonus MGF Option Issue, and the current ability to participate in a distribution reinvestment plan to acquire Closed Class Units at a 7.5% discount to the prevailing NAV. Magellan Group will bear the dilutive effect associated with the DRP discount, and the discount that applies on the exercise of MGF Options.</p>	
Closed Class Units		
What are the Closed Class Units?	<p>The Closed Class Units are a class of units issued by the Fund.</p> <p>Closed Class Units are quoted on the official list of ASX under the ASX Listing Rules. Closed Class Units trade under the security code: MGF.</p> <p>Similar to an investment company or investment trust quoted on the official list of ASX, Closed Class Unitholders do not have the ability to apply for or redeem units directly with Magellan. Magellan can only issue or buy back Closed Class Units in accordance with the ASX Listing Rules.</p>	Section 4.7
What is the Fund's distribution policy?	<p>Magellan intends to target a cash distribution yield of 4% per annum ("Target Cash Distribution") in respect of Closed Class Units. The Target Cash Distribution in respect of Closed Class Units will be paid semi-annually (for the periods ending 30 June and 31 December of each year), with the actual amount for each period determined by using the average of the month-end NAV per Closed Class Unit over the two year rolling period ending on the last Business Day of the prior distribution period.</p> <p>For the first four semi-annual distributions following the Offer, Magellan intends to pay a Target Cash Distribution equal to \$0.0366 per Closed Class Unit. This amount will be paid for each six month period ending 30 June 2021, 31 December 2021, 30 June 2022 and 31 December 2022.</p> <p>After 31 December 2022, the Target Cash Distribution will be paid semi-annually based on the average of the month-end NAV per Closed Class Unit over a two year rolling period ending on the last Business Day of the prior distribution period.</p> <p>Magellan intends to announce the Target Cash Distribution per Closed Class Unit on ASX at the beginning of each semi-annual distribution period.</p> <p>Magellan retains the discretion to amend the distribution policy of the Fund.</p>	Section 4.9
Is a distribution reinvestment plan available for Closed Class Units?	<p>Yes. Magellan has established a distribution reinvestment plan (DRP) in respect of distributions made by the Fund to Unitholders.</p> <p>Under the DRP, Closed Class Unitholders may elect to have all or part of their Target Cash Distribution reinvested as additional Closed Class Units.</p> <p>Under the terms of the current DRP Rules, Closed Class Unitholders who elect to participate in the DRP have the ability to reinvest all or part of their Target Cash Distribution in additional Closed Class Units at a price equal to a 7.5% discount to the NAV per Closed Class Unit, as provided in the DRP Rules. Magellan Group will pay the Fund an amount of consideration equal to the dilutive effect of this discount as set out in Section 12.3.</p> <p>In respect of each Target Cash Distribution, Magellan may elect to offer or not offer the DRP.</p>	Section 4.10

<p>What disclosures does Magellan make to Closed Class Unitholders?</p>	<p>Magellan makes the following disclosures in relation to Closed Class Units:</p> <ul style="list-style-type: none"> • Daily estimated NAV per Closed Class Unit on Magellan’s website prior to the commencement of the ASX trading day; • Weekly and Monthly NAV per Closed Class Unit on ASX; • Indicative intra-day NAV per Closed Class Unit (“iNAV”) on Magellan’s website; • Monthly Fund factsheets with Top 10 holdings and investment performance (net of fees) published on ASX and Magellan’s website; • Full portfolio disclosed quarterly within a two-month period published on ASX and Magellan’s website; and • Half Year and Annual Reports published on ASX and Magellan’s website. <p>The estimated NAV per Closed Class Unit will be based on the NAV of the Closed Class Units divided by the number of Closed Class Units on issue at the end of each Business Day.</p> <p>The iNAV is the estimated NAV per Closed Class Unit updated for foreign exchange movements in the Fund’s portfolio stocks by individual domicile and will also be updated in respect of portfolio securities or equivalent securities that have live market prices during the ASX trading day.</p>	<p>Section 4.15</p>
<p>What fees will Magellan receive from Closed Class Unitholders?</p>	<p>Management fees</p> <p>Magellan is entitled to receive management fees of 1.35% (exclusive of GST) per annum based on the NAV (before fees) (“NAV Before Fees”) of Closed Class Units. As the Fund predominantly invests in international securities, the GST impact on the management fees is currently estimated to be negligible.</p> <p>Management fees are calculated daily based on the NAV Before Fees of Closed Class Units on that Business Day. An estimate is accrued daily in the NAV per Closed Class Unit and the fees are payable monthly in arrears.</p> <p>Performance fee</p> <p>Magellan is entitled to a performance fee of 10% (exclusive of GST) of the Excess Return of Closed Class Units above the higher of the Index Relative Hurdle (the MSCI World Net Total Return Index (AUD)) and the Absolute Return Performance 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). The first Calculation Period runs from 28 November 2020 to 30 June 2021, and thereafter over each six-month period ending 30 June and 31 December (each a “Calculation Period”). Performance fees are estimated daily and accrued in the NAV per Closed Class Unit. Performance fees are paid at the end of the relevant Calculation Period.</p>	<p>Section 7</p>
<p>MGF Options</p>		
<p>What are the MGF Options?</p>	<p>Each MGF Option is an option to acquire one (1) Closed Class Unit at an exercise price equal to 92.5% of the Estimated NAV per Closed Class Unit that is published by Magellan prior to commencement of ASX trading on the date that the MGF Option is exercised.</p> <p>Magellan Group will bear the economic cost associated with the 7.5% discount each time a MGF Option is exercised.</p>	<p>Section 3</p>
<p>Will the MGF Options be quoted on ASX?</p>	<p>Subject to ASX approval, MGF Options will be quoted and tradeable on ASX under the ticker MGFO.</p> <p>MGF Option holders who do not wish to exercise their MGF Options may sell their MGF Options on ASX once the MGF Options are listed, subject to there being sufficient liquidity on ASX. There is no guarantee that MGF Option holders will be able to sell their MGF Options or that they will receive a particular price.</p>	<p>Section 3</p>
<p>When can MGF Options be exercised?</p>	<p>MGF Options are exercisable from the commencement of the Exercise Period, being the date that is three months from the date of issue of the MGF Option. The MGF Options have a three year term. The exercise period is expected to run from 1 June 2021 to 4.00pm (Sydney time) on 1 March 2024 (MGF Option Exercise Period). MGF Options may only be exercised on Business Days during the MGF Option Exercise Period.</p>	<p>Section 3</p>
<p>How can MGF Options be exercised?</p>	<p>MGF Options can be exercised by a MGF Option holder by logging on to the Unit Registry’s online portal, via the Magellan website at www.magellangroup.com.au, between 10.00am and 2.00pm (Sydney time) on a Business Day where they can submit an exercise request or by submitting a correctly completed MGF Option Exercise Form to the Unit Registry by 2.00pm (Sydney time) on that Business Day. Upon the exercise of the MGF Options, cleared MGF Option Exercise Monies must be received by Magellan by close of business on the same Business Day in order for that exercise to be valid.</p> <p>Detailed instructions will be sent to MGF Option holders prior to the MGF Option exercise window opening.</p>	<p>Section 3</p>

What rights attach to the Closed Class Units that are issued when MGF Options are exercised?	Closed Class Units issued on exercise of MGF Options rank equally with other Closed Class Units on issue, and will be governed by the Constitution, the Corporations Act and the ASX Listing Rules.	Section 3
Can MGF Option holders exercise part of their holding?	Yes, MGF Option holders can exercise their holdings in multiples of 500 (or the balance held if less than 500).	Section 3
Key Risks		
What are the key risks associated with an investment in the Fund?	<p>As with most investments, an investment in the Fund may have risks influenced by a number of factors, some of which are outside of the control of Magellan. Set out below, in no particular order, is a non-exhaustive list of the key risks associated with an investment in the Fund. See Section 6 for further information.</p> <ul style="list-style-type: none"> a) ASX liquidity risk: The liquidity of trading in Closed Class Units on the ASX may be limited at times and may affect an investor's ability to buy or sell Closed Class Units. b) Company specific risk: The value of the Fund's investments in a company's securities may be impacted by the risks to which that particular company is itself exposed. c) Concentration risk: The investment returns of the Fund may be dependent upon the performance of a small number of individual companies in the portfolio. d) Conflicts of interest risk: Magellan and its various service providers may from time to time have potential conflicts of interest with the Fund. Such conflicts of interest include but are not limited to: management of multiple accounts with varying fee arrangements, trade allocation, proxy voting and staff personal trading. Magellan maintains a Conflicts of Interest Policy to ensure that it manages its obligations to the Fund such that all conflicts (if any) are resolved fairly. e) Currency risk: The Fund's foreign currency exposure may at times negatively impact investment values and returns. f) iNAV risk: The iNAV published by the Fund is indicative only and might not be up to date or might not accurately reflect the underlying value of the Fund. g) Fund risk: This refers to specific risks associated with the Fund, such as termination and changes to fees and expenses. The performance of the Fund or the security of an investor's capital is not guaranteed. An investment in the Fund is governed by the terms of the Constitution and this PDS, each as amended from time to time, and the rules of the ASX. h) Market risk: There is a risk that the market price of the Fund's assets and investments will fluctuate. i) Performance risk: There is a risk that the Fund may not achieve its investment objectives. j) Personnel risk: The skill and performance of Magellan as investment manager can have a significant impact (both directly and indirectly) on the investment returns of the Fund. Changes in key personnel and resources of Magellan may also have a material impact on investment returns of the Fund. k) Pooled investment scheme risk: The risk associated with investing in a pooled investment scheme including voting power and attribution of net income and net capital gains. 	Section 6.2
Are there specific risks relevant to Closed Class Units?	<p>Set out below, in no particular order, is a non-exhaustive list of the key risks specific to Closed Class Units:</p> <ul style="list-style-type: none"> a) Credit risk: There is a risk that Magellan Group is unable to fund the Partnership Benefits associated with this Offer, the Bonus MGF Option Issue or such other partnership benefits that are offered to Closed Class Unitholders from time to time (for example, pursuant to the DRP). b) No right of redemption risk: Closed Class Unitholders cannot redeem their Closed Class Units and can only sell their Closed Class Units on ASX. c) Price of units on ASX risk: The price at which the Closed Class Units trade on ASX may not equal the underlying value as reflected in its NAV per Closed Class Unit. As such, there is a risk that Closed Class Unitholders may not be able to sell their Closed Class Units at the NAV per Closed Class Unit. 	Section 6.3
Are there specific risks relevant to MGF Options?	<p>The risks specific to MGF Options are:</p> <ul style="list-style-type: none"> a) Exercise price of MGF Options: The exercise price of a MGF Option is equal to 92.5% of the Estimated NAV per Closed Class Unit and, as such, will vary over time. The exercise price of a MGF Option could be at a premium to the trading price of Closed Class Units on ASX at the time of exercise. If MGF Options are exercised, there is no guarantee that the Closed Class Units issued on exercise of those MGF Options will trade above the exercise price paid for those Closed Class Units. b) ASX liquidity risk: The liquidity of trading in MGF Options on the ASX may be limited at times and may affect an investor's ability to buy or sell MGF Options. 	Section 6.4

2. THE OFFER

2.1 Overview of the Offer

Magellan is offering Eligible Unitholders to subscribe for \$1 of Closed Class Units for every \$4 of Units held (Entitlement), at the Offer Price. Entitlements will be calculated using the number of Units held by an Eligible Unitholder on the Record Date, or the Calculation Date, whichever is lower.

Successful Applicants under the Offer will also receive valuable Partnership Benefits, comprising:

- additional Closed Class Units worth 7.5% of their Approved Application Amount; and
- one MGF Option for every Closed Class Unit allotted to them under the Offer.

All Securities issued to an Applicant via the Offer will form part of that Applicant's Application. Applicants will be taken to have applied for a number of additional Closed Class Units, equivalent to 7.5% of the number of Closed Class Units allotted to them under the Entitlement. The economic cost associated with the issue of the Partnership Benefits will not be borne by the Fund or Unitholders. The Magellan Group will bear the economic cost associated with the provision of the Partnership Benefits as set out in Section 12.2.

2.2 Key Dates

Event	Date
This PDS is lodged with ASIC and announced to ASX	5 January 2021
Offer opens	18 January 2021
Offer closes	23 February 2021
Expected date for the allotment of Securities under the Offer	1 March 2021
Trading of Closed Class Units and MGF Options commences on ASX (on a normal settlement basis)	2 March 2021
Expected date for the despatch of holding statements	By 5 March 2021
Intended MGF Option Exercise Period start date	1 June 2021
Expiry Date of the MGF Options	1 March 2024

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.

2.3 Offer Price

The Offer Price will be the NAV per Closed Class Unit the Business Day immediately prior to the Allotment Date, with the Allotment Date expected to be 1 March 2021.

The number of Closed Class Units a successful Applicant receives is dependent on the Offer Price and the extent of any scale back by Magellan. Where applicable, the number of Closed Class Units issued to an Applicant will be rounded down to the nearest whole number of Closed Class Units and the Fund will retain the benefit of any residual Application Monies due to rounding.

The NAV per Closed Class Unit may rise or fall between the date of this Offer and the date when the Closed Class Units are issued. Due to the fact that the Offer Price is set on the Business Day immediately prior to the Allotment Date, the Offer Price may be either higher or lower than the NAV per Closed Class Unit and / or the market price of Closed Class Units on ASX on the Allotment Date.

2.4 Use of funds raised

The Fund intends to use the funds raised from the Offer for investment consistent with the Investment Objectives and Investment Strategy set out in Section 5.

2.5 Eligibility to participate

Eligible Unitholders are any Unitholder who has a registered address in Australia, New Zealand, Hong Kong or Singapore and who was a registered holder of Units on the Record Date and on the Calculation Date (subject to Units being of the same Class as those held on the Record Date).

To participate in the Offer, you must have held Units of the same Class on the same HIN or SRN on both the Record Date and the Calculation Date, otherwise you will not be an Eligible Unitholder.

Any investor holding Units indirectly through an Intermediary that is an Eligible Unitholder on the Record Date, and in the same Class of Units on the Calculation Date (via the same Intermediary through which they indirectly held Units on the Record Date), may participate in the Offer via their Intermediary, or directly through the Unit Registry under certain circumstances and at the discretion of Magellan. Indirect Holders must have held the same Class of Units via the same Intermediary on both the Record Date and Calculation Date to be eligible.

2.6 Determining your Entitlement

Eligible Unitholders are not required to calculate their Entitlement. Magellan will calculate Entitlements and will notify Eligible Unitholders around the time that the Offer opens.

Eligible Unitholders are entitled to subscribe for \$1 of Closed Class Units for every \$4 of Units held. Entitlements will be calculated using the number of Units held by an Eligible Unitholder on the Record Date, or the Calculation Date, whichever is lower. Entitlements are calculated based on Eligible Unitholder's registered Unitholding and the NAV per Unit of the relevant Class.

Separate Entitlements will be determined in respect of Open Class Units (ASX: MGOC) and Closed Class Units (ASX: MGF) held by an Eligible Unitholder. Eligible Unitholders must hold Units in the same Class on the Record Date and Calculation Date to receive an Entitlement under the Offer.

Where applicable, the dollar amount of your Entitlement will be rounded down to the nearest whole dollar.

2.7 Is there a minimum amount for Applications?

Participation in the Offer is optional.

If you choose to participate, you can decide how much of your Entitlement you would like to take up. You may subscribe for a lower dollar value of Closed Class Units than the dollar amount of your Entitlement. There is no minimum dollar amount that you must subscribe for to participate.

2.8 Application includes Partnership Benefits

All Securities issued to an Applicant via the Offer will form part of that Applicant's Application under the Offer as set out in Section 2.9. Applicants will be taken to have applied for a number of additional Closed Class Units, equivalent to 7.5% of the number of Closed Class Units allotted to them under the Entitlement. No further consideration is payable by Applicants for the Securities to be issued as Partnership Benefits. If you decide to participate in the Offer, then you will be issued with both the Closed Class Units comprising your Entitlement and the Securities issued as Partnership Benefits.

Set out below is an illustration of how Partnership Benefits will be calculated in respect of a successful Application.

Partnership Benefit calculation – worked example

For example, assuming that an Applicant has an Entitlement of \$50,000 and applies for the full amount of their Entitlement and the Offer Price for Closed Class Units is \$1.8278, their Partnership Benefits will be calculated as follows:

Approved Application Amount (dollar amount)	\$50,000
Additional Closed Class Units worth 7.5% of Approved Application Amount (dollar amount)	\$3,750
Total value of Closed Class Units to be allotted in respect of Application	\$53,750
Number of Closed Class Units to be allotted at the Offer Price of \$1.8278	29,406
Number of MGF Options to be allotted	29,406

2.9 How to apply

BPAY

Applicants wishing to pay by BPAY should follow the instructions on the Application Form (which includes the Biller Code and your unique Customer Reference Number ("CRN")) that will be sent to Eligible Unitholders by the Unit Registry.

If you choose to pay via BPAY, you will be making an Application under the Application Form and be taken to make the representations and warranties set out in Section 2.11. You do not need to complete and return a paper Application Form if you 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 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 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 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 Application Form that accompanies this PDS. If you return a completed Application Form, you are taken to make the representations and warranties set out in Section 2.11.

Completed Applications will be accepted at any time after the Opening Date and prior to 5:00pm (Sydney Time) on the Closing Date (expected to be 23 February 2021).

Cheque(s) or bank draft(s) must be drawn on an Australian branch of a financial institution and made payable to “Magellan Asset Management Limited – Magellan Global Fund Partnership Offer” and crossed “Not Negotiable”.

Payments by cheque will be deemed to have been made when Magellan has received your cleared Application Monies into the Offer application bank account.

It is your responsibility to ensure that your cleared Application Monies are received by 5.00pm (Sydney time) on the Closing Date for the Offer. Please note that cheques may take up to three Business Days to clear. 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 Closing Date) is less than the amount which you have specified in your Application Form, you may be taken to have applied for such lower amount of Securities 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 Fund
c/- Mainstream Fund Services – Unit Registry
GPO Box 143, Sydney, NSW, 2001, Australia

In person

Mainstream Fund Services – Unit Registry
Level 1, 51-57 Pitt Street, Sydney, NSW, 2000
during business hours (Monday to Friday, 9.00am to 5.00pm)

2.10 Nominees and custodians

The Intermediary through which an Indirect Holder has invested in the Fund is the registered legal owner of that interest in the Fund and, as a result, will be the applicant on behalf of the Indirect Holders (the underlying beneficial holders) for the purposes of the Offer.

It is at the discretion of the Intermediary, as the Eligible Unitholder, whether or not to extend the Offer to its beneficiaries or, if they extend the Offer, whether or not to make all or some of the Partnership Benefits available to its beneficiaries. Intermediaries who choose to participate should be in contact with each Indirect Holder to inform those Indirect Holders how they can participate in the Offer.

If you are an Indirect 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 Offer via your Intermediary.

If you are not able to determine the status of your participation in the Offer, or if your Intermediary has elected not to extend the Offer to you and you want to participate in the Offer, you should contact the Magellan Global Fund Unitholder Information Line on 1300 127 780 (Australia) or +61 2 8259 8566 (International), between 8:30am and 5:30pm Monday to Friday (Sydney time) as you may be able to apply directly under the Offer. You may be asked to provide evidence to support your claim that you are an Indirect Holder.

2.11 Representations and warranties made by Applicants

An Application constitutes an offer by the Applicant to subscribe for new Closed Class Units and MGF Options (together, **Securities**) on the terms and subject to the conditions set out in this PDS. A binding contract to issue Securities will only be formed at the time Securities are allotted to Applicants.

When you return a completed Application Form or make payment of your Application Monies by BPAY, you will be deemed to have made representations and warranties to Magellan – namely, that you:

- have received a copy of and read this PDS (including the Application Form) in full;
- have completed an Application Form in accordance with the instructions on the form and in this PDS;
- declare that the Application Form and all details and statements made by you are complete and accurate;
- agree and consent to Magellan collecting, holding, using and disclosing your personal information in accordance with this PDS;
- acknowledge that this PDS is not investment advice or a recommendation to participate in the Offer;
- acknowledge that Magellan may accept, scale back or reject your Application in its discretion, but, once you have paid your Application Monies, you cannot withdraw them;
- acknowledge that if you are not issued any Securities or you are issued fewer Securities than you applied and paid for as a result of a scale back, all or some of the Offer Price (as applicable) will be refunded to you (without interest) in accordance with the Corporations Act;
- agree to be bound by the Constitution and this PDS in relation to the Offer, and that if you pay Application Monies, you do so in respect of all Securities to be allotted to you under this Offer (other than the MGF Options which are issued for no consideration);
- agree that Magellan may calculate the number of Securities to be issued to you (by applying the Offer Price to the approved amount of your Application Monies, and calculating the corresponding Partnership Benefits);
- authorise Magellan and its officers and agents to do anything on your behalf necessary (including the completion and execution of documents) to enable the Securities to be allocated and issued to you;
- agree that the notifications and elections that you have given to Magellan as a Unitholder in relation to (1) the bank account into which payments are to be made, and (2) your contact details and your preferred method of contact, will apply equally in relation to all Securities issued under the Offer;
- agree that, if you are a Closed Class Unitholder that has elected to participate in the DRP on a full participation basis (for 100% of your of your Closed Class Units), then that election will be applied to the Closed Class Units that you acquire under the Offer;
- acknowledge that neither Magellan nor any person or entity guarantees any particular rate of return on the Securities, nor do they guarantee the repayment of capital; and
- represent, warrant and agree that you have not received this PDS outside Australia, New Zealand, Singapore or Hong Kong and are not acting on behalf of a person resident outside those places.

If you (or any person for whom you are acquiring the Closed Class Units and MGF Options) are in Singapore, when you (and any such person) return a completed Application Form or make payment of your Application Monies by BPAY, you will be deemed to have made additional representations and warranties to Magellan – namely, that you:

- are an “accredited investor” (as such term is defined in the Securities and Futures Act of Singapore (SFA));
- did not receive the offer of Closed Class Units or MGF Options through any advertisement or other public communications in Singapore;
- will acquire the Closed Class Units and the MGF Options under the private placement exemption in accordance with applicable provisions of the SFA; and
- acknowledge that the offer of the Closed Class Units and the MGF Options is subject to the restrictions (including selling restrictions) set out in the SFA.

2.12 Applications may be scaled back

Magellan may in its absolute discretion allocate to you less than the number of Securities for which you have applied.

If Applications are scaled back, Magellan may apply the scale back to the extent and in any manner that it sees fit. If the scale back produces a fractional number of Securities when applied to your Application, the number of Closed Class Units and MGF Options you will be allocated will be rounded down to the nearest whole number of Closed Class Units and MGF Options.

If there is a scale back, the difference between the Application Monies received and the number of Closed Class Units allocated to you (prior to the calculation of any Partnership Benefits) multiplied by the Offer Price, will be refunded by Magellan without interest.

2.13 Applications by the Directors of Magellan

The Directors of Magellan may apply for Securities under the Offer.

2.14 Underwriting

The Offer is not underwritten.

2.15 Brokerage, commission and stamp duty

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

2.16 Application Monies

The Unit Registry will hold all Application Monies received on trust until the relevant Allotment Date when the Securities 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 Securities are issued or the Application Monies are returned (this time period is modified by ASIC relief).

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 Fund will retain any interest earned on the Application Monies held on trust pending the issue of Securities to successful Applicants.

2.17 Allotment and ASX

No later than seven days from the date of the issue of Securities under the Offer, Magellan will apply to ASX for official quotation of the Securities on ASX. This time period is modified by ASIC relief.

Magellan does not intend to allot the Securities until ASX has granted permission for quotation of the Securities unconditionally or on terms acceptable to Magellan. The fact that ASX may grant official quotation of the Securities is not to be taken in any way as an indication of the merits of the Fund or the Securities offered for issue under the Offer.

ASX takes no responsibility for the contents of this PDS. Normal settlement trading in the Securities, if quotation is granted, is expected to commence on 2 March 2021. It is the responsibility of Applicants to determine their allocation prior to trading in their Securities. Applicants who sell Securities before they receive confirmation will do so at their own risk.

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

It is expected that the allotment of Securities under the Offer will take place on 1 March 2021.

2.18 Holding statements and CHESS

Magellan will not issue certificates for Securities issued under the Offer. The Fund is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by Magellan.

Instead of certificates, investors will be provided with a holding statement or confirmation notice that sets out the number of Securities allotted to them under this PDS.

2.19 Foreign investors

The Offer is an offer to investors in Australia, New Zealand, Hong Kong and Singapore 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.

2.20 Privacy

When you return a completed Application Form or pay (including via BPAY) your Application Monies for the Securities, you acknowledge and agree that:

- (a) you are required to provide Magellan with certain personal information to:
 - (i) assess and process your Application;
 - (ii) provide information and, if relevant, services to you as an investor; and
 - (iii) carry out appropriate administration.
- (b) Magellan may be required to disclose this information to:
 - (i) third parties that carry out functions on behalf of the Fund, 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 of Magellan which carry out functions on behalf of the Fund.

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 and MGF Option holders 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.

2.21 Tax implications of investing in the Fund

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

A general overview of the Australian taxation implications of investing in the Fund for particular Eligible Unitholders 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.

2.22 Anti-Money Laundering / Counter Terrorism Financing Act 2006

Magellan 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.

3. MGF OPTIONS

The rights and liabilities attaching to the MGF Options are summarised below. The full terms of the MGF Options are set out in the Constitution.

Term	Description
Issue price	Each MGF Option is granted for no consideration.
Underlying security	Each MGF Option is exercisable into one Closed Class Unit. Closed Class Units issued on exercise of an MGF Option will rank equally with then issued Closed Class Units and are subject to the Constitution.
MGF Option Exercise Price	<p>Each MGF Option has an exercise price of 92.5% of the Estimated NAV per Closed Class Unit that is published by Magellan prior to commencement of ASX trading on the date that the MGF Option is exercised.</p> <p>Magellan will publish the MGF Option Exercise Price for a given Business Day on its website by 10.00am at www.magellangroup.com.au and also on the Unit Registry's online portal, which can be accessed via the Magellan website.</p> <p>In accordance with the terms of the MFG Equity Commitment Deed, Magellan Group will bear the economic cost associated with the 7.5% discount each time an MGF Option is exercised.</p>
Exercise Period	The MGF Option Exercise Period commences from the date that is three months from the issue of the MGF Options until 4.00pm (Sydney time) on the date that is the third anniversary from their issue. It is expected that the MGF Option Exercise Period will run from 1 June 2021 to 1 March 2024.
Exercise	<p>MGF Option holders may exercise MGF Options in multiples of 500 (or the balance held if less than 500). MGF Options may only be exercised on Business Days during the MGF Option Exercise Period.</p> <p>In accordance with instructions which will be sent to MGF Option holders prior to the MGF Option Exercise Period opening, to exercise MGF Options at the MGF Option Exercise Price applicable to a given Business Day, MGF Option holders must:</p> <ul style="list-style-type: none"> log on to the Unit Registry's online portal, via the Magellan website at www.magellangroup.com.au, between 10.00am and 2.00pm (Sydney time) on any Business Day where they can submit an exercise request, following which they will be provided with MGF Option Exercise Monies payment details. MGF Option holders should ensure that MGF Option Exercise Monies have been received by close of business on the same Business Day. Further information on how to make payment to Magellan of your MGF Option Exercise Monies will be set out on the Unit Registry online portal; or, alternatively submit a correctly completed MGF Option Exercise Form to the Unit Registry by 2.00pm (Sydney time) on that Business Day and ensure that their cleared MGF Option Exercise Monies have been received by close of business on the same Business Day. Further information on how to make payment to Magellan of your MGF Option Exercise Monies is set out in the MGF Option Exercise Form. <p>The MGF Option Exercise Form will be made available on Magellan's website at www.magellangroup.com.au. If Magellan does not receive your cleared MGF Option Exercise Monies by close of business on the relevant Business Day, or your MGF Option Exercise Form is otherwise considered by Magellan to be incomplete, Magellan will not process your exercise request and (if applicable) your MGF Option Exercise Monies will be refunded to you.</p>
Expiry	If a MGF Option is not exercised during the MGF Option Exercise Period, it will automatically lapse/expire at the end of the MGF Option Exercise Period.
Participation in new issues	MGF Option holders do not have the right to participate in offers made to Unitholders until the MGF Options are exercised.
Entitlement to distributions	No entitlement until MGF Options are exercised and you are a registered Closed Class Unitholder on the relevant distribution record date.
Reconstructions or alterations of capital	Any adjustment to the number of outstanding MGF Options under a restructure or reorganisation of the Fund's capital must be made in accordance with the ASX Listing Rules, subject to any waiver, at the time of the restructure or reorganisation provided always that the changes to the terms of the MGF Options do not result in any benefit being conferred on the MGF Option holder which is not conferred on Closed Class Unitholders.
ASX Quotation	<p>Magellan will apply to ASX for quotation of the MGF Options on ASX.</p> <p>The MGF Options are transferable which means that MGF Option holders who do not wish to exercise some or all of their MGF Options may sell or otherwise transfer their MGF Options on ASX once the MGF Options are listed. There is no guarantee that MGF Option holders will be able to sell their MGF Options or that they will receive a particular price.</p>
Adjustments Calculations	Magellan will make any adjustments or calculations which are required for the purposes of the MGF Option terms which will be final and conclusive and binding on Magellan and each MGF Option holder, except in the case of manifest error.
Other limits	<p>A MGF Option holder has no rights to change the Exercise Price or the number of Closed Class Units over which an MGF Option can be exercised. A MGF Option holder has no right to require Magellan to redeem or repurchase any MGF Option.</p> <p>A MGF Option confers a right to vote only to the extent the Corporations Act requires and the extent of that right is to be determined in accordance with the Corporations Act.</p>

4. ABOUT MAGELLAN GLOBAL FUND

4.1 Introduction and brief history

The Fund is a managed investment scheme structured as a unit trust, which has been registered with ASIC. The registration date of the Fund is 17 July 2007.

Magellan has been the responsible entity and investment manager since inception on 1 July 2007. From that date until 27 November 2020, Magellan operated the Fund as an unlisted fund, following Magellan's Global Equities Strategy. On 30 November 2020, the Fund was admitted to the official list of the ASX.

On 8 December 2020, the Fund was restructured, following approval of Unitholders on 25 November 2020. The restructure resulted in:

- the Fund acquiring all of the issued units in Magellan Global Trust (ARSN 620 753 728) and Magellan Global Equities Fund (ARSN 603 395 302), which are now wholly owned sub-trusts of the Fund;
- the Fund having two unit classes on issue: Closed Class Units and Open Class Units; and
- Closed Class Units being admitted to trading on the official list of ASX under the ASX Listing Rules and Open Class Units being admitted to trading status under the AQUA Rules from 30 November 2020.

4.2 About the responsible entity and investment manager

Magellan Asset Management Limited is the responsible entity and investment manager for the Fund. Magellan is a wholly owned subsidiary of Magellan Financial Group, which is listed on the ASX. Magellan holds an AFSL issued by ASIC, which authorises it to operate the Fund.

Magellan's Board comprises the following Directors:

- Robert Fraser, Chairman
- Brett Cairns, Chief Executive Officer
- John Eales AM, Non-executive Director
- Colette Garnsey, Non-executive Director
- Paul Lewis MBE, Non-executive Director
- Hamish McLennan, Non-executive Director
- Kirsten Morton, CFO
- 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 Fund, Magellan is bound by the Constitution, the Corporations Act, the ASX Listing Rules (in relation to Closed Class Units) and the AQUA Rules (in relation to Open Class Units).

Magellan is responsible for overseeing the operations of the Fund. As the investment manager, Magellan is responsible for selecting and managing the assets of the Fund.

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

4.4 Units in the Fund

The Fund has two unit classes on issue: Closed Class Units and Open Class Units. Both Open Class Units and Closed Class Units will confer on its holder an undivided absolute, vested and indefeasible beneficial interest in the Fund as a whole, subject to the Fund's liabilities, not in parts of or single assets. A Unitholder holds a unit in the Fund subject to the rights and obligations attaching to that unit under the Constitution.

4.5 Bonus MGF Option Issue

On or about the date of this PDS, Magellan has separately issued a product disclosure statement offering the Bonus MGF Option Issue by the Fund, under which eligible Closed Class Unitholders on the record date (26 February 2021) will be issued MGF Options for no consideration. The Bonus MGF Option Issue is a separate offer from the Offer. It is currently anticipated that the Securities issued under the Offer will be allotted on the same date as the MGF Options are allotted under the Bonus MGF Option Issue.

4.6 Capital structure

As at 8 December 2020 the capital structure and net asset value of the Fund was:

	Open Class Units	Closed Class Units
Number of units on issue	5,422,678,940	1,241,629,119
Fund NAV referable to the unit class	\$13,800,175,634	\$2,269,428,970
NAV per unit	\$2.5449	\$1.8278

The number of Units on issue shown above has been rounded to the nearest whole number.

When Entitlements under the Offer are determined on the Calculation Date, the number and value of units eligible for the Offer will be different to the number of units on issue as at 8 December 2020.

(a) Capital structure of the Fund after the Offer

After the Offer is completed, MGF will have three classes of securities on issue – the Open Class Units, the Closed Class Units and the MGF Options. The number of Closed Class Units on issue will increase. The number of MGF Options issued under the Offer will be the same as the number of Closed Class Units issued under the Offer.

The precise number of Securities issued under the Offer will depend on the number of applications received, any scale back of applications, and day to day changes in the number of Open Class Units on issue (via normal issues and redemptions). It will also depend on the Offer Price.

(b) Capital structure of the Fund after the Bonus MGF Option Issue

It is intended that the issue of Closed Class Units and MGF Options under the Offer will happen on the same day as the issue of MGF Options under the Bonus MGF Option Issue.

The number of MGF Options issued under the Bonus MGF Option Issue will be determined by the number of Closed Class Units on issue on the Bonus MGF Option Issue Record Date (which may change after 8 December 2020 if, for example, the Fund buys back Closed Class Units).

(c) Illustration of the potential capital structure impact of the Fund after the Offer and the Bonus MGF Option Issue

Based on the capital structure of the Fund as at 8 December 2020, the following table illustrates the impact of the Offer and Bonus MGF Option Issue, assuming that there are \$500 million worth of subscriptions under the Offer. The numbers shown are for illustration only – the actual numbers will vary (see Sections 4.6(a) and 4.6(b)).

Securities to be issued based on illustrative Bonus MGF Option Issue and subscriptions of \$500 million under the Offer	
Maximum entitlements under the Offer	\$4,017,401,151
Illustrative Value of Approved Applications (in \$) ¹	\$500,000,000
Illustrative Value of additional Closed Class Units to be issued to Approved Applicants (in \$) ²	\$37,500,000
Total value of Closed Class Units to be allotted under the Offer	\$537,500,000
Illustrative Offer Price	\$1.8278
Total illustrative number of Closed Class Units to be allotted on 1 March 2021	294,069,373
MGF Options to be issued under the Offer and Bonus MGF Option Issue	
Illustrative number of MGF Options to be allotted under the Offer	294,069,373
Illustrative number of MGF Options to be allotted under the Bonus MGF Option Issue	620,814,560
Total illustrative number of MGF Options to be allotted on 1 March 2021	914,883,933

¹ Amount due to Magellan Global Fund from Approved Applicants.

² Amount due to Magellan Global Fund from Magellan Group.

Assuming completion of the Offer and Bonus MGF Option Issue, the pro-forma capital structure of the Fund as at 8 December 2020 would be, on an illustrative basis only and assuming that there are \$500 million worth of subscriptions under the Offer:

Securities to be on issue based on illustrative Bonus MGF Option Issue subscriptions of \$500 million under the Offer	
Open Class Units	5,422,678,940
Closed Class Units	1,535,698,492
MGF Options	914,883,933

The maximum number of Closed Class Units and MGF Options that may be issued as a result of the Offer, based on the capital structure and net asset value of the Fund as at 8 December 2020 (if 100% of the Offer is subscribed for) is estimated as:

- 2,362,789,275 Closed Class Units; and
- 2,362,789,275 MGF Options.

The maximum number of MGF Options that may be issued as a result of the Bonus MGF Option Issue, based on the capital structure and net asset value of the Fund as at 8 December 2020, is estimated as 620,814,560.

4.7 Closed Class Units and Open Class Units (comparative information)

The Units offered to Eligible Unitholders under the Offer are **Closed Class Units**.

There are important differences between Open Class Units and Closed Class Units, a summary of which is provided below.

	Closed Class Units (ASX: MGF)	Open Class Units (ASX: MGOC)
Responsible Entity and Investment Manager	Magellan	
Investment Strategy	Global Equities Strategy	
Capital structure	<p>Closed Class Units are a 'closed-ended' Class in the Fund.</p> <p>This means that Magellan can only issue new Closed Class Units in accordance with the ASX Listing Rules, for example as a result of an exercise of an option, unit purchase plan, distribution reinvestment plan or pro-rata entitlement offer.</p> <p>Magellan may also undertake a buy-back of Closed Class Units which satisfies the requirements of the Corporations Act and the ASX Listing Rules.</p>	<p>Open Class Units are an 'open-ended' Class in the Fund.</p> <p>This means that Magellan has the power to issue or redeem Open Class Units on a daily basis.</p>
ASX Quotation	Closed Class Units are admitted to trading on the official list of ASX under the ASX Listing Rules.	Open Class Units are admitted to trading status under the AQUA Rules.
ASX Ticker	MGF	MGOC
Buying and selling on ASX	<p>Closed Class Unitholders are able to buy and sell their Closed Class Units on ASX, subject to there being sufficient liquidity in Closed Class Units.</p> <p>The secondary market price of Closed Class Units may trade at a premium or discount to the NAV per Closed Class Unit.</p>	<p>Open Class Unitholders are able to buy and sell their Open Class Units on ASX.</p> <p>Magellan, on behalf of the Fund, may provide liquidity to investors on the ASX by acting as a buyer and seller of Open Class Units. Magellan has appointed a market participant to act as its agent to buy and sell Open Class Units on its behalf.</p> <p>The secondary market price of Open Class Units is generally expected to trade at a tight spread to the prevailing NAV per Open Class Unit.</p>
Applying and redeeming directly with Magellan	Under the ASX Listing Rules, Closed Class Unitholders do not have the ability to apply for or redeem Closed Class Units directly with Magellan.	<p>Open Class Unitholders can apply for or redeem Open Class Units directly with Magellan using an application form or withdrawal form.</p> <p>Magellan will issue and redeem Open Class Units at the entry or exit unit price applicable to the Business Day on which a valid application or withdrawal was made by the applicable cut-off times.</p>
Distribution policy	Target Cash Distribution yield of 4% per annum paid semi annually	
Distribution Reinvestment Plan	Closed Class Unitholders can reinvest their Target Cash Distribution into additional Closed Class Units at a 7.5% discount to the NAV per Closed Class Unit.	Open Class Unitholders can reinvest their Target Cash Distribution into additional Open Class Units at the NAV per Open Class Unit.
Fees	<p>1.35% per annum management fee (inclusive of the estimated net effect of GST)</p> <p>10% performance fee of the Excess Return above the higher of the Index Relative Hurdle and the Absolute Return Performance Hurdle over each six-month period ending 30 June and 31 December in each year subject to exceeding the relevant High Water Mark and applicable performance fee cap¹.</p>	
Reports to unitholders	<p>The following disclosures will be published for the Fund:</p> <ul style="list-style-type: none"> Daily estimated NAV per Unit for each Class prior to the commencement of the ASX Trading Day on Magellan's website at www.magellangroup.com.au Monthly NAV per Unit on ASX for each Class and weekly NAV per Closed Class Unit on ASX iNAV for each Class on Magellan's website Monthly fund factsheets with Top 10 holdings and investment performance (net of fees) calculated for each Class published on ASX and Magellan's website Full portfolio disclosed quarterly within a two-month period published on ASX and Magellan's website Half Year and Annual Reports published on ASX and Magellan's website 	

¹Subject to the first performance fee calculation period being the period from 28 November 2020 to 30 June 2021

Closed Class Units (ASX: MGF)		Open Class Units (ASX: MGOC)
Material voting rights specific to a Unit Class	<p>Matters requiring specific approval of Closed Class Unitholders:</p> <ul style="list-style-type: none"> Control Transaction as defined under the Constitution Matters ASX requires be approved under the ASX Listing Rules Removal of the Fund from the official list of ASX, a wind up of the Closed Class Unit class and, where Open Class Unitholders have passed an equivalent resolution, a wind up of the Fund Variation of certain rights relating to the Closed Class Units under the Constitution 	<p>Matters requiring specific approval of Open Class Unitholders:</p> <ul style="list-style-type: none"> Control Transaction as defined under the Constitution Significant Transactions, as defined under the Constitution A wind up of the Open Class Unit class and, where Closed Class Unitholders have passed an equivalent resolution, a wind up of the Fund Variation of certain rights relating to the Open Class Units under the Constitution
Removal of Magellan	<p>The Corporations Act provides for when and how a responsible entity can be changed. In accordance with the Corporations Act, Magellan can be removed as responsible entity by an ordinary resolution of all Unitholders, taken as a whole.</p>	

4.8 Valuation, location and custody of assets

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

The Fund's NAV is an estimate of the value of the Fund at the close of trading in each market in which the Fund invests. The estimated NAV per Unit for each Class is the total value of the Fund's NAV attributable to that Class divided by the number of units on issue in that Class.

The calculation of the NAV of a Class will include the impact of transactions specific to that Class so that they do not impact the NAV per unit of the other Class. The estimated NAV per Unit of each Class will be based on the NAV of each Class divided by the number of Units on issue in the relevant Class as at the end of each Business Day.

The estimated NAV per Closed Class Unit will be based on the NAV of the Closed Class Units divided by the number of Closed Class Units on issue at the end of each Business Day. The NAV per Closed Class Unit will be published daily on the Fund's website at www.magellangroup.com.au. The NAV per Closed Class Unit may fluctuate each day as the market value of the Fund's assets rises or falls. Magellan's NAV Permitted Discretions Policy provides further information about how the NAV per Closed Class Unit is calculated. Unitholders can request a copy of the policy free of charge by contacting Magellan.

Northern Trust has been appointed by Magellan to hold the assets of the Fund under a Master Custody Agreement. As custodian, Northern Trust will safe-keep the assets of the Fund, collect the income of the Fund's assets and act on Magellan's directions to settle the Fund's trades. Northern Trust does not make investment decisions in respect of the Fund's assets that it holds.

4.9 Distribution policy

Magellan targets a cash distribution yield of 4% per annum (**Target Cash Distribution**) in respect of Closed Class Units. The Target Cash Distribution in respect of Closed Class Units will be paid semi-annually (for the periods ending 30 June and 31 December of each year), with the actual amount for each period determined by using the average of the month-end NAV per Closed Class Unit over the two year rolling period ending on the last Business Day of the prior distribution period.

For the first four semi-annual distributions following the Offer, Magellan intends to pay a Target Cash Distribution equal to \$0.0366 per Closed Class Unit. This amount will be paid for each six month period ending 30 June 2021, 31 December 2021, 30 June 2022 and 31 December 2022.

After 31 December 2022, Magellan intends to announce the Target Cash Distribution per Closed Class Unit on the ASX at the beginning of each semi-annual distribution period. Magellan expects that the distribution policy will provide Closed Class Unitholders with greater certainty on the amount of upcoming cash distributions.

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

To be eligible to receive a distribution in respect of Closed Class Units for a distribution period, you must be a registered holder of Closed Class Units on the record date for the distribution. The distribution is not calculated on a pro-rata basis according to the time that Unitholders have held their Closed Class Units.

Under the AMIT rules, investors will be assessed for tax on the income of the Fund attributed to them. Where the income of the Fund exceeds the Target Cash Distribution, Magellan may, in a particular year retain or accumulate in the Fund the amount of income of the Fund that exceeds the Target Cash Distribution, in which case the income of the Fund that is attributed to you (and must be included in your income tax return) will be more than the cash distribution paid. The tax cost base of your units will increase to the extent that the income of the Fund attributed to investors exceeds the cash distribution paid. For more information see Section 11.

Distributions paid in cash will be paid directly into Unitholders' Australian dollar or New Zealand dollar bank accounts. Unitholders should contact the Unit Registry or, if applicable, 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 Fund. The Constitution permits Magellan to accumulate part or all of the Fund's income in the Fund and / or reinvest part or all of your distribution, subject to the ASX Listing Rules.

4.10 Distribution Reinvestment Plan

Magellan has established a distribution reinvestment plan (**DRP**) in respect of distributions made by each Class in the Fund. In respect of each Target Cash Distribution, Magellan may elect to offer or not offer the **DRP**. Under the **DRP**, Closed Class Unitholders may elect to have all, or part of their Target Cash Distribution reinvested as additional Closed Class Units. The **DRP** Rules provide detail on the methodology for determining the price at which Closed Class Units are issued to Closed Class Unitholders and can be found at www.magellangroup.com.au.

Elections to participate in the **DRP** in respect of the Target Cash Distribution must be made by the election date announced by Magellan in respect of each relevant Target Cash Distribution.

Under the **DRP** Rules, Closed Class Unitholders who elect to participate in the **DRP** have the ability to reinvest all or part of their Target Cash Distribution in additional Closed Class Units at a price equal to a 7.5% discount to the NAV per Closed Class Unit, as provided in the **DRP** Rules. The **DRP** Rules can be found at www.magellangroup.com.au.

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 Closed Class Unitholders and to ensure that Closed Class Unitholders who elect not to participate in the **DRP** are not diluted as a result of the discount, the Magellan Group will pay the Fund an amount of consideration equal to the dilutive effect of this discount in accordance with the terms of the MFG **DRP** Commitment Deed and subject to the approval by Magellan Group of each particular discounted **DRP** offer.

As a result of the **DRP** issue price being set with reference to the NAV per Closed Class Unit, the **DRP** issue price for Closed Class Unitholders could be at a premium to the trading price of Closed Class Units on ASX.

4.11 Taxation

The Fund has elected to become an Attribution Managed Investment Trust (**AMIT**). Accordingly, investors will be subject to tax on the income of the Fund that is attributed to them under the **AMIT** rules each year ending 30 June. If there is income of the Fund that is not attributed to an investor, the Fund will be subject to tax at the highest marginal rate (plus the Medicare levy) on that non-attributed income.

The Constitution permits Magellan to accumulate part or all of the Fund's income in the Fund and / or reinvest part or all of your distribution, subject to the ASX Listing Rules, in which case the income of the Fund that is attributed to you (and which must be included in your income tax return) will be more than the total cash distribution you receive.

Investors will be assessed for tax on the net income and net capital gains generated by the Fund 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 to assist them in the preparation of their tax return.

The Fund may attribute an estimate of net capital gains generated as a result of redemptions of Open Class Units and buy-backs of Closed Class Units to the Unitholders of the relevant Class. Net capital gains that are otherwise generated in the ordinary operations of the Fund, including as a result of portfolio management will be attributed between Classes and Unitholders on a proportionate basis.

If the Fund was to incur a tax loss for an income year then the Fund could not attribute that loss to investors. However, subject to the Fund meeting certain conditions, it may be able to recoup such a loss against taxable income of the Fund 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 withdraw Units.

4.12 Further issues of Securities

Magellan is permitted, subject to the Constitution, the Corporations Act, the ASX Listing Rules and applicable laws, to issue further Securities.

Examples of issuance of further Closed Class Units may include but are not limited to the issue of Closed Class Units under this Offer, upon exercise of the MGF Options, a **DRP**, unit purchase plan, rights issue, placement of Closed Class Units or consideration for a takeover.

MGF Options are proposed to be issued under the Bonus MGF Option Issue (which is described in Section 4.5).

4.13 Redemptions and cancellations of Closed Class Units

Under the Constitution and the ASX Listing Rules, while the Closed Class Units are quoted on ASX, Magellan is not permitted to redeem Closed Class Units.

Subject to any restrictions imposed under the Corporations Act, the ASX Listing Rules (as modified or waived by ASX) and the Constitution, Magellan may undertake an on-market buy-back of Closed Class Units where it determines that this is in the interests of Unitholders. Any Closed Class Units acquired by Magellan under a buy-back will be immediately cancelled, as required by the Corporations Act. Magellan will need to obtain Closed Class Unitholder approval for a buy-back and comply with any restrictions in the Corporations Act, ASX Listing Rules and Constitution if it intends to buy back more than 10% of the smallest number of Closed Class Units on issue over the 12 months prior to the buy-back. To fund the buy-back of Closed Class Units, Magellan may look to liquidate some of the Fund's investments.

4.14 Liquidity

Unitholders can buy and sell Securities on ASX. The ability to buy and sell Securities will be subject to there being sufficient buyers and sellers (as applicable) of Securities at the investor's desired price, ASX being open for trading and the relevant Securities not being suspended from trading. Securities may be bought and sold on ASX by Closed Class Unitholders / MGF Option-holders instructing their stockbroker or through their online broking account.

The price at which investors may buy or sell Closed Class Units may not equal the NAV per Closed Class Unit. The Closed Class Units may trade on the ASX at a discount or premium to the NAV per Closed Class Unit.

Under the Constitution and the ASX Listing Rules, while the Closed Class Units are quoted on ASX, Magellan is not permitted to redeem Closed Class Units. Magellan may undertake a buy-back of Closed Class units which satisfies the requirements of the Corporations Act and the ASX Listing Rules. This may act as another source of liquidity to investors wishing to sell Closed Class Units however there is no guarantee that Magellan will undertake a buy-back.

4.15 Reports to Unitholders

The Fund is a disclosing entity and is subject to regular reporting and disclosure obligations (including the continuous disclosure requirements of the Corporations Act, the ASX Listing Rules and the AQUA Rules). Accordingly, the Fund will:

- prepare and publish on ASX both yearly and half yearly financial statements accompanied by a Directors' statement and report and an audit or review report;
- within 14 days after the end of each month, notify ASX of the NAV backing of its Closed Class Units as at the end of that month; and
- immediately notify ASX of any information concerning the Fund 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 Fund with ASX or ASIC may be obtained from ASX, or obtained from, or inspected at, an office of ASIC or Magellan.

Magellan will also provide a copy of the financial statements for the Fund for the year ended 30 June 2020 and continuous disclosure notices given by Magellan after the lodgement of the annual financial report and before the date of this PDS free of charge to any person who requests a copy.

Magellan publishes an estimated NAV per Closed Class Unit and iNAV daily on Magellan Group's website at www.magellangroup.com.au. In addition, Magellan publishes on ASX a NAV per Closed Class Unit weekly and monthly. The iNAV is the estimated NAV per Closed Class Unit updated in respect of the Fund's portfolio securities or equivalent securities that have live market prices during the ASX Trading Day and for foreign exchange movements. 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 Fund updates, which will be lodged with ASX, and quarterly and annual investment reports, which will be lodged with ASX. All reports will be available at www.magellangroup.com.au.

5. OVERVIEW OF THE INVESTMENT STRATEGY AND INVESTMENT MANAGER

5.1 Investment objective

The investment objective of the Fund is to achieve attractive risk-adjusted returns over the medium to long-term, while reducing the risk of permanent capital loss.

5.2 Investment Strategy

The Fund offers investors an opportunity to invest in a specialised and focused global equity fund.

In its capacity as investment manager, Magellan aims to invest in companies that have sustainable competitive advantages which translate into returns on capital in excess of their cost of capital for a sustained period of time. Magellan endeavours to acquire these companies at discounts to their assessed intrinsic value. The Fund's portfolio comprises 20 to 40 investments. Magellan believes such a portfolio will achieve sufficient diversification to ensure the Fund is not overly correlated to a single company, or to industry specific or macroeconomic risks.

It is not Magellan's intention to hedge the foreign currency exposure of the Fund arising from investments in overseas markets.

5.3 Historical performance

The below table outlines the performance for the Fund's Open Class Units as at 30 November 2020 since inception on 1 July 2007. As the Fund's Closed Class Units were issued on 8 December 2020, the Closed Class Units have not been on issue sufficiently long enough to provide a meaningful performance history. However, Magellan considers the historical performance of the Open Class Units to be materially indicative given the same Investment Objectives, Investment Strategy and fee levels of the Open Class Units and Closed Class Units. Calculations are based on exit prices with distributions reinvested in the same portfolio, after ongoing fees and expenses but excluding individual tax, member fees and entry fees (if applicable).

Investors should note that the Fund's past performance is not indicative of future performance.

Performance	3 months	6 months	1 year	3 years (% per annum)	5 years (% per annum)	Since Inception (% per annum)
Open Class Units	-0.65%	0.87%	2.31%	12.50%	11.00%	11.81%

5.4 Investment parameters

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

Underlying Exposure	Guidelines						
Number of companies	Typically, 20-40 companies.						
Asset classes and asset allocation ranges	<div>The Fund's assets are typically invested within the following asset allocation ranges:</div> <table><tr><th>Asset Class</th><th>Investment Range</th></tr><tr><td>Listed securities</td><td>80% - 100%</td></tr><tr><td>Cash and cash equivalents</td><td>0% - 20%</td></tr></table>	Asset Class	Investment Range	Listed securities	80% - 100%	Cash and cash equivalents	0% - 20%
Asset Class	Investment Range						
Listed securities	80% - 100%						
Cash and cash equivalents	0% - 20%						
Investments held	<div>The Fund primarily invests in the securities of companies listed on stock exchanges around the world, but will also have some exposure to cash and cash equivalents.</div> <div>The Fund can use foreign exchange contracts to facilitate settlement of stock purchases. It is not Magellan's intention to hedge the foreign currency exposure of the Fund arising from investments in overseas markets.</div> <div>The Fund may hold listed securities directly or indirectly by holding units in two wholly owned trusts, MGE and MGG. In this case, the Fund's investments are described on a look-through basis, that is, the underlying assets the Fund is exposed to its investments through its wholly owned trusts.</div>						
Industry/Sector	No limitations, subject to Magellan's commitment to responsible investing (refer to Section 5.5)						
Single security position limit	10% of the Portfolio, on a look-through basis.						
Currency hedging	The Fund will not hedge its foreign currency exposure arising from investments in overseas markets.						
Borrowing policy	The Fund may borrow against all or part of its investment portfolio, provided that, at the time, aggregated borrowings do not exceed 5% of the of the Fund's gross asset value of each unit class.						

5.5 Responsible investment

Magellan is committed to responsible investment and became a signatory to the United Nations-sponsored Principles of Responsible Investment (PRI) in March 2012. The PRI 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 Fund will not invest in companies engaged in "high roller" casino gaming and the production of tobacco.

In May 2017, Magellan became a signatory of the PRI Montreal Pledge. Under the Pledge, Magellan commits to measure and publicly disclose the carbon footprint of its actively managed investment portfolios. As such Magellan publicly discloses the carbon footprint of the Fund.

5.6 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, Magellan's trading procedures allow for allocation discretion.

5.7 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 Fund'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.

5.8 Changes to the Investment Strategy

Magellan has the right to change the Fund's investment return objective, asset classes and asset allocation ranges and currency strategy (if any), without prior notice in some cases. Magellan will inform investors of any material changes to the Fund's details in its next regular communication or as otherwise required by law.

5.9 Investment team

As at 30 November 2020, Magellan's investment team comprised 32 investment professionals, with expertise across different industries, and 3 trading professionals.

Hamish Douglass is Co-Founder and Chairman of MFG, Chief Investment Officer of Magellan and is the Lead Portfolio Manager of Magellan's Global Equities strategies. Hamish Douglass is Portfolio Manager of the Fund and is supported by Magellan's investment team.

5.10 Portfolio Managers to the Fund

Portfolio Manager	Biography
Hamish Douglass	Hamish Douglass is Co-Founder, Chairman of MFG, Chief Investment Officer of Magellan, and Lead Portfolio Manager of Magellan's Global Equities strategies. Prior to establishing the Magellan Group, 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. Mr Douglass is a Director of the Victor Chang Cardiac Research Institute.
Arvid Streimann, CFA	<p>Arvid Streimann joined Magellan in 2014 as a Senior Analyst in the Financials Team. In 2017, Arvid was appointed Head of Macro research and chairs the Macro Committee. In 2018, he was made a Portfolio Manager and in 2020 he was promoted to co-Portfolio Manager of the Global Equities Strategy. Arvid is a member of Magellan's Investment Committee.</p> <p>Prior to Magellan, Arvid spent 10 years in the research departments of Morgan Stanley and UBS, covering financial institutions and economics. Previously, Arvid assisted insurers with their growth strategies at Aon and spent four years in the Reserve Bank of Australia's economics and financial markets groups.</p> <p>Arvid holds a Bachelor of Economics (First Class Honours) from the Australian National University and is a CFA Charterholder.</p>

6. RISK FACTORS

6.1 Introduction

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 the Fund.

6.2 Risks specific to the Fund

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

- ASX liquidity risk:** The liquidity of trading in 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 buy or sell Units on the ASX during any period where the ASX is experiencing a trading outage or where ASX suspends trading of Units.
- Company specific risk:** Investments by the Fund 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 of the securities of that company and the value of the Fund'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 Fund will hold a concentrated portfolio of 20 to 40 investments, returns of the Fund may be dependent upon the performance of a small number of individual companies. The concentrated exposure, including aggregation of exposures across companies, may lead to increased volatility in Unit prices, and also increases the risk of poor performance.
- Conflicts of interest risk:** Magellan Group and its various service providers may from time to time act as issuer, investment manager, custodian, registry, broker, administrator, distributor or dealer to other parties or funds that have similar objectives to those of the Fund. It is therefore possible that any of them may have potential conflicts of interest with the Fund. Such conflicts of interest include, but are not limited to: management of multiple accounts with varying fee arrangements, trade allocation, provision of liquidity by Magellan (acting on behalf of the Fund) in accordance with the AQUA Rules, proxy voting and staff personal trading. Magellan Group may invest in, directly or indirectly, or manage or advise other funds which invest in assets which may also be purchased by the Fund. Neither Magellan Group nor any of its affiliates nor any person connected with it is under any obligation to offer investment opportunities to the Fund. Magellan maintains a Conflicts of Interest Policy to provide reasonable assurance that it manages its obligations to the Fund such that all conflicts (if any) are resolved fairly.
- Counterparty risk:** There is a risk that the Fund 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 risk:** As the Fund's investments in international assets are 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 forces. It is not Magellan's intention to hedge the foreign currency exposure of the Fund arising from investments in overseas markets.
- 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.
- Distribution policy risk:** Under the distribution policy of the Fund, there may be circumstances where the distribution received by Unitholders in cash may be insufficient to cover a Unitholder's tax payable on the income of the Fund attributed to the Unitholder.
- Emerging market risk:** The Fund invests in the securities of issuers domiciled in foreign jurisdictions, including some countries classified as emerging market countries. As a result, the Fund may be subject to adverse governmental, economic, legal and securities market risks associated with individual foreign markets. Specific risks may include unexpected changes in government or regulatory policy which could reduce trading liquidity and/or increase price volatility of securities, fewer securities holder rights and less protection of property rights. Trading, settlement and custody practices may differ from developed markets and this may result in lower liquidity and counterparty credit risk.
- iNAV risk:** The iNAV for each Unit class published by the Fund is indicative only and might not be up to date or might not accurately reflect the underlying value of the Fund.
- Leverage risk:** The Fund may borrow against all or part of the Portfolio for investment purposes. Borrowings can magnify the gains and losses in the Fund.
- Liquidity of investments risk:** Whilst the Fund 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 Fund 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) **Fund risk:** Fund risk refers to specific risks associated with the Fund, such as termination and changes to fees and expenses. The performance of the Fund or the security of an investor's capital is not guaranteed. There is no guarantee that the Investment Strategy of the Fund will be managed successfully or will meet its objectives. Failure to do so could negatively impact the performance of the Fund. An investment in the Fund is governed by the terms of the Constitution, as amended from time to time. The Fund is also governed by the rules of the ASX 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 quotation on the ASX. Magellan may elect, in accordance with the Fund's Constitution and the Corporations Act, to terminate the Fund for any reason. The Fund's assets will be invested, in part or in whole, by holding units in two underlying funds, MGG and MGE and the assets held by the Fund, MGG and MGE may differ. There may be a risk that redemptions from the underlying funds are not paid in time to satisfy the liquidity requirements of the Fund, or that there may be an increase in operational risk.
- (n) **Market risk:** There is a risk that the market price of the Fund'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 Fund 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 Fund. Inadequacies with these systems and procedures or the people operating them could lead to a problem with the Fund's operation and may result in a loss to the Fund.
- (p) **Performance risk:** There is a risk that the Fund 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 Fund. Changes in key personnel and resources of Magellan may also have a material impact on investment returns on the Fund.
- (r) **Pooled investment scheme risk:** The Fund is a managed investment scheme that pools investors' capital to acquire assets. An investor's voting power will change with the number and value of Units on issue in the Fund and this could result in that investor's voting power being proportionally diluted. Investors will be assessed for tax on their share of net income and net capital gains generated by the Fund that is attributed to them under the AMIT rules. The net income and net capital gains may be a result of the activities of other unitholders in the same unit class, such as redemptions of Open Class Units or increased sales of Open Class Units by market participants, or due to actions of Magellan, such as the provision of liquidity in Open Class Units on ASX, buying back Closed Class Units on ASX or managing the investments of the Fund.
- (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 Fund or on the Fund'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 for each unit class 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 Fund's NAV per Unit for each Unit class declines. There is also a risk that, in the future, Magellan lowers the target level for Target Cash Distributions.
- (u) **The Fund may be removed from quotation by the ASX or terminated:** The ASX imposes certain requirements for the continued quotation of securities, such as the Open Class Units, on the ASX under the AQUA Rules and Closed Class Units, on the ASX under the ASX Listing Rules. Investors cannot be assured that the Fund will continue to meet the requirements necessary to maintain quotation on the ASX or admission to the official list. In addition, the ASX may change the quotation requirements. Magellan may elect, in accordance with the Fund's Constitution and Corporations Act, to terminate the Fund for any reason including if Units cease to be quoted on the ASX.

6.3 Risks specific to Closed Class Units

The significant risks specific to an investment in Closed Class Units include:

- (a) **Credit risk:** The partnership benefits that are being funded by Magellan Group (for example, pursuant to this Offer, the Bonus MGF Option Issue or pursuant to the DRP) will expose Closed Class Unitholders to the risk that Magellan Group is not able to pay amounts to the Fund when they are due. If Magellan Group is not able to fund the relevant partnership benefits in accordance with the MFG Equity Commitment Deed and MFG DRP Commitment Deed, then this Offer, Bonus MGF Option Issue and any discounted DRP offer will be dilutive to Closed Class Unitholders. The Fund will be managed so as to avoid the value of an investment in the Open Class Units being impacted in these circumstances (except in the very unlikely event of cross-collateralisation default).
- (b) **DRP issue price risk:** Because Closed Class Units issued under the DRP are issued at the NAV per Closed Class Unit or a discount to the NAV per Closed Class Unit, there is a risk that the DRP issue price could be at a premium to the trading price of Closed Class Units on ASX at the time of issue.
- (c) **No right of redemption:** Closed Class Unitholders cannot redeem their Closed Class Units; they can only sell their Closed Class Units on ASX. There is a risk that buyers of Closed Class Units on ASX are not sufficient to allow a Closed Class Unitholder to exit their investment.
- (d) **Pooled investment scheme risk:** The market prices at which the Fund is able to invest the proceeds of capital raisings conducted by the Fund may differ from the issue price of Closed Class Units issued as a result of those capital raisings. Therefore, Closed Class Unitholders who have not participated in those capital raisings may be impacted by the participation of other Closed Class Unitholders in capital raisings. The impact will depend on the size of the capital raising relative to the NAV of the Closed Class Units and on the price volatility of the securities in which the Fund invests.
- (e) **Price of Units on ASX:** The price at which Closed Class Units trade on ASX may not equal the underlying value as reflected in its NAV per Closed Class Unit. Closed Class Units may trade on ASX at a discount or a premium to the NAV per Closed Class Unit. As such, there is a risk that Closed Class Unitholders may not be able to sell their investment in the Closed Class Units at the NAV per Closed Class Unit.
- (f) **Relative voting power:** The Corporations Act requires that, on a vote of the Fund decided by a poll, each Unitholder will have one vote for each dollar of value of Closed Class Units or Open Class Units held. The value of Closed Class Units and Open Class Units will be determined based on the last sale price on the ASX Trading Day immediately prior to the day the poll is taken. As the ASX secondary market price of Closed Class Units and Open Class Units may differ, where a vote is taken as a whole, this may have the result of decreasing the relative voting power of Unitholders who hold Closed Class Units compared with holders of the Open Class Units.

6.4 Risks specific to the MGF Options

The significant risks specific to an investment in MGF Options are:

- a) **Exercise price of MGF Options:** The exercise price of MGF Options is equal to 92.5% of the Estimated NAV per Closed Class Unit and, as such, will vary over time. An error made in calculating the NAV per Closed Class Unit could adversely impact the exercise price of a MGF Option. The exercise price of an MGF Option could be at a premium to the trading price of Closed Class Units on ASX at the time of exercise. If MGF Options are exercised, there is no guarantee that the Closed Class Units issued on exercise of those MGF Options will trade above the exercise price paid for those Closed Class Units.
- b) **ASX liquidity risk:** The liquidity of trading in MGF Options on the ASX may be limited. This may affect an investor's ability to buy or sell MGF Options. Investors will not be able to buy or sell MGF Options on the ASX during any period where the ASX is experiencing a trading outage or where ASX suspends trading of MGF Options.

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 investment 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 management costs. Ask the Fund 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 funds fee calculator to help you check out different fee options.

This section shows fees and other costs that you may be charged if you invest in Securities. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Fund.

Taxes are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

7.1 Table 1 – fees and costs for Closed Class Units

Closed Class Units		
TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of the Fund (Closed Class Units)		
Establishment fee The fee to open your investment	Nil	Not applicable.
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable.
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable.
Exit fee The fee to close your investment	Nil	Not applicable.
Management costs¹ The fees and costs for managing your investment		
Management fee	Management fee of 1.35% ² per annum	The management fee is calculated daily based on the proportionate value of the Fund referable to the Closed Class Units on that Business Day. An estimate is accrued daily in the NAV per Closed Class Unit and the fees are payable monthly in arrears from the assets of the Fund referable to the Closed Class Units.
Estimated performance fee	0.22% ³ per annum Performance fees are 10% ² of the Excess Return of the Closed Class Units of the Fund above the higher of the Index Relative Hurdle (the MSCI World Net Total Return Index (AUD)) and the Absolute Return Performance 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).	Estimated daily and accrued in the NAV per Closed Class Unit. Calculation of the fee is finalised and the fee is paid at the end of a Calculation Period from the assets of the Fund referable to the Closed Class Units. The first Calculation Period for the Closed Class commenced on 28 November 2020 and will end on 30 June 2021, with Calculation Periods thereafter being each 6 monthly period ending 31 December and 30 June (each a Calculation Period).
Total estimated management costs	1.57% per annum	As described immediately above.
Service fees		
Switching fee The fee for changing investment options	Nil	Not applicable.

¹ These fees may be individually negotiated if you are a wholesale client (as defined in the Corporations Act).

² Inclusive of the estimated net effect of GST (i.e. inclusive of GST, less any reduced input tax credits (RITC) and other recoveries available to the Fund). As the Fund 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 Fund's exposure to Australian securities increases), the actual management costs may exceed the rates stated above. Please see Section 7.5 and Section 7.6 below for more information.

³ The estimated performance fee represents Magellan's reasonable estimate of the prospective performance fee and has been calculated using the actual performance fee incurred by the Fund since inception (up to and including 30 June 2020). As the Fund predominantly invests in international securities, the GST impact on the performance fees for the Fund is currently estimated to be negligible. To the extent the GST impact increases (for example, if the Fund's exposure to Australian securities increases), the actual performance fees may exceed the rate of 10% stated above. Please see Sections 7.5 and 7.6 below for more information. Past performance is not necessarily indicative of future performance and no person guarantees the future performance of the Fund, the amount or timing of any return from it, or that it will achieve its investment objectives.

7.2 Table 2 – example of annual fees and costs for the Closed Class Units

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 - Closed Class Units		Balance of \$50,000 with a contribution of \$5,000 during year ²
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
PLUS Management costs	1.38% ³ per annum	And , for every \$50,000 you have in the Fund you will be charged \$690 each year.
EQUALS Cost of Closed Class Units	1.38% per annum	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 \$690⁴ What it costs you will depend on the fund you choose and the fees you negotiate.

¹ This is an example only and does not take into account any movements in the value of Closed Class 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 (1.35%) and the actual performance fee (0.03%) that was incurred by the Fund for the year ended 30 June 2020. This rate is inclusive of the estimated net effect of GST (i.e. inclusive of GST, less any reduced input tax credits). Please see Section 7.5 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 transactional and operational costs.

7.3 Table 3 – fees and costs for MGF Options

The MGF Options are managed investment products, however, MGF Options do not entitle MGF Option holders to a share of the assets of the Fund. MGF Option holders do not, therefore, bear any of the fees and costs paid out of the assets of the Fund. This is shown in the following table (which is required by law).

If a MGF Option holder exercises their MGF Options and acquires Closed Class Units, then fees and costs will be payable (as explained for Closed Class Units in this Section 7)

MGF Options		
TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of the MGF Options		
Establishment fee The fee to open your investment	Nil	Not applicable.
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable.
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable.
Exit fee The fee to close your investment	Nil	Not applicable.
Management costs The fees and costs for managing your investment		
Total management costs	Nil	Not applicable.
Service fees		
Switching fee The fee for changing investment options	Nil	Not applicable.

7.4 Table 4 – example of annual fees and costs for the MGF Options

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 – MGF Options		Balance of \$50,000 with a contribution of \$5,000 during year
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management costs	Nil	And , for every \$50,000 you have in the MGF Options you will be charged \$0 each year.
EQUALS Cost of MGF Options	Nil	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 \$0 .

7.5 Additional explanation of fees and costs

(a) Management fees

The Fund pays a management fee of 1.35% per annum (inclusive of the estimated net effect of GST net of RITC) of the Net Asset Value (before fees) (**NAV Before Fees**) of Closed Class Units to Magellan for managing the assets of the Fund and overseeing the operations of the Fund. The management fees cover the usual fees, costs, charges, expenses and outgoings that are incurred in connection with the Closed Class Units and related assets of the Fund (such as administration and accounting costs, registry fees, audit and tax fees, and investor reporting expenses). Management fees are calculated each Business Day based on the NAV Before Fees of Closed Class Units in the Fund on that Business Day and are payable at the end of each month from the assets of the Fund referable to the Closed Class Units. Estimated management fees are reflected in the NAV per Closed Class Unit.

Under the Fund's constitution, Magellan is entitled to receive maximum management fees of 1.35% per annum (before fees) excluding GST. The management fees stated in this PDS are inclusive of the estimated net effect of GST (i.e. inclusive of GST, less any reduced input tax credits). As the Fund predominantly invests in international securities, the GST impact on the management fees is currently estimated to be negligible. To the extent the GST impact increases (for example, if the Fund's exposure to Australian securities increases), the actual management fees may vary from the rates stated above.

In addition to the management fee, where the Fund incurs extraordinary expenses and outgoings, Magellan may pay for these from the assets of the Fund. We may pay extraordinary expenses and outgoings from the Fund's assets because, under the constitution of the Fund, in addition to the management fee, Magellan is entitled to be indemnified from the assets of the Fund for any liability properly incurred by us in performing properly any of its duties or exercising any of its powers in relation to the Fund or attempting to do so.

(b) Performance fees

Depending on how well the Closed Class Units in the Fund performs, Magellan may be entitled to a performance fee, payable by the Fund. Performance fees are calculated with reference to the Index Relative Hurdle, the Absolute Return Performance Hurdle and are subject to a High Water Mark requirement and overall cap. The details of the calculation methodology and the hurdles are set out below. An estimate of the fee has been provided in Table 1 and applied in Table 2.

Estimated performance fees for the Units are reflected in the NAV per Closed Class Unit and are payable at the end of each Calculation Period from the assets of the Fund referable to the Closed Class Units.

Calculation Methodology

The Total Return per Unit (**Total Return**) for the Closed Class Units is the dollar movement in the NAV per Closed Class 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 generally end on 30 June and 31 December of each year. The first Calculation Period for the Closed Class commenced on 28 November 2020 and will end on 30 June 2021.

The Fund's Excess Return per Closed Class Unit (**Excess Return**) is its Total Return less the higher of the Index Relative Hurdle and Absolute Return Performance Hurdle, expressed in dollar terms. The performance fee per Closed Class Unit is 10% (exclusive of GST) of the Excess Return. As the Fund predominantly invests in international securities, the GST impact on the performance fees for the Fund is currently estimated to be negligible. The total performance fee is the performance fee per Closed Class Unit multiplied by the number of Closed Class Units on issue at the end of the Calculation Period.

Magellan will only be entitled to a performance fee where the NAV per Closed Class Unit at the end of the Calculation Period exceeds the applicable High Water Mark. The High Water Mark for the Closed Class Units is the NAV per Closed Class Unit at the end of the most recent Calculation Period for which Magellan was entitled to a performance fee in the Closed Class, less any intervening income or capital distribution.

Furthermore, the fee to which Magellan is entitled will be subject to a performance fee cap such that the NAV per Closed Class Unit (after the accrued performance fee) is not less than the applicable High Water Mark.

The High Water Mark applicable to the Closed Class Units is currently \$1.7751 per Closed Class Unit.

Index Relative Hurdle

The Index Relative Hurdle for the Closed Class Units 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 Performance Hurdle

The applicable Absolute Return Performance Hurdle for the Closed Class Units of the Fund 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.

Equalisation Reserve and Units issued during a Calculation Period

Performance fees are paid on the Excess Return of each Unit on issue at the end of a Calculation Period, less a fund level equalisation reserve (**Equalisation Reserve**). The effect of the Equalisation Reserve is that Magellan will only receive a performance fee in respect of a specific Closed Class Unit on performance generated after that Closed Class Unit is created.

On each Business Day where there is a net creation of Closed Class Units, the Equalisation Reserve is increased by an amount that represents the performance fee per Closed Class Unit prior to the net creation of those Closed Class Units multiplied by the number of units created (**Equalisation Adjustment**). If the accrued performance fee per Closed Class Unit on a particular day is nil, there will be no Equalisation Adjustment made to the Equalisation Reserve in respect of net Units created the following Business Day. The Equalisation Reserve accumulates over a Calculation Period.

The Equalisation Reserve is subject to a ceiling such that the total Equalisation Reserve is the lesser of:

- the total of the Equalisation Adjustments calculated on each day of the Calculation Period; and
- the total of the Units created during the Calculation Period multiplied by the prevailing performance fee per Unit.

The ceiling on the Equalisation Reserve ensures that Magellan's performance fee entitlement is not less than it would have been had no Closed Class Units been created during the Calculation Period.

The exact impact of the performance fee on a particular investor will depend on the price at which the investor has acquired Closed Class Units, the total number of Closed Class Units created during a Calculation Period, the Excess Return achieved from the start of the Calculation Period to the date where new Closed Class Units are created and the subsequent movement in the NAV per Closed Class Unit to the end of the Calculation Period.

Units cancelled during a Calculation Period

Closed Class Units that are bought back by Magellan on the ASX will be cancelled. Performance fees will become payable to Magellan in respect of cancelled Closed Class Units.

(c) Transactional and operational costs of Closed Class Units

The Closed Class does not have historical transactional and operational costs. An estimate of transactional and operational costs for the Closed Class Units in the Fund is provided in the table below. These estimated costs are based on actual transactional and operational costs incurred by Open Class Units for the year ended 30 June 2020.

Total transactional and operational costs (% pa)	Recovery through buy/sell spread (% pa)	Net transactional and operational costs (% pa)	For every \$50,000 you have in the Fund you will likely incur approximately:
0.04%	0.00%	0.04%	\$20

The amount of such costs will vary from year to year depending on the volume and value of the trading activity in the Fund. Transactional and operational costs are paid out of the assets of the Fund referable to the Closed Class Units and are not paid to Magellan.

(d) Tax

Tax payable by investors is not included in this Section 7. Please refer to the taxation information in Section 11.

7.6 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 Fund's Constitution. Management fees and performance fees disclosed above are the maximum permitted by the Fund's 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 fees below the level of any fee cap.

7.7 Stockbroker fees for investors

Investors will incur customary brokerage fees and commissions when buying and selling Closed Class Units in the Fund on the ASX. These are not fees paid to Magellan. Investors should consult their stockbroker or financial adviser for more information in relation to their fees and charges.

7.8 Fees for Indirect Investors

For investors accessing the Fund through a master trust or wrap account, additional fees and costs may apply. These fees and costs are stated in the offer document provided by your master trust or wrap account operator. These are not fees paid to Magellan.

7.9 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 Fund to financial advisers.

8. CORPORATE GOVERNANCE

8.1 Corporate governance framework

Responsibility for the Fund's proper corporate governance rests with Magellan as the responsible entity. The overarching principle is to always act in good faith and in the best interests of Unitholders. Magellan's duties and obligations in relation to the Fund principally arise from: the Constitution; the Fund's compliance plan; ASX Corporate Governance Council Principles and Recommendations, 4th Edition March 2019 (**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 Magellan Group (**MFG Board**), in consultation with management and Magellan, determine appropriate corporate governance practices, taking into account the matters outlined in the preceding paragraph. Where, after due deliberation, Magellan Group's corporate governance practices differ from the ASX Corporate Governance Principles, the corporate governance statement will set out the reasons for the difference.

Magellan Group has a governance framework which applies to its subsidiaries, including Magellan. Magellan Group 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, Magellan Group follows all recommendations of the ASX Corporate Governance Principles.

Magellan has, as far as practicable, adopted the governance framework of Magellan Group being cognisant of its fiduciary duty. The composition of the boards of each of Magellan Group and Magellan are near identical.

As part of the governance process, the MFG Board and management periodically review Magellan Group'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 Fund follow those of Magellan Group.

8.2 Corporate governance policies

The key elements of the Fund's corporate governance framework are set out below. Magellan has also adopted a number of corporate governance policies to provide reasonable assurance that the Fund is governed efficiently and effectively, and in accordance with its fiduciary duty. The policies are available on Magellan's website at www.magellangroup.com.au.

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

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

All employees of the Magellan Group are required to make an annual declaration confirming their compliance with the Code of Ethics.

- (b) **Continuous Disclosure Policy** – The Continuous Disclosure Policy assists with clear and effective communication with unitholders by ensuring:

- the Fund has in place policies and procedures reasonably designed to comply with its continuous disclosure obligations under the Corporations Act, the ASX Listing Rules and the AQUA Rules;
- the Fund 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 Units is identified and appropriately considered for disclosure to the market.

- (c) **Unitholder Communications Policy** – The Unitholder Communications Policy describes the procedures in place to provide Unitholders with appropriate information about MGF and its governance. In summary, the policy outlines:

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

- (d) **Risk Management Framework** – The Risk Management Framework (**RMF**) for the Magellan Group is based on the Australian Standard AS ISO 31000:2018 Risk Management –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.

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 focused approach to identifying, managing and reviewing risk to complement the strategies adopted to achieve the corporate objectives of the Magellan Group.

- (e) **Trading Policy** – The Trading Policy sets out the circumstances in which the Directors and employees of the Magellan Group and Magellan may trade in units in the Fund. 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 imposes restrictions and notification requirements, including blackout periods and the need to obtain pre-trade approval. The Trading Policy aligns to the ASX Listing Rules, relevant guidelines and the ASX Corporate Governance Principles.

8.3 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 ASX Listing Rules, the Fund 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 Fund 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 Fund 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 Fund has a corporate governance statement which reports against the ASX Corporate Governance Principles, a summary of which is set out below.

(a) Principle 1: Lay solid foundations for management and oversight

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

In operating the Fund, Magellan's overarching principle is always to act in good faith and in the best interests of Unitholders in accordance with its fiduciary duty. The Directors of Magellan, in consultation with management, determine appropriate corporate governance practices for the Fund.

(b) Principle 2: Structure the board to be effective and add value

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

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

In relation to recommendations 2.3 and 2.4, six of the eight Directors of Magellan are independent Non-Executive Directors. Each Director has served on the Magellan Board for periods of between 0 – 13 years.

(c) Principle 3: Instil a culture of acting lawfully, ethically and responsibly

Magellan has a Code of Ethics in place which also includes provisions relating to anti-bribery and corruption. Magellan Group also maintains a Whistleblower Policy.

(d) Principle 4: Safeguard the integrity of corporate reports

Magellan has in place policies and procedures to align with this principle in respect of the Fund with the exception of recommendation 4.1 which recommends that an audit committee be chaired by an independent director who is not chair of the board.

The Chairman of the MFG Audit and Risk Committee is also the Chairman of the Magellan Board. For good governance, the Chairman will not chair a Magellan Board meeting while the financial statements of either Magellan or its managed investment schemes are being considered.

(e) Principle 5: Make timely and balanced disclosure

The Fund has in place a Continuous Disclosure Policy to provide reasonable assurance that it meets its disclosure obligations under the Corporations Act, the ASX Listing Rules and AQUA Rules.

(f) Principle 6: Respect the rights of security holders

The Fund has in place a Unitholder Communication Policy to provide reasonable assurance that it meets its disclosure obligations under the Corporations Act and the ASX Listing Rules.

(g) Principle 7: Recognise and manage risk

The Magellan Group has in place a RMF and related policies and procedures to align with this principle in respect of the Fund with the exception of recommendation 7.1 which recommends a board has in place a committee or committees consisting of a majority of independent directors to oversee risk.

The MFG Board's Audit and Risk Committee is comprised of independent directors and assists the MFG Board to discharge its responsibilities in relation to the effectiveness of the financial risk management framework and associated internal controls.

The Magellan Board, chaired by an independent non-executive director, 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 MFG Board and the Magellan Board to ensure that it continues to be adequate.

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 Chief Executive Officer, responsible managers, and senior Magellan employees including the Chief Compliance Officer.

The Magellan Board has also established a Management Information Technology Risk Committee (**ITRC**) which has oversight and provides direction on Magellan Group's information technology risk management activities. The ITRC consists of the Chief Executive Officer, Chief Compliance Officer and other senior Magellan Group employees responsible for information technology.

In relation to recommendation 7.3, Magellan does not have an internal audit function although periodic monitoring of compliance with key policies and procedures is performed by Magellan's Risk and Compliance team and the results are reported to the Magellan Board.

Magellan is subject to an external audit of the design and operating effectiveness of its control environment relating to asset management services. 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 MFG and Magellan 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.

(h) Principle 8: Remunerate fairly and responsibly

As the Fund 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 Fund can be found in this PDS at Section 7. Details of actual management costs paid will be published in the Half Yearly Reports and Annual Reports of the Fund and will be available on the Magellan Group website.

(i) Principle 9: Additional recommendations that apply only in certain cases

In relation to recommendation 9.3 (External Auditor attends AGM), the Fund does not intend to hold an annual general meeting and accordingly this recommendation is not applicable. If the Fund were to hold an annual general meeting this recommendation would be followed.

9. FINANCIAL INFORMATION

9.1 Introduction

The Fund is a managed investment scheme structured as a unit trust, which has been registered with ASIC. The registration date of the Fund is 17 July 2007.

The financial information contained in this Section 9 comprises:

- historical financial information comprising:
 - the historical statements of profit or loss of the Fund for the years ended 30 June 2018, 30 June 2019 and 30 June 2020;
 - the historical statements of cash flow of the Fund for the years ended 30 June 2018, 30 June 2019 and 30 June 2020; and
 - the historical statement of financial position of the Fund as at 30 June 2020;

(hereafter **the Historical Financial Information**); and

- the pro forma historical statement of financial position of the Fund as at 30 June 2020 as if the restructure of the Fund, the Offer and Bonus MGF Option Issue had occurred (hereafter the **Pro Forma Historical Statement of Financial Position**),

(collectively, the **Financial Information**).

The information in this Section 9 should also be read in conjunction with the overview of the Fund detailed in Section 4, details of the restructure which are available in Section 4.1, risk factors set out in Section 6 and other information contained in this PDS. The Financial Information is information about past performance. Investors are warned that past performance is not a guide to future performance.

The Financial Information (as defined above) has been reviewed by Ernst & Young in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information* as stated in its Independent Limited Assurance Report set out in Section 10. Investors should note the scope and limitations of the Independent Limited Assurance Report.

9.2 Basis of Preparation

The Directors of Magellan are responsible for the preparation and presentation of the Financial Information included in this Section 9.

The Financial Information included in this PDS is intended to present Unitholders with information to assist them in understanding the financial position of the Fund.

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation, disclosures, statements or comparative information as required by Australian Accounting Standards (**AAS**) applicable to annual financial reports prepared in accordance with the Corporations Act.

Preparation of Historical Financial Information

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles prescribed in AAS issued by the Australian Accounting Standards Board (**AASB**). AAS is consistent with International Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board (**IASB**).

The Historical Financial Information of the Fund has been derived from its annual financial statements for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 prepared in accordance with AAS, which has been audited by Ernst & Young. Ernst & Young issued unmodified audit opinions on these annual financial statements.

The Historical Financial Information should be read in conjunction with the respective annual financial reports of the Fund for the years ended 30 June 2018, 2019 and 2020, including a description of the accounting policies contained in the financial statements and notes to those financial statements.

The annual financial reports of the Fund for the year ended 30 June 2020 are available free of charge at www.magellangroup.com.au.

Preparation of Pro Forma Historical Statement of Financial Position

The Pro Forma Historical Statement of Financial Position of the Fund has been prepared solely for inclusion in this PDS.

The Pro Forma Historical Statement of Financial Position has been derived from the historical statement of financial position of the Fund and has been adjusted for the effects of pro forma adjustments described in Section 9.5 of this PDS.

The Pro Forma Historical Statement of Financial Position has been prepared in accordance with the recognition and measurement principles contained in 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 30 June 2020.

The Pro Forma Historical Statement of Financial Position is intended to be illustrative only and may not reflect the actual or prospective financial position of the Fund as at the date of this PDS and does not reflect Magellan's expectations in respect of the net assets attributable to Unitholders as at the date of this PDS.

9.3 Magellan Global Fund historical statements of profit or loss

The Fund's historical statements of profit or loss for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 are shown in the table below.

	June 2018 \$'000	June 2019 \$'000	June 2020 \$'000
Investment Income			
Dividend and distribution income	136,264	142,466	157,428
Interest income	11,680	31,656	8,948
Net change in fair value of investments	1,431,154	1,785,093	1,115,132
Net gains/(losses) on foreign exchange settlements, derivative contracts and cash	61,236	92,978	(128,944)
Other income	370	327	42
Total Net Investment Income	1,640,704	2,052,520	1,152,606
Expenses			
Management fees	128,077	137,005	159,769
Performance fees	18,861	14,068	3,123
Brokerage fees	633	503	905
Withholding tax on dividends	19,811	20,645	22,387
Total Expenses	167,382	172,221	186,184
Net Operating Profit/(Loss)	1,473,322	1,880,299	966,422
Finance Costs Attributable to Unitholders			
Distributions of income and capital to unitholders ^(A)	(710,350)	-	-
(Increase)/decrease in net assets attributable to unitholders ^(A)	(762,972)	-	-
Profit/(Loss) For The Year	-	1,880,299	966,422

^(A) Effective 30 June 2018, units in the Fund have been reclassified from a financial liability to equity.

9.4 Magellan Global Fund historical statements of cash flow

The Fund's historical statements of cash flow for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 are shown in the table below.

	June 2018 \$'000	June 2019 \$'000	June 2020 \$'000
Cash Flows From Operating Activities			
Interest received	10,735	31,744	9,816
Dividends and distributions received (net of withholding tax)	116,323	125,303	132,726
Other income received	370	327	42
Management and performance fees paid	(135,342)	(154,699)	(167,573)
Other expenses paid	(1,879)	(997)	(1,518)
Net Cash Inflows/(Outflows) From Operating Activities	(9,793)	1,678	(26,507)
Cash Flows From Investing Activities			
Purchase of investments	(2,342,715)	(2,805,682)	(4,100,299)
Proceeds from sale of investments	3,424,495	2,445,142	5,707,917
Net foreign exchange gains/(losses)	(10,240)	133,160	(5,960)
Net Cash Inflows/(Outflows) From Investing Activities	1,071,540	(227,380)	1,601,658
Cash Flows From Financing Activities			
Receipts from issue of units	1,391,037	1,484,264	1,845,675
Payments for redemption of units	(1,888,212)	(1,555,647)	(1,957,586)
Distributions paid	(187,905)	(587,398)	(440,390)
Net Cash Inflows/(Outflows) From Financing Activities	(685,080)	(658,781)	(552,301)
Net Increase/(Decrease) In Cash And Cash Equivalents	376,667	(884,483)	1,022,850
Cash and cash equivalents at the beginning of the period	1,372,498	1,819,756	899,232
Effect of exchange rate fluctuations on cash and cash equivalents	70,591	(36,041)	(144,942)
Cash And Cash Equivalents At End Of Period	1,819,756	899,232	1,777,140

9.5 Magellan Global Fund historical statement of financial position and Pro Forma Historical Statement of Financial Position

The Fund's historical statement of financial position and Pro Forma Historical Statement of Financial Position as at 30 June 2020 is shown in the table below.

	Historical Statement of Financial Position \$'000	Acquisition of MGE ^(A) \$'000	Acquisition of MGG ^(A) \$'000	Reclassification of Unitholders' Funds ^(B) \$'000	Illustrative subscriptions of \$500 million under the Offer ^(C) \$'000	Pro forma Historical Statement of Financial Position \$'000
Cash and cash equivalents	1,777,140	-	-	-	537,500	2,314,640
Receivables	21,646	-	-	-	-	21,646
Investments	9,824,892	1,748,698	2,271,871	-	-	13,845,461
Total Assets	11,623,678					16,181,747
Payables	26,692	-	-	-	-	26,692
Distributions payable	463,812	-	-	-	-	463,812
Total Payables	490,504	-	-	-	-	490,504
Total Unitholders' Funds	11,133,174	1,748,698	2,271,871	(15,153,743)	-	-
Net Assets Attributable To Unitholders - Liability	-			15,153,743	537,500	15,691,243

^(A) Refer to Section 9.5(b) for discussion of the asset acquisitions as at 8 December 2020.

^(B) Refer to Section 9.5(c) for discussion of reclassification of Unitholders' funds from equity to financial liability.

^(C) Refer to Sections 9.5(d) and (e) for discussion of the Securities issued under the Offer.

^(D) The Fund classifies its equity securities, derivative assets and derivative liabilities as financial assets and liabilities at fair value through profit or loss. Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value, which in the case of the Fund is the transaction price. Subsequent to initial recognition, all financial assets and liabilities classified at fair value through profit or loss are measured at fair value. Changes in fair value are recognised in profit or loss. The net change in fair value does not include dividend or distribution income.

The above Pro Forma Historical Statement of Financial Position is for illustrative purposes only and does not reflect Magellan's expectations in respect of the capital raised through the Offer.

Proforma Adjustments

- Expenses related to the restructure, Offer and Bonus MGF Option Issue will be paid by the Magellan Group. No expenses related to the restructure, Offer and Bonus MGF Option Issue will be paid out of the assets of the Fund, MGE or MGG.
- As an investment entity defined under AASB 10 Consolidated Financial Statements, the Fund will record the acquisition of MGE and MGG at the fair value of the equity interests of MGE and MGG. For the purposes of the Pro Forma Historical Statement of Financial Position, the fair value of MGE and MGG is measured at the respective NAV of each fund as at the effective date of the relevant trust schemes being 27 November 2020, as this is the most relevant measure of fair value. For further information, refer to ASX announcement titled "MGE Trust Scheme Exchange Ratio" and "MGG Trust Scheme Exchange Ratio" released on 30 November 2020.
- The Unitholders' Funds are classified as financial liabilities in the Pro Forma Historical Statement of Financial Position. The Fund has three classes of securities on issue, which are equally subordinate and have non-identical features. Unitholders' funds comprise Closed Class Units, Open Class Units and MGF Options.
- The column headed "Illustrative subscriptions of \$500 million under the Offer", has been prepared on the basis of:
 - Total Approved Application Amounts of \$500 million under the Offer with an additional 7.5% Closed Class Units worth \$37.5 million allotted to Approved Applicants;
 - Magellan Group paid an amount of \$37.5 million to the Fund in accordance with the terms of the MFG Equity Commitment Deed;
 - No interest is earned by the Fund on Application Monies during the Offer period; and
 - MGF Options have been issued but no exercise of MGF Options has occurred.
- MGF Options allotted under the Offer and the Bonus MGF Option Issue have been issued for nil consideration. The fair value of the MGF Options is insignificant since the consideration to be received by the Fund on exercise is equal to the NAV per Closed Class Unit at the time of exercise.



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4 January 2021

The Board of Directors
Magellan Asset Management Limited
In its capacity as Responsible Entity for Magellan Global Fund
MLC Centre
Level 36, 19 Martin Place
Sydney NSW 2000

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT ON HISTORICAL FINANCIAL INFORMATION AND PRO FORMA HISTORICAL FINANCIAL INFORMATION

1. Introduction

We have been engaged by Magellan Asset Management Limited ("you" or "MAM") as Responsible Entity for Magellan Global Fund (the "Fund" or "MGF") to report on the historical financial information and pro forma historical financial information of Magellan Global Fund for inclusion in the product disclosure statement to be dated on or about 5 January 2021 ("Product Disclosure Statement" or "PDS"), and to be issued by MAM, in respect of the Partnership offer to the eligible unitholders of MGF to subscribe for an entitlement of closed class units in MGF, and if they so subscribe, to receive additional closed class units and MGF Options as described in the PDS (the "Offer" or "Partnership Offer"). The MGF Options are intended to be quoted on ASX.

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

2. Scope

Historical Financial Information

You have requested Ernst & Young to review the following historical financial information of Magellan Global Fund:

- ▶ the historical statements of profit or loss of the Fund for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 as set out in Section 9.3 of the PDS;
- ▶ the historical statements of cash flow of the Fund for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 as set out in Section 9.4 of the PDS;
- ▶ the historical statement of financial position of the Fund as at 30 June 2020 as set out in Section 9.5 of the PDS

(Hereafter the "Historical Financial Information").

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles prescribed in AAS issued by the Australian Accounting Standards Board (AASB). AAS is consistent with International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board (IASB).



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The Historical Financial Information of the Fund has been derived from its annual financial statements for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 prepared in accordance with AAS, which has been audited by Ernst & Young. Ernst & Young issued unmodified audit opinions on these annual financial statements.

The Historical Financial Information should be read in conjunction with the annual financial reports of the Fund for the year ended 30 June 2020, including a description of the accounting policies contained in the financial statements and notes to those financial statements.

Pro Forma Historical Financial Information

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

- ▶ the pro forma historical statement of financial position of the Fund as at 30 June 2020 as set out in Section 9.5 of the PDS

(Hereafter the "Pro Forma Historical Statement of Financial Position")

(the Historical Financial Information and Pro Forma Historical Statement of Financial Position is collectively referred to as the "Financial Information")

The Pro Forma Historical Statement of Financial Position has been derived from the historical statement of financial position of the Fund and has been adjusted for the effects of pro forma adjustments described in Section 9.5 of the PDS.

The Pro Forma Historical Statement of Financial Position has been prepared in accordance with the recognition and measurement principles contained in 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 30 June 2020.

The Pro Forma Historical Statement of Financial Position is intended to be illustrative only and may not reflect the actual or prospective financial position of the Fund as at the date of this PDS and does not reflect Magellan's expectations in respect of the net assets attributable to Unitholders as at the date of this PDS.

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 Australian Accounting Standards 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 MAM as Responsible Entity for MGF are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the basis of preparation, selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information 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 Historical Financial Information and Pro Forma Historical Financial Information 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

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information comprising:

- ▶ the historical statements of profit or loss of the Fund for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 as set out in Section 9.3 of the PDS;
- ▶ the historical statements of cash flow of the Fund for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 as set out in Section 9.4 of the PDS;
- ▶ the historical statement of financial position of the Fund as at 30 June 2020 as set out in Section 9.5 of the PDS

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 9.2 of the PDS.

Pro Forma Historical Financial Information

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 of the Fund as at 30 June 2020 as set out in Section 9.5 of the PDS

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 9.2 of the PDS.

6. Restriction on Use

Without modifying our conclusions, we draw attention to the Important Information Section 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.

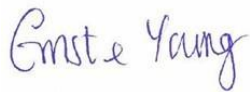
7. Consent

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 Partnership Offer other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully



Ernst & Young

11. TAX

11.1 General

The following is a general summary of the Australian income tax, goods and services tax (GST) and stamp duty implications associated with the issue of the Entitlement and the Securities for certain Eligible Unitholders (for the purposes of this Section 11, collectively the **Transactions**).

This summary is general in nature and does not take account of the individual circumstances of particular Eligible Unitholders and does not constitute tax advice. It does not take into account any financial objectives, tax positions, or investment needs of Eligible Unitholders. The tax implications associated with the Transactions will vary depending on your particular circumstances. Neither the Fund nor any of its officers or employees, nor its taxation or other advisers, accepts any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences.

You should consult your own professional tax adviser regarding the consequences of the Transactions to you in light of your particular circumstances.

The information provided below is not applicable to all Eligible Unitholders. This tax summary deals only with the Australian taxation implications associated with the Transactions if you:

- are a resident for Australian income tax purposes; and
- hold your Units in the Fund on capital account.

This summary will not apply to you if you:

- are not a resident for Australian income tax purposes;
- hold your Units in the Fund on 'revenue account' or as 'trading stock' (as defined in the Income Tax Assessment Act 1997 (the **1997 Act**), such as trading entities or entities who acquired their Units in the Fund for the purposes of resale at a profit);
- may be subject to special tax rules, such as partnerships, tax exempt organisations, insurance companies, dealers in securities or securityholders who change their tax residency while holding their Units in the Fund;
- acquired the Units in the Fund in respect of which the Entitlements are issued under any employee share scheme or where the Securities are acquired pursuant to any employee share scheme, and where those securities remain subject to deferred taxation under Division 83A of the 1997 Act (other than where those Units are no longer subject to any relevant employee share scheme rules); and/or
- are subject to the taxation of financial arrangements rules in Division 230 of the 1997 Act in relation to gains and losses on your Units in the Fund, except as otherwise noted in Section 11.8 below.

This summary is based on the provisions of the Income Tax Assessment Act 1936 (the 1936 Act) and the 1997 Act as at the date of this PDS. The summary does not take into account or anticipate changes in Australian tax law or future judicial interpretations of law after this time unless otherwise specified. The laws are complex and subject to change periodically, as is their interpretation by the courts and the tax authorities. The summary also does not take into account tax legislation of any country other than Australia.

11.2 Issue of Entitlement

The issue of the Entitlement should not result in any amount being included in your assessable income.

11.3 Exercise of Entitlement

You should not derive any assessable income, or make any capital gain or loss, if you take up (i.e. exercise) all or some of your Entitlement and you acquire the Securities.

Cost base and reduced cost base of the Securities

By returning an Application Form or paying any Application Monies for Units under the Entitlement, you acknowledge that your Application Monies in respect of the Entitlement are in respect of any Closed Class Units which you are allotted plus any additional Closed Class Units (**Additional Units**).

Accordingly, your cost base (and reduced cost base) for 'capital gains tax' (**CGT**) purposes in each of the Closed Class Units and each of the Additional Units you acquire under the Entitlement, respectively, should include the amount of the Application Monies you pay divided by the aggregate number of the Closed Class Units and Additional Units.

Acquisition date of Securities

For CGT purposes, the Securities should be treated as having been acquired on the date that the relevant Entitlement is exercised.

11.4 Entitlement not taken up

Any Entitlement not taken up under the Offer will lapse, and the Eligible Unitholder will not receive any consideration. In these circumstances, there should not be any tax implications for an Eligible Unitholder from the lapse of their Entitlement.

11.5 Exercise of MGF Option

You should not derive any assessable income, or make any capital gain or loss, if you exercise all or some of your MGF Options and you acquire additional Closed Class Units. For CGT purposes:

- the cost base (and reduced cost base) of each Closed Class Unit should include the MGF Option Exercise Price plus certain incidental costs you incur in acquiring them; and
- each Closed Class Units should be treated as having been acquired on the date that the relevant MGF Option is exercised.

11.6 Distributions on Closed Class Units

Generally speaking, future distributions made in respect of the Closed Class Units issued under the Offer, or following the exercise of the MGF Option, should be subject to the same tax issues as other distributions made on existing Units in the Fund held in the same circumstances. These issues are discussed above at Section 4.11.

11.7 Disposal of Securities and Closed Class Units

The disposal of a Security (or Closed Class Unit following the exercise of an MGF Option) will trigger a CGT event A1.

Broadly, you will:

- make a 'capital gain' if the capital proceeds received from the disposal exceed the cost base of the Security (or Closed Class Unit); and
- make a 'capital loss' if the capital proceeds from the disposal are less than the reduced cost base of the Security (or Closed Class Unit).

The cost base and reduced cost base of the Securities (and Closed Class Units) are described above in Section 11.3 (and Section 11.5).

A capital loss realised on the disposal of your Securities (or Closed Class Units) may be used to offset other capital gains you derive in the income year in which the capital loss is realised, or may be carried forward to offset capital gains you derive in future income years. Specific capital loss recoupment rules apply to companies to restrict their ability to utilise capital losses in future years in some circumstances.

CGT discount

Generally, Eligible Unitholders who are individuals, trustees or complying superannuation entities that have held the Securities (or Closed Class Units) for at least 12 months at the time of disposal (not including the date of acquisition or disposal) should be entitled to apply the applicable CGT discount to reduce the capital gain (after offsetting any available capital losses and subject to certain integrity rules).

The applicable CGT discount is 50% for individuals and trusts, or 33⅓% for Australian complying superannuation entities. The CGT discount is not available for companies.

Based on the acquisition date of the Securities (as described in Section 11.3 above), in order to be eligible for the CGT discount on the disposal of a Security issued under the Offer, the Security must be held for at least 12 months after the date that you exercised your Entitlement. As the rules relating to discount capital gains for trusts are complex, the Fund recommends that trustees seek independent advice on how the CGT discount provisions will apply to them and the trusts' beneficiaries.

11.8 Taxation of Financial Arrangements

The "Taxation of Financial Arrangements" rules under Division 230 of the 1997 Act (**TOFA Provisions**) operate to make assessable or deductible, gains or losses arising from certain "financial arrangements".

A right to receive a security is a "financial arrangement". However, depending on the circumstances of the particular Eligible Unitholder, the TOFA Provisions may not apply. Further, certain taxpayers (including individuals) are generally excluded from the operation of the TOFA Provisions unless they have made a valid election for it to apply.

The application of the TOFA Provisions is complex, and dependent on the particular facts and circumstances of the Eligible Unitholder. Each Eligible Unitholder should obtain their own advice regarding the potential application of the TOFA Provisions to their particular facts and circumstances.

11.9 Provision of TFN and/or ABN

The Fund may be required to deduct tax from any distributions made to you if a TFN has not been quoted, or an appropriate TFN exemption has not been provided. Where you acquire the Securities issued under the Offer, or following the exercise of the MGF Option, in the course of an enterprise you carry on, you may quote your ABN rather than a TFN.

11.10 Other Australian Taxes

Subject to the proviso below, there should be no Australian GST or stamp duty payable by Eligible Unitholders in respect of the issue or taking up of the Entitlement, or the acquisition of the Securities (or Closed Class Units upon exercise of an MGF Option), pursuant to the Offer.

No stamp duty should be payable by an Eligible Unitholder on the acquisition of the Securities (or Closed Class Units upon exercise of an MGF Option) provided each Eligible Unitholder, and any associated persons, do not hold, as a result of such acquisition, 90% or more of the interests in the Fund.

11.11 Foreign Account Tax Compliance Act

Under the Foreign Account Tax Compliance Act ("FATCA") Magellan 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.

11.12 Common Reporting Standard (CRS)

The Common Reporting Standard ("CRS") is a global standard for the collection, reporting and exchange of financial account information on foreign tax residents. The CRS requires Magellan to collect certain information about a Unitholder's tax residence.

If a Unitholder is a tax resident of any country outside Australia, Magellan may be required to pass certain information about the Unitholder (including account-related information) to the ATO. The ATO may then exchange this information with the 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 a Unitholder's personal information to comply with the CRS obligations, and may contact a Unitholder if additional information is required.

12. ADDITIONAL INFORMATION

12.1 Constitution

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

A summary of the key rights and obligations attaching to the Securities (focusing on Closed Class 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 Securities are also governed by the Corporations Act, the ASX Listing Rules and general law. Investors can inspect a copy of the Constitution at Magellan's head office or Magellan will provide a copy, free of charge on request.

Units and Options

The beneficial interest in the Fund is divided into Units. There are two classes of Units currently on issue – Closed Class Units and Open Class Units. Each Unit confers an undivided beneficial interest in the Fund as a whole, subject to the Fund's liabilities. Unitholders hold a Unit subject to the rights and obligations attaching to the Units in accordance with the Fund's Constitution.

Applicants will be issued Closed Class Units and MGF Options under the Offer. The terms of the MGF Options are summarised in Section 3 and a comparison of Closed Class Units and Open Class Units provided in Section 4.7.

No redemption of Closed Class Units

While Closed Class Units are listed on ASX, Closed Class Units are not able to be redeemed. Magellan may effect compulsory redemptions in a prescribed list of scenarios designed to protect the Fund and its Unitholders from the acquisition of Units which may place the Fund at risk. Subject to the Corporations Act, the ASX Listing Rules, the ASX Operating Rules and the terms of any relief granted by ASIC, Magellan may undertake a buyback of Closed Class Units on any terms and conditions determined by Magellan.

Issue of Securities

Magellan may issue new Units upon and subject to the terms and conditions of the Constitution, including by way of placement, Unit purchase plan, proportionate offers and distribution reinvestment plans. The Constitution provides Magellan with the discretion to determine the issue price in relation to Securities where permitted by ASIC exemptions and the ASX Listing Rules. No Units may be issued after the 80th anniversary of the date of the Constitution if such an issue would cause a contravention of the rule against perpetuities or any other law.

Magellan may issue options and the terms of the MGF Options are set out in the Constitution.

Liability of Unitholders

Under section 100A of the New South Wales Trustee Act, 1925, a beneficiary under a trust is not liable to indemnify the trustee or make any other payment to the trustee or any other person for any act, default, obligation or liability of the trustee (unless the beneficiary has otherwise agreed in writing or, in summary, in relation to partly-paid interests in the trust). Because the precise effect and extent of this protection is yet to be determined by the courts, the Constitution also states that a Unitholder's liability is limited to the amount the Unitholder subscribed or agreed to be subscribed for their Securities (subject to the Constitution itself and the terms of a class of Units) but again, 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 Fund that is legally possible for a natural person, corporation, trustee or responsible entity to have as if it were the absolute and beneficial owner of the Fund's assets. Magellan may invest in, dispose of or otherwise deal with property, borrow or raise money, hold and transact Units, do all things necessary to be listed on ASX, grant a security interest over the Fund's assets, incur liabilities and obligations of any kind, enter into derivative or hedge agreements in connection with the Fund's investments, enter into underwriting arrangements, elect that the Fund be an AMIT and accept cash contributions.

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 Fund's assets and, if appropriate, such expenses may be referable to a particular class of Unitholders.

Magellan's indemnity

Magellan is indemnified out of the Fund's assets for any liability incurred by it in performing properly any of its duties and is not required to do anything for which it does not have a full right of indemnity out of the Fund's assets available for that purpose. This indemnity is in addition to any indemnity under law.

Removal and retirement of Magellan

Subject to the Corporations Act, Magellan may retire as responsible entity of the Fund, effective on the appointment of a replacement responsible entity, by giving not less than one month's prior notice to the Unitholders. Magellan may also be removed as responsible entity of the Fund in accordance with the Corporations Act.

Duration of the Fund

The Fund commenced when the first Units were issued and will continue until terminated, subject to the Corporations Act, by Magellan on a date specified in a notice given to Unitholders.

On termination of the Fund, Magellan must distribute the net proceeds from the realisation of the Fund's assets among the Unitholders pro rata to the number of Units they hold on the termination date. The net proceeds referable to a Class must be distributed by Magellan to Unitholders in that class pro rata to the number of Units the Unitholder holds in that class on the termination date.

Amendments to Constitution

Magellan may alter the Constitution, subject to the Corporations Act, by supplemental deed including to ensure that the Fund qualifies as a managed investment trust for tax purposes. Magellan may also convene a meeting of Unitholders to approve a special resolution to alter the Constitution for the purposes of facilitating a restructure of the Fund. 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. Unitholder's rights to requisition a meeting are contained in the Corporations Act. Votes are by a show of hands, unless a poll is validly demanded or required under the Corporations Act.

MGF Option holders do not have the right to vote except to the extent the Corporations Act requires (see Section 3).

Proportional takeover bid

The Constitution sets out the process required for a person to obtain approval from Unitholders for a proportionate 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

While Closed Class Units are listed on ASX, Magellan may sell or redeem any Closed Class Units held by a Closed Class Unitholder which comprises 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.

12.2 MFG Equity Commitment Deed

Magellan Group has entered into an equity commitment deed with Magellan (**MFG Equity Commitment Deed**) under which Magellan Group covenants in favour of Magellan to:

- bear the economic cost associated with the exercise price of the MGF Options (which incorporates a discount to NAV per Closed Class Unit), being the dilutive effect on the NAV per Closed Class Unit, by paying an amount equal to the discount on the issue of the Closed Class Unit(s) on exercise of the MGF Options; and
- bear the economic cost associated with the additional Closed Class Units issued to Applicants under the Offer, being the dilutive effect on NAV per Closed Class Units, by paying an amount equal to 7.5% of the total value of subscription monies received from Applicants who are allotted Closed Class Units.

In accordance with the terms of the MFG Equity Commitment Deed, Magellan Group has provided its consent to the lodgement by Magellan of this PDS. In addition, Magellan must consult with Magellan Group on the number of Closed Class Units to be allotted under the Offer and take all actions to adjust such number as Magellan Group may request and Magellan considers reasonable.

The MFG Equity Commitment Deed will automatically terminate on the retirement or removal of Magellan as responsible entity of the Fund (except where it is replaced as responsible entity by a Related Body Corporate of Magellan Group). Magellan Group may terminate the MFG Equity Commitment Deed prior to the completion of the Offer and Bonus MGF Option Issue, if either certain conditions precedent are not fulfilled, or where Magellan does not proceed with the Offer and Bonus MGF Option Issue.

Magellan may terminate the MFG Equity Commitment Deed in certain circumstances, including the insolvency of Magellan Group or if regulatory approvals are not granted or subsequently withdrawn.

12.3 MFG DRP Commitment Deed

Magellan Group has entered into an equity commitment deed with Magellan in relation to the Fund dividend reinvestment plan (**MFG DRP Commitment Deed**).

Under the terms of the MFG DRP Commitment Deed, Magellan Group covenants in favour of Magellan to pay an amount equal to the dilutive effect of any DRP discount, subject to the approval by Magellan Group of each particular discounted DRP offer.

The MFG DRP Commitment Deed will automatically terminate on the retirement or removal of Magellan as responsible entity of the Fund (except where it is replaced as responsible entity by a Related Body Corporate of Magellan Group). MFG may terminate the MFG DRP Commitment Deed if certain conditions precedent are not fulfilled. Magellan may terminate the MFG DRP Commitment Deed in certain circumstances, including the insolvency of Magellan Group or if regulatory approvals are not granted or subsequently withdrawn.

12.4 Compliance plan

Magellan has prepared and lodged a compliance plan for the Fund with ASIC, which was lodged with ASIC on 27 November 2020. The compliance plan sets out how Magellan will ensure compliance with the Corporations Act, the Constitution, the ASX Listing Rules and AQUA Rules when operating the Fund.

Magellan has established a Risk & Compliance Committee to monitor its compliance with the compliance plan.

12.5 Investor considerations

Before deciding to participate in this Offer, you should consider whether the Closed Class Units and MGF Options 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 Closed Class 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.

12.6 ASX waivers and confirmations

ASX has given Magellan the following confirmations or waivers in relation to the Offer:

- Confirmation that the terms of the MGF Options are appropriate and equitable for the purposes of ASX Listing Rule 2.5, Condition 1 and ASX Listing Rule 6.1;
- Waiver under ASX Listing Rules 6.16 and 7.22 to the extent necessary to permit the number of MGF Options on issue to be adjusted on a reorganisation, but not their exercise price;
- Confirmation that ASX Listing Rules 6.21 and 6.23.3 will not apply to a change in the exercise price of the MGF Options in order for the MGF Options to be exercisable at 92.5% of the NAV per unit for the Closed Class Units;

- Confirmation that ASX Listing Rule 7.2 (Exception 16) will apply to the issue of Securities under the Offer;
- Confirmation that Exception 10 of ASX Listing Rule 10.12 will apply to the issue of Securities under the Offer (so that related parties (such as directors) are able to participate in the Offer); and
- Waiver of ASX Settlement Operating Rules 5.19 and 5.22 to enable Magellan not to accept Standard Exercise Forms in respect of the exercise of MGF Options.

12.7 ASIC relief

ASIC has granted the following relief to Magellan in relation to the Offer and the Securities (under sections 601QA and 1020F of the Corporations Act):

- to permit Magellan to apply for listing on ASX no later than seven days of the date of, and actual quotation within three months of, the issue of the Securities rather than the date of this PDS (sections 1013H, 1016D and 1016E of the Corporations Act); and
- to enable Magellan to issue Securities under the Offer on the dates set out in the Important Dates section of this PDS. This relief will allow Magellan to hold Application Monies under the Offer for a period of up to 60 days (section 1017E(4) of the Corporations Act);
- to clarify that the Constitution will be consistent with the ASX Listing Rules in relation to the Closed Class Units and the MGF Options only (for the purposes of ASIC Corporations (Chapter 5C – Miscellaneous Provisions) Instrument 2017/125); and
- to permit the issue price of Closed Class Units to be the greater of market price and NAV, and for the MGF Options to be issued by reference to NAV (for the purposes of ASIC Class Order 13/655).

12.8 Legal proceedings

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

12.9 Related party transactions and conflicts of interest

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

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

12.10 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 Fund.

12.11 Interests of Directors

From time to time, Magellan, its Related Bodies Corporate or their Directors and employees may hold Units in the Fund. The Relevant Interests of the Magellan Directors in Closed Class Units and Open Class Units as at 31 December 2020 are set out below.

Director	Position	Number of Closed Class Units (ASX: MGF)	Number of Open Class Units (ASX: MGOC)
Robert Fraser	Non-executive Chairman	205,601	0
Brett Cairns	CEO	91,344	70,416
John Eales, AM	Non-executive Director	306,115	0
Colette Garnsey	Non-executive Director	0	0
Paul Lewis	Non-executive Director	703,998	602,932
Hamish McLennan	Non-executive Director	91,144	0
Kirsten Morton	Chief Financial Officer	37,944	0
Karen Phin	Non-executive Director	91,344	0

12.12 Consents

Each of the following parties has given and, before lodgement of this 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	Mainstream Fund Services
Custodian	The Northern Trust Company
Legal adviser and Tax adviser	Allens
Auditor of the Fund and Investigating Accountant	Ernst & Young

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

12.13 Offer expenses

In accordance with the MFG Equity Commitment Deed, Magellan Group will pay for the expenses associated with the Offer. These expenses include legal, tax, accounting and other services related to the Offer, any fees or costs imposed by a regulator and initial ASX listing fees.

12.14 Certain Fund expenses

The Magellan Group will bear certain ongoing expenses associated with the Fund 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 any borrowings drawn down by the Fund and any unusual costs incurred on behalf of the Fund will be borne by the Fund. The Fund will also bear the management costs (comprising management and performance fees) payable to Magellan, further details of which are outlined in Section 7 of this PDS.

12.15 Complaints resolution

Should investors 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 this concern quickly and fairly. If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority (**AFCA**). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Website: www.afca.org.au

Email: info@afca.org.au

Telephone: 1800 931 678

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

12.16 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.

13. GLOSSARY

Defined terms and other terms used in this PDS	Definition
\$, A\$ or dollar	The lawful currency of Australia.
Absolute Return Performance Hurdle	has the meaning given in Section 7.5 of this PDS.
AFSL	Australian financial services licence.
Allotment Date	The date on which the Securities are allotted under the Offer.
AMIT	Attribution Managed Investment Trust.
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 Securities under this PDS.
Application Form	The application form attached to or accompanying this PDS for investors to apply for Securities under the Offer.
Application Monies	Subscription monies submitted by Applicants under the Offer in accordance with this PDS.
Approved Application Amount	For each successful Applicant, an amount equal to their Application Monies, capped at their Entitlement and adjusted for any applicable scale back by Magellan.
AQUA Market	The AQUA market for exchange traded products operated by ASX.
AQUA Rules	ASX Operating Rules that apply to the quotation on ASX of funds, exchange traded funds and other structured securities and products such as Open Class Units.
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 Operating Rules	The official operating rules of ASX, as amended or replaced from time to time except to the extent of any express written waiver by ASX.
ASX Settlement Operating Rules	The settlement operating rules of ASX from time to time.
ASX Trading Day	The day and time during which Units are traded on the ASX.
Bonus MGF Option Issue	The proposed bonus issue of MGF Options to eligible Closed Class Unitholders on the basis of one MGF Option for every two Closed Class Units held on 26 February 2021 pursuant to the product disclosure statement dated 5 January 2021.
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 Date	7pm on 8 January 2021.
Calculation Period	Each six-monthly period ending 30 June and 31 December in each year for the purposes of calculating performance fees. The current Calculation Period at the time this PDS is issued runs from 28 November 2020 to 30 June 2021.
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 class of units in the Fund.
Closed Class Unit	A Closed Class Unit in the Fund, with the terms as set out in the Constitution.
Closed Class Unitholder	A registered holder of a Closed Class Unit.
Closing Date	The date that the Offer closes.
Constitution	The Constitution of the Fund, first dated 22 June 2007, as amended from time to time.
Corporations Act	The Corporations Act 2001 (Cth).
Custodian	The entity that holds the assets of the Fund, which is The Northern Trust Company as at the date of this PDS.
DRP	The distribution reinvestment plan established by Magellan for the Fund.
DRP Rules	The rules of the DRP as varied from time to time.

Eligible Unitholders	Any Unitholder who has a registered address in Australia, New Zealand, Hong Kong or Singapore and who was a registered holder of Units on the Record Date and on the Calculation Date (subject to Units being in the same Class as those held on the Record Date).
Entitlement	The entitlement of Eligible Unitholders to subscribe for Closed Class Units at the Offer Price as described in this PDS.
ESG	Environmental, Social and Governance.
Estimated NAV per Closed Class Unit	The estimated NAV per Closed Class Unit for the previous Business Day that is published on Magellan's website at www.magellangroup.com.au prior to the commencement of the ASX trading day which estimates the value of the Closed Class Units based on the value of the Fund's assets at the close of trading on the previous day in each market in which the Fund invests.
Excess Return	The Fund's Total Return less the higher of the Index Relative Hurdle and Absolute Return Performance Hurdle, expressed in dollar terms.
Exposure Period	The seven day period after the date of lodgement of this PDS with ASIC (as extended by ASIC (if applicable)).
FATCA	Foreign Account Tax Compliance Act.
Fund	Magellan Global Fund (ARSN 126 366 961).
GST	Goods and Services Tax.
High Water Mark	has the meaning given in Section 7.5 of this PDS.
HIN	Holder Identification Number.
iNAV	Indicative intra-day NAV per Closed Class Unit, which will be published on Magellan's website daily and which is updated throughout each ASX trading day.
Index Relative Hurdle	has the meaning given in Section 7.5 of this PDS.
Indirect Holder	Any person invested in the Fund indirectly through an Intermediary.
Intermediary	An Investor Directed Portfolio Service (IDPS) or IDPS-like scheme (commonly referred to as a master trust or wrap account).
Investment Strategy	The investment strategy described in Section 5.2 of this PDS.
Magellan	Magellan Asset Management Limited ABN 31 120 593 946; AFSL 304 301 as responsible entity and investment manager of the Fund.
Magellan Group	MFG or a Related Body Corporate of MFG that is incorporated in Australia, including Magellan.
MFG	Magellan Financial Group Limited ABN 59 108 437 592.
MFG DRP Commitment Deed	means the DRP commitment deed, as summarised in Section 12.3.
MFG Equity Commitment Deed	means the equity commitment deed, as summarised in Section 12.2.
MGE	Magellan Global Equities Fund, which was acquired by the Fund on 8 December 2020.
MGF Options	The Closed Class Options (as defined in the Constitution) offered to Eligible Unitholders under this PDS.
MGF Option Exercise Form	The form by which a MGF Option holder can exercise MGF Options.
MGF Option Exercise Monies	Exercise monies paid by MGF Option holders when exercising MGF Options.
MGF Option Exercise Period	The period starting on the date that is three months from the issue of the MGF Options until 4.00pm (Sydney time) on the date that is the third anniversary from their issue. It is expected that the exercise period will run from 1 June 2021 to 1 March 2024.
MGF Option Exercise Price	Each MGF Option has an exercise price of 92.5% of the Estimated NAV per Closed Class Unit that is published by Magellan prior to commencement of ASX trading on the date that the MGF Option is exercised.
MGF Option holder	A registered holder of MGF Options.
MGF Option Terms	The terms of the MGF Options, which are set out in the Constitution and summarised in Section 3.
MGG	Magellan Global Trust, which was acquired by the Fund on 8 December 2020.
NAV	Net asset value.
NAV per Closed Class Unit	The NAV per Closed Class Unit is equal to the total value of the Fund's NAV attributable to Closed Class Units divided by the number of Closed Class Units on issue.
NAV per Unit	For a given Class, is equal to the total value of the Fund's NAV attributable to that Class divided by the number of Units on issue in that Class.
Northern Trust	The Northern Trust Company (acting through its Australian branch).
Offer	The offer under this PDS to Eligible Unitholders to subscribe for their Entitlement of Closed Class Units, and for successful Applicants to receive Partnership Benefits.
Offer Price	The Offer Price for Closed Class Units offered under the Offer, which is the NAV per Closed Class Unit on the Business Day immediately prior to the allotment of the new Closed Class Units.

Open Class Unit	An Open Class Unit in the Fund, with the terms as set out in the Constitution.
Open Class Unitholder	A registered holder of an Open Class Unit.
Opening Date	The date that the Offer opens.
Partnership Benefits	The following Securities to be issued to successful Applicants: <ul style="list-style-type: none"> • additional Closed Class Units worth 7.5% of their Approved Application Amount; and • one MGF Option for every Closed Class Unit allotted to them under the Offer.
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 Fund from time to time.
Portfolio Managers	Hamish Douglass and Arvid Streimann.
PRI	Principles of Responsible Investment
Record Date	7 pm on 8 December 2020.
Related Body Corporate	has the meaning given to that term in the Corporations Act.
RITC	Reduced Input Tax Credits.
RMF	Risk Management Framework.
SRN	Securityholder Reference Number.
Securities	The Closed Class Units and MGF Options offered under this PDS.
Target Cash Distribution	The target cash distribution yield of 4% per annum based on the average of the month-end NAV per Closed Class Unit over a two year rolling period.
Total Return	The Fund's Total Return per Unit.
Unit	A Closed Class Unit or an Open Class Unit as the context requires.
Unit Registry	Mainstream Fund Services Pty Ltd.
Unitholder	A registered holder of a Unit. This includes Open Class Unitholders and Closed Class Unitholders.
Unitholding	The number of Units held by a Unitholder.

14. DIRECTORY

Magellan Global Fund

Magellan Global Fund
ARSN 126 366 961
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

Mainstream Fund Services
Level 1, 51-57 Pitt Street
Sydney NSW 2000

Custodian

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

Legal Adviser and Tax Adviser

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

Auditor and Investigating Accountant

Ernst & Young
200 George Street
Sydney NSW 2000

