

2 August 2021



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MAGELLAN HIGH CONVICTION TRUST

Despatch of Unitholder Booklet

Magellan Asset Management Limited ("Magellan") as responsible entity of the Magellan High Conviction Trust (ASX: MHH) ("Trust") is pleased to present to unitholders of the Trust the attached Unitholder Booklet, comprising a Notice of Meeting and Explanatory Memorandum, in relation to the proposed transition of the Trust from a closed-ended listed investment trust to an open-ended Active ETF ("Transition"). The Transition was previously announced on 1 July 2021.

Unitholder Booklet

The Unitholder Booklet contains detailed information about the Transition, including the key dates in relation to the Transition and instructions on how to participate and vote at the unitholder meeting ("Meeting").

A copy of the Unitholder Booklet is attached to this announcement and is available at www.mhhtransition.com.au.

Correspondence relating to the Transition and the Meeting will be despatched to unitholders today in accordance with their elected communication preference. Proxy voting on the resolutions to be put to unitholders at the Meeting is now open.

Unitholders are encouraged to read the Unitholder Booklet in full.

Important information about the Meeting

The Meeting will be held at **9:00am (AEST) on Wednesday, 25 August 2021**. It is currently intended that the Meeting will be held at both a physical location and virtually. However, in light of the evolving COVID-19 circumstances and the current COVID-19 related restrictions, we expect that there will be strict restrictions in place at the physical venue. Accordingly, unitholders are strongly encouraged to attend the Meeting virtually by following the instructions set out in the Unitholder Booklet.

Magellan will keep unitholders updated via the ASX announcements platform and Magellan's website to confirm attendance arrangements for the Meeting.

Magellan Directors' Recommendation

The Directors of Magellan consider that the Transition is in the best interests of unitholders and believe that the anticipated benefits for unitholders from the Transition outweigh the benefits of the Trust remaining as a closed-ended listed investment trust. Accordingly, the

Directors recommend that unitholders vote in favour of all the resolutions in relation to the Transition.

Key Dates

The key dates in relation to the Transition are set out in the Unitholder Booklet and include:

Key Dates	
Release of Unitholder Booklet for the Transition, containing a Notice of Meeting and Explanatory Memorandum	Mon, 2 August 2021
Unitholder Meeting to vote on resolutions relating to the Transition	9:00am (AEST), Wed 25 August 2021
Subject to unitholder and regulatory approvals, units are expected to commence trading on ASX under AQUA Rules, under the ticker 'MHHT'	Tues, 31 August 2021

All dates and times shown in the table above are indicative only and are subject to change. Any changes to the timetable will be announced on the ASX announcements platform.

Further Information

If, after reading the Unitholder Booklet, you have any questions regarding the Transition, please call Magellan on 1800 6243 5526 or consult your legal, investment or other professional adviser.

Authorised by

Mariana Kolaroski | Company Secretary

Unitholder Booklet

Magellan High Conviction Trust (ARSN 634 789 754)

This Unitholder Booklet is issued by Magellan Asset Management Limited ABN 31 120 593 946 (**Magellan**) as responsible entity of the Magellan High Conviction Trust ARSN 634 789 754 (**Trust**) to the members of the Trust (**Unitholders**) in relation to the proposed transition (the **Transition**) of the Trust from a closed-ended listed investment trust admitted to the Official List of ASX, to an open-ended unit trust quoted on the ASX under the AQUA Rules (**Active ETF**).

DETAILS OF MEETING

Time: 9.00am (AEST)

Date: 25 August 2021

You should read this Unitholder Booklet in its entirety before deciding how to vote. If you are in any doubt about how to deal with this Unitholder Booklet, you should consult your legal, investment or other professional adviser.

Important Notices & Disclaimer

General

This Unitholder Booklet is important and requires your immediate attention. You should read this Unitholder Booklet in full before making any decision as to how to vote at the Meeting. If you have sold all of your Units, please ignore this Unitholder Booklet.

If you are in doubt as to what you should do, you should consult your legal, investment or other professional adviser.

Purpose of this document

This Unitholder Booklet has been prepared for Unitholders in connection with the Transition. It contains an Explanatory Memorandum and Notice of Meeting.

The purpose of the Explanatory Memorandum is to provide you with information about the Transition and about the resolutions contained in the Notice of Meeting which are required to be approved by the requisite majorities in order to implement the Transition (**Transition Resolutions**).

The Notice of Meeting relates to the Meeting to be held at 9.00am (AEST), Wednesday, 25 August 2021 to approve the Transition Resolutions.

Lodgement and listing

An application has been made to admit the Units to trading status on the ASX under the AQUA Rules. The AQUA Rules form part of the ASX Operating Rules. Neither ASIC, ASX nor their officers take any responsibility for the contents of this Unitholder Booklet. Admission to the Official List of ASX or to trading status on the ASX under the AQUA Rules is in no way an indication of the merits of the Trust.

No offer

This Unitholder Booklet is not an offer or an invitation to acquire Units or any other financial products and is not a prospectus, product disclosure statement or other offering document under the law of the Commonwealth of Australia or its states and territories or any other law.

No investment advice

This Unitholder Booklet contains general information only and has been prepared without taking account of the investment objectives, financial situation, tax position or particular needs of any Unitholder or any other person. The information and recommendations contained in this Unitholder Booklet do not constitute, and should not be taken as, financial product advice.

Before acting on any of the matters described in this Unitholder Booklet, you should have regard to your investment objectives, financial situation, tax position or particular needs and obtain your own advice by contacting your legal, investment or other professional adviser.

A product disclosure statement for the Trust as an open-ended Active ETF has been prepared and lodged with ASIC on 30 July 2020 (**Active ETF PDS**). A copy of the Active ETF PDS is available at www.mhhtransition.com.au. The offer of Units under the Active ETF PDS is subject to the Transition being implemented and there will be no issue of Units under the Active ETF PDS until after the Transition has been implemented. You should read the Active ETF PDS before deciding whether to dispose of your Units or to buy additional Units following implementation of the Transition.

An investment in the Trust is subject to investment and other risks, including possible loss of income and principal invested. Magellan gives no guarantee or assurance as to the performance of the Trust, the Units or the repayment of capital.

Forward looking statements

Some of the statements appearing in this Unitholder Booklet may be in the nature of forward-looking statements. Forward-looking statements or statements of intent in relation to future events contained in this Unitholder Booklet should not be taken to be a forecast or prediction that those events will occur. Forward looking statements generally may be identified by the use of forward-looking words such as 'believe', 'aim', 'expect', 'anticipate', 'intending', 'foreseeing', 'likely', 'should', 'planned', 'may', 'estimate', 'potential', or other similar words.

Similarly, statements that describe the objectives, plans, goals or expectations of the Trust are or may be forward-looking statements. You should be aware that such statements are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the circumstances in which the Trust operates, as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets.

Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement and deviations are both normal and to be expected.

Neither Magellan, its related bodies corporate nor their respective officers, agents or advisers, or any person named in this Unitholder Booklet or involved in the preparation of this Unitholder Booklet make 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.

Factors which may affect future financial performance and financial position include the assumptions underlying any forecast or forward-looking statement, financial information not proving correct and other matters not currently known to, or considered by, Magellan. Unitholders should note that the historical financial performance of the Trust is no assurance or indicator of future financial performance of the Trust (whether or not the Transition proceeds). Magellan does not guarantee any particular rate of return or the performance of the Trust nor does it guarantee the repayment of capital or any particular tax treatment in respect of any investment in the Trust.

The forward-looking statements in this Unitholder Booklet reflect facts, circumstances and views held only at the date of this Unitholder Booklet. Subject to any continuing obligations under the Corporations Act, Magellan, its related bodies corporate and their respective officers, employees, agents and advisers disclaim any obligation or undertaking to distribute after the date of this Unitholder Booklet any updates or revisions to any forward-looking statements to reflect any change in expectations in relation to them or any change in events, conditions or circumstances on which any such statement is based.

Foreign jurisdictions

The release, publication or distribution of this Unitholder Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside Australia who come into possession of this Unitholder Booklet 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.

Unitholders who are nominees, trustees or custodians should seek independent advice as to how they should proceed.

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

This Unitholder Booklet does not constitute an offer to sell, or the solicitation of an offer to buy, the Units in the United States or in any jurisdiction in which such an offer would be illegal. None of the Units 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.

Privacy

Magellan may collect personal information in the process of convening the Meeting and implementing the Transition. The type of information that it may collect about you includes your name, contact details and information on your unitholding in the Trust and the names of persons appointed by you to act as a proxy, attorney or corporate representative at the Meeting, as relevant to you. The collection of some of this information is required or authorised by the Corporations Act.

The primary purpose of the collection of personal information is to assist Magellan to conduct the Meeting and to implement the Transition. Without this information, Magellan may be hindered in its ability to issue this Unitholder Booklet and to implement the Transition. Personal information of the type described above may be disclosed to Boardroom Pty Limited, Automic Pty Ltd, third party service providers (including print and mail service providers and parties otherwise involved in the conduct of the Meeting), authorised securities brokers, professional advisers, related bodies corporate of Magellan, government or regulatory bodies, and also where disclosure is otherwise required or allowed by law.

Unitholders who are individuals and the other individuals in respect of whom personal information is collected (such as individuals appointed to act as a proxy, attorney or corporate representative at the Meeting) have certain rights to access the personal information collected in relation to them. If you would like to obtain details of information about you held by Magellan, please contact the Trust's unit registry on 1300 005 016 (Australia) or +61 2 9290 9600 (International).

Unitholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Meeting should ensure that they inform that person of the matters relating to the collection and use of personal information outlined above.

Timetable and dates

All times and dates referred to in this Unitholder Booklet are times and dates in Sydney, Australia, unless otherwise indicated. All times and dates referred to in this Unitholder Booklet may change and, among other things, are subject to all necessary approvals from government or regulatory bodies.

Additional information

If, after reading this Unitholder Booklet, you have any questions regarding the Meeting or the Transition, please contact Magellan on 1800 6243 5526, or consult your legal, investment or other professional adviser.

Date of Unitholder Booklet

This Unitholder Booklet is dated 30 July 2021 and the information in this Unitholder Booklet is current as at this date, unless otherwise stated.

This Unitholder Booklet may be updated. Any updates will be available for inspection on the website at www.mhhtransition.com.au. If you access an electronic version of this Unitholder Booklet you should ensure you download and read the entire Unitholder Booklet.

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Letter from the Chairman

Dear Investor,

On 1 July 2021, Magellan announced its intention to transition the Trust from a closed-ended listed investment trust on the Official List of ASX to an open-ended Active ETF quoted on the ASX under the AQUA Rules.

On behalf of the Directors of Magellan, I am pleased to provide you with this Unitholder Booklet which contains details about the Transition.

Prior to the announcement of the proposed Transition, the Units had, for some time, been trading at a material discount to the net asset value per Unit of the Trust. Magellan considers that the benefits for Unitholders of reducing the trading discount and providing more flexibility in relation to how Unitholders can enter and exit the Trust by transitioning it to an open-ended Active ETF, outweigh the benefits of the Trust remaining as a closed-ended fund.

As an open-ended Active ETF, Unitholders will be able to apply for and redeem the Units directly from Magellan at close to the net asset value per Unit. They will also have the ability to buy and sell Units on the ASX at what is generally expected to be a tight spread to net asset value.

If the Transition is implemented, your unitholding in the Trust will not change, however the Trust's units will trade under the ASX ticker "MHHT" instead of "MHH".

The Transition is subject to a number of inter-conditional approvals, including approvals by Unitholders of the Trust and by the ASX.

Specifically, Unitholders are being asked to approve:

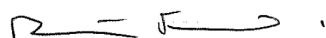
- the delisting of the Trust from the Official List of ASX;
- the transition of the Units from the Official List of ASX to admission to Trading Status on the ASX under the AQUA Rules; and
- changes to the Constitution to give effect to the Trust operating as an open-ended Active ETF.

The Explanatory Memorandum in Part 1 of this Unitholder Booklet provides further information on each Unitholder approval and the Notice of Meeting contained in Part 2 details how to vote and the arrangements for participating in the Meeting.

If, after reading this Unitholder Booklet, you have any questions, please call Magellan on 1800 6243 5526 or consult your legal, investment or other professional adviser.

I look forward to your participation at the Meeting on 25 August 2021 and encourage you to vote in favour of the Transition.

Yours sincerely,



Robert Fraser

Chairman

Magellan Asset Management Limited as responsible entity of the Magellan High Conviction Trust

Important Dates

Key Dates	
Date of this Unitholder Booklet	30 July 2021
Time and date by which Proxy Forms must be received	9.00am (AEST), 23 August 2021
Record date	5.00pm (AEST), 23 August 2021
Time and date of the Meeting	9.00am (AEST), 25 August 2021

If the Transition Resolutions are approved by Unitholders, the following key dates apply:

Key Dates	
Suspension of Units from trading on the Official List of ASX	Close of business on 26 August 2021
Removal of the Trust from the Official List of ASX	30 August 2021
Units commence trading on ASX under AQUA Rules	31 August 2021

All times and dates shown above are indicative only and are subject to change and all necessary approvals from government or regulatory bodies. Any changes to the timetable will be made available on the website at www.mhhtransition.com.au.

PART 1: EXPLANATORY MEMORANDUM



1. Overview of the Transition

1.1 Purpose

The purpose of this Explanatory Memorandum is to explain the proposed transition of the Trust from a closed-ended listed investment trust admitted to the Official List of ASX to an open-ended Active ETF and how it will be implemented (if approved) and to provide information to Unitholders to assist them in considering whether or not to approve the Transition Resolutions that will be put to Unitholders at the Meeting.

1.2 Background

The Trust was admitted to the Official List of ASX on 9 October 2019 and official quotation of the Units commenced on 11 October 2019. Magellan Asset Management Limited (**Magellan**) is the responsible entity of the Trust.

The Trust invests in a global equities portfolio of Magellan's 8 to 12 highest conviction ideas which aims to deliver investors attractive risk-adjusted returns over the medium to long-term. The Trust holds investments in high quality businesses, as assessed by Magellan, at prices that represent a discount to our assessment of intrinsic value. As at 30 June 2021, the Trust had achieved returns of 12.4% per annum net of fees since its inception on 11 October 2019.

Prior to Magellan announcing its intention to pursue the Transition, the Trust had been trading at a material and persistent discount to its net asset value (**NAV**) per Unit.

The Directors consider that the benefits for Unitholders of reducing the trading discount and providing more flexibility in relation to how Unitholders can enter and exit the Trust by transitioning it to an open-ended Active ETF, outweigh the benefits of the Trust remaining as a closed-ended fund.

1.3 Overview of the Transition

The key components of the Transition comprise:

- the removal of the Trust from the Official List of ASX in accordance with the ASX Listing Rules;
- amending the Constitution to facilitate the Trust's operation as an open-ended Active ETF (refer to Section 1.4 below for an overview of the key differences between the existing structure of the Trust and an open-ended Active ETF); and
- the admission of the Units to Trading Status on the ASX under the AQUA Rules.

If the Transition is implemented, Unitholders will continue to be able to transact in the secondary market for Units on the ASX under the ticker "MHHT" however it is expected that they will be able to trade at prices closer to the NAV per Unit. As an open-ended Active ETF, the Trust will operate a daily application and redemption facility and Magellan, on behalf of the Trust, may provide on-market liquidity to investors on the ASX by acting as a buyer and seller of Units. The Directors are of the view that these arrangements have the potential to meaningfully reduce the prevailing trading discount of Units.

The Transition will not change your holding of Units. There will be no change to the investment objectives of the Trust or to the fees charged by Trust.

1.4 Key differences between a closed-ended and open-ended unit trust

The Trust is currently structured as a closed-ended unit trust. As part of the Transition, Magellan is proposing to amend the Constitution to permit the Trust to operate as an open-ended Active ETF quoted on ASX under the AQUA Rules.

A copy of the Active ETF PDS is available at www.mhhttransition.com.au. The offer of Units under the Active ETF PDS is subject to the Transition being implemented and there will be no issue of Units under the Active ETF PDS until after the Transition has been implemented.

A summary of the key differences between the Trust's existing closed-ended structure and the open-ended Active ETF structure contemplated under the Transition, as detailed in the Active ETF PDS, are summarised below:

	Existing closed-ended unit trust structure	Proposed open-ended Active ETF structure
Responsible Entity	Magellan	
Investment Manager	Magellan	
Investment Strategy	<p>No change to the Trust's investment strategy.</p> <p>The Trust will continue to invest in a global equities portfolio of Magellan's 8 to 12 highest conviction ideas, which aims to deliver investors attractive risk-adjusted returns over the medium to long-term.</p> <p>For further information, refer to section 8 of the Active ETF PDS.</p>	
Capital structure	Units can only be issued or bought-back in accordance with the ASX Listing Rules.	<p>The Responsible Entity has the power to issue or redeem Units on a daily basis.</p> <p>For further information, refer to section 3 of the Active ETF PDS.</p>
ASX Quotation	<p>Admitted to the Official List of ASX under the ASX Listing Rules.</p> <p>Further information on the ASX Listing Rules framework is set out in Section 1.11.</p>	<p>Admitted to Trading Status on the ASX under the AQUA Rules.</p> <p>Further information on the AQUA Rules framework is set out in Section 1.11.</p>
ASX Ticker	MHH	MHHT
Buying and selling Units on ASX	<p>Investors can buy and sell Units on the ASX.</p> <p>Secondary market demand and supply dictate the trading price of Units relative to the prevailing NAV per Unit on any given trading day.</p> <p>As a result, the secondary market price of Units may be at a premium or discount to the NAV per Unit.</p>	<p>Investors can buy and sell Units on the ASX.</p> <p>The Responsible Entity may provide liquidity to investors on the ASX by acting as a buyer and seller of Units. A market participant will be appointed by the Responsible Entity to act as its agent to buy and sell Units on the ASX.</p> <p>The secondary market price of Units is generally expected to trade at a tight spread to the prevailing NAV per Unit.</p> <p>For further information, refer to section 4 of the Active ETF PDS.</p>
Applying for and redeeming Units directly with the Responsible Entity	No ability for Unitholders to apply for or redeem Units directly with the Responsible Entity.	<p>Unitholders can apply for or redeem Units daily directly with the Responsible Entity.</p> <p>For further information, refer to section 5 of the Active ETF PDS.</p>
Distribution policy	No change to the Trust's distribution policy. The Trust will continue to aim to deliver a target cash distribution yield of 3% per annum to Unitholders, paid semi-annually.	

Distribution reinvestment plan	Distribution reinvestment plan (DRP) available to reinvest at a 5% discount to the prevailing NAV per Unit.	Magellan intends to offer a DRP to Unitholders to reinvest distributions at the prevailing NAV per Unit. For further information, refer to section 3 of the Active ETF PDS.
Borrowing policy	The Trust may borrow up to 20% of its gross asset value for the predominant purpose of funding a buy-back of Units and may also, at times, borrow for investment purposes.	The Trust may borrow up to 5% of its gross asset value for investment purposes. For further information, refer to section 8 of the Active ETF PDS.
Fees	<p>No change to the existing fee structure.</p> <p>Magellan will continue to charge a management fee of 1.50% per annum inclusive of the estimated net effect of GST.</p> <p>10% performance fee of the excess return of the Trust above the Absolute Return Performance Hurdle (10% per annum).</p> <p>For further information, refer to section 9 of the Active ETF PDS.</p>	
Reports to Unitholders	Estimated NAV per Unit published on Magellan's website daily	
	iNAV published on Magellan's website daily	
	Monthly top 5 holdings in alphabetical order	
	Weekly and Monthly NAV per Unit on the ASX announcements platform	Monthly NAV per Unit on the ASX announcements platform
	<ul style="list-style-type: none"> Full Portfolio in alphabetical order disclosed quarterly (with two-month delay) Full Portfolio, with Portfolio weights, disclosed semi-annually (with two-month delay) 	<ul style="list-style-type: none"> Full Portfolio, with Portfolio weights, disclosed quarterly (with a two-month delay)
Access to partnership benefits	Unitholders currently have the ability to participate in a DRP at a 5% discount to the prevailing NAV per Unit in respect of which Magellan Group bears the economic cost associated with the discount (referred to as a 'partnership benefit').	No partnership benefits are currently intended to be offered to Unitholders.

1.5 Summary of key benefits, risks and disadvantages

Below is a summary of the anticipated benefits of the Transition, as well as the potential risks and disadvantages.

Benefits

- Unitholders should have an improved ability to transact in Units on the ASX at prices closer to the NAV per Unit.
- Magellan, on behalf of the Trust, may provide liquidity to investors on the ASX by acting as a buyer and seller of Units. This should provide investors with a greater level of liquidity in the secondary trading market for Units than they currently experience.

- Investors will gain the ability to apply for or redeem their Units off-market at close to the NAV per Unit, directly with Magellan, in its capacity as the Responsible Entity of the Trust.
- Investors will have access to improved portfolio disclosure. Consistent with the portfolio disclosure requirements for Magellan's existing Active ETF products, Magellan will disclose the full Portfolio, with weights, quarterly. This level of disclosure is currently only provided semi-annually.

Risks / Disadvantages

- Unitholders currently have the ability to access partnership benefits funded by the Magellan Group, such as the ability to participate in a DRP at a 5% discount to the prevailing NAV per Unit., for which Magellan Group bears the economic cost associated with the discount. Magellan Group does not currently offer partnership benefits to unitholders in its open-ended unit trusts. If the Transition is implemented, Unitholders will no longer have access to this partnership benefit.
- As an open-ended unit trust, redemptions of Units may result in the Trust having to sell the underlying assets in the Portfolio to fund redemption proceeds. This may result in increased portfolio turnover and associated transaction costs and realised gains.

The risks specific to the Trust as an open-ended Active ETF are set out in Section 1.9 below.

1.6 Directors' Recommendation

The Directors of Magellan consider that the Transition is in the best interest of Unitholders and believe that the anticipated benefits for Unitholders from the Transition outweigh the potential disadvantages and risks. Accordingly, the Directors unanimously recommend that Unitholders vote in favour of the Transition Resolutions.

1.7 Required Approvals

The implementation of the Transition is conditional on a number of interdependent approvals (**Approvals**), which are set out below:

1. Unitholders approving the Transition Resolutions, which are set out in Section 2, by the requisite majorities at the Meeting;
2. ASX formally approving the removal of the Trust from the Official List of ASX. Magellan has received in-principle advice from ASX stating it is likely to agree to remove the Trust from the Official List of ASX; and
3. Magellan receiving conditional approval from ASX for the quotation of the Trust on ASX under the AQUA Rules. Magellan has applied to ASX for the quotation of the Trust on ASX under the AQUA Rules.

1.8 Implementation steps

If the Approvals are obtained, the following steps will be taken to effect the Transition:

1. At the close of business on the first business day immediately after the Meeting, Magellan will request that Units be suspended from trading;
2. On the third business day immediately after the Meeting:
 - the migration of the Trust's unit registry from its existing service provider, Boardroom Pty Limited, to Automic Pty Ltd will be completed;
 - ASX will delist the Trust from the Official List of ASX; and
 - Magellan will sign and lodge with ASIC the Supplemental Deed setting out the amendments to the Constitution to bring them into effect;
3. On the fourth business day immediately after the Meeting:
 - trading of Units on the ASX under the AQUA Rules will commence; and
 - Magellan will commence offering Units under the Active ETF PDS and Units may be issued under the Active ETF PDS.

1.9 Risks specific to the Trust as an open-ended Active ETF

If the Transition is implemented, the Trust will transition to an open-ended Active ETF.

There are a number of risks specific to the operation of the Trust as an open-ended Active ETF which Unitholders should take into account when considering how to vote on the Transition.

The risks identified in this Section 1.9 are not exhaustive and should be considered together with the detailed list of risks outlined in section 7 of the Active ETF PDS. The risks identified below do not take into account individual Unitholders' investment objectives, financial situation, tax position or particular needs.

(a) Conflicts of interest risk (market making):

Magellan, or its various service providers, may from time to time act as issuer, investment manager, secondary market liquidity provider, custodian, unit registry, broker, administrator, distributor or dealer to other parties or funds that have similar objectives to those of the Trust. It is possible that Magellan, or its service providers may have potential conflicts of interest with the Trust.

In particular, Magellan, on behalf of the Trust, acts as a buyer and seller of Units on the ASX. A conflict might arise between the Trust and investors buying or selling Units from the Trust on the ASX due to the Trust's desire to benefit from such trading activities. A conflict may also arise due to the fact that Magellan could use such trading activities to influence the perception of the performance of the Trust or discourage selling of Units as this could reduce the management fee payable to Magellan.

Magellan maintains a Conflicts of Interest Policy to ensure that we manage our obligations to the Trust such that all conflicts are resolved fairly.

(b) Pooled investment scheme risk

The market prices at which the Trust is able to invest inflows, or sell assets to fulfil outflows, may differ from the prices used to calculate the NAV per Unit (and the iNAV). Investors in the Trust may therefore be impacted by other investors entering and exiting the Trust. The impact will depend on the size of inflows or outflows relative to the Trust, and on the price volatility of the securities in which the Trust invests. Inflows and outflows may also affect the taxable income attributed to an investor during a financial year.

(c) Price of Units on the ASX

While the Directors consider that the Transition of the Trust to an open-ended Active ETF will improve the ability of Unitholders to transact in Units on the ASX at prices closer to the NAV per Unit, there is no guarantee that this will occur. The price at which Units may trade on the ASX may differ materially from the NAV per Unit and the iNAV.

(d) Trust provision of liquidity on ASX risk

Magellan, on behalf of the Trust, may provide liquidity to investors on ASX by acting as a buyer and seller of Units. Magellan has appointed an agent to transact and facilitate the settlement of such transactions on the Trust's behalf. The Trust will bear the risk of these transactions. There is a risk that the Trust could suffer a material cost as a result of the Trust providing liquidity to investors on ASX which may adversely affect the NAV of the Trust. Such a cost could be caused by either an error in the execution and settlement of transactions or in the price at which Units are transacted on ASX. There is a risk that, if the agent appointed by Magellan does not fulfil its obligations in a correct and timely manner, the Trust could suffer a loss.

In order to manage these risks, Magellan has the right to cease transacting on ASX, subject to its obligations under the AQUA Rules, may change the prices at which it transacts on ASX and may, where Magellan considers it appropriate to do so, hedge the Trust's trading activities.

1.10 Implications if the Transition is not approved

If the Approvals are not obtained and the Transition does not proceed:

- the Constitution will not be amended and the current provisions under the Constitution will continue to apply;
- Magellan will not delist the Trust from the Official List of ASX and the Units will continue trading on the Official List of ASX;
- Magellan will not be able to seek quotation and trading of the Units on the ASX under the AQUA Rules; and
- Unitholders may not obtain the anticipated benefits of the Transition.

1.11 Differences between the AQUA Rules and ASX Listing Rules

The following table sets out the key differences between the AQUA Rules and the ASX Listing Rules. Further information relating to investment products quoted under the AQUA Rules can be found at <https://www2.asx.com.au/issuers/investment-products>.

Requirement	ASX Listing Rules	AQUA Rules
Continuous disclosure	Issuers are subject to continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the Corporations Act.	<p>Issuers of products quoted under the AQUA Rules are not subject to the continuous disclosure requirements in ASX Listing Rule 3.1 and section 674 of the Corporations Act. The Responsible Entity will comply with the continuous disclosure requirements in section 675 of the Corporations Act as if the Trust were an unlisted disclosing entity.</p> <p>This means that the Responsible Entity will disclose to ASIC information which is not generally available and that a reasonable person would expect, if the information were generally available, to have a material effect on the price or value of the Units, provided that such information has not already been included in the Active ETF PDS (as supplemented or amended).</p> <p>The Responsible Entity will publish such information on the announcements platform of ASX and the Trust's website www.magellangroup.com.au at the same time as it is disclosed to ASIC.</p> <p>Under AQUA Rules the Responsible Entity must disclose:</p> <ul style="list-style-type: none"> • information about the NAV of the Trust's underlying investments daily and immediately if the Responsible Entity's management activities cause the last reported NAV to move by more than 10%; • information about redemptions from the Trust and the number of Units on issue; • information about distributions paid in relation to the Trust; • any other information which is required to be disclosed to ASIC under section 675 of the Corporations Act; and • any other information that would be required to be disclosed to the ASX under section 323DA of the Corporations Act if the Units were admitted

		<p>under the ASX Listing Rules.</p> <p>In addition, the Responsible Entity must immediately notify the ASX of any information the non-disclosure of which may lead to a false market in the Units or which would otherwise affect the price of the Units.</p>
Periodic disclosure	<p>Issuers are required to disclose half-yearly and annual financial information and reports to the announcements platform of the relevant ASX.</p>	<p>Issuers of products quoted under the AQUA Rules are not required to disclose half-yearly or annual financial information or reports to the announcements platform of the ASX.</p> <p>The Responsible Entity will disclose financial information and reports in respect of the Trust to the announcements platform of the ASX and will also lodge such financial information and reports with ASIC under Chapter 2M of the Corporations Act.</p>
Corporate governance	<p>Listed companies and listed managed investment schemes are subject to notification requirements under the Corporations Act and the ASX Listing Rules relating to takeover bids, buy-backs, change of capital, new issues, restricted securities, disclosure of directors' interests and substantial shareholdings.</p>	<p>Although the Units are quoted under the AQUA Rules, neither the Trust nor the Responsible Entity itself is listed and they are therefore not subject to certain corporate governance requirements.</p> <p>The Responsible Entity will still be required to comply with the related party requirements in Part 5C.7 and Chapter 2E of the Corporations Act and section 601FM of the Corporations Act including that the Responsible Entity may be removed by an extraordinary resolution of members on which the Responsible Entity and its associates would not be entitled to vote.</p>
Related party transactions	<p>Chapter 10 of the ASX Listing Rules relates to transactions between an entity and a person in a position to influence the entity and sets out controls over related party transactions.</p>	<p>Chapter 10 of the ASX Listing Rules does not apply to products quoted under the AQUA Rules.</p> <p>The Responsible Entity will still be required to comply with the related party requirements in Part 5C.7 and Chapter 2E of the Corporations Act.</p>
Auditor rotation obligations	<p>Division 5 of Part 2M.4 of the Corporations Act imposes specific rotation obligations on auditors of listed companies and listed managed investment schemes.</p>	<p>Issuers of products quoted under the AQUA Rules are not subject to the auditor rotation requirements in Division 5 of Part 2M.4 of the Corporations Act.</p> <p>An auditor will be appointed by the Responsible Entity to audit the financial statements and compliance plan of the Trust.</p>

1.12 Tax implications of the Transition

The Transition is not expected to cause any capital gains tax or stamp duty cost for the Trust or for the Unitholders.

The Transition is also not expected to impact the Trust's eligibility to participate in the AMIT Regime. However, the ability of the Trust to continue to participate in the AMIT Regime post the Transition will depend on the Trust continuing to meet the eligibility conditions in the tax law after the Transition.

This Section 1.12 provides a summary of the general Australian taxation consequences in relation to the Transition and should not be relied upon as taxation advice. This Section should be considered in conjunction with the rest of this Unitholder Booklet.

Unitholders are strongly advised to seek their own professional advice with respect to the taxation implications of the Transition.

1.13 Change of the Trust's unit registry provider

Automic Pty Ltd (**Automic Group**) will become the Trust's unit registry provider (in place of Boardroom Pty Limited) with effect from 30 August 2021.

The role of the unit registry is to keep a record of Unitholders in the Trust. This includes information such as the quantity of units held, TFNs (if provided), bank account details and details of DRP participation.

No action is required from Unitholders in relation to the change of unit registry provider. Unitholder details (including TFN, bank account, and DRP election) will be transferred to Automic Group. From 30 August 2021, Unitholders will be able to access and update their details via the Automic Group investor portal at <https://investor.automic.com.au>.

The change of the Trust's unit registry provider is not subject to approval of the Transition Resolutions or the implementation of the Transition.

2. Transition Resolutions

In order to implement the Transition, the following resolutions (the **Transition Resolutions**) must be passed by Unitholders, by the requisite majorities:

1. Resolution 1 – A **special resolution** that approval is given for the Trust be removed from the Official List of ASX under ASX Listing Rule 17.11.
2. Resolution 2 - An **ordinary resolution** that approval is given for the transition of the Units admitted on the Official List of ASX under the ASX Listing Rules to admission to Trading Status on the ASX under the AQUA Rules.
3. Resolution 3 - A **special resolution** that approval is given for the Constitution be amended to facilitate the Transition.

All of the Transition Resolutions are inter-conditional, so that if any Transition Resolution is not passed by Unitholders, the Transition will not proceed. If the Transition does not proceed, the Trust will remain listed on the Official List of ASX.

If all of the Transition Resolutions are passed by the requisite majorities, the Transition will proceed even if some Unitholders have not voted in favour of it.

2.1 Resolution 1 – Removal of the Trust from the Official List of ASX

Resolution 1 seeks Unitholder approval under ASX Listing Rule 17.11 for the removal of the Trust from the Official List of ASX.

In response to an application to ASX for in-principle advice in relation to the proposed delisting of the Trust, ASX has advised that, based on the information provided to it, it is likely to agree to remove the Trust from the Official List of ASX upon receipt of a formal delisting application from Magellan, subject to compliance with the following conditions:

- Magellan making an application, and being conditionally approved, for the Units to be admitted to Trading Status on ASX as an AQUA Product under the AQUA Rules;
- Unitholders approving:
 - by special resolution, the removal of the Trust from the Official List of ASX; and
 - a resolution by the necessary majority, the transition of the Units from admission on the Official List of ASX to admission as an AQUA Product admitted to Trading Status under the AQUA Rules; and
- the inclusion of certain specified information in the Notice of Meeting.

ASX's in-principle advice applies until 14 October 2021 and is subject to any amendments to the ASX Listing Rules or changes to the interpretation or administration of the ASX Listing Rules and policies of ASX.

In accordance with the conditions set out above:

- Magellan has on 16 July 2021 made an application for the Units to be admitted to Trading Status on the ASX as an AQUA Product;
- the Transition Resolutions seek the required approvals from Unitholders; and
- the Notice of Meeting contains the information required by ASX.

Resolution 1 is conditional on the approval of Resolution 2 and Resolution 3 in the Notice of Meeting. If all of the Transition Resolutions are passed, subject to ASX formally approving the removal of the Trust from the Official List of ASX and conditionally approving the quotation of the Trust on ASX under the AQUA Rules (and the fulfilment of any admission conditions imposed by the ASX):

- the Units will be removed from the Official List of ASX effective from the close of trading on Monday, 30 August 2021; and
- the Units will be admitted to Trading Status under the AQUA Rules and Unitholders will continue to be able to transact in the secondary market for Units on the ASX under the ticker "MHHT" from Tuesday, 31 August 2021.

Resolution 1 is a special resolution, and it will be validly passed if at least 75% of the total votes cast on Resolution 1 are cast in favour of the resolution by Unitholders.

Unitholders wishing to sell their Units on the ASX while the Trust is admitted to the Official List of ASX will need to do so on or before Thursday, 26 August 2021. Thereafter, Unitholders will be able to sell their Units on the ASX under the AQUA Rules from Tuesday, 31 August 2021 and using the ticker "MHHT".

Following the Trust's removal from the Official List of ASX, the Trust will become an 'unlisted disclosing entity' subject to the continuous disclosure obligations in section 675 of the Corporations Act. These are substantively the same as those imposed under section 674 of the Corporations Act and ASX Listing Rule 3.1. Further information about the disclosure obligations of the Trust as an open-ended Active ETF, can be found in Section 1.11.

If Resolution 1 (or any of the Transition Resolutions) is not passed by Unitholders at the Meeting, Magellan will not be able to proceed with the delisting and the Units will remain listed on the Official List of ASX.

2.2 Resolution 2 – Transition of Units to Trading Status on the ASX under the AQUA Rules

Resolution 2 seeks Unitholder approval to transition the quotation of the Units admitted on the Official List of ASX under the ASX Listing Rules to admission to Trading Status on the ASX under the AQUA Rules in accordance with ASX Operating Rule 10A.3.1(ca). A reference to 'Trading Status' is a reference to an authorisation by the ASX for the Units as an AQUA Product to be traded on the ASX under the AQUA Rules.

Resolution 2 is conditional on the approval of Resolution 1 and Resolution 3 in the Notice of Meeting. If all of the Transition Resolutions are passed, subject to ASX formally approving the removal of the Trust from the Official List of ASX and conditionally approving the quotation of the Trust on ASX under the AQUA Rules (and the fulfilment of any admission conditions imposed by the ASX), the Units will be admitted to Trading Status.

Resolution 2 is an ordinary resolution and it will be validly passed if at least 50% of the total votes cast on Resolution 2 are cast in favour of the resolution by Unitholders.

Once the Units are quoted on the ASX under the AQUA Rules, Unitholders will be able to buy and sell Units at the prevailing market price on the ASX. In addition, Unitholders will be able to apply for and redeem Units directly with Magellan via the Trust's unit registry.

Once the Units are admitted to quotation on the ASX under the AQUA Rules, Magellan will announce the quotation and trading of the Units on the Trust's ASX announcements platform and Magellan's website, www.magellangroup.com.au.

If Resolution 2 (or any of the Transition Resolutions) is not passed by Unitholders at the Meeting, Magellan will not transition the Trust from a closed-ended listed investment trust admitted to the Official List of ASX to an open-ended unit trust quoted on the ASX under the AQUA Rules and the Units will remain listed on the Official List of ASX.

2.3 Resolution 3 – Amendments to the Constitution

Certain amendments to the Constitution are required to facilitate the Transition. Section 601GC(1)(a) of the Corporations Act permits the constitution of a registered scheme to be modified by special resolution of the members of a scheme. Resolution 3 is a special resolution, and it will be validly passed if at least 75% of the total votes cast on Resolution 3 are cast in favour of the resolution by Unitholders. The proposed modification will only take effect when a copy of the modification or the new constitution is lodged with ASIC.

The current provisions of the Constitution dated 5 July 2019, as amended from time to time, facilitate the Trust's operation as a closed-ended trust on the Official List of ASX but not as an open-ended unit trust quoted on ASX under the AQUA Rules. Magellan is proposing to amend the Constitution to:

- (a) permit the Trust to operate as an open-ended trust with units quoted on the ASX under the AQUA Rules and removing provisions specific to the Trust's operation as a closed-ended trust listed on the Official List of ASX;
- (b) comply with the ASX Operating Rules as amended from time to time and subject to the Corporations Act;

- (c) allow Magellan to issue quoted Units directly to Unitholders, via the unit registry, and to allow Unitholders to redeem Units directly with Magellan, via the unit registry, where those Units are held on the appropriate sub-register; and
- (d) make consequential amendments to ensure consistency with the amendments set out above such as removing unused definitions and clauses.

It is proposed that the amendments to the Constitution will be implemented by way of the supplemental deed set out in Annexure A of the Notice of Meeting (**Supplemental Deed**) which will be tabled by the Chairperson at the Meeting. The Supplemental Deed sets out the proposed amendments to the Constitution in full.

A summary of the proposed material amendments to the Constitution is set out below. Unless otherwise stated, the clause references in this summary refer to the Constitution set out in the Supplemental Deed. This summary is not exhaustive, nor does it constitute a definitive statement of the terms of the Constitution (as amended).

The rights and obligations attaching to ownership of Units are also conferred or affected by the Corporations Act, the ASX Listing Rules or the AQUA Rules (as applicable) and general law.

Subject matter	Proposed amendment
Operation as a closed-ended listed trust	<p>The provisions for the following matters to facilitate the Trust's operation as a closed-ended trust listed on the Official List of ASX will be deleted (the clause references in this row refer to the current Constitution):</p> <ul style="list-style-type: none"> the issue of loyalty units and foundation units pursuant to the initial public offer of Units [clauses 1.9, 6.1, Sch 1] transfers of units while the Trust is admitted to the Official List of ASX [clauses 7.1 - 7.6] proportional takeover bids [clause 8] small holdings [clause 15] ASX Listing Rules consistency [clause 43] restricted securities [clause 44]
Operation as an open-ended Active ETF	<p>To facilitate the Trust's operation as an open-ended Active ETF, provisions related to the following matters will be inserted or modified:</p> <ul style="list-style-type: none"> compliance with the ASX Operating Rules and ASX Settlement Rules [clauses 1.4 – 1.8] transfers of units while the Trust is an open-ended Active ETF [clause 6.1] applying holding locks to Units in certain circumstances [clause 6.3] the power to quote the Trust on a financial market and issue a class of units that can be both traded on a financial market and issued to or redeemed by all Unitholders [clause 14.1(a)(v)] extending Magellan's discretion to include the exercise of powers conferred under the ASX Operating Rules [clause 14.5]
Performance Fee	<p>The performance fee calculation methodology has been updated to reflect the Trust's transition from a closed-ended to an open-ended trust [clause 18.3]. There will be no changes made to the amount of the performance fee, the Absolute Return Performance Hurdle, the high water mark requirement or the calculation period.</p>
Timing for accepting application and redemption requests	<p>A provision has been inserted to provide Magellan with the power to determine when it will accept application and redemption requests and the method for receiving such requests [clause 7]</p>
Provision of on-market liquidity by the Trust	<p>The following provisions will be inserted to facilitate Magellan providing liquidity to investors on ASX:</p>

	<ul style="list-style-type: none"> • Magellan selling and acquiring Units on-market to facilitate the provision of liquidity by the Trust [clauses 10.3 and 12.4] • the power to hold and transact in Units, including for market making purposes [clause 14.1(a)(iv)]
Issue price of Units	<p>The issue price for Units while the Trust is admitted to the Official List of ASX, being the current market value of Units or the price determined by Magellan in certain circumstances, will be deleted. [clauses 12.1 - 12.6 in the current Constitution]</p> <p>A new issue price for Units will be inserted based on the NAV per Unit plus application transaction costs per Unit. A similar issue price formula will apply where Magellan sells Units on-market. [clause 10.1]</p>
Redemption price of Units	<p>The redemption price for Units while the Trust is admitted to the Official List of ASX, being the current market value of Units, will be deleted. [clause 14.5 in the current Constitution]</p> <p>A new redemption price for Units will be inserted based on the NAV per Unit minus redemption transaction costs per Unit. A similar redemption price formula will apply where Magellan buys Units on-market. [clause 12.2]</p>
Redemption requests	<p>The restriction on Unitholders having a right to make a redemption request while the Trust is listed will be deleted. [clause 14.1 in the current Constitution]</p> <p>To facilitate a Unitholder, who has bought Units on ASX, making redemption requests, Magellan will have the power to require that Unitholder to hold their Units on the issuer sponsored sub-register and to provide certain information to Magellan. [clause 13.2]</p>
Compulsory redemption	<p>Magellan will have the power to compulsorily redeem Units in certain circumstances, including where Units are held in breach of the Constitution or applicable law, there are materially adverse taxation or other outcomes for the Trust, there is a misrepresentation by a Unitholder or a Unitholder's participation in the Trust causes litigation against Magellan or another Unitholder. [clause 12.11]</p>
Suspension powers	<p>Magellan's suspension power will be extended to cover:</p> <ul style="list-style-type: none"> • switches to other trusts and the payment of redemption proceeds; and • additional circumstances related to the Trust being an open-ended Active ETF, redemptions breaching applicable laws, assets not being able to be realised and matters permitted by ASIC relief. [clause 13.1]
Expenses	<p>The items that may be paid out of the Trust's assets will be extended to cover market making activity, admission to a securities exchange, compliance with security exchange rules, suspension of trading in Units and security exchange fees. [clause 19.1]</p>
Distribution reinvestment	<p>Provisions will be inserted to set out procedural requirements where a Unitholder requests, or Magellan requires, distribution reinvestment. [clauses 24.2 and 24.3]</p>
Corporations Act and ASIC relief	<p>The provisions relating to Magellan and Unitholders complying with the conditions of any ASIC Relief and matters taken to be contained in the Constitution if required as a condition of any ASIC Relief will be extended to apply to matters prescribed by the ASX Operating Rules, ASX Listing Rules, ASIC or a securities exchange. Unitholders will also be authorising Magellan to amend the Constitution to comply with these requirements. [clause 35]</p>

Resolution 3 is conditional on the approval of Resolution 1 and Resolution 2 in the Notice of Meeting. If the Transition Resolutions are passed, the Supplemental Deed will be signed and lodged with ASIC after the Trust is removed from the Official List of ASX. The proposed amendments do not take effect until the signed Supplemental Deed is lodged with ASIC. However, since the provisions of the Constitution applicable to the Trust's operation as an open-ended Active ETF will only apply when Units are quoted on the ASX under the AQUA Rules, these provisions will not apply until the Units have been admitted to quotation on ASX under the AQUA Rules.

If Resolution 3 (or any of the Transition Resolutions) is not passed by Unitholders at the Meeting, the Constitution will not be amended and the current provisions under the Constitution will continue to apply.

2.4 Directors' Interests

At 23 July 2021 (being the last practicable date before this Unitholder Booklet), the Trust had 582,098,663 Units on issue.

The Directors have the following interests in the Trust at that date:

Director	Position	Number of Units
Robert Fraser	Non-executive Chairman	263,921
Brett Cairns	CEO	189,759
Colette Garnsey	Non-executive Director	Nil
Karen Phin	Non-executive Director	123,737
John Eales, AM	Non-executive Director	228,008
Paul Lewis	Non-executive Director	1,496,053
Hamish McLennan	Non-executive Director	37,952
Kirsten Morton	Chief Financial Officer	22,771

2.5 What do Unitholders need to do?

Participating in the Meeting

The Notice of Meeting and Proxy Voting Form are contained in Part 2 of this Unitholder Booklet.

In order to give all Unitholders an opportunity to participate in the Meeting, Magellan intends to hold the Meeting both at a physical location and via online facilities that will allow Unitholders to participate in the Meeting remotely.

In the interests of the health and safety of Unitholders and the broader community, Magellan strongly encourages Unitholders to consider attending the Meeting online rather than in person. Unitholders should lodge a directed proxy as soon as possible in advance of the Meeting even if they are planning on attending the Meeting in person.

Participating virtually

Unitholders will be able to participate in a live webcast of the Meeting online where Unitholders will be able to observe, participate, ask questions, make comments or otherwise speak to the extent they are entitled to do so and cast direct votes at the appropriate times whilst the Meeting is in progress. Each person entitled to vote will be given the opportunity to participate in the vote in real time (and voting is also available in advance of the Meeting by lodging a proxy). Voting at the Meeting will occur by a poll rather than a show of hands.

Unitholders who wish to participate in the Meeting online on the day of the Meeting may do so by visiting <https://web.lumiagm.com/364040652>. More information regarding participating in the Meeting online, including browser requirements, is detailed in the Virtual Meeting User Guide available at www.mhhtransition.com.au.

Participating physically

Any Unitholders who wish to physically attend the Meeting should be mindful of any new or revised laws, public health orders and government recommendations in relation to COVID-19. Additionally, Unitholders

should monitor Magellan's website and the Trust's ASX announcements platform for any updates in relation to the arrangements for the Meeting. Magellan is closely monitoring the impact of the COVID-19 pandemic in Australia and is following public health orders and guidance issued by the federal and state governments. If it becomes necessary or appropriate to make alternative arrangements for the holding of the Meeting as a result of governmental public health orders or guidance, Magellan will promptly advise Unitholders by way of an ASX announcement and via its website at www.mhhtransition.com.au.

The record date for voting is 5.00pm (AEST), Monday, 23 August 2021. If Unitholders do not wish to attend the Meeting or vote during the Meeting, the deadline for Proxy Forms for the Meeting is 9.00am (AEST), Monday, 23 August 2021. All votes and Proxy Forms must be received by this time in order to be cast at the Meeting. The Meeting is scheduled to be held at 9.00am (AEST), Wednesday, 25 August 2021 at Magellan's offices: Level 36, 25 Martin Place, Sydney, NSW.

Please refer to the Notice of Meeting for information on how to vote and attend the Meeting.

After the Meeting

If the Transition Resolutions are approved by the requisite majorities, Magellan will proceed with the Transition, subject to ASX formally approving the removal of the Trust from the Official List of ASX and conditionally approving the quotation of the Trust on ASX under the AQUA Rules (and the fulfilment of any admission conditions imposed by the ASX).

ASX will send holding statements to Unitholders who hold Units on a HIN. Automic Group will send holding statements to Unitholders who hold Units on a SRN. All Unitholders will be able to access and update their details via the Automic Group investor portal at <https://investor.automic.com.au>. Investors will be able to add to and withdraw their investment in the Trust from 31 August 2021 onwards.

3. GLOSSARY

Defined terms and other terms used in the Unitholder Booklet	Definition
Absolute Return Performance Hurdle	10% per annum.
Active ETF	An actively managed investment fund that is structured as an open-ended unit trust whose Units are quoted on ASX under the AQUA Rules.
Active ETF PDS	A product disclosure statement for the Trust as an Active ETF, prepared and lodged with ASIC on 30 July 2021.
AEST	Australian Eastern Standard Time.
AMIT Regime	The system of taxation applying to Attribution Managed Investment Trusts set out in Division 276 of the <i>Income Tax Assessment Act 1997</i> (Cth).
Approvals	The Unitholder and regulatory approvals upon which the Transition is conditional (as set out in Section 1.7, Part 1 of this Unitholder Booklet).
AQUA Rules	ASX Operating Rules that apply to the quotation on ASX of funds, exchange traded funds and other structured securities and products.
ASIC	Australian Securities & Investments Commission.
ASIC Relief	Any declaration made or exemption granted by ASIC that is applicable to the Trust and that is in force.
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 Listing Rules	The official listing rules of ASX, as amended or replaced from time to time except to the extent of any express written waiver by ASX.
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 Rules	The official settlement rules of ASX, as amended or replaced from time to time except to the extent of any express written waiver by ASX.
Automic Group	Automic Pty Ltd ABN 27 152 260 814.
Constitution	The constitution of the Trust.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Directors	The directors of Magellan.
DRP	The Trust's distribution reinvestment plan.
Explanatory Memorandum	This explanatory memorandum.
HIN	Holder Identification Number.
iNAV	Indicative intra-day NAV per Unit.
Magellan	Magellan Asset Management Limited ACN 120 593 946.
Magellan Group	Magellan Financial Group Limited ABN 59 108 437 592 or a Related Body Corporate of MFG that is incorporated in Australia, including Magellan.

NAV	Net asset value.
Notice of Meeting	The notice of meeting contained in Part 2 of this Unitholder Booklet.
Official List of ASX	The official list of entities that ASX has admitted and not removed.
Portfolio	The portfolio of investments of the Trust from time to time.
Proxy Form	The proxy form for the Meeting accompanying this Unitholder Booklet.
Responsible Entity	The body named in this Unitholder Booklet as Responsible Entity while it remains responsible entity of the Trust and any subsequent responsible entity of the Trust from time to time.
Section	A section in the Explanatory Memorandum.
SRN	Securityholder Reference Number.
Supplemental Deed	The document containing the proposed amendments to the Constitution set out in Annexure A of the Notice of Meeting.
TFN	Tax file number.
Trading Status	An authorisation by the ASX for the Units as an AQUA Product to be traded on the ASX under the AQUA Rules.
Transition	The proposed transition of the Trust from a closed-ended listed investment trust admitted to the Official List of ASX to an open-ended unit trust quoted on the ASX under the AQUA Rules.
Transition Resolutions	The resolutions that must be passed by Unitholders by the requisite majorities in the Meeting.
Trust	Magellan High Conviction Trust ASRN 634 789 754.
Unit	A fully paid ordinary Unit in the Trust.
Unitholder	Members of the Trust.
Unitholder Booklet	This unitholder booklet for the Magellan High Conviction Trust.

PART 2: NOTICE OF MEETING



Notice of Meeting

Magellan High Conviction Trust (ASRN 634 789 754)

This notice is issued by Magellan Asset Management Limited ABN 31 120 593 946 (**Magellan**) as responsible entity of the Magellan High Conviction Trust ASRN 634 789 754 (**Trust**) to the members of the Trust (**Unitholders**).

A meeting of Unitholders will be held at:

Venue: Level 36, 25 Martin Place, Sydney NSW 2000

Time: 9.00am (AEST)

Date: Wednesday, 25 August 2021

(the **Meeting**).

The Meeting will also be held by virtual means (via a webcast and live online voting facility).

The Explanatory Memorandum provides additional information on the matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form comprise part of this Notice of Meeting.

IMPORTANT: In the interests of the health and safety of Unitholders and the broader community, Magellan strongly encourages Unitholders to consider attending the Meeting online rather than in person. The situation regarding COVID-19 is constantly evolving and may require Magellan to make alternative arrangements for holding or conducting the Meeting as a result of governmental public health orders or guidance. Magellan will notify Unitholders of any changes to the way in which the Meeting is to be held by way of an ASX announcement and via its website at www.mhhtransition.com.au. Unitholders should therefore monitor ASX and the Trust's website for any updates in relation to the Meeting.

Business:

The business of the Meeting will consist of the following resolutions:

Resolution 1 – Removal of the Trust from the Official List of ASX

To consider, and if thought fit, to pass the following resolution as a special resolution of the Unitholders:

'That, subject to and conditional on Resolution 2 and Resolution 3 being approved, approval is given for the removal of the Trust from the Official List of ASX.'

Resolution 2 – Transition of Units to Trading Status on the ASX under the AQUA Rules

To consider, and if thought fit, to pass the following resolution as an ordinary resolution of the Unitholders:

'That, subject to and conditional on Resolution 1 and Resolution 3 being approved, pursuant to ASX Operating Rule 10A.3.1(ca), approval is given for the transition of the Units admitted under the ASX Listing Rules to admission of the Units to Trading Status on the terms set out in the Explanatory Memorandum which accompanied the Notice of Meeting.'

Resolution 3 - Amendments to the Constitution

To consider, and if thought fit, to pass the following resolution as a special resolution of the Unitholders:

'That, subject to and conditional on Resolution 1 and Resolution 2 being approved, the constitution of the Magellan High Conviction Trust ASRN 634 789 754 be modified in accordance with the provisions of the Supplemental Deed tabled at the Meeting and signed by the Chairperson for the purposes of identification and that Magellan Asset Management Limited be authorised to:

(a) execute the Supplemental Deed and lodge it with the Australian Securities and Investments Commission; and

(b) implement and give effect to the actions and other matters contemplated in the Supplemental Deed and the Explanatory Memorandum accompanying the Notice of Meeting.'

By order of the Board of Magellan Asset Management Limited.



Mariana Kolaroski

Company Secretary

Magellan Asset Management Limited ABN 31 120 593 946 as responsible entity of the Magellan High Conviction Trust ASRN 634 789 754

30 July 2021

Notes on the Notice of Meeting

1. Quorum

The Meeting must satisfy the quorum requirements of the *Corporations Act 2001* (Cth) (**Corporations Act**), which is at least two Unitholders present in person (including via the online platform) or by proxy or body corporate representative and the quorum must be present at all times during the Meeting.

This Notice of Meeting is also a notice that if the quorum required under the Corporations Act is not met within 30 minutes after the time notified for the commencement of the Meeting, the Meeting will be adjourned. The adjourned Meeting will be convened to such place and time as the Chairperson thinks fit. At least two Unitholders present in person (including via the online platform) or by proxy or body corporate representative constitute a quorum at the adjourned meeting.

If the quorum is not present at the adjourned meeting within 30 minutes after the time notified for the commencement of the Meeting, the Meeting will be dissolved.

2. Voting requirements

For the Transition Resolutions to be implemented each Transition Resolution must be validly passed, as follows:

- each of Resolution 1 and Resolution 3 will be validly passed as a special resolution if at least 75% of the total votes cast on the resolution are cast in favour of the resolution by the Unitholders entitled to vote; and
- Resolution 2 will be validly passed as an ordinary resolution if at least 50% of the total votes cast on the resolution are cast in favour of the resolution by the Unitholders entitled to vote.

Voting will be conducted by poll.

In the absence of any special circumstances, the register of Unitholders as at 5.00pm (AEST), Monday, 23 August 2021 will be taken as evidence of those Unitholders entitled to vote.

The Chairperson will require that Resolution 2 be decided by a poll. Since each of Resolution 1 and Resolution 3 must be passed as a special resolution, they must be decided by a poll under the Corporations Act. The Chairperson's declaration of the validity of any vote and the result of voting will be conclusive.

Under section 253C(2) of the Corporations Act, on a poll each Unitholder has one vote for each dollar of the value of the total interests they have in the Trust. Under section 253F(a) of the Corporations Act, the value of an interest in the Trust will be the last sale price of the Units on the ASX on the trading day immediately before the day on which the poll is taken. If the Unitholder's interest in the Trust is held jointly and more than one Unitholder votes, only the vote of the Unitholder first named in the register of Unitholders will be counted.

All Unitholders are encouraged to vote on the resolutions.

Magellan has determined that the persons who are entitled to vote at the Meeting will be determined by reference to the Unitholders recorded on the Trust's register of Unitholders as at 5.00pm (AEST), Monday, 23 August 2021 and the last sale price of the Units on the ASX on Tuesday, 24 August 2021 will be used to determine the number of votes each Unitholder has on the polls.

3. Attending the Meeting in person

If you wish to attend the Meeting, please bring the Proxy Form with you to assist with registration.

Magellan will implement appropriate social distancing and other COVID-19 mitigation measures at the Meeting and may be required to limit or prevent Unitholders' access to the Meeting. Therefore, Magellan strongly encourages all Unitholders to submit their proxy votes in advance of the Meeting.

In light of the evolving COVID-19 situation, please consult www.mhhtransition.com.au prior to the Meeting to confirm that physical attendance is still available.

4. Participating in the Meeting Online

You can participate in the Meeting online on the day of the Meeting by visiting <https://web.lumiagm.com/364040652> on your smartphone, tablet or computer. You will need the latest

version of Chrome, Safari, Internet Explorer 11, Edge or Firefox. Please ensure your browser is compatible.

The online platform will allow Unitholders to participate in the Meeting by being able to view the Meeting, vote and ask questions or make comments in real time. Those who are not Unitholders or not attending as a proxy, corporate representative or attorney of a Unitholder, are welcome to connect to the platform or watch the live webcast but are not able to vote or ask questions.

Please ensure you have your Voting Access Code (refer to the Proxy Form or your Notice of Meeting email), as you will need this to log in. Proxyholders should contact the Trust's unit registry, Boardroom Pty Limited, on 1300 005 016 or +61 2 9290 9600, or via proxy@boardroomlimited.com.au to obtain their login details to participate live online. A Virtual Meeting User Guide is available at www.mhhtransition.com.au.

If it becomes necessary to provide updates or instructions in the lead up to the Meeting, details will be made available at www.mhhtransition.com.au.

5. How to vote

Unitholders entitled to participate and vote at the Meeting may vote:

- (a) in person at the Meeting (subject to any changes as described below);
- (b) by direct voting online during the Meeting;
- (c) by appointing a proxy to participate in the Meeting and to vote on their behalf in accordance with section 6 of the Notes on this Notice of Meeting;
- (d) by appointing an attorney to participate in the Meeting and to vote on their behalf in accordance with section 7 of the Notes on this Notice of Meeting; or
- (e) by appointing a corporate representative to participate in the Meeting and to vote on their behalf in accordance with section 8 of the Notes on this Notice of Meeting.

If it becomes necessary or appropriate to make alternative arrangements for holding the Meeting, Unitholders will be provided with as much notice as possible and Magellan will advise Unitholders by way of an ASX announcement and via its website at www.mhhtransition.com.au.

6. Voting by proxy

You have the right to appoint a proxy to attend and vote for you even if you are present (including via the online platform) at the Meeting. They need not be another Unitholder. The Chairperson may act as your proxy if you wish. You may appoint two proxies. Please note that in that case you will need to specify what proportion or number of votes each proxy is appointed to exercise for you. If the proxy appointments do not specify the proportion of voting rights that each proxy may exercise, each proxy may exercise half of your votes. Fractions of votes will be disregarded.

If the Chairperson is nominated as your proxy (or so acts because no other person is nominated or your named proxy does not attend the Meeting) and you do not tell the Chairperson exactly how to vote, the Chairperson's intention is to vote in favour of the resolutions at the Meeting. The notes on the Proxy Form describe how it should be completed. The Proxy Form must be completed, signed and received by the Trust's unit registry, Boardroom Pty Limited (if relevant, with a certified copy of the power of attorney under which the Proxy Form was signed), by:

Vote online at: <https://www.votingonline.com.au/mhh2021>

Mail the Proxy Form to: Magellan High Conviction Trust
C/- Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

Fax the Proxy Form to: +61 2 9290 9655

Deliver the Proxy Form to: Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000 Australia

at least 48 hours before the time of the Meeting for the proxy appointment to be effective.

7. Voting by attorney

You may appoint an attorney to participate and vote at the Meeting on your behalf. Such an appointment must be made by a duly executed power of attorney, which must be received by the Trust's unit registry by 9.00am (AEST), Monday, 23 August 2021, unless it has been previously provided to the Trust's unit registry.

8. Corporations

Corporations wishing to attend and vote at the Meeting must appoint a representative who must provide a duly executed 'Certificate of Appointment of Corporate Representative' to the Trust's unit registry by 9.00am (AEST), Monday, 23 August 2021. A form of the certificate may be obtained from the Trust's unit registry, Boardroom Pty Limited at <https://boardroomlimited.com.au/investor-forms/>.

9. Voting Exclusions

Votes cast by a person who is not entitled to vote because of section 253E of the Corporations Act will be disregarded. This section of the Corporations Act provides that Magellan and its associates are not entitled to vote their interest on a resolution at a meeting of the Trust's unitholders if they have an interest in the resolution or matter other than as a member. Magellan will disregard any votes cast on the Transition Resolutions by or on behalf of Magellan and any of its associates.

However, this does not apply to a vote cast on a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairperson to vote on the resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

10. Chairperson

Magellan will appoint Mr. Robert Fraser to chair the Meeting. Mr Fraser is the Chairman of Magellan. Magellan will appoint another similarly qualified person to chair the Meeting if Mr Fraser is unable to chair the Meeting.

11. Defined terms

Terms defined in the Explanatory Memorandum accompanying this Notice of Meeting have the same meaning in this Notice of Meeting, unless the context otherwise requires.

12. Important information

To enable you to make an informed decision on the resolutions, please carefully read the Explanatory Memorandum.

If you have any questions, please contact:

The Company Secretary

T: (02) 9235 4888

E: mfgcompany.secretary@magellangroup.com.au

Annexure A – Proposed Supplemental Deed



Supplemental Deed

Magellan High Conviction Trust

Magellan Asset Management Limited
ABN 31 120 593 946 (**Responsible
Entity**)

Supplemental Deed

Magellan High Conviction Trust

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Details

Date

2021

Parties

Name	Magellan Asset Management Limited
ACN	120 593 946
Short form name	Responsible Entity
Notice details	Level 36, MLC Centre, 19 Martin Place, Sydney, New South Wales, Australia

Background

- A The Magellan High Conviction Trust (**Trust**) is a closed-ended unit trust listed on the official list (**Official List**) of the Australian Securities Exchange (**ASX**).
- B The Responsible Entity is proposing to delist the Trust from the Official List of the ASX and to transition the Trust from a closed-ended listed investment trust admitted to the Official List of the to an open-ended unit trust quoted on ASX under the ASX Operating Rules that apply to the quotation of funds on ASX (**Active ETF**).
- C The current provisions of the constitution of the Trust dated 5 July 2019, as amended from time to time (**Constitution**), facilitate the Trust's operation as a closed-ended unit trust on the Official List of the ASX but not as an Active ETF.
- D The Responsible Entity is proposing to amend the Constitution to facilitate the Trust's operation as an Active ETF and remove provisions specific to the Trust's operation as a closed-ended trust listed on the Official List of ASX.
- E Clause 39 of the Constitution provides that, subject to the Corporations Act 2001 (Cth) (**Corporations Act**), the Responsible Entity may by supplemental deed modify, add to or delete from or replace, the Constitution. Pursuant to section 601GC(1)(a) of the Corporations Act, the constitution of a registered scheme may be modified by special resolution of the members.
- F Magellan Asset Management Limited (**Magellan**) proposes to amend the Constitution in accordance with this supplemental deed.
- G The unitholders of the Trust have passed a special resolution approving the modification to the Constitution in accordance with this deed and authorising the Responsible Entity to execute this deed.
- H Clause 23.5 of the Constitution provides that clause 23 can only be amended upon Magellan giving its consent in writing to the Responsible Entity to the proposed amendment or deletion before the amendment is made. Magellan has given its consent in writing to the Responsible Entity making an amendment to clause 23 in accordance with this supplemental deed.
- I The amendments to the Constitution contained in this deed are made in accordance with the Constitution and the Corporations Act, and will take effect when a copy of this deed is lodged with the Australian Securities and Investments Commission (**ASIC**).

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this deed:

- (a) **Effective Time** means the date and time at which a copy of this deed is lodged with ASIC in accordance with subsection 601GC(2) of the Corporations Act; and
- (b) unless a contrary intention is expressed or implied, words and expressions defined in the Constitution have the same meanings when used in this deed.

1.2 Interpretation

Clause 1.2 of the Constitution applies to this deed as though that clause was set out in full.

2. Amendment of the Constitution

On and from the Effective Time, subject to clause 3, the Constitution is amended in the form of Annexure A to this deed, so that the words, numbers and symbols which are:

- (a) underlined are inserted into the Constitution; and
- (b) struck through are deleted from the Constitution.

3. Operation of this deed

3.1 No redeclaration etc

The Responsible Entity confirms that it is not, by clause 2 of this deed:

- (a) redeclaring the Trust;
- (b) resettling the Trust;
- (c) settling or declaring a fund;
- (d) causing the transfer, vesting or accruing of property in any person; or
- (e) entering into a new constitution.

3.2 Remaining provisions unaffected

Other than the amendments made in this deed, the Constitution continues in full force and effect. With effect from the Effective Time, the Constitution as amended by this deed is to be read as a single integrated document incorporating the amendments effected by this deed.

3.3 Binding provisions

The provisions of this deed are binding on and are made for the benefit of the Responsible Entity, each member of the Trust and all persons claiming through them as if each party were a party to this deed.

3.4 Governing law and jurisdiction

This deed is governed by the law of New South Wales and each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales.

Signing page

EXECUTED as a deed poll.

Executed by Magellan Asset Management Limited ABN 31 120 593 946 in accordance with Section 127 of the *Corporations Act 2001*

Signature of director

Name of director (print)

Signature of director/company secretary
(Please delete as applicable)

Name of director/company secretary (print)

Annexure A – Amended Constitution

Constitution

Magellan High Conviction Trust

Magellan Asset Management Limited (**Responsible Entity**)

Constitution

Magellan High Conviction Trust

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Details

Date 5 July 2019

Party

Name	Magellan Asset Management Limited
ABN	31 120 593 946
Short form name	Responsible Entity
Notice details	Level 36, MLC Centre, 19 25 Martin Place, Sydney, New South Wales, Australia
	Attention: Chief Executive Officer

Terms

1. Defined terms & interpretation

1.1 Defined terms

In this constitution:

Accounting Period means the twelve month period commencing on 1 July and ending on the following 30 June, except that:

- (a) the first Accounting Period commences on the date of execution of this constitution and ends on 30 June 2020; and
- (b) the final Accounting Period ends on the date on which the assets of the Trust are fully distributed to Unitholders on or after the Termination Date and commences on the immediately preceding 1 July.

Accounting Standards means:

- (a) all accounting standards and principles in force from time to time and required by Australian law to be complied with in respect of the Trust; and

except to the extent that it is inconsistent with paragraph (a), generally accepted accounting principles applying in Australia from time to time.

~~**Additional IPO Unit** means a Loyalty Unit or a Foundation Unit, as the case may be.~~

~~**Additional IPO Unit Provisions** means the provisions relating to the issue of Loyalty Units and Foundation Units in Schedule 1.~~

Accrual Time means the time determined by the Responsible Entity when the number of Units on issue is calculated for the purpose of making a distribution. Unless determined otherwise by the Responsible Entity, the Accrual Time in respect of any distribution will be:

- (a) while Units or a class of Units in the Trust are Quoted, the end of the last Business Day during which the Units are traded cum-entitlement on the Securities Exchange; or
- (b) if the Units or a class of Units are not Quoted, the end of the day on the last day of the Period or Accounting Period.

AMIT (or attribution managed investment trust) has the meaning given to it in the Tax Act.

AMMA Statement means an AMIT Member Annual Statement as defined in and issued under subdivision 276-H of the Tax Act.

Application means an application for a Unit, Option or Financial Instrument made by a person in a form and manner acceptable to the Responsible Entity.

Application Transaction Costs has the meaning given to it in clause [10.242.8](#).

~~**Approving Resolution** means a resolution passed in accordance with clause 8.~~

~~**Approving Resolution Deadline** in relation to a Proportional Takeover Bid means the day that is the 14th calendar day before the last day of the Bid Period.~~

AQUA Product has the meaning given in the ASX Operating Rules and AQUA Products is to be construed accordingly.

AQUA Rules means:

- (a) Schedules 10 and 10A of the ASX Operating Rules and related procedures;
 - (b) such other listing rules or other rules that govern the listing or quotation of AQUA Products; and
 - (c) such other rules that govern the transfer of AQUA Products.
- as amended from time to time.

ASIC means the Australian Securities and Investments Commission.

~~ASTC has the same meaning as in the Corporations Regulations 2001 (Cth).~~

~~ASTC-regulated Transfer has the same meaning as 'ASTC-regulated transfer' in the Corporations Regulations 2001 (Cth).~~

ASX means ASX Limited ACN 008 624 691 or the market operated by it, as the context requires.

~~ASX Settlement Operating Rules means the operating rules of ASTC.~~

Attribution Amount means, for a period, any amount calculated by the Responsible Entity and attributed to a Holder on a fair and reasonable basis and in accordance with this constitution and the Trust's constituent documents, for the purposes of Division 276 of the Tax Act and may include or be adjusted by:

- (i) components of an income character (including assessable, exempt and non-assessable, non-exempt characters);
- (ii) components of a tax offset character;
- (iii) any amount the Responsible Entity determines; and
- (iv) an Under or Over.

Auditor means the auditor of the Trust.

~~Bid Class has the same meaning as 'bid class' in the Corporations Act.~~

~~Bidder has the same meaning as 'bidder' in the Corporations Act.~~

~~Bid Period has the same meaning as 'bid period' in the Corporations Act.~~

Business Day

- (a) for the purposes of clause ~~18~~²⁰, means a day on which the primary securities exchange for any security that forms part of the Trust Property is open for trading; and
- (b) while the Trust is Quoted except for the purposes of clause 18, has the meaning given in the Operating Rules; and
- ~~(b)(c) in any other case, a weekday on which banks are open for business in NSW Australia other than a Saturday, Sunday or public holiday, or such other day or days determined by the Responsible Entity for all other purposes, has the meaning given in the Listing Rules.~~

Business Hours means 9.00am to 5.00pm on a Business Day.

Cash Amount means cash, cash equivalents and amounts attributable to assets that can be readily converted to cash by the Responsible Entity. For the avoidance of doubt, amounts attributable to an unrealised revaluation of Trust Property are not Cash Amounts.

Corporate Tax Entity has the meaning given to it in section 960.115 of the *Income Tax Assessment Act 1997* (Cth).

Corporations Act means the *Corporations Act 2001* (Cth) and includes any regulations made under that Act and any Relief.

~~**CS Facility Rules** means the operating rules of an applicable CS facility licensee.~~

~~**Current Market Value** of a Unit of a particular class on a particular day is an amount equal to Net Trust Value referable to that class of Units plus any Application Transaction Costs (in the case of an Application) or less any Redemption Transaction Costs (in the case of a Redemption Request) divided by the number of Units on issue in that class.~~

~~**Current Trading Price** of a Unit on a particular day is:~~

~~(a) — the amount equal to the average of the daily volume weighted average price for all Unit sales (excluding sales that are special crossings, crossings prior to the commencement of normal trading, crossings during the closing phase and after hours adjust phase, or any overseas trades or trades pursuant to the exercise of Options, any overnight crossings or any other sales which the Responsible Entity considers may not be reflective of natural supply and demand) on the ASX during the previous 10 Trading Days immediately preceding that day; or~~

~~(b) — if:~~

~~(i) — Units have not been Officially Quoted for at least 10 consecutive Trading Days before the relevant day; or~~

~~(ii) — in the Responsible Entity's opinion, a determination under paragraph (a) would not provide a fair reflection of the market value of the Unit having regard to the nature of the proposed offer of Units and the circumstances in which the proposed offer is made,~~

~~the price per Unit determined by an advisor who:~~

~~(i) — is independent of the Responsible Entity; and~~

~~(ii) — has relevant market experience in determining the issue price of securities in circumstances similar to those in which the determination of the Current Trading Price of a Unit is being made,~~

~~to be the fair market price of the Unit, having regard but not limited to:~~

~~(i) — the nature of the proposed offer of Units for which purpose the Current Trading Price of a Unit is being calculated;~~

~~(i) — the circumstances in which the proposed offer of Units will be made; and~~

~~(ii) — the interests of Unitholders generally.~~

Derivative Transaction means any derivative (as defined in the Corporations Act) or any transaction in respect of a derivative.

Determined Member Component has the meaning given to it by the Tax Act.

Determined Trust Components has the meaning given to it in the Tax Act.

Disclosure Document means information memorandum, product disclosure statement or any other similar document issued by the Responsible Entity relating to the issue of Units in the Trust.

Distributable Income has the meaning given to it in clause ~~24.2~~22.2.

Distribution Reinvestment means the reinvestment in the Trust of distributions.

DRP Rules means the Distribution Reinvestment Plan Rules of the Trust as may be amended by the Responsible Entity from time to time.

Eligible Unit in respect of any distribution means a Unit issued and not cancelled on or before the Accrual Time in respect of that distribution.

Establishment Costs are all costs, expenses and commissions incurred (or to be incurred) by the Responsible Entity in connection with the establishment of the Trust and the offering of Units under the first Disclosure Document (whether incurred before or after the establishment of the Trust), including government registration charges; legal fees and other expenses in relation to the preparation of the Organisational Documents; accounting, audit and taxation adviser fees; joint lead manager fees, the first Disclosure Document printing costs; and administrator and custodian set-up fees.

Fee has the meaning given to it in clause ~~18.1~~20.4.

Financial Instrument has the meaning given to it in clause ~~11.3~~13.3.

Financial Instrument Holder means the registered holder of a Financial Instrument and includes persons jointly registered.

Foreign Holder means a Holder whose address on the Register is in any jurisdiction other than Australia or New Zealand.

Foreign Holder Reinvestment Payment has the meaning given to it in clause ~~24.4(d)~~26.2(d).

~~**Foundation Unit** means a Unit in the class of Units that is Officially Quoted and issued as a foundation unit in accordance with Schedule 1.~~

Government Agency means:

- (a) a government or government department or other body;
- (b) a governmental, semi-governmental or judicial person; or
- (c) a person (whether autonomous or not) who is charged with the administration of a law.

GST has the meaning given to it in the GST Act.

GST Act means *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Hedge Agreement means any contract, agreement or arrangement setting out the terms and conditions of a Derivative Transaction. It includes any master agreement as published by the International Swaps and Derivatives Association, Inc. from time to time, and any schedule to, and any derivative, transaction or confirmation under or as defined in, such a master agreement.

Holder means a Unitholder, an Option Holder or a Financial Instrument Holder, as the context requires.

Holding Lock means, as defined by the Market Operator from time to time, a facility that prevents securities from being deducted from, or entered into, a holding pursuant to a transfer or conversion.

Ineligible Foreign Holder means a Foreign Holder in respect of whom the Responsible Entity has made a determination in accordance with clause ~~24.2~~26.2.

Initial Minimum Investment means the amount determined by the Responsible Entity from time to time as the minimum number of Units, Options or Financial Instruments or value of Units, Options or Financial Instruments for which an Application may be made.

Initial Public Offer means:

- ~~(a) — an initial public offer of Units for the purpose of raising substantial capital; or~~
 - ~~(b) — any other arrangement which has substantially the same economic effect,~~
- ~~in each case for the purpose of seeking the Official Quotation of Units.~~

Issue Price means the price at which a Unit is created and issued.

ITAA 1936 means the *Income Tax Assessment Act 1936* (Cth).

ITAA 1997 means the *Income Tax Assessment Act 1997* (Cth).

Listing Rules means, as the context requires, the ~~L~~isting ~~R~~ules of ASX or any other applicable Market Operator ~~and any other rules of ASX which are applicable while securities of the Trust are admitted to the official list of the ASX, each as amended or replaced~~ from time to time and includes any applicable Operating Rules, ~~except to the extent of any express written waiver by ASX.~~

~~**Listed** means in respect of an entity, admitted to the official list of the ASX and, in respect of Units, Officially Quoted.~~

~~**Loyalty Unit** means a Unit in the class of Units that is Officially Quoted and issued as a loyalty unit in accordance with Schedule 1.~~

Magellan means Magellan Asset Management Limited ACN 120 593 946.

Management Fee has the meaning provided in clause ~~18.2~~20.2.

Market Operator means the ASX or Chi-X and, without limitation, any other entity that operates a Securities Exchange on which Units are traded.

Manager means any person appointed by the Responsible Entity to manage or invest part or all of the Trust Property.

~~**Marketable Parcel** has the same meaning as in the business rules of ASX in force from time to time.~~

Meeting means a meeting of Holders or a class of Holders.

Minimum Balance means the amount determined by the Responsible Entity from time to time as the minimum number of Units, Options or Financial Instruments or value of Units, Options or Financial Instruments to be held by a Holder.

Minimum Redemption Amount means an amount determined by the Responsible Entity from time to time as the minimum number of Units or value of Units for which a Redemption Request may be made by a Unitholder.

Net Income means, for an Accounting Period, the net income of the Trust for the purpose of section 95 of the ITAA 1936 less amounts attributable to franking credits, foreign tax credits and other notional and deemed amounts.

Net Trust Value means the total value of the Trust Property less the Trust Liabilities except for Redemption Liabilities.

Operating Rules means the operating rules of the Market Operator from time to time and shall include, without limitation and as the context requires, the AQUA Rules or the Chi-X Operating Rules.

~~**Official Quotation** or **Officially Quoted** means quotation on the official list of the ASX, including where quotation has been suspended for not more than 60 days.~~

~~**Operating Rules**, in relation to a Prescribed CS Facility, has the same meaning as 'operating rules' in the Corporations Act.~~

Option means an option to subscribe for a Unit.

Option Holder means a person registered as the holder of an Option and includes persons jointly registered.

Organisational Documents includes this constitution, the first Disclosure Document and any documentation relating to:

- (a) an investment of the Trust;
- (b) underwriting the issue of Units in the Trust; or
- (c) an administrator, custodian or investment adviser to the Trust.

Over has the meaning given to it in the Tax Act.

Period means an Accounting Period or a period determined by the Responsible Entity for the purposes of making a distribution under clauses 22.24 or 23.25, as appropriate ~~or taking the actions referred to in Schedule 4.~~

Portfolio Value means, for the purposes of clauses 18.2 and 18.3 the Net Trust Value determined as at the close of each market on a particular Business Day, exclusive of any accruals for the Management Fee and the Total Performance Fee.

~~**Prescribed CS Facility** has the same meaning as 'prescribed CS facility' in the Corporations Act.~~

~~**Proper ASTC Transfer** has the same meaning as 'proper ASTC transfer' in the Corporations Regulations 2001 (Cth).~~

~~**Proportional Takeover Bid** has the same meaning as 'proportional takeover bid' in the Corporations Act.~~

Quoted means Registered and officially quoted on the Securities Exchange.

Redemption Liabilities means the liabilities representing the Redemption Price for each Unit.

Redemption Price means the price payable on the redemption of a Unit calculated under clause ~~12.5~~14.5.

Redemption Request means a request by a Unitholder to the Responsible Entity to redeem ~~a~~ Units under clauses 12.2, 12.3 and 12.10.

Redemption Transaction Costs means:

- (a) an estimate by the Responsible Entity (which must be independently verifiable) of the total transaction costs the Trust would incur to sell the Trust Property;
- (b) if appropriate having regard to the actual cost which would be incurred because of the redemption, the Responsible Entity's estimate (but which must be independently verifiable) of the total transaction costs, which may be zero; or
- (c) if the Responsible Entity makes no estimate under either paragraph (a) or (b) above, zero.

Register means the registers required to be kept pursuant to clause ~~25~~27.

Registered means registered with ASIC as a managed investment scheme under Chapter 5C of the Corporations Act.

~~**Relevant Financial Market** has the same meaning as 'relevant financial market' in the Corporations Act.~~

Relief means any declaration or modification made or exemption granted by ASIC that is applicable to the Trust or the Responsible Entity in its capacity as trustee of the Trust and that is in force, and includes legislative instruments and class orders made by ASIC under the Corporations Act.

Responsible Entity means the body named in this constitution as Responsible Entity while it remains responsible entity of the Trust and also means any subsequent responsible entity of the Trust from time to time.

~~**Restricted Securities** has the same meaning as in the Listing Rules.~~

Sale Consideration means the amount of cash determined by multiplying the average price at which Units are sold by the Sale Nominee (after deducting any applicable brokerage, stamp duty and other selling expenses, costs, taxes and charges) by the number of Units sold by the Sale Nominee in respect of the relevant Ineligible Foreign Holder.

Sale Nominee means a person appointed by the Responsible Entity to act as the sale nominee for the purposes of clause ~~24.4~~26.2.

Security Interests means any mortgage, charge, pledge, lien, encumbrance, arrangement for the retention of title or any other similar right, interest, power or arrangement of any nature having the effect of providing security.

Securities Exchange means, as the context requires, the ASX or Chi-X and, without limitation, any other exchange on which Units are traded, or the financial markets operated by them.

Settlement Facility means a clearing and settlement facility in Australia and includes CHESS and any successor system to CHESS.

Settlement Facility Operator means ASX Settlement Pty Ltd ABN 49 008 504 532 and any other entity that operates a Settlement Facility.

Settlement Rules means the operating rules, procedures, practices, directions, decisions and requirements of the Settlement Facility Operator as amended from time to time.

Specified Time means a time that may be determined by the Responsible Entity from time to time for the purpose of accepting applications for, issuing or redeeming Units.

Subsequent Minimum Investment means the amount determined by the Responsible Entity from time to time as the minimum number of Units, Options or Financial Instruments or value of Units, Options or Financial Instruments for which an Application may be made by an existing Holder.

Switching means an application for Units in the Trust by a person who is (or was) a holder of units in another class of Units in the Trust or another fund of which the Responsible Entity is also the responsible entity (or in the case of a trust that is not Registered or a superannuation or retirement product, the trustee), where the consideration for the application represents an amount payable to the applicant on redemption in respect of units in that other class of Units in the Trust or fund.

Tax Act means ITAA 1936, ITAA 1997, and/or the Taxation Administration Act 1953 (Cth) (as applicable).

Taxes means all taxes, including without limitation income, capital gains, recoupment, debits, land, sales, payroll, fringe benefits, group, profit, interest, property, undistributed profits, withholding, GST and wealth taxes, stamp, documentary, financial institutions, registration and other duties, municipal rates, and all other imposts, deductions and charges, related interest, penalties, charges, fees or other amounts assessed, charged, assessable or chargeable by or payable to any national, state or municipal taxation authority.

Termination Date means the date specified by the Responsible Entity in the notice terminating the Trust under clause ~~28.1~~^{30.1}, or the effective date of termination of the Trust under clause ~~28.2~~^{30.2}, as the context requires.

Total Performance Fee has the meaning given to it in clause ~~18.3~~^{20.3}.

~~**Trading Day** has the same meaning as in the Listing Rules.~~

Trust means the trust constituted by and under this constitution.

Trust Income in respect of an Accounting Period may be any of the following:

- (a) the income of the Trust in respect of that Accounting Period less all of the expenses of the Accounting Period calculated in accordance with generally accepted accounting principles (as applied by clause ~~36~~³⁸) but excluding any amount included in the income of the Trust that is not a Cash Amount;
- (b) the Net Income of the Trust; or
- (c) all income gains, receipts and profits and all capital gains, receipts and profits derived during that Accounting Period less all expenses of the Accounting Period referable thereto.

Trust Liabilities include borrowings, accrued costs, charges, expenses and outgoings, contingent liabilities, provisions the Responsible Entity decides to make (including, but not limited to, a provision for accrued or unaccrued Management Fee or Total Performance Fee), unpaid distributions due to Unitholders and other unpaid remuneration (if any) due to the Responsible Entity but excluding any amount on account of unitholder equity, application monies or any other amount representing the value of rights attaching to Units whether or not redeemable. For avoidance of doubt the definition of Trust Liabilities is not intended to affect any other meaning of

'liabilities' of the Trust which the Responsible Entity may be required to adopt for financial reporting purposes.

Trust Property means all property, rights and income of the Trust.

Under has the meaning given to it in the Tax Act.

Unit means an undivided share in the beneficial interest in the Trust Property as provided in this constitution.

Unitholder means:

- (a) a person for the time being appearing on the Register as a holder of a Unit; and
- (b) in all other cases, where required by the Corporations Act, a person determined under the Corporations Act for the time being as a member of the Trust.

Valuation Time means a time the Responsible Entity calculates the Net Trust Value under clause 9.3.

1.2 Interpretation

In this constitution, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this constitution, and a reference to this constitution includes any schedule or annexure;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to 'A\$', '\$A', 'dollar' or '\$' is to Australian currency;
- (f) a reference to time is to Sydney, New South Wales, Australia time;
- (g) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (h) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (i) a reference to a communication or document being 'in writing' includes writing in electronic format, including e-mail and any other modes of representing or reproducing words in a visible form;
- ~~(j)~~(i) provisions which are expressed to be 'subject to the Corporations Act' or 'when required by the Corporations Act' are only subject to the provisions of that Act while the Trust is a registered scheme;
- ~~(k)~~(k) the word 'law' includes common law, the laws and principles of equity and legislation;
- ~~(l)~~(l) the word 'present' in the context of a person being present at a Meeting includes participating using technology approved by the Responsible Entity for the purposes of the Meeting;

- ~~(m)~~(n) the meaning of general words is not limited by specific examples introduced by 'including', 'for example' or similar expressions;
- ~~(m)~~(n) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this constitution or any part of it; ~~and~~
- (o) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day;
- (p) provisions which are expressed to be:
- (i) subject to the Corporations Act or any Relief are only subject to the provisions of the Corporations Act or the Relief while the Trust is Registered;
 - (ii) subject to the Operating Rules are only subject to those rules while the Trust is Quoted; and
 - (iii) subject to the Settlement Rules are only subject to those rules to the extent that a class of Units in the Trust is participating in the relevant Settlement Facility;
- (q) where a rule in this constitution is stated to apply subject to the Operating Rules and while the Trust is Quoted, it applies in respect of a class of Units, only while the units in that class are Quoted; and
- ~~(n)~~(r) while the Trust is Quoted, it may have a class of Units that are not Quoted, and this constitution applies to each relevant class separately and independently, subject to the Corporations Act and the Operating Rules (as applicable) being complied with.

1.3 Headings

Headings are for ease of reference only and do not affect interpretation.

1.4 Operating Rules

- (a) While the Trust is Quoted, the Responsible Entity must comply with the Operating Rules in relation to the issue and despatch of holding statements, the transfer and transmission of Units and the establishment and maintenance of a register of holders of Units.
- (b) While the Trust is Quoted and subject to the Corporations Act:
- (i) despite anything contained in this constitution, if the Operating Rules prohibit an act being done, the act shall not be done;
 - (ii) nothing contained in this constitution prevents an act being done that the Operating Rules requires to be done;
 - (iii) if the Operating Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
 - (iv) if the Operating Rules require this constitution to contain a provision and it does not contain such a provision, this constitution is deemed to contain that provision;
 - (v) if the Operating Rules require this constitution not to contain a provision and it contains such provision, this constitution is deemed not to contain that provision; and

(vi) if any provision of this constitution is or becomes inconsistent with the Operating Rules, this document is deemed not to contain that provision to the extent of the inconsistency.

(c) Subject to ASIC Corporations (Chapter 5C – Miscellaneous Provisions) Instrument 2017/125 or equivalent Relief applying and for so long as this relief applies to the Trust, a change in the text of this constitution because of the operation of clause 1.4 is not a modification of, or the repeal or replacement of the constitution for the purposes of subsections 601GC(1) and 601GC(2) of the Corporations Act.

1.5 Participation in Settlement Facility

(a) While the Trust is Quoted, the Responsible Entity may at any time resolve that the Trust will participate in a Settlement Facility.

(b) Clauses 1.6 to 1.8 will apply if the Trust is granted participation in a Settlement Facility.

1.6 Compliance with the Settlement Rules

The Trust must comply with the Settlement Rules in relation to a class if Units in the class participate in the Settlement Facility. In particular, the Trust must comply with the requirements of the Settlement Rules regarding the maintenance of registers, the issuing of holding statements and transfers of Units.

1.7 Registers

If the Units in a class are participating in a Settlement Facility, in addition to any subregister required by the Settlement Rules, the Responsible Entity must provide for an issuer sponsored subregister, or a certificated subregister, or both in relation to that class (at least if the Trust has restricted securities on issue that are Units in that class).

1.8 No interference with proper transfer

The Responsible Entity must not in any way prevent, delay or interfere with the generation of a proper transfer in accordance with the Settlement Rules or the registration of a paper-based transfer in registrable form (which satisfies the requirements of clause 6), except as permitted by clause 6.1(b), the Operating Rules or the Settlement Rules.

4.4.1.9 Corporations Act expressions

Unless the contrary intention appears in this constitution, an expression in a clause of this constitution has the same meaning as in the Corporations Act. Where the expression has more than one meaning in the Corporations Act and a provision of the Corporations Act deals with the same matter as a clause of this constitution, that expression has the same meaning as in that provision.

4.51.10 Interpretation of references to the Tax Act

- (a) A reference in this constitution to the Tax Act is a reference to the Tax Act when and to the extent to which it applies to this constitution, the Trust, the Responsible Entity or the Holders, as the case may be.
- (b) For the purposes of this constitution, if the provisions of the Tax Act and this constitution conflict on the same matter, the provisions in the Tax Act prevail.

~~1.6~~1.11 Conflicts with Corporations Act

For the purposes of this constitution, if [the Trust is Registered and](#) the provisions of the Corporations Act and ~~the Listing Rules, CS Facility Rules or~~ this constitution conflict on the same matter, the provisions of the Corporations Act prevail.

~~1.7~~1.12 Conflicts with Disclosure Document

If the provisions of the Disclosure Document and this constitution conflict on the same matter, the provisions of this constitution prevail.

~~1.8 Listing requirements~~

~~Before the Trust or any Unit is Listed, a provision of this constitution subject to or in any way restricted by the Listing Rules or the CS Facility Rules is to be construed as if the provision were not expressed to be subject to or restricted by the Listing Rules or the CS Facility Rules.~~

~~1.9 Inconsistency with Additional IPO Unit Provisions~~

~~If there is an inconsistency between any Additional IPO Unit Provision and any other provision of this constitution, then the Additional IPO Unit Provision prevails to the extent of the inconsistency, except where this would result in a breach of the Listing Rules, the CS Facility Rules, the Corporations Act or any other law.~~

~~1.10 Schedule~~

~~Schedule 1 to this constitution is an operative part of it.~~

2. The Trust

2.1 Unit trust

By this constitution the Responsible Entity constitutes a unit trust called [the](#) 'Magellan High Conviction Trust' or such other name as determined by the Responsible Entity from time to time.

2.2 Benefit of the trust

The Trust is constituted for the benefit of Unitholders.

2.3 Responsible Entity

The Responsible Entity is the trustee of the Trust and the responsible entity of the Trust for the purposes of the Corporations Act.

2.4 Deed binding

This is the constitution of the Trust for the purposes of the Corporations Act and it binds the Holders and the Responsible Entity as well as any person who claims through any of them.

2.5 Separate fund

The Responsible Entity must hold the Trust as a separate fund which is not available to meet liabilities of any other trust. The Responsible Entity may mingle Trust Property with other property to the extent legally permitted.

2.6 Vesting

The Trust Property vests in the Responsible Entity on trust for the Unitholders.

2.7 Duration

The Trust ends on the earlier of the time provided by this constitution or by law.

3. Commencement

3.1 Commencement of Trust

The Trust commences when the first investor or investors are issued Units in the Trust.

4. Units

4.1 Beneficial interest

The beneficial interest in the Trust is divided into Units.

4.2 Rights of Unitholders

A Unit confers on its Holder an undivided absolute, vested and indefeasible beneficial interest in the Trust as a whole, subject to Trust Liabilities, not in parts or single assets. All Units confer identical interests and rights except as otherwise provided in this constitution or by their respective terms of issue.

4.3 Dealing with Units

A Unitholder must not dispose of or otherwise deal with its Units other than in accordance with this constitution. Any disposal or other dealing in a Unitholder's Units other than in accordance with this constitution has no effect unless the Responsible Entity determines otherwise.

4.4 Issue, consolidation, division and reclassification of Units

(a) The Responsible Entity may:

- (i) create and issue a Unit; or
- (ii) create and issue one or more different classes of Units with rights, obligations or restrictions differing from each other class of Units.

subject to this constitution, ~~and~~ the Corporations Act and the Operating Rules.

(b) The Responsible Entity may at any time consolidate, divide or re-classify Units. Consolidating, dividing or re-classifying Units must not alter the:

- (i) aggregate beneficial interest in the Trust Property held by a Unitholder prior to the consolidation, division or re-classification; or
- (ii) value of the relevant Unitholder's aggregate holding of Units.

(c) Where Units, Options or Financial Instruments are issued on terms of issue that are in whole or in part not set out in this constitution, then, subject to the Corporations Act and ASIC policy, the Responsible Entity may amend this constitution in accordance with clause 37 by incorporating any or all of the terms of issue in this constitution (including by way of a schedule to this constitution). Where such terms of issue are not incorporated in this constitution, the terms of issue do not affect the provisions of this constitution regulated by section 601GA of the Corporations Act.

4.5 Fractions of Units

(a) While the Trust is Quoted, this clause 4.5 is subject to the Operating Rules

~~(a)(b)~~ The Responsible Entity may issue and redeem fractions of a Unit, ~~provided that, where the Units are Officially Quoted, fractions of a Unit may not be issued.~~

~~(b)(c)~~ Where any fractions of Units are on issue ~~at a time when the Trust is to be Listed~~, the Responsible Entity may cancel the fractions of Units on issue in respect of a class of Units or a particular fraction of a Unit on issue and any money or property attributable to the cancelled fractions of Units shall become a part of the Trust Property ~~with effect from the date of the Listing.~~

~~(e)(d)~~ The provisions of this constitution applying to Units and Holders apply to a fraction of a Unit in the proportion which the fraction bears to a whole Unit.

~~(d)(e)~~ Where a holding comprises more than one fraction of a Unit, the Responsible Entity may consolidate those fractions.

4.6 Rounding of Units

Where any calculation done in accordance with this constitution or the Corporations Act, or the terms of a withdrawal offer, results in the issue, ~~or~~ redemption or holding of a fraction of a Unit:

- (a) ~~except as otherwise provided in clause 12.5(b),~~ the number of Units to be issued, ~~or~~ redeemed or held may be rounded down or up to the nearest whole number of Units, or to such number of decimal places, as the Responsible Entity determines; and
- (b) any excess application money or other money or property which results from rounding becomes Trust Property.

4.7 Responsible Entity may hold Units in Trust

Subject to the Corporations Act and Operating Rules, the Responsible Entity may hold Units in the Trust from time to time and trade them as the Responsible Entity determines.

4.7.4.8 Holders not to interfere

Except as otherwise provided by this constitution, a Holder has no right or power, merely because it is a Holder:

- (a) to interfere with, or question the exercise or non-exercise of, any power, duty or right of the Responsible Entity;
- (b) to exercise a right in respect of a part of or a particular Trust Property;
- (c) to lodge, in respect of Trust Property, a caveat or other document that prohibits (whether conditionally or not) an action, or the registration of a dealing, in respect of the Trust Property;
- (d) to claim any interest in a part of or a particular Trust Property; or
- (e) to require Trust Property to be transferred to the Holder (or any other person).

4.84.9 Restriction on issue and redemption of Units

No Units may be issued or redeemed after the 80th anniversary of the day the Trust commenced if to do so would cause a contravention of an applicable rule against perpetuities or any other applicable rule of law or equity.

5. Classes of Units

5.1 Fees, expenses or tax referable to a class

If a class of Units is created in accordance with this constitution and Units in the class have at any time:

- (a) a fee that is referable to that class that is different to the fees that are referable to another class; or
- (b) a type or a particular expense or Tax or a proportion of a particular expense or Tax referable to that class,

the Responsible Entity must:

- (c) calculate each Unitholder's share of income of the Trust, Distributable Income or amount distributed under this constitution by first calculating for each class of Unit held by the Unitholder that proportion of the variables in clause [22.24](#) that the Responsible Entity determines is properly referable to the class and the Units held by the Unitholder and then aggregating those amounts; and
- (d) determine the proportion of net proceeds of realisation under clause [28.430.4](#) that is properly referable to each class and each proportion referable to each class must be distributed pro rata to Unitholders according to the number of Units in that class they hold.

5.2 No limitation of class rights or obligations

Clause 5.1 does not limit the extent to which a class:

- (a) may have rights, obligations or restrictions other than or in addition to those specified in clause [5.15.4](#) different from any other class; or
- (b) [subject to the Corporations Act and the Operating Rules,](#) may have different rights, obligations or restrictions because of a determination by the Responsible Entity under this constitution, including in relation to issue and redemption prices applicable to different classes of Units.

5.3 Determination of variables in relation to a class

The Responsible Entity in making any determination of variables properly referable to a class under this constitution must ensure that any variable which relates:

- (a) only to a particular class is solely referable to that class; and
- (b) to more than one class, is apportioned between those classes in the same proportions as the aggregate value of Units on issue in each class as at the most recent Valuation Time bears to the aggregate value of Units in all classes on issue at that Valuation Time, to which the variable relates.

5.4 — Value of class Units

~~In clause 5.3, the value of a Unit in a class is the Current Market Value for Units in that class at the most recent Valuation Time~~

6. — Additional IPO Unit Provisions

6.1 — Additional IPO Unit Provisions

- ~~(a) — Without limiting any other powers under the Constitution, the Responsible Entity has the powers in relation to the issue of Additional IPO Units set out in Schedule 1.~~
- ~~(b) — This Constitution is to be read subject to the Additional IPO Unit Provisions except to the extent that this would result in a breach of the Corporations Act, Listing Rules or any other law.~~

6.2 — Power to give effect to the issue of Additional IPO Units

~~In order to give effect to the issue of Additional IPO Units as contemplated by Schedule 1, the Responsible Entity has power to do all things which it considers necessary, desirable or reasonably incidental to give effect to the issue of Additional IPO Units and the Additional IPO Unit Provisions.~~

6.3 — Responsible Entity's limitation of liability

~~To the extent legally permitted, the Responsible Entity has no liability of any nature whatsoever beyond the Trust Property to Unitholders arising, directly or indirectly, from the Responsible Entity doing or refraining from doing any act (including the execution of a document) pursuant to or in connection with the issue of Additional IPO Units or the exercise of any powers under the Additional IPO Unit Provisions.~~

7.6. — Transfers of Units, Options and Financial Instruments

7.16.1 Transfer

- (a) — While the Trust is Quoted, this clause 6 is subject to the operation of the Corporations Act, the Settlement Rules and the Operating Rules (as applicable).
- (b) — Subject to this constitution ~~and the ASX Settlement Operating Rules in respect of an ASTC-regulated Transfer~~, a Holder may only transfer Units, Options or Financial ~~Interests~~ Instruments in the manner the Responsible Entity from time to time prescribes.
- (c) — While the Trust is Quoted, an instrument of transfer of Units, Options or Financial Instruments must be accompanied by such evidence (if any) as the Responsible Entity, the Settlement Rules or the Market Operator requires to prove the transferor's title or right to transfer the Units, Options or Financial Instruments.
- (a)(d) — Notwithstanding the general application of clause 6.2, while the Trust is Quoted, Units, Options or Financial Instruments that are participating in a Settlement Facility in accordance with the Settlement Rules, are dealt with as the Settlement Rules contemplates and the Operating Rules make such transfer effective.

7.2 — Acceptance of transfers

- ~~(a) — Subject to the Listing Rules and this constitution, the Responsible Entity may, in its absolute discretion, refuse to register any transfer of Units or Options that are Officially Quoted.~~
- ~~(a)~~(e) The Responsible Entity is not obliged to register a transfer of Units ~~or Options~~ or Financial Instruments ~~that are not Officially Quoted~~ where:
- ~~(i)~~ the transferee does not meet the Responsible Entity's criteria for a Holder;
 - ~~(ii)~~ the Responsible Entity considers the proposed transaction is not in the interests of Holders as a whole;
 - ~~(ii)~~(iii) the transfer is not duly stamped (where required) or otherwise is inconsistent with the form of transfer prescribed by the Responsible Entity; or
 - ~~(iii)~~(iv) any amount payable by the transferee to the Responsible Entity in respect any of the transferor's Units remains unpaid.

7.3 — Refusal to register

- ~~(a) — The Responsible Entity must:~~
- ~~(i) — except as permitted by ASX, refuse to register any transfer of Units or other securities which are Restricted Securities if that transfer is or might be in breach of the Listing Rules or any restriction agreement entered into by the Responsible Entity under the Listing Rules in relation to the Units; and~~
 - ~~(ii) — refuse to register any transfer where the Responsible Entity is required to do so by the Listing Rules.~~
- ~~(b) — Despite clauses 7.2(a) and 7.3(a), the Responsible Entity must not refuse or fail to register or give effect to, or delay or in any way interfere with, a Proper ASTC Transfer of Units or other securities quoted by ASX.~~
- ~~(c) — If a person has lodged a transfer which the Responsible Entity has refused to register, the Responsible Entity must, within five Business Days after the date of lodgement, give to the lodging person written notice of the refusal and the reasons for it.~~
- ~~(d) — Subject to clause 7.3(b), Restricted Securities cannot be disposed of during the escrow period except as permitted by the Listing Rules or ASX. The Responsible Entity will refuse to acknowledge a disposal of Restricted Securities to the extent required under the Listing Rules.~~

7.4 — Certificates

~~The Responsible Entity is under no obligation to and may decline to issue certificates for Units, Options or Financial Instruments. The Responsible Entity at any time may send a Holder details of Units, Options or Financial Instruments held by, transactions of, or distributions to, the Holder.~~

7.5 — Electronic settlement

- ~~(a) — The Responsible Entity may in relation to the Trust participate in any computerised or electronic system for market settlement, securities transfer and registration conducted in accordance with the Corporations Act, the Listing Rules and the Operating Rules of a~~

~~Prescribed CS Facility, or corresponding laws or securities exchange rules in any other country.~~

~~(b) — If the Responsible Entity in relation to the Trust participates in a system of the kind described in clause 7.5(a), then despite any other provision of this constitution:~~

- ~~(i) — Units may be transferred, and transfers may be registered, in any manner required or permitted by any one or more of the Listing Rules, or the Operating Rules of a Prescribed CS Facility, as applicable (or corresponding laws or securities exchange rules in any other country) applying in relation to the system;~~
- ~~(ii) — the Responsible Entity must, in relation to the Trust, comply with and give effect to those rules; and~~
- ~~(iii) — the Responsible Entity may, in accordance with those rules, decline to issue certificates for holdings of Units that are Officially Quoted.~~

7.6 — Transfer instruments

~~A written transfer instrument must be:~~

- ~~(a) — executed by the transferor or (where the Corporations Act permits) stamped by the transferor's broker; and~~
- ~~(b) — unless the Responsible Entity decides otherwise in the case of a fully paid Unit, executed by the transferee or (where the Corporations Act permits) stamped by the transferee's broker.~~

~~Subject to the Corporations Act, the written transfer instrument may comprise more than one document.~~

7.76.2 Timing of transfer

~~Except as required by the CS Facility Rules, a~~[A](#):

- (a) transferor of Units remains the holder of the Units transferred until the transfer is registered and the name of the transferee is entered in the Register in respect of the Units; and
- (b) transfer of Units does not pass the right to any distributions on the Units until such registration.

6.3 Holding Lock

While the Trust is Quoted and subject to the Operating Rules, the Responsible Entity may request a Holding Lock be applied to any Units where:

- (a) the Responsible Entity has a lien on the Units the subject of the transfer;
- (b) the Responsible Entity is served with a court order that restricts a Holder's capacity to transfer the Unit;
- (c) registration of the transfer may break an Australian law and the Market Operator has agreed in writing to the application of a Holding Lock (which must not breach the Settlement Rules) or that the Responsible Entity may refuse to register a transfer;
- (d) if the transfer is paper-based, either a law related to stamp duty prohibits the Responsible Entity from registering it or the Responsible Entity is otherwise allowed to refuse to register it under the Operating Rules;

- (e) the transfer does not comply with the terms of any employee incentive scheme of the Trust;
- (f) if the transfer is paper-based, registration of the transfer will create a new holding which at the time the transfer is lodged is less than a 'marketable parcel' as defined in the Operating Rules;
- (g) the relevant Holder has agreed in writing to the application of a Holding Lock (which must not breach the Settlement Rules) or that the Responsible Entity may refuse to register a transfer; or
- (h) it is otherwise permitted under the Operating Rules, and the Responsible Entity must do so if the Operating Rules require, but must tell the Holder or the broker as the Corporations Act or the Operating Rules require.

8. ~~Proportional Takeover Bid~~

8.1 ~~Transfers~~

~~Registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under a Proportional Takeover Bid is prohibited unless and until an Approving Resolution approving the Proportional Takeover Bid is passed.~~

8.2 ~~Voting entitlements~~

~~A person (other than the Bidder or an associate of the Bidder) who, as at the end of the day on which the first offer under the Proportional Takeover Bid was made, held Bid Class Units:~~

- ~~(a) is entitled to vote on an Approving Resolution; and~~
- ~~(b) has one vote for each Bid Class Unit held.~~

8.3 ~~Meeting~~

~~Where offers have been made under a Proportional Takeover Bid, the Responsible Entity must ensure that an Approving Resolution is voted on at a meeting of the persons described in clause 8.2 before the Approving Resolution Deadline.~~

8.4 ~~Voting threshold~~

~~An Approving Resolution is passed if more than 50% of the votes cast on the resolution are cast in favour of the resolution, and otherwise is taken to have been rejected.~~

8.5 ~~Meeting rules~~

~~The provisions of this constitution that apply to a Meeting apply, with such modifications as the circumstances require, to a meeting that is called under this clause as if the meeting was a Meeting.~~

8.6 ~~Notice of vote outcome~~

~~If an Approving Resolution to approve the Proportional Takeover Bid is voted on in accordance with this clause 8 before the Approving Resolution Deadline, the Trust must, on or before the Approving Resolution Deadline, give:~~

- ~~(a) the Bidder; and~~

~~(b) — each Relevant Financial Market,~~

~~a written notice stating that an Approving Resolution to approve the Proportional Takeover Bid has been voted on and whether it was passed or rejected.~~

~~8.7 — No vote~~

~~If no resolution has been voted on in accordance with this clause as at the end of the day before the Approving Resolution Deadline, a resolution to approve the Proportional Takeover Bid is taken, for the purposes of this clause, to have been passed in accordance with this clause.~~

~~8.8 — Cessation of clause~~

~~This clause 8 does not commence operation until the Trust is Listed or a Unit is Officially Quoted (whichever first occurs). Thereafter, this clause 8 will automatically cease to have effect upon three years from the date the Trust is first Listed or a Unit is Officially Quoted (whichever first occurs), unless renewed in accordance with the Corporations Act prior to that date.~~

9.7. Record Specified Time

Subject to the Corporations Act and the Operating Rules, the Responsible Entity may determine (and whenever it elects, vary) one or more times during each Business Day for the purposes of:

(a) subscriptions for Units;

(b) the issue of Units; and

(c) Redemption Requests.

different times being applicable to different classes of Units, locations or methods of communication or payment. The times relevant to applications for Units, issues of Units and to Redemption Requests may differ. ~~Unless this constitution otherwise provides, the Responsible Entity will determine the record or similar date for determining Holders' entitlements including their entitlements to participate in new issues and distributions of income and capital.~~

10.8. Applications

10.18.1 Application for Units

Except as otherwise provided in this constitution and subject to the Corporations Act (including any Relief) and the relevant procedures set out in the Operating Rules (if the Trust is Quoted), a person intending to subscribe for Units, Options or Financial Instruments must:

- (a) (other than on Distribution Reinvestment) give the Responsible Entity an Application; and
- (b) pay the application money or transfer other property to the Responsible Entity or its custodian (where there is one) by way of subscription for Units, Options or Financial Instruments.

10.28.2 Payment in kind

A person intending to subscribe for Units, Options or Financial Instruments may only transfer property (other than money) to pay for those Units, Options or Financial Instruments, if the:

- (a) Responsible Entity permits;

- (b) property is in a form permitted by the Responsible Entity; and
- (c) property is accompanied by a valuation of it that is acceptable to the Responsible Entity, unless otherwise determined by the Responsible Entity.

10.38.3 Responsible Entity may deduct

The Responsible Entity or its custodian may deduct Fees, Taxes and Application Transaction Costs applicable in relation to or incurred in receiving, and in calculating the value of, consideration for Units, Options or Financial Instruments.

10.48.4 Separate bank account

The Responsible Entity or its custodian may hold application money for Units, Options or Financial Instruments in a single account containing application money for one or more trusts or bodies corporate.

10.58.5 Responsible Entity may set investment minimums

Subject to the Operating Rules (while the Trust is Quoted) and the conditions and restrictions in the Corporations Act and any applicable Relief, The Responsible Entity from time to time may determine and may vary the current Initial Minimum Investment, Subsequent Minimum Investment and Minimum Balance.

10.68.6 Amount or value of consideration for Units, Options or Financial Instruments

Subject to the Operating Rules (while the Trust is Quoted) and the conditions and restrictions in the Corporations Act and any applicable Relief, The amount or value of the consideration for Units, Options or Financial Instruments on application must equal or exceed the Initial Minimum Investment (or in the case of a subsequent investment, Subsequent Minimum Investment), except if the:

- (a) consideration is received under a Distribution Reinvestment or paid by the Responsible Entity on behalf of a Holder; or
- (b) Responsible Entity elects to accept lower consideration.

10.78.7 Responsible Entity may reject Applications

The Responsible Entity may reject an Application without giving a reason.

8.8 Timing

Consideration may be provided at or within such time before or after the Responsible Entity is given the Application as the Responsible Entity may determine or accept from time to time.

10.88.9 Issue of Units, Options or Financial Instruments

~~Subject to Schedule 1 in relation to Additional IPO Units,~~Other than as contemplated by clause 3, Units, Options or Financial Instruments are created and issued when the Responsible Entity has agreed to accept the Application (if relevant) and either the consideration or a commitment in a form acceptable to the Responsible Entity to provide the consideration and, while the Trust is Quoted, in any other way the Settlement Rules or the Operating Rules contemplate. Units, Options or Financial Instruments issued against consideration paid other than in cleared funds are void if the funds are not subsequently cleared or the consideration is not provided or transferred at or within the time specified by the Responsible Entity.

10.98.10 Overseas Holders

Subject to ~~the Listing~~ any applicable provision of the Corporations Act, the Operating Rules, during such periods as the Trust or Units, Options or Financial Instruments are ~~Listed or Officially~~-Quoted, and subject to any Relief, the Responsible Entity may, in relation to an offer of Units, Options or Financial Instruments to Holders, elect to offer Units, Options or Financial Instruments only to Holders with registered addresses in Australia and New Zealand and such other countries (if any) as the Responsible Entity determines, and for the purposes of this constitution, such offer will be deemed to have been made to all relevant Holders.

11.9 Valuation

11.19.1 Responsible Entity may value

The Responsible Entity may cause a Trust Property to be valued at any time as it sees fit, including more than once on each day.

11.29.2 Responsible Entity may revalue

The Responsible Entity may, having regard to the nature of the property, cause some or all Trust Property to be revalued whenever it sees fit, however while the Trust is a registered scheme the Responsible Entity must do so when required by the Corporations Act and must do so in order to ensure that the Issue Price of Units and the Redemption Price of Units (as applicable) are reasonably current as at the time of calculation.

11.39.3 Time of calculation

The Responsible Entity may calculate the Net Trust Value at any time determined by the Responsible Entity (**Valuation Time**), but must do so, other than when Redemption or other transactions are suspended, at least once each ~~week~~ Business Day on the basis of the most recent valuation of each item of Trust Property and determination of Trust Liabilities. The Responsible Entity may calculate Net Trust Value more than once a day.

11.49.4 Calculation of Net Trust Value

The Responsible Entity must calculate the Net Trust Value by deducting the value of the Trust Liabilities (except Redemption Liabilities) from the value of the Trust Property (determined on the basis of the most recent valuation of each item), each as at the Valuation Time.

11.59.5 Value

Subject to clauses 9.3~~11.3~~ and 9.9~~11.9~~, the value of any Trust Property:

- (a) while the Trust is a registered scheme, must be determined by the Responsible Entity using an appropriate method that the Responsible Entity in its discretion determines to be consistent with the range of ordinary commercial practice for valuing that type of Trust Property and reasonably current; and
- (b) while the Trust is not a registered scheme, is the market value, the net fair value, or other value appropriate to the nature of the property and the nature of the Trust from time to time.

11.69.6 Determining value

Subject to clause 9.3~~11.3~~, the value of any Trust Property must be determined by:

- (a) a valuer who is independent of the Responsible Entity;
- (b) a person using a method determined by a person who is independent of the Responsible Entity; or
- (c) the Responsible Entity using any other appropriate method the Responsible Entity decides to adopt (including estimates of value based on objective criteria where actual figures are not available) which is capable of being verified independently by a valuer independent of the Responsible Entity.

11.79.7 Late information

A reference to variables applicable as at the issue or redemption date for a Unit, includes a reference to those variables being calculated after the relevant date on the basis of the value of those variables (as at the relevant date) based on information that becomes available after that date.

11.89.8 Currency conversion

Where it is necessary for the Responsible Entity to convert one currency to another for whatever reason, the conversion must be done at a time and at such conversion rates quoted by a bank or other relevant financial institution nominated by the Responsible Entity.

11.99.9 Responsible Entity's reliance

Without limiting clauses 14.2~~17.2~~, 15.2~~18.2~~ or 15.3~~18.3~~, the Responsible Entity may value any Trust Property, or make any calculation or determination of value under this clause 9~~11~~, in reliance on any valuer or other person appointed by the Responsible Entity to assist the Responsible Entity to discharge its obligations under this clause 9~~11~~.

12.10. Issues of Units

12.110.1 Issue Price of Units

- (a) Subject to ~~this~~ clauses 10.1(b) and 10.1(c) ~~12 and Schedule 1~~, and subject to any rights, obligations and restrictions attaching to any particular Units or class of Units specified in this constitution, the Issue Price for a Unit must be calculated as follows:
 - (i) the Net Trust Value as at the first Valuation Time after the next applicable Specified Time, after receipt of both the subscription for Units and either the consideration for the Units or a commitment in a form acceptable to the Responsible Entity to provide the consideration; plus
 - (ii) any Application Transaction Costs;
divided by the number of Units on issue at that Valuation Time.
- (b) Subject to clause 10.1(c), where the Responsible Entity issues Units to itself in circumstances set out in clause 10.3(a)(ii), the Issue Price of Units issued after the first Business Day on which Units are issued is:

(i) the Net Trust Value as at the Valuation Time immediately prior to the next applicable Specified Time, after receipt of both the subscription for Units and either the consideration for the Units or a commitment in a form acceptable to the Responsible Entity to provide the consideration; plus

(ii) any Application Transaction Costs;

divided by the number of Units on issue at that Valuation Time.

~~(a)(c) The Responsible Entity will, while the Trust is Quoted, comply with the Operating Rules applicable to the issue and, while the Trust is Registered, comply with the applicable conditions and restrictions in the Corporations Act and any applicable Relief.~~

~~(a) in the case of Units, except Additional IPO Units, in a class offered for subscription pursuant to an Initial Public Offer at a price of \$1.50 per Unit;~~

~~(b) in the case of a placement of Units or issue of Units under a Unit purchase plan while Units are Officially Quoted, in accordance with clause 12.3;~~

~~(c) in the case of a proportionate offer (including a rights issue), in accordance with clause 12.4;~~

~~(d) in the case of Distribution Reinvestment, in accordance with clauses 12.5 and 12.6;~~

~~(e) in the case of Units issued pursuant to the exercise of an Option, in accordance with clause 13.1;~~

~~(f) subject to paragraphs (a) to (e) above, in all other cases while Units are Officially Quoted:~~

~~(i) the Current Trading Price of Units; or~~

~~(ii) the Current Market Value of Units where greater than or equal to the Issue Price for a Unit calculated under sub-paragraph (i) above,~~

~~immediately before the date on which or as at which the Issue Price is to be calculated; and~~

~~(g) subject to paragraphs (a) to (e) above, while Units are not Officially Quoted, the Current Market Value of Units in accordance with clause 12.2.~~

~~12.2 Time for calculation while Units not Officially Quoted~~

~~Each of the variables in clause 13.1(g) must be determined as at the next Valuation Time after:~~

~~(a) receipt by the Responsible Entity of an Application; or~~

~~(b) the Responsible Entity receives the application money or the property against which Units are to be issued is vested in the Responsible Entity,~~

~~whichever happens later.~~

~~12.3 Placements and Unit purchase plan while Officially Quoted~~

~~While Units in a class are Officially Quoted and not suspended from quotation, the Responsible Entity may at any time issue Units in that class by way of a placement or under a Unit purchase plan at a price and on terms determined by the Responsible Entity, provided that the Responsible Entity complies with the Listing Rules applicable to the issue and the terms of any Relief.~~

12.4 — Issue Price for proportionate offers

~~Subject to the terms of any Relief and the Listing Rules (while the Listing Rules apply), the Responsible Entity may offer Units for subscription at a price determined by the Responsible Entity to those persons who were Unitholders on a date determined by the Responsible Entity:~~

- ~~(a) — provided that, subject to paragraph (b) below, all Unitholders are offered Units in proportion to the value of the Unitholder's Units (or, where the offer is made only to Unitholders who hold Units in a class of Units, to the value of the Unitholder's units in that class) at the relevant date; but~~
- ~~(b) — the Responsible Entity may exclude a Unitholder from the pro rata offer if to do so would not be in contravention of paragraph 601FC(1)(d) of the Corporations Act, as modified by any Relief,~~

~~whether or not the right of entitlement is renounceable.~~

12.5 — Issue Price for Distribution Reinvestment while Officially Quoted

- ~~(a) — If Distribution Reinvestment applies while the Units are Officially Quoted, subject to the Listing Rules and any Relief, the Issue Price for each additional Unit issued or transferred upon reinvestment is the price determined by the Responsible Entity at its discretion, which may include determining that the Issue Price is to be issued at a discount to the Current Market Value for part of the Distribution Reinvestment and determining a different Issue Price for another part of the Distribution Reinvestment. If the Responsible Entity has not determined the Issue Price by the date at which Units are to be issued upon reinvestment, the price will be the Current Market Value.~~
- ~~(b) — If the amount to be reinvested in additional Units results in a fraction of a Unit, the number of Units to be issued will be rounded down to the nearest whole Unit.~~

12.6 — Issue Price for Distribution Reinvestment while not Officially Quoted

~~While Units are not Officially Quoted, the Issue Price payable for each additional Unit on Distribution Reinvestment is the price determined by the Responsible Entity. If the Responsible Entity has not determined the Issue Price by the date at which Units are to be issued upon reinvestment, the Issue Price will be as calculated under clause 12.1(g) (except that Issue Price will exclude Application Transaction Costs) on the first Business Day after the end of the Period to which the distribution relates.~~

12.7 — Rounding

~~Subject to the Listing Rules, the Issue Price may be rounded as the Responsible Entity determines but the amount of the rounding must not be more than 1% of the Issue Price. Any excess application money or property which results from rounding becomes Trust Property.~~

12.810.2 Application Transaction Costs

The **Application Transaction Costs** are:

- (a) an estimate by the Responsible Entity (but which is independently verifiable) of the total transaction costs the Trust would incur to acquire afresh the Trust Property;
- (b) if appropriate having regard to the actual cost which would be incurred because of the issue or sale of the Units (including in relation to Units issued by way of Distribution

Reinvestment), the Responsible Entity's estimate (but which is independently verifiable) of a portion of the total transaction costs, which may be zero; or

(c) if the Responsible Entity makes no estimate under either paragraph (a) or (b) above, zero.

10.3 Responsible Entity may sell Units on-market

- (a) While the Trust is Quoted and subject to the Operating Rules, the Responsible Entity may:
- (i) offer and/or agree to sell Units on-market; and
 - (ii) issue Units to itself as determined by the Responsible Entity for the purposes of fulfilling the sale of Units on-market in accordance with clause 10.3(a)(i).
- (b) Where the Responsible Entity sells Units on-market as specified in clause 10.3(a)(i), the Responsible Entity will honour any contract to sell Units it enters into in accordance with any applicable settlement procedures under the Listing Rules, Settlement Rules and Operating Rules.
- (c) The price at which the Responsible Entity offers or agrees to sell Units on-market in accordance with clause 10.3(a)(i) is at the absolute discretion of the Responsible Entity subject to its obligations under the Corporations Act and the Operating Rules.
- (d) Any offers for the sale of Units the Responsible Entity places on-market will be subject to:
- (i) the Listing Rules and Operating Rules; and
 - (ii) interventions by the Market Operator, including, for example, suspensions and trading halts.
- (e) Where the Responsible Entity offers and/or agrees to sell Units on-market pursuant to clause 10.3(a)(i), it has a presently exercisable and unconditional power and right to issue to itself, and vest title in, the corresponding number of Units and take any other action necessary so that it has the absolute ability to issue to itself, and vest title in, the corresponding number of Units.
- (f) Without limiting clause 10.3(e), any Units that the Responsible Entity has sold on-market (other than Units sold on-market during that Business Day in respect of which the Responsible Entity has previously issued and/or vested title in pursuant to clause 10.3(e)) in excess of Units acquired on market by the Responsible Entity (on a particular Business Day) will be issued by the Responsible Entity to itself as soon as reasonably practicable for the purposes of enabling the Responsible Entity to fulfil its obligations under settlement of the sale of those Units.

13.11. Options and Financial Instruments

13.11.1 Issue of Options

The Responsible Entity may, subject to the Corporations Act, the ~~Listing~~-Operating Rules and any Relief, issue Options on such terms and conditions as it determines and the issue price of Options shall be such price (including nil) as the Responsible Entity determines in its discretion.

13.211.2 Option terms

Options may only be dealt with, exercised or reorganised in accordance with their terms of issue.

~~13.3~~11.3 Financial Instruments

Subject to the Corporations Act [and the Operating Rules](#), in addition to Units and Options, the Responsible Entity may issue other interests, rights or instruments relating to the Trust (including derivatives, convertible notes, debentures and other instruments in the nature of a debt, equity or hybrid) (**Financial Instruments**).

~~13.4~~11.4 Issue of Financial Instruments

Subject to the Corporations Act [and the Operating Rules](#), the Responsible Entity may issue Financial Instruments:

- (a) for consideration or nil consideration; or
- (b) on such terms as the Responsible Entity determines in its absolute discretion.

~~13.5~~11.5 Interests of Option Holders and Financial Instrument Holders

- (a) An Option shall not, except as otherwise provided by the Corporations Act confer any interest in the Trust or any right to participate in the income or capital of the Trust.
- (b) Subject to the terms of issue of the Financial Instrument, a Financial Instrument will not confer any interest in, or any rights to participate in the income or capital of, the Trust.
- (c) Each Option Holder and, subject to the terms of issue of the Financial Instrument, each Financial Instrument Holder agrees not to:
 - (i) interfere with any rights or powers of the Responsible Entity under this constitution;
 - (ii) exercise or purport to exercise a right in respect of Trust Property or claim any interest in Trust Property (for example, by lodging a caveat affecting any particular item of Trust Property); or
 - (iii) require any item of Trust Property to be transferred to them or any other person.
- (d) Subject to the terms of issue of the Option or Financial Instrument and the Corporations Act, a Holder who is not a Unitholder is not entitled to any other rights of a Unitholder.

~~13.6~~11.6 Voting rights of Option Holders and Financial Instrument Holders

Option Holders and Financial Instrument Holders shall be entitled to receive notices of, and to attend meetings of Unitholders but shall not, except as otherwise provided for by the Corporations Act, any exemption made thereunder or the terms of issues of the Options or Financial Instruments, be entitled to speak or vote at any such meeting.

~~14.~~12. Redemption of Units

~~14.1~~ **No redemption where the Trust is Listed**

~~While the Trust is Listed and without limiting clause 17.4, Unitholders do not have any right to request a redemption of Units and clauses 14.3 to 14.13 and 16 do not apply.~~

~~14.2~~12.1 No obligation to redeem

In no circumstances is the Responsible Entity obliged to:

- (a) redeem Units; or

- (b) pay any part of the Redemption Price out of its own funds.

~~14.3~~12.2 Redemption where Trust is not Listed and is liquid

- (a) This clause ~~12.2~~14.3 applies while the Trust is a registered scheme and is liquid ~~but is not Listed~~.
- (b) Subject to clause ~~13~~46, a Unitholder may, prior to the termination of the Trust, request the Responsible Entity to redeem the Unitholder's Units by giving a Redemption Request to the Responsible Entity.
- (c) A Redemption Request must be made in a way (including electronically) approved by the Responsible Entity and must contain such information as required by the Responsible Entity, and is subject to the provisions of this clause 12. The Responsible Entity may require a Unitholder who holds their Units on a Settlement Facility sub-register to have their Units the subject of a Redemption Request on an issuer sponsored sub-register and to provide such information as the Responsible Entity determines prior to processing a Redemption Request.
- ~~(d)~~ Subject to the Corporations Act and any Relief, the Responsible Entity may, in its discretion, determine to allow and/or accept Redemption Requests from certain types of Unitholders or Unitholders of certain classes of Units.
- ~~(e)~~(e) The Responsible Entity is entitled, but not obliged, to give effect to a Redemption Request in whole or in part and may do so without giving any reasons to the Unitholder. If the Responsible Entity decides to satisfy a Redemption Request in whole or in part, it must do so within 30 days after it decides to do so, or a longer period allowed by clause ~~13~~46, by paying the Unitholder the Redemption Price from the Trust Property and cancelling the Units by making an appropriate entry in the Register as contemplated under clause ~~12.2~~14.3.
- ~~(e)~~(f) A Unitholder cannot withdraw a Redemption Request, unless the Responsible Entity agrees.
- ~~(f)~~(g) Subject to paragraph ~~(e)~~(d) above and clauses 12.10, 12.11(a), 12.11(b) and 12.11(d) and 13, the Responsible Entity must redeem Units the subject of a Redemption Request at the Redemption Price.
- ~~(g)~~(h) Subject to clause ~~12.13~~14.14, the Responsible Entity must redeem Units the subject of a Redemption Request from capital and/or income of the Trust.
- ~~(h)~~(i) The Responsible Entity may determine more than one date with effect from which a Unit is to be redeemed pursuant to a Redemption Request and such Units will be redeemed over those days in such proportions as the Responsible Entity determines, provided that all such Units are redeemed within the period specified in paragraph ~~(i)~~(j) below.
- ~~(i)~~(j) If, pursuant to paragraph ~~(e)~~(d) above, Units the subject of a Redemption Request are to be redeemed:
- (i) the Redemption Request must be satisfied by paying the Redemption Price calculated in accordance with clause ~~12.5~~14.5 multiplied by the number of Units the subject of the Redemption Request; and

- (ii) subject to clause ~~13.1~~~~14.4~~~~16.4~~, the payment referred to in sub-paragraph (i) above must be made within 21 days of that date of redemption of the relevant Units (or deemed date of such redemption).

~~14.4~~~~12.3~~ Redemption where Trust ~~is not Listed and is not liquid~~

- (a) If the Trust is ~~not Listed~~~~Registered~~ and is not liquid, a Unitholder may request for the Responsible Entity to redeem the Unitholder's Units only in accordance with the terms of any current withdrawal offer made by the Responsible Entity in compliance with the provisions of the Corporations Act (including any Relief) regulating offers of that kind.
- (b) If there is no withdrawal offer currently open for acceptance by Unitholders, a Unitholder has no right to make a Redemption Request.
- (c) The Responsible Entity does not have to make a withdrawal offer.
- (d) If the Responsible Entity receives a Redemption Request, and the Trust subsequently ceases to be liquid before the Redemption Request has been accepted or rejected, the Redemption Request lapses.

12.4 Redeeming via on-market disposal

- (a) While the Trust is Quoted and subject to the Operating Rules, Unitholders have the right to withdraw their investment in Units in the Trust where they contract to sell their Units on-market to the Responsible Entity.
- (b) Where the Responsible Entity acquires Units on-market to facilitate a Unitholder's withdrawal as specified in clause 12.4(a), the Responsible Entity will honour any contract to buy Units it enters into in accordance with any applicable settlement procedures under the Listing Rules, Settlement Rules and Operating Rules.
- (c) Subject to the Corporations Act, the price at which the Responsible Entity transacts on-market in accordance with clause 12.4(a) is at the absolute discretion of the Responsible Entity subject to its obligations under the Corporations Act and the Operating Rules.
- (d) Any bids for the Units the Responsible Entity places on-market will be subject to:
- (i) the Listing Rules, and the Operating Rules; and
- (ii) interventions by the Market Operator, including, for example, suspensions and trading halts.
- (e) Any Units that the Responsible Entity has acquired on-market in excess of Units sold on-market by the Responsible Entity (on a particular Business Day) will be cancelled by the Responsible Entity as soon as reasonably practicable upon settlement of those Units.
- (f) Subject to the Operating Rules and Corporations Act, the Responsible Entity will make a market and provide liquidity in respect of the Units for so long as the Responsible Entity is required to do so under the Operating Rules. The Responsible Entity may make a market and provide liquidity in respect of the Units thereafter, but is not obliged to do so.

~~14.5~~~~12.5~~ Redemption Price

- (a) Subject to clauses 12.5(b) and 12.5(c), the Redemption Price per Unit shall be:

- (i) the Net Trust Value as at the first Valuation Time after the next applicable Specified Time following communication to the Responsible Entity of a Redemption Request; minus
- (ii) any Redemption Transaction Costs,
divided by the number of Units on issue at that Valuation Time.
- (b) Subject to clauses 12.5(c), where the Responsible Entity acquires Units on-market in circumstances set out in clause 12.4, the Redemption Price per Unit shall be:
 - (i) the Net Trust Value as at the Valuation Time immediately prior to the next applicable Specified Time following communication to the Responsible Entity of a Redemption Request; minus
 - (ii) any Redemption Transaction Costs,
divided by the number of Units on issue at that Valuation Time.
- (c) The Responsible Entity will, while the Trust is Quoted, comply with the Operating Rules applicable to the redemption (including, but not limited to, Rule 10A.3.4 of the AQUA Rules and Rule 14.36 of the Chi-X Operating Rules) and, while the Trust is Registered, the applicable conditions and restrictions in the Corporations Act and any applicable Relief.
- ~~(a) Subject to the terms of any withdrawal offer made available by the Responsible Entity, the Redemption Price per Unit (other than in the circumstances provided for in clause 15), is the Current Market Value of the Unit.~~
- ~~(b)~~(d) Where there is a redemption of Units occurring as a result of a buy back of Units in accordance with clause ~~14.4~~17.4, no Redemption Price is payable on cancellation of the Units.

~~14.6~~12.6 **Deduction of Taxes**

The Responsible Entity may deduct any Taxes or any other amount owing to the Responsible Entity or the Trust under this constitution from the Redemption Price.

~~14.7~~12.7 **Determination of Minimum Redemption Amount**

Subject to the Operating Rules (while the Trust is Quoted) and the conditions and restrictions in the Corporation Act and any applicable Relief, ~~T~~he Responsible Entity may from time to time determine or vary the Minimum Redemption Amount.

~~14.8~~12.8 **Redemption Requests for less than the Minimum Redemption Amount**

Subject to the Operating Rules (while the Trust is Quoted) and the conditions and restrictions in the Corporations Act and any applicable Relief, ~~T~~he Responsible Entity may reject a Redemption Request if the amount payable to the Unitholder is less than the Minimum Redemption Amount for the Trust (unless the Redemption Request is for all Units held by the Holder).

~~14.9~~12.9 **Deemed Redemption Request for all Units**

Subject to the Operating Rules (while the Trust is Quoted) and the conditions and restrictions in the Corporations Act and any applicable Relief, ~~I~~f a Redemption Request would leave a holding worth, at the Redemption Price, less than the current Minimum Balance, the Responsible Entity may treat the Redemption Request as applicable to all Units held by that Unitholder.

12.10 Situation where Trust has been suspended from Quotation

While the Trust is Quoted and without limiting clauses 12.2 or 12.3, where the Trust is liquid and trading in the Units on the Securities Exchange has been suspended, for any reason, for five consecutive Business Days, then the Responsible Entity will facilitate direct redemptions of Units the subject of a Redemption Request at the Redemption Price.

12.11 Compulsory redemption

The Responsible Entity may in its absolute discretion, upon a minimum of three Business Days' notice to a Holder, redeem all or a portion of Units, Options or Financial Instruments held by such Holder in its absolute discretion:

- (a) if the Responsible Entity believes that the Units, Options or Financial Instruments are held in breach of prohibitions contained in this constitution;
- (b) if the Responsible Entity believes that the Units, Options or Financial Instruments are held in circumstances which might result in a violation of an applicable law or regulation, or subject the Trust to taxation or otherwise adversely affect the Trust in any material respect;
- (c) if the Responsible Entity determines that the Trust is uneconomical to operate;
- (d) if a Holder made a misrepresentation in acquiring its Units, Options or Financial Instruments;
- (e) if the Responsible Entity determines that the continued participation of a Holder might cause the Responsible Entity or any Holder to violate any law or if any litigation is commenced or threatened against the Responsible Entity or any Holder arising out of the participation of the Holder in the Trust; or
- (f) subject to the Corporations Act and the Operating Rules, for any other reason that the Responsible Entity determines in its absolute discretion.

12.12 Transfer of assets on redemption

Except in relation to a redemption contemplated under clause 12.4, the Responsible Entity may satisfy the amount payable on a redemption of Units (partly or fully) by transferring Trust Property in specie as the Responsible Entity in its discretion may select, to be credited at asset values determined as at the same time the Redemption Price is determined, without deduction for any costs or Taxes payable by the Unitholder in respect of the transfer.

12.13 Character of Redemption Price and notification to Unitholder

- (a) Where the Trust (or the relevant class of Units) is not an AMIT and the Trust Income for an Accounting Period is attributable to Trust Property realised to fund a redemption of Units pursuant to clause 12.14, an equivalent amount of the Redemption Price may in the Responsible Entity's discretion, constitute a distribution of that Trust Income to the redeeming Unitholder and any remaining amount of the Redemption Price will represent a return of Trust capital attributable to that Unit.
- (b) The Responsible Entity must advise the Unitholder in respect of any Unit redeemed pursuant to this clause 12.14 of the extent to which the Redemption Price represents a return of Trust capital attributable to that Unit and a distribution of Trust Income.

12.14 Application of proceeds to units in another class of Units or trust

Where this facility is offered by the Responsible Entity, a Holder may request the Responsible Entity, in a manner acceptable to the Responsible Entity, to apply proceeds from a Redemption Request to subscribe for units in another class of Units in the Trust or another trust, in which case any application money for the units in the other class of Units in the Trust or other trust is taken to be paid to the Responsible Entity or responsible entity of the other trust (as applicable) when the relevant Units in this Trust are redeemed in accordance with this constitution.

~~14.12~~12.15 When Units are redeemed

Units are taken to be redeemed:

- (a) where the redemption occurs in response to a Redemption Request, at the time at which both the applicable Redemption Price is calculated and the Redemption Request is processed; and
- (b) in any other case, at the time at which the Redemption Price is known and the redemption is recorded in the Register,

and from that time until payment, the former Unitholder of the redeemed Units ceases to be a Unitholder in respect of those Units and is a creditor of the Trust in respect of the redemption proceeds.

~~14.13~~12.16 Cancel Units

On the redemption of a Unit, the Responsible Entity must cancel the Unit redeemed and amend the Register accordingly.

~~15.~~ Small holdings

~~15.1~~ Power to redeem Units that are not Officially Quoted

~~The Responsible Entity may redeem Units that are not Officially Quoted and held by a Unitholder where the total amount of Units held by that Unitholder is less than the Minimum Redemption Amount, without a Redemption Request from the Unitholder, provided that:~~

- ~~(a) the Responsible Entity notifies in writing any such intention to redeem the Units; and~~
- ~~(b) within 6 weeks of providing the notice to the Unitholder under paragraph (a) above the Responsible Entity does not redeem the Units; and~~
- ~~(c) the Responsible Entity pays any costs of redemption out of the Trust Property.~~

~~15.2~~ Power to sell or redeem Units that are Officially Quoted

~~Subject to the remaining provisions of this clause 15, while the Trust is Listed or Units are Officially Quoted, the Responsible Entity may on one occasion in any 12 month period sell or redeem any Officially Quoted Units held by Unitholders which comprise less than a Marketable Parcel, without request from the Unitholder provided that:~~

- ~~(a) the Responsible Entity notifies in writing any such intention to sell or redeem (as the case may be), the Units;~~
- ~~(b) within 6 weeks of providing the notice to the Unitholder under paragraph (a) above neither the:~~

- ~~(i) Responsible Entity may sell or redeem the Units; nor~~
- ~~(ii) Unitholder advises the Responsible Entity that the Unitholder wishes to retain the Units; and~~
- ~~(c) the Responsible Entity out of Trust Property, or the purchaser of such Units, pays any costs of sale or redemption.~~

~~15.3 Proceeds~~

~~The proceeds of any sale or redemption under this clause 15 will not be sent until the Responsible Entity has received a certificate or other proof of title acceptable to the Responsible Entity relating to the Units (or is satisfied that the certificate has been lost or destroyed).~~

~~15.4 Takeovers~~

~~The Responsible Entity's powers to sell or redeem Units under this clause 15 lapse following the announcement of a full takeover bid of the Trust. The powers will apply again once such takeover offer closes.~~

~~15.5 Redemption price~~

~~If a Unit is redeemed under this clause 15, the redemption price for the Unit is its Current Market Value.~~

~~15.6 Application to Options and Financial Instruments~~

~~This clause 15 applies to the extent appropriate, and with any necessary amendments to Options and Financial Instruments.~~

16.13. Suspension of redemption and issues

16.13.1 Responsible Entity may suspend redemption and issues

The Responsible Entity may at any time suspend the redemption, ~~or issue~~ or Switching of Units, in the Trust or the payment of the proceeds of redemptions for up to 28 days, if:

- (a) it is impracticable for the Responsible Entity (or its agents or delegates), or it (or its agents or delegates) is unable, to calculate the Net Trust Value, for example because of:
 - (i) an inability to value Trust Property;
 - (ii) closure of, or trading restrictions or suspensions on, any stock, commodities, futures or securities exchange or over-the-counter market on which any significant portion of the Trust Property is listed, quoted, traded or dealt; or
 - (iii) an emergency or other state of affairs, or on declaration of a moratorium in a country where the Trust invests (or the Trust has exposure to through any derivative in which the Trust invests);
- (b) where redemption would cause the Responsible Entity to breach any law, regulation or obligation under which the Responsible Entity operates;
- (c) quotation of Units is suspended, halted or revoked;
- (d) the approval of the Responsible Entity as an issuer is suspended or revoked by the Market Operator;

- (e) the Trust's investments suspend, delay or restrict the redemption, issue or payment of redemption proceeds (as applicable), or are unable to provide a withdrawal price;
- (f) the realisation of assets cannot be effected at prices which would be obtained if assets were realised in an orderly fashion over a reasonable period in a stable market;
- ~~(b)~~(g) the Responsible Entity receives Redemption Requests of an aggregate value that in its reasonable estimate exceeds 5% (by value) of all Trust Property;
- ~~(c)~~(h) there have been, or the Responsible Entity anticipates that there will be, Redemption Requests that involve realising a significant amount of the Trust Property and the Responsible Entity considers that if those Redemption Requests are all met immediately, Unitholders who continue to hold Units may bear a disproportionate burden of capital gains tax or other expenses, or the meeting of those Redemption Requests would otherwise be to the existing Unitholders' disadvantage including a material diminution in the value of the Trust Property;
- ~~(d)~~(i) the Responsible Entity is unable to realise Trust Property to satisfy Redemption Requests;
- (j) the Responsible Entity reasonably considers that it is in the interests of the Unitholders;
- ~~(e)~~(k) it is allowed by any form of Relief; or
- ~~(f)~~(l) it is otherwise legally permitted.

Such suspension may be in respect of all or some class or Units held by a Unitholder.

~~16.2~~13.2 Applications and Redemption Requests during suspension

An Application lodged before or during any period when the issue of Units is suspended, or a Redemption Request lodged before or during any period when the redemption of Units is suspended, but where the Application or Redemption Request has not been processed, as the case may be, is taken to be lodged the day after the end of the relevant suspension period.

~~17.14.~~14. Responsible Entity's powers

~~17.4~~14.1 General powers

- (a) Subject to this constitution, the Responsible Entity has within and outside Australia all the powers in relation to the Trust, its Trust Property and Trust Liabilities, that it is legally possible for a natural person, corporation, ~~or~~ trustee or responsible entity to have, including without limitation, power alone or with any other person:
 - (i) to invest in real or personal property of any nature (including any financial instruments, Derivative Transactions and forward rate and currency exchange agreements for speculative or other purposes) (and may vary any investment at any time in its absolute discretion);
 - (ii) to enter into or deal with any Derivative Transaction or Hedge Agreement in connection with any actual or prospective investment of the Trust or any borrowing of, or raising money by, the Trust;
 - (iii) to borrow or raise money (in whatever proportion to Trust Property), whether or not on security over Trust Property, including without limitation, to issue debentures

(this power includes a power to issue debentures that are redeemable only on the termination of the Trust);

(iv) hold and transact Units, including for, but not limited to, the purpose of conducting market making activities in respect of the Trust;

(v) do all such acts and things which it considers necessary, desirable or reasonably incidental to give effect to:

(A) the Trust being listed or quoted on a financial market, including a Securities Exchange; and

(B) any class of Units being traded on that financial market and Units in that class being able to be issued or redeemed under this constitution;

~~(iv)~~(vi) to give guarantees and incur liabilities and obligations of any kind;

~~(v)~~(vii) to give cross guarantees and any other Security Interests between classes of Units;

~~(vi)~~(viii) to grant a Security Interest of any kind over Trust Property (including uncalled capital of the Trust);

~~(vii)~~(ix) to enter into an arrangement with a person or persons to underwrite the subscription or purchase of Units, Options or Financial Instruments on such terms as the Responsible Entity determines;

~~(viii)~~(x) to bear all Establishment Costs;

~~(ix)~~(xi) to fetter its own discretion;

~~(x)~~ — to cause the Trust, Units, Options or Financial Instruments to be Officially Quoted;

~~(xi)~~(xii) to do all the things necessary to give effect to clause 23~~25~~;

~~(xii)~~(xiii) without limitation, with or without issuing Units, Options or Financial Instruments in consideration, to accept cash contributions from any person and hold and invest any such cash contributions as Trust Property; and

~~(xiii)~~(xiv) that are necessary or desirable for the performance or exercise of its powers, duties and rights in respect of the Trust (including its obligations under this constitution),

as if it were the absolute and beneficial owner of all Trust Property.

(b) Without limiting this clause 14.1~~17.4~~ and subject to the Corporations Act, the Responsible Entity has power to mix and mingle Trust Property with the property of other co-investors (in which case it must keep appropriate records of the Trust's interests in the co-investments).

(c) The other provisions of this clause 14~~17~~ do not limit the Responsible Entity's general powers under this clause.

~~17.2~~14.2 Investment powers

To the full extent that they may be excluded by this constitution, the duties imposed by subsection 14A(2) of the *Trustee Act 1925* (NSW) or corresponding legislation of any other State or Territory do not apply to the exercise by the Responsible Entity of its investment powers.

~~17.3~~14.3 Responsible Entity may delegate powers

The Responsible Entity, by power of attorney, agency, contract or otherwise, may authorise one or more persons whether or not related to or associated with it, to do anything that it may lawfully delegate, including, but not limited to, holding any Trust Property and executing documents on its behalf.

~~17.4~~14.4 Buy back of Units

Subject to the Corporations Act ~~and Listing Rules~~ and any Relief:

- (a) the Responsible Entity may, but is under no obligation to, offer to acquire or acquire Units on any terms and conditions determined by the Responsible Entity and with consideration for the purchase being paid out of Trust Property, including by way of ~~on-market or off-market~~ buy backs ~~while the Units are Officially Quoted~~; and
- (b) the Responsible Entity may elect that Units so acquired may be redeemed and cancelled or sold.

~~17.5~~14.5 Exercise of discretions

The Responsible Entity may determine whether to exercise its powers conferred on it under this constitution, the Corporations Act or the Operating Rules, and the manner, mode and time of exercise of ~~its~~ powers, in its absolute discretion. In exercising its powers and duties under the constitution, the Responsible Entity may enter into agreements with Holders as to the manner, mode and time of exercise of those powers and duties.

~~17.6~~14.6 Independent rights

Subject to the Corporations Act, the Responsible Entity, and any related body corporate or other associate of the Responsible Entity, may (whether in its personal capacity or as trustee of any trust):

- (a) hold Units, Options or Financial Instruments;
- (b) represent or act for, or contract with, individual Holders;
- (c) deal in any capacity with itself or with any related body corporate or associate of itself or with any trust;
- (d) invest in and deal in any capacity, with the same investments as that of the Trust, on similar or different terms;
- (e) recommend that investments be purchased or sold, on behalf of the Trust, regardless of whether at the same time it may buy, sell or recommend, in the same or in a contrary manner, the purchase or sale of identical investments in relation to itself or other clients;
- (f) deal in any investment regardless of whether that dealing is inconsistent with the dealing of the Trust;
- (g) act in any capacity in relation to any other trusts, including subscribing for units in other trusts on behalf of Holders or the Trust;
- (h) act in various capacities in relation to, or be otherwise involved in (such as by way of investment), other business activities that may be in competition with the interests of Holders;

- (i) acquire or dispose of Trust Property to associates of the Responsible Entity at the price and in the manner contemplated by a Disclosure Document or in this constitution;
 - (j) give guarantees or other Security Interests; or
 - (k) receive and retain profits or benefits of any nature, in connection with the Trust or otherwise, including buying or selling Trust Property from or to itself in another capacity,
- without being liable to account to the Trust, to itself, or to a Holder.

~~18.~~15. Management of the Trust

~~18.1~~15.1 Responsible Entity to manage Trust

The Responsible Entity must manage the Trust and its Trust Property and Trust Liabilities while any remain.

~~18.2~~15.2 Responsible Entity may engage advisers

The Responsible Entity may, as it sees fit, in connection with performance of its duties, engage (whether or not related to or associated with the Responsible Entity) investment managers, property managers, administrators, custodians and any advisers, agents, brokers, contractors, underwriters or other persons.

~~18.3~~15.3 Reliance by Responsible Entity

Subject to clause ~~9.6~~15.3, the Responsible Entity may, in relation to the Trust, rely and act on any:

- (a) advice, opinion or other information provided to the Responsible Entity by a person of a category listed in clause ~~15.2~~15.3 above; and
- (b) document upon which it is reasonable for the Responsible Entity to rely,

if the Responsible Entity has no reason to believe the relevant material not to be authentic, the instructions not to be authorised, or the expert not to have the relevant expertise (as the case may be).

~~18.4~~15.4 Equality of treatment

The Responsible Entity, to the extent permitted by any Relief, does not have to treat all Unitholders equally, including by:

- (a) not making a pro rata offer to Unitholders to certain Unitholders; or
- (b) treating wholesale clients differently from other persons.

~~19.~~16. Responsible Entity's limitation of liability and indemnity

~~19.1~~16.1 Responsible Entity's liability

To the extent legally permitted, where the Responsible Entity acts without fraud, negligence or a breach of trust, the Responsible Entity is not liable to any future trustee, any Holder or any other person:

- (a) for loss caused by:

- (i) the Responsible Entity's acts or omissions in reliance on:
 - (A) the Register;
 - (B) the authenticity of any document;
 - (C) the opinion, advice or information of any barrister, lawyer, accountant, valuer or other expert instructed by the Responsible Entity or other person referred to in clause ~~15.2~~~~18.2~~; or
 - (D) information from any banker or the auditor of the Trust,

if the Responsible Entity has no reason to believe the relevant material not to be authentic, the instructions not to be authorised, or the expert not to have the relevant expertise;
- (ii) while the Trust is a registered scheme, the Responsible Entity's acts or omissions in reliance on the opinion, advice or information from the compliance plan auditor of the Trust or the compliance committee;
- (iii) any act, omission, neglect or default of another person;
- (iv) any act or omission required by law, by a court of competent jurisdiction, by a Government Agency or government official;
- (v) any particular price or reserve not having been realised;
- (vi) any unnecessary payment having been made to a fiscal authority;
- (vii) any act or omission of an operator of a securities title, transfer or holding system; or
- (viii) another reason; or
- (b) in any event, to a greater extent than the investments, cash and other property to which the Responsible Entity is entitled and does recover through its right of indemnity from Trust Property actually vested in the Responsible Entity in accordance with this constitution.

~~19.2~~16.2 **Indemnity**

- (a) Where the Responsible Entity acts without fraud, negligence or breach of trust, the Responsible Entity is indemnified out of the Trust Property for any liability incurred by it, in its own capacity or through an agent, manager, advisor or delegate. This right of indemnity is not lost by reason of a separate incident that was itself a breach of trust.
- (b) The Responsible Entity is not required to do anything for which it does not have a full right of indemnity out of Trust Property available for that purpose.
- (c) Any indemnity to which the Responsible Entity is entitled under this constitution is in addition to any indemnity legally permitted.
- (d) When calculating the amount of any liability incurred or to be incurred by the Responsible Entity for which it is entitled to be reimbursed or indemnified under this constitution, the Responsible Entity must deduct an amount equal to any input tax credit (as defined in the GST Act) to which the Responsible Entity is entitled in connection with the liability.

While the Trust is a registered scheme, this clause ~~16.2~~^{19.2} is to be read subject to the Corporations Act, and to the extent that this clause ~~16.2~~^{19.2} is inconsistent with the Corporations Act this clause ~~16.2~~^{19.2} will be of no effect to the extent of the inconsistency.

17. Holding statements

Subject to the Corporations Act, while the Trust is admitted to an uncertificated trading system, a holding statement in accordance with the requirements of the Operating Rules may be issued to evidence the holding of Units.

~~20.18.~~ Responsible Entity's fees

~~20.1~~^{18.1} Fees

- (a) The Responsible Entity is entitled to each of the Management Fee, Total Performance Fee and such other fees as provided for under this clause ~~18~~²⁰ and any other provision of this constitution (the **Fees**).
- (b) The entitlement to Fees commences on the date the Trust is established and ends on the date of final distribution on winding up of the Trust.
- (c) The Management Fee is consideration for providing trustee services to the Trust.
- (d) The Total Performance Fee is consideration for the investment management of Trust Property (including the selection and retention of Trust Property).
- (e) All Fees are payable out of the Trust Property, unless otherwise provided in the terms of issue in respect of a Unit or in the Disclosure Document.
- (f) All Fees are to be pro rated for partial periods.
- (g) All Fees accrue daily.
- (h) All Fees are exclusive of GST, unless otherwise stated.
- (i) While the Trust is a registered scheme, this clause ~~18~~²⁰ is to be read subject to the Corporations Act. Without limitation, the right of the Responsible Entity to Fees out of Trust Property pursuant to this clause ~~18~~²⁰ is only available in relation to the proper performance by the Responsible Entity of its duties in relation to the Trust.

~~20.2~~^{18.2} Management Fee

Before and after termination of the Trust, the Responsible Entity is entitled to a Management Fee of 1.50% (exclusive of GST) per annum of the Portfolio Value (or any lesser percentage the Responsible Entity may elect), calculated daily and payable monthly in arrears.

~~20.3~~^{18.3} Performance Fee

- (a) Before and after the termination of the Trust, the Responsible Entity is entitled to a **Total Performance Fee** in respect of each Holder's Units for each Calculation Period during which Units are on issue.
- (b) The Total Performance Fee for a Calculation Period is the **Base Performance Fee Per Unit** at the end of the Calculation Period multiplied by the number of Units that were on issue at the end of the Calculation Period (or at the end of a notional Calculation Period in

accordance with subparagraph ~~18.3(h)~~20.3(h)) less the Total Equalisation Reserve, calculated in accordance with subparagraph ~~18.3(g)~~20.3(g), subject to the conditions set out in subparagraph ~~18.3(j)~~20.3(j)). The Total Performance Fee Per Unit is the Total Performance Fee divided by the number of Units on issue at the end of a particular Calculation Period.

- (c) If the Total Performance Fee as described above is less than zero, the Total Performance Fee payable is nil.
- (d) For the purposes of clause ~~18.3~~20.3 'Calculation Period' means:
 - (i) in respect of the first Calculation Period, the period commencing on the date that the first Unit in the Trust is issued by the Responsible Entity and ending on 31 December 2019;
 - (ii) in respect of all other Calculation Periods, each half year period ending on 30 June or 31 December (as the case may be), except where:
 - (A) the Trust is terminated;
 - (B) the Trust is wound up; or
 - (C) the Responsible Entity is removed as the responsible entity of the Trust,
 in any such case the Calculation Period will end on the date that an event contemplated under subparagraphs (A)-(C) occurs.
- (e) For the purpose of calculating the Total Performance Fee Per Unit and the Base Performance Fee Per Unit:
 - (i) the Before-Performance Fee Value Per Unit (**BVU**) is the Portfolio Value less accrued Management Fee, less any Total Performance Fee that has become payable to the Responsible Entity (in accordance with 18.3(h)) and adjusted by the cumulative daily Equalisation Reserve, divided by the number of Units on issue at the end of that Business Day; and
 - (ii) the After-Performance Fee Value Per Unit (**AVU**) is the Portfolio Value less accrued Management Fee and accrued Total Performance Fee, divided by the number of Units at the end of that Business Day.
- (f) The Base Performance Fee Per Unit will be 10% (exclusive of GST) (or any lesser percentage the Responsible Entity may elect) of the Excess Return (if any) Per Unit during a Calculation Period (calculated using the formula below), subject to any adjustment required by subparagraph ~~18.3(j)(ii)~~20.3(j)(ii).

The Excess Return Per Unit during a Calculation Period = ER x BVUs

$$\text{Total Return Per Unit} = \frac{(\text{BVU}_E + D - \text{BVU}_S)}{\text{BVU}_S}$$

where:

ER is the Excess Return (expressed as a percentage) and is equal to:

- a) Total Return Per Unit minus the Hurdle Return, if the Total Return Per Unit is greater than the Hurdle Return; or
- b) Nil if Total Return Per Unit is less than or equal to either the Hurdle Return.

BVU_E is the Before- Performance Fee Value Per Unit at the end of the Calculation Period.

BVU_S is the Before-Performance Fee Value Per Unit at the start of the Calculation Period.

D is the income and capital distributions to which a Unit conferred an entitlement during the Calculation Period.

The Hurdle Return is equal to 10% per annum.

- (g) The Total Equalisation Reserve is the lesser of:
- (i) the sum of all Daily Equalisation Adjustments calculated during a Calculation Period. (A Daily Equalisation Adjustment is equal to the Base Performance Fee Per Unit incorporated in the AVU, multiplied by the ~~net~~-number of Units issued with reference to that AVU, provided that where the Responsible Entity issues Units to itself under clause 10.3(a)(ii), such Units will be issued with reference to the prior on the following-Business Day's AVU); and
 - (ii) the sum of Units issued during the Calculation Period multiplied by the prevailing Base Performance Fee Per Unit.
- (h) If a Unit is redeemed ~~on a particular Business Day~~ during a Calculation Period, ~~the prior Business Day is deemed to be~~ the end of the notional Calculation Period with respect to these Units including for the purposes of subparagraph 18.3(i)~~20.3(i)~~is:-
- (i) for a Unit redeemed under clause 12.2(b), the date of Redemption Request; or
 - (ii) for a Unit redeemed under clause 12.4(a), the Business Day prior to the date of Redemption Request.

The Total Performance Fee in respect of a Unit redeemed during a calculation Period becomes payable to the Responsible Entity at the date of redemption.

- (i) An estimate of the Total Performance Fee is accrued daily. The Total Performance Fee is payable at the end of each Calculation Period.
- (j) The Responsible Entity's entitlement to the Total Performance Fee is subject to the following:
 - (i) The AVU at the end of the relevant Calculation Period exceeding the High Water Mark. The High Water Mark is the AVU at the end of the then most recent Calculation Period in respect of which the Responsible Entity was entitled to a Total Performance Fee (except for when the Total Performance Fee payable is solely resultant from clause 18.3(h)), less any income and capital distributions to which Units have subsequently conferred an entitlement. For the first Calculation Period after commencement of the Trust the High Water Mark is taken to be \$1.50.
 - (ii) If the calculation of a Total Performance Fee Per Unit would result in the AVU at the end of the relevant Calculation Period (after adding back any income and capital distributions to which the Units conferred an entitlement) being less than the applicable High Water Mark, then the Responsible Entity must reduce the amount of the Total Performance Fee Per Unit by so much so that the AVU (as adjusted in

accordance with this sub-paragraph ~~18.3(j)(ii)~~ ~~20.3(j)(ii)~~) equals the applicable High Water Mark.

- (k) The amount of the Total Performance Fee is payable out of the income of the Trust and if that is insufficient, out of Trust capital.
- (l) In the event of any capital reorganisation such as Unit divisions or consolidations during a Calculation Period, the ~~AVU and BVU~~ (and the corresponding adjustments applied to AVU and BVU in accordance with this clause ~~18.320.3~~) (and including the initial High Water Mark under sub-paragraph ~~18.3(j)(i)~~ ~~20.3(j)(i)~~ (if it is still applicable)) are to be adjusted by multiplying the relevant AVU and BVU (and the corresponding adjustments applied in accordance with this clause ~~18.320.3~~) by the quotient of the number of Units on issue immediately prior to the reorganisation divided by the number of Units on issue immediately after the reorganisation.

~~20.4~~ 18.4 Responsible Entity may receive less Fees

The Responsible Entity in its discretion may from time to time elect to receive less than the Fees specified above in respect of all or any Units or class of Units (whether determined by reference to a minimum balance or on another basis and whether for the life of a particular Disclosure Document or otherwise) and may pay a Holder or Holders within a particular class, from its own resources, any amount which it in its discretion so determines by way of offset or rebate of fees.

~~20.5~~ 18.5 Responsible Entity may defer Fees

The Responsible Entity in its discretion may from time to time:

- (a) elect to receive less of any Fee (or part of any Fee) in respect of all or any Units or class of Units than it is entitled to receive under this constitution;
- (b) defer the receipt of any Fee (or part of any Fee) in respect of all or any Units or class of Units. Where payment is deferred:
 - (i) the Fee (or part thereof, as applicable) accrues daily until paid;
 - (ii) the Responsible Entity is entitled to charge interest on unpaid Fees at a rate that is the aggregate of the UBS Australian Bank Bill Index (or if replaced, an approximate equivalent index) plus 2% per annum; and
 - (iii) the Fee (or part thereof, as applicable) will automatically become due and payable if the Trust is terminated or the Responsible Entity retires, is removed or resigns; or
- (c) pay a Holder, from its own resources, any amount which it in its discretion so determines by way of offset or rebate of Fees or for any other reason (including because that Holder makes a pre-commitment to subscribe for Units).

~~21.~~ 19. Outgoings

~~21.1~~ 19.1 Expenses

All costs, charges, expenses and outgoings reasonably and properly incurred by the Responsible Entity in the proper performance of its duties, including in connection with the following matters or of the following nature in relation to the Trust, may be payable or reimbursable out of Trust

Property (and if referable to more than one trust, apportioned in a manner determined by the Responsible Entity):

- (a) preparation, approval, stamping, execution and printing of this constitution and any deed amending this constitution;
- (b) retirement and appointment of the Responsible Entity and any custodian;
- (c) institution, prosecution, defence and compromise of any court proceedings, arbitration or dispute resolution proceedings in relation to this constitution or the Trust (but the Responsible Entity must repay to the Trust any amount it has been advanced in respect of outgoings in connection with proceedings in which it is found by a court to be liable for its own fraud, negligence or a breach of trust);
- (d) convening and holding a Meeting and implementing a resolution of the Meeting;
- (e) bank fees, interest, discount and acceptance fees for bill facilities and like amounts;
- (f) Taxes;
- ~~(g)~~ any actual or proposed investment, acquisition, realisation, disposal, valuation, maintenance, alteration, improvement, enhancement, receipt, collection or distribution of any Trust Property;
- ~~(g)(h)~~ costs, fees, charges or spreads in relation to the engagement of agents, including in relation to the provision of liquidity and market making conduct;
- ~~(h)(i)~~ foreign exchange transactions and foreign exchange hedging transactions;
- ~~(h)(j)~~ fees payable to a person authorised by the Responsible Entity to hold Trust Property;
- ~~(k)~~ admission of the Trust to the Securities Exchange, its continuing compliance with the rules of the Securities Exchange, or in relation to any removal of the Trust from the official list of the Securities Exchange or the suspension of any Units from trading by the Market Operator;
- ~~(l)~~ expenses in connection with the ongoing compliance costs in respect of the Trust, including, where established, the costs and expenses associated with the establishment and conduct of any compliance committee including:
 - (i) remuneration of committee members; and
 - (ii) the expenses of independent legal, accounting or other professional advice or assistance properly commissioned by the compliance committee,
 - (iii) to the extent permitted by the Corporations Act, directly or indirectly, indemnifying or insuring a person who has been a compliance committee member for or against any liability, including costs, expenses and liabilities incurred by the person in defending civil or criminal proceedings;
- ~~(m)~~ fees payable to ASIC, the Securities Exchange or another regulatory authority in relation to the Trust, the Units or the Responsible Entity;
- ~~(n)~~ establishing and maintaining the Register, the Trust accounting system and records and the investment register (including operation and development of computer facilities, both software and hardware, salaries and on-costs);

- ~~(m)~~(o) preparing and printing accounts, reports, notices, cheques and documents, posting them to Holders, or paying Holders;
- ~~(n)~~(p) any offer or invitation in respect of Units, Options or Financial Instruments, including preparation, lodgement, registration, distribution and promotion of a Disclosure Document including for the avoidance of doubt in relation to the first Disclosure Document;
- ~~(o)~~(q) amounts payable to the Manager (if any), administrators, advisers, agents, brokers, contractors, custodians, asset managers, property managers, investment managers, underwriters or other persons engaged by the Responsible Entity under this constitution (including legal costs on a full indemnity basis), which may include a related body corporate or associate of the Responsible Entity;
- ~~(p)~~(r) fees incurred by an auditor of the Trust or the compliance plan;
- ~~(q)~~(s) preparation and lodgement of taxation and other returns for the Trust or the compliance plan;
- ~~(r)~~(t) commissions, holding fees and other amounts payable to an Australian financial services licensee or its representatives in relation to the Trust including in relation to a Disclosure Document (including the first) and any offer made thereunder;
- ~~(s)~~(u) terminating and winding up of the Trust;
- ~~(t)~~(v) entering the Trust in a survey;
- ~~(u)~~(w) fees payable to a ratings organisation;
- ~~(v)~~(x) fees payable to a securities system authorised by the Responsible Entity to hold Trust Property;
- ~~(w)~~(y) performance of the Responsible Entity's duties, exercise of the Responsible Entity's rights or powers, compliance with the law or administration of the Trust;
- ~~(x)~~(z) establishment, development, maintenance and operation of computer facilities, both software and hardware for the administration of the Trust;
- ~~(y)~~(aa) establishing a gearing facility;
- ~~(z)~~(bb) dealing with Applications and redemptions of Units or other interests, and determining the Issue Price and Redemption Price;
- ~~(aa)~~(cc) any restructuring or Listing of the Trust, Units, Options or Financial Instruments;
- ~~(bb)~~(dd) any fees, costs, charges and expenses incurred in giving effect to clause [2325](#);
- ~~(cc)~~(ee) fees payable to a related body corporate or other associate of the Responsible Entity for services provided to the Responsible Entity in connection with the Trust, where if these expenses had been properly incurred by the Responsible Entity, the expenses would be reimbursable out of the Trust Property under this clause [1921.1](#); and
- ~~(dd)~~(ff) expenses in connection with matters referred to in this clause [1921.1](#), including but not limited to costs of appointing and maintaining staff, costs of computers and other systems to support these staff and costs of premises where staff and systems are located in connection with these matters.

Where more than one class of Units is on issue, the Responsible Entity may make a determination that any particular cost, charge, expense or outgoing (or part or class of cost, charge, expense or outgoing) is referable to a particular class of Units.

~~21.2~~19.2 **Deferral**

The Responsible Entity may in its discretion defer reimbursement for an agreed period or any or all expenses or any part thereof under clause ~~19.2~~19.1. Where reimbursement is deferred, the expense accrues daily until paid.

~~22.20.~~20. **Holders' liabilities and recoveries**

~~22.1~~20.1 **Liability of Unitholders**

Subject to this constitution, the liability of each Unitholder is limited to the amount subscribed, or agreed to be subscribed by the Unitholder, for Units. Recourse of the Responsible Entity and Trust creditors is limited to Trust Property.

~~22.2~~20.2 **No partnership or agency**

Any relationship of partnership or agency between the Responsible Entity and a Holder or between the Holders themselves in relation to the Trust, this constitution or anything done under this constitution, is expressly excluded.

~~22.3~~20.3 **Holders' liabilities**

Each Holder or former Holder is liable for:

- (a) all fees, Taxes, costs and other liabilities in relation to the Holder's or former Holder's entitlement to, or payment of, income or capital and Attribution Amounts attributed to the Holder or former Holder;
- (b) any act or omission requested by the Holder or former Holder;
- (c) unpaid amounts owing by the Holder to the Responsible Entity in relation to the Trust;
- (d) Attribution Amounts attributed to the Holder or former Holder; and
- (e) fees determined and chargeable by the Responsible Entity from time to time for any act or work carried out at the Holder's request which goes beyond the Responsible Entity's duties under this constitution, charged at market rates for the services provided.

~~22.4~~20.4 **Responsible Entity may withhold or recover**

The Responsible Entity may:

- (a) withhold payment of any money payable to a Holder or former Holder until the liability under clause ~~20.1~~20.1 is discharged; or
- (b) meet the liability under clause ~~20.1~~20.1 and recover the amount:
 - (i) from any money or property held for the Holder;
 - (ii) from any distribution or other payment payable to the Holder; or
 - (iii) by compulsorily redeeming any or all of the Holder's Units, Options or Financial Instruments.

~~22.5~~20.5 Joint Holders

Joint Holders and former joint Holders are jointly and severally liable in respect of all liabilities to which this clause ~~20.22~~ applies. Amounts so payable are payable on demand.

~~23.21.~~21. Responsible Entity's retirement or removal

~~23.4~~21.1 Responsible Entity's retirement or removal

- (a) Subject to the Corporations Act ~~and the Listing Rules~~, the Responsible Entity may retire as trustee of the Trust by giving not less than one month's prior notice to the Unitholders, effective on the appointment of a replacement Responsible Entity.
- (b) The Responsible Entity must retire as trustee of the Trust if permitted and when required, under the Corporations Act. The Responsible Entity must retire when required by law.
- (c) Subject to the law, the Responsible Entity may agree with an incoming trustee of the Trust to (and may) receive a benefit from that person, in relation to its retirement as trustee of the Trust and is not required to account to Unitholders for such.

~~23.22~~21.2 Responsible Entity's release and indemnity

On the Responsible Entity's retirement or removal:

- (c) the Responsible Entity is released from all obligations, duties and liabilities in respect of the Trust that arise after its retirement or removal to the extent permitted by law; and
- (d) the Responsible Entity is indemnified out of Trust Property against any claims arising out of its conduct as Responsible Entity of the Trust except claims in respect of fraud, negligence or breach of trust by the retiring Responsible Entity. This indemnity is separate from any indemnity allowed by law and survives the termination of this constitution.

~~23.3~~21.3 Execution of deed by new Responsible Entity

Any replacement Responsible Entity must execute a deed under which it covenants to be bound by this constitution as if it had originally been a party to it.

~~23.4~~21.4 Change of name

If at any time neither Magellan nor a related body corporate of Magellan is Responsible Entity, then:

- (a) the name of the Trust must cease to include the word 'Magellan' or any word deceptively similar or likely to be confused with that name; and
- (b) the Responsible Entity must immediately give effect to such a change including to procure the:
 - (i) amendment of this constitution; and
 - (ii) change of name on any relevant ASIC registers,to reflect the change of name.

~~23.5~~21.5 **Amending this clause**

Subject to the Corporations Act, this clause ~~21~~23 can only be amended or deleted upon Magellan giving its consent in writing to the Responsible Entity to the proposed amendment(s) or deletion before the amendment(s) is made.

~~24.~~22. **Distributions**

~~24.1~~22.1 **~~Distributable~~ Distributions where not an AMIT**

This clause ~~22~~24 applies for each Period when the Trust (or the relevant class of Units) is not an AMIT.

~~24.2~~22.2 **Distributable Income**

The **Distributable Income** of the Trust for an Accounting Period or Period is equal to Trust Income or such amount as the Responsible Entity determines in its discretion is the Distributable Income of the Trust, provided that the amount determined by the Responsible Entity must be equal to or greater than the Net Income of the Trust for the relevant Accounting Period or Period.

~~24.3~~22.3 **Distributions to Unitholders**

- (a) Except in any income year in which the Trust is taxed as a Corporate Tax Entity:
 - (i) Before and after termination of the Trust, the Responsible Entity at any time may elect that an amount (capital or income) be distributed from the Trust to Unitholders. A distribution made by the Responsible Entity to a Unitholder will be taken to be a distribution of Trust Income of an Accounting Period or Period to the extent the Responsible Entity determines the distribution constitutes a distribution of Trust Income.
 - (ii) Except as otherwise provided by this constitution, the Distributable Income referable to a class for each Accounting Period or Period must be distributed to Unitholders in that class pro rata to the number of Units they hold in that class.
 - (iii) Each Unitholder registered at midnight on the last day of each Accounting Period, has a vested and indefeasible interest in and is presently entitled to a share of the Trust Income for that Accounting Period not previously distributed, for each Unit held by that Unitholder in the proportion set out in paragraph (ii) above.
 - (iv) The Responsible Entity may satisfy the amount payable on a distribution (partly or fully) by transferring those assets in specie as the Responsible Entity in its discretion may select, to be credited at asset values determined as at the same time as the amount of the distribution is determined, without deduction for any costs or Taxes payable by the Unitholder in respect of the transfer.
- (b) Where in any income year the Trust is taxed as a Corporate Tax Entity, then each Unitholder registered at midnight on the last day of each Accounting Period does not have a vested and indefeasible interest in a share of the Distributable Income for that Accounting Period and the Responsible Entity may, at its discretion, choose to make distributions of after tax profits, income, capital or any related taxation or imputation credits provided that all Distributable Income is distributed at the final termination of the Trust.

24.422.4 Change in the law

If the law changes in respect of Taxes so that the Trust or the Responsible Entity becomes subject to Taxes on income and gains derived by the Trust even where all available income is distributed to Unitholders, or regardless of the present entitlement of the Unitholders, then the Responsible Entity does not have to make distributions in accordance with this clause 2224 and instead the Responsible Entity, at its discretion, may choose when to make distributions of profits, income, capital or any taxation or imputation credits that have become available in relation to the Trust and the amounts of those distributions.

24.522.5 Income categories

The Responsible Entity may keep separate accounts of different categories and sources of income and allocate the income from any category or source to any Unitholder.

25.23. AMIT

25.123.1 Application

This clause 2325 applies:

- (a) for each period in which the Trust (or the relevant class of Units) is an AMIT;
- (b) to Attribution Amounts relating to any period in which the Trust is or was an AMIT; and
- (c) at any other time required to ensure that clause 23.325.3 operates as intended.

25.223.2 Elections and other powers

- (a) Without limiting this clause 2325 or clause 1417, the Responsible Entity may:
 - (i) determine to make a choice for the purposes of subparagraph 276-10(1)(e)(i) of the Tax Act; and/or
 - (ii) determine to treat each class of Units as a separate AMIT.
- (b) In addition to any other powers provided for under this constitution, the Responsible Entity has all of the powers and rights which are necessary for or incidental to the Trust being able to be operated as an AMIT in the manner permitted in the Tax Act, including complying with the requirements of Division 276 of the Tax Act and the issue or amendment of any AMMA Statements.
- (c) The Responsible Entity may issue or amend AMMA Statements and Holders acknowledge that amended AMMA Statements may affect the rights or interests of Holders, including former Holders.

25.323.3 Validity of decisions of Responsible Entity

- (a) Any decision which the Responsible Entity purports to make in reliance on the powers in this clause 2325 will not be invalid by reason of the fact that the Trust is not an AMIT in the relevant ~~Accrual~~ Period, provided that:
 - (i) the Responsible Entity was not aware that the Trust did not qualify as an AMIT in the relevant ~~Accrual~~ Period; and
 - (ii) the Responsible Entity was not grossly negligent in relying on the powers in this clause 2325 in purporting to make the relevant decision,

- (b) The Responsible Entity has such powers to make any decisions and to take such actions to, as far as reasonably possible, put the Holders, former Holders and the Trust in the same position as if the decisions purported to have been made under the powers in this clause ~~23.25~~ had been validly made under this clause ~~23.25~~.

~~25.4~~23.4 Attribution

- (a) The Responsible Entity will attribute an Attribution Amount during an ~~an Accrual~~ Period to a Holder in accordance with this constitution and any other constituent documents of the Trust.
- (b) The Responsible Entity must attribute all of the Determined Trust Components of the Trust (or the relevant class of Units) in such a manner so as not to be liable for shortfall or excess taxation under subdivision 276-G of the Tax Act.
- (c) The Responsible Entity may attribute an amount to a Holder on redemption of a Unit.
- (d) Notwithstanding any other provision in this constitution, the attribution must:
 - (i) be worked out on a fair and reasonable basis in accordance with this constitution and any other constituent documents of the Trust; and
 - (ii) not be worked out because of the tax characteristics of the Holder or former Holder for the purposes of Division 276 of the Tax Act.
- (e) Where this clause ~~23.4~~25.4 applies, clause ~~22.24~~ in relation to distributions does not apply.

~~25.5~~23.5 Distribution

Before the termination of the Trust, the Responsible Entity at any time may elect that any amount, including income or capital, be distributed from the Trust to Holders in accordance with the provisions of this constitution.

~~25.6~~23.6 Deemed payment

For the purposes of clauses ~~23.4~~25.4 and ~~23.5~~25.5 above, any amount the Responsible Entity has paid or remitted in accordance with clause ~~20.4~~22.4 in relation to a Holder is taken to be made for that Holder.

~~25.7~~23.7 Holder challenge

Where a Holder intends to choose, or chooses, a different Determined Member Component to that recorded in an AMMA Statement:

- (a) the Holder agrees to:
 - (i) provide the Responsible Entity with a notice of their intention to choose a different Determined Member Component at least 7 days prior to contacting the Commissioner of Taxation;
 - (ii) provide a summary of the reasons why the Holder considers the attribution in the AMMA Statement is inappropriate at least 7 days prior to contacting the Commissioner of Taxation;
 - (iii) provide any additional information requested by the Responsible Entity to assist the Responsible Entity in assessing the Holder's decision to choose a different Determined Member Component;

- ~~(iv)~~ — meet all costs and liabilities incurred by the Responsible Entity as a result of the ~~(v)~~(iv) Holder's decision to choose a different Determined Member Component; and
- (b) the Responsible Entity has no liability in respect of any act, matter or thing done by the Holder.

~~25.8~~23.8 Unders and Overs

- (a) The Responsible Entity may make an allocation of an Under or Over notwithstanding that a Holder at the time of the allocation was not a Holder for the ~~Accrual~~ Period to which the Under or Over relates.
- (b) Holders acknowledge and agree that the choice of allocation of an Under or Over may result in a greater or lesser amount of any one or more of the following being attributed to the Holder in the ~~Accrual~~ Period in which it is discovered or to which it relates:
 - (i) assessable income; or
 - (ii) tax offset.

~~25.9~~23.9 AMIT indemnity

- (a) Except in the case of fraud, negligence or breach of trust of or by the Responsible Entity, the Responsible Entity shall be indemnified from the Trust Property in relation to any income tax liability incurred under a Tax Act because the Trust (or a class of Units) is an AMIT.
- (b) The indemnity in this clause ~~23.9~~25.9 is in addition to the indemnity in clause ~~16.2~~19.

~~25.10~~23.10 Change in law

If the law changes in respect of Taxes so that the Trust or the Responsible Entity becomes subject to Taxes on income and gains derived by the Trust even where all available income is attributed to ~~Unit~~Holders, then the Responsible Entity, at its discretion, may choose when to attribute any of the profits, income, capital or any taxation or imputation credits that have become available in relation to the Trust and the amounts of those attributions.

~~26.24.~~24. Distribution Reinvestment

~~26.1~~24.1 Distribution Reinvestment

- (a) The Responsible Entity may decide whether to permit or require a Unitholder to reinvest some or all of any distribution to acquire a Unit.
- (b) For the purposes of this clause ~~24.1~~26.1, the Responsible Entity may, subject to the Corporations Act, ~~Listing~~Operating Rules and any Relief, determine:
 - (i) the terms of the DRP Rules, including on terms that it may be available only to holders of a class of Unit or to certain Unitholders of a class of Units; and
 - (ii) that Distribution Reinvestment in respect of a Period is optional, mandatory or comprises both optional and mandatory components, and, where it is mandatory, on such terms that may require the reinvestment of an amount of distributions paid or payable in excess of a specified distribution amount for that Period.

- (c) Unitholders will be bound by the DRP Rules.
- (d) The Responsible Entity has power to do all such acts and things which it considers necessary, desirable or reasonably incidental to give effect to the terms of the DRP Rules.
- (e) If the Responsible Entity decides to permit or require Distribution Reinvestment, then it must notify Unitholders of the terms of, and procedure for, reinvestment and any change thereto.
- (f) For reinvestment in respect of Units, the Responsible Entity is deemed to have received an Application to reinvest distributions by way of the acquisition of existing Units or the issue of new Units on the Business Day that the distribution is paid.
- (g) For the avoidance of doubt, a Unit issued on Distribution Reinvestment will not have a right to distributions in respect of the Period to which the reinvested distribution relates.

24.2 Distribution Reinvestment at Unitholder's request

If the Responsible Entity offers Distribution Reinvestment, a Unitholder may request the Responsible Entity to invest future income distributions wholly (or with the Responsible Entity's approval, partly) in subscriptions for additional Units at the Issue Price determined in accordance with clause 10.1(c).

A request or cancellation in respect of the distribution entitlement arising at that and subsequent Accrual Times must be received in a mode and by a time determined by the Responsible Entity.

24.3 Distribution Reinvestment by Responsible Entity for and on behalf of Unitholder

If the Responsible Entity requires Distribution Reinvestment:

- (a) at the Accrual Time each Unitholder of an Eligible Unit has an absolute vested and indefeasible interest in the share of Distributable Income to which the Unitholder is presently entitled;
- (b) that amount of Distributable Income will be applied by the Responsible Entity for and on behalf of the Unitholder in subscriptions for additional Units at the Issue Price as at the Valuation Time determined by the Responsible Entity in its discretion after the Accrual Time at which the entitlement arises; and
- (c) the Unitholder may lodge a Redemption Request in respect of Units acquired under this clause 24.3 where permitted to do so under clause 12.

26.24.4 Foreign investors

- (a) This clause ~~24.2~~**26.2** applies where Distribution Reinvestment involves the offer, issue or transfer of Units to Foreign Holders.
- (b) Subject to the Corporations Act, ~~Listing~~**Operating** Rules and the terms of any Relief, the Responsible Entity may determine that a Foreign Holder is an Ineligible Foreign Holder with respect to a Distribution Reinvestment where the Responsible Entity reasonably determines that:
 - (i) it would be unlawful under the laws of the jurisdiction of that Foreign Holder to offer, issue or transfer Units to that Foreign Holder; or
 - (ii) it would be unduly onerous to offer, issue or transfer Units to that Foreign Holder, having regard to:

- (A) the number of Foreign Holders in the jurisdiction of that Foreign Holder;
 - (B) the number and value of Units that may be offered, issued or transferred to Foreign Holders in the foreign jurisdiction; and
 - (C) the cost of and process for seeking advice as to the requirements for doing so in relation to the foreign jurisdiction and/or the cost of complying with legal requirements and the requirements of any relevant regulatory authority applicable to the offer, issue or transfer of Units in the foreign jurisdiction.
- (c) Subject to the Corporations Act, ~~Listing~~ Operating Rules and the terms of any Relief, if the Responsible Entity makes a determination in accordance with clause 24.4(b)~~26.2(b)~~, despite anything to the contrary in this constitution:
- (i) the Responsible Entity has the power to do all things which it considers necessary, desirable or reasonably incidental to give effect to a Foreign Holder Reinvestment Payment; and
 - (ii) any Foreign Holder who is or becomes an Ineligible Foreign Holder is taken to consent to a Foreign Holder Reinvestment Payment and:
 - (A) directs the Responsible Entity to do all things which it considers necessary, desirable or reasonably incidental; and
 - (B) acknowledges and agrees that the Responsible Entity is appointed as the Holder's agent and attorney to do all things necessary, desirable or reasonably incidental,
 to give effect to a Foreign Investor Reinvestment Payment, including to:
 - (iii) appoint a Sale Nominee to do all things necessary to give effect to a Foreign Holder Reinvestment Payment;
 - (iv) issue or transfer, or arrange for the issue or transfer of Units to which the Holder would have been entitled if it had participated in the Distribution Reinvestment to a Sale Nominee;
 - (v) arrange for a Sale Nominee to participate in Distribution Reinvestment in respect of Units received under clause 24.4(c)(iii)~~26.2(c)(iii)~~;
 - (vi) arrange for a Sale Nominee to sell the Units received under clause 24.4(c)(iii)~~26.2(c)(iii)~~ in the ordinary course of trading on ASX at such prices and at such times as the Sale Nominee determines in good faith and at the risk of the Holder;
 - (vii) receive amounts from the Sale Nominee on behalf of the Ineligible Foreign Holder;
 - (viii) arrange for the payment of the Sale Consideration to the Ineligible Foreign Holder in full satisfaction of the Responsible Entity's obligations to that Holder under the constitution in respect of the Distribution Reinvestment; and
 - (ix) execute any documents which the Responsible Entity considers necessary, desirable or reasonably incidental to effect the Foreign Holder Reinvestment Payment.

- (d) A 'Foreign Holder Reinvestment Payment' means that Holders who are Ineligible Foreign Holders will:
- (i) not participate in a Distribution Reinvestment; and
 - (ii) receive:
 - (A) an amount of Sale Consideration realised by selling Units to which the Holder would have been entitled if it had participated in the Distribution Reinvestment; or
 - (B) their distribution or an amount of cash otherwise determined by the Responsible Entity to be equivalent to the value of Units to which the Holder would have been entitled if it had participated in the Distribution Reinvestment.
- (e) For the avoidance of doubt, the receipt by each Ineligible Foreign Holder of the Foreign Holder Reinvestment Payment will constitute full discharge of the Responsible Entity's obligations under this constitution in respect of a Distribution Reinvestment.

~~26.3~~24.5 **Liability of Responsible Entity**

The Responsible Entity has no liability of any nature whatsoever beyond the Trust Property to Holders arising, directly or indirectly, from the Responsible Entity doing or refraining from doing any act (including the execution of a document) pursuant to or in connection with clause ~~24.2~~26.2.

~~27.25.~~ **Register**

~~27.4~~25.1 **Registers to be maintained**

The Responsible Entity must establish a Register of Unit Holders, a Register of Option Holders and a register of Financial Instrument Holders. The unit register must be maintained in accordance with the Operating Rules (while the Trust is Quoted).

~~27.2~~25.2 **Branch registers**

The Responsible Entity may establish branch unit registers anywhere in Australia.

~~27.3~~25.3 **Notice of trust**

The Responsible Entity need not enter notice of any trust on the Register.

~~27.4~~25.4 **Registered Holder is owner**

The Responsible Entity may treat a registered Holder as the holder and absolute owner of Units, Options or Financial Instruments registered in the Holder's name on the Register and is not bound to take notice of any trust or equity affecting a Unit, Option or Financial Instrument. Entry on the Register is conclusive evidence of a Holder's title to Units, Options or Financial Instruments.

~~27.5~~25.5 **Classes**

The Responsible Entity must maintain in accordance with the Corporations Act a Register recording details of any class of Units, Options or Financial Instruments.

28.26. Mortgage

28.26.1 Recording of mortgagee

- (a) Subject to paragraph (b) below, on the Unitholder's written request, the Responsible Entity may, but is under no obligation to, record a mortgagee (sole or joint) of Units in the Register and on the mortgagee's written request may delete that record.
- (b) Subject to clause ~~8.7~~~~10.7~~, on the Unitholder's written request made pursuant to an Application included in or with the first Disclosure Document, the Responsible Entity must record a mortgagee (sole or joint) of Units in the Register and on the mortgagee's written request may delete that record.

28.26.2 Payments to mortgagees

Redemption proceeds of Units, capital distributions (not representing part of Distributable Income or in any Period when the Trust (or the relevant class of Units) is an AMIT, distributions of income under clause ~~23~~~~25~~) and distributions after termination of the Trust must be paid to the recorded mortgagee of the Units in the Register (unless it directs otherwise in writing).

28.26.3 Transfer of mortgaged Units

- (a) A transfer of Units is subject to any existing mortgagee recorded on the Register so that Units in respect of which a mortgagee is recorded on the Register cannot be transferred without the written consent of the mortgagee.
- (b) For the avoidance of doubt, a transfer of mortgaged Units to the mortgagee remains subject to the terms of transfer (such as the requirement for the Responsible Entity to approve the transfer) ordinarily applying under this constitution.

28.26.4 Responsible Entity not taken to have notice of mortgage or charge

The Responsible Entity is not taken to have notice of the terms of any mortgage or charge and has no liability to a mortgagee of Units.

29.27. Death and insolvency

The Responsible Entity only recognises the following persons as having an interest in a Holder's Units, Options or Financial Instruments in the following circumstances:

- (a) if a Holder dies, the Holder's legal personal representative;
- (b) if a Holder becomes subject to a legal disability, a person properly appointed under an enduring power of attorney or otherwise legally authorised to deal with the Holder's Units;
- (c) if a joint Holder dies, the surviving joint Holder or Holders; and
- (d) if a Holder becomes bankrupt or enters into liquidation, the person legally entitled to the Holder's Units, Options or Financial Instruments consequent on bankruptcy or liquidation.

The estate of the deceased joint Holder is not released from any liability in respect of the Units, Options or Financial Instruments.

30.28. Termination

30.128.1 Responsible Entity may terminate

Subject to the Corporations Act ~~and, while the Trust or Units are Listed, the Listing Rules~~, the Responsible Entity at any time may terminate the Trust by written notice to the Unitholders with effect from the Termination Date specified in the notice.

30.228.2 Unitholders may terminate

The Unitholders may at any time terminate the Trust in accordance with the Corporations Act.

30.328.3 Issue and redemption stops

From the date on which the notice is given, the issue and redemption of Units ceases and any right that a Unitholder may have to have a Redemption Request processed is extinguished.

30.428.4 Action on termination

- (a) From the Termination Date, the Responsible Entity must, subject to the terms of issue of any particular class of Unit specified in this constitution:
 - (i) realise all Trust Property;
 - (ii) then, pay, discharge or provide for all Trust Liabilities (except Redemption Liabilities) and expenses of termination and winding up from the Trust Property; and
 - (iii) then, subject to clause 5 and paragraph (b) below, distribute the net proceeds among Unitholders pro rata to the number of Units held (subject however to the terms of issue of any class of Units specified in this constitution) on the Termination Date.
- (b) The net proceeds referable to a class:
 - (i) will be those proceeds that the Responsible Entity determines to be properly referable to that class having regard to the terms of issue of the Units of that class specified in this constitution; and
 - (ii) must be distributed by the Responsible Entity to Unitholders (held on the Termination Date) in that class pro rata to the number of Units the Holder holds in that class on the Termination Date.

30.528.5 Realisation of Trust Property

The Responsible Entity may postpone realising Trust Property and is not responsible for any resulting loss unless caused by its fraud, negligence or a breach of trust.

30.628.6 Income

Each Unitholder registered on the Termination Date continues to be entitled to their proportionate share of Distributable Income or in any Period when the Trust (or the relevant class of Units) is an

AMIT, their distribution under clause ~~23~~²⁵ during the winding up period. The Responsible Entity may make partial distributions of Trust proceeds during the winding up period.

~~30.7~~^{28.7} Auditing of winding-up accounts

If required by the Corporations Act or under ASIC policy, the Responsible Entity must cause the final accounts of the winding up to be independently audited by a registered company auditor or firm of chartered accountants of which at least one partner or member is a registered company auditor.

~~30.8~~^{28.8} Notice to Manager

The Responsible Entity must, not less than 7 days before the winding up of the Trust, give the Manager (if any) written notice that the Trust is to be wound up.

~~31.~~^{29.} Payments

~~31.1~~^{29.1} Means of payment

Any money payable by the Responsible Entity to a Holder may:

- (a) be paid by cheque;
- (b) be deposited into an account with a bank or other financial institution approved by the Responsible Entity and nominated by the Holder; or
- (c) applied in another manner as the Responsible Entity is directed in writing by the Holder (if the Responsible Entity agrees).

The obligations of the Responsible Entity are fully discharged in respect of any money so paid.

~~31.2~~^{29.2} If payment not effective

If a distribution cheque or a cheque issued in payment of a Redemption Request is returned unclaimed, or is not presented for payment within a reasonable period (which the Responsible Entity may determine from time to time), or an attempted deposit is rejected, the Responsible Entity must reinvest the relevant amount for the Unitholder in the Trust as from the date the Responsible Entity selects as appropriate including in Units.

~~31.3~~^{29.3} Rounding

The Responsible Entity may in its discretion round any amount up or down to the nearest whole cent, and any remaining fraction of a cent becomes Trust Property.

~~31.4~~^{29.4} Joint Holders

A payment to any one of joint Holders will discharge the Responsible Entity in respect of the payment.

~~31.5~~^{29.5} Deduction of Tax or amounts owing

The Responsible Entity may deduct from any amount to be paid to a Holder, or received from a Holder, any amount of Taxes (or an estimate of it) or any other liability owed by the Holder to the Responsible Entity or any other person which the Responsible Entity is required or authorised to deduct by law or by this constitution or which the Responsible Entity considers should be deducted.

~~32.~~30. Auditor

The Responsible Entity must appoint and may at any time replace as auditor of the Trust either a registered company auditor, or a firm of chartered accountants of which at least one partner is a registered company auditor.

~~33.~~31. Meetings

~~33.4~~31.1 Convening Meetings

- (a) The Responsible Entity may at any time convene and conduct a Meeting and must do so in accordance with this constitution, ~~and~~ the Corporations Act and the Operating Rules.
- (b) A Meeting may be held at two or more venues simultaneously using technology that gives the Unitholders as a whole a reasonable opportunity to participate.

~~33.2~~31.2 Notices

- (a) Notice of a Meeting must be given in accordance with, and contain the information required by, the Corporations Act.
- (b) Each of the following are entitled to receive notice of a general meeting:
 - (i) every Unitholder;
 - (ii) every director of the Responsible Entity; and
 - (iii) the Auditor.

~~33.3~~31.3 Proxies

- (a) A proxy may attend, speak and vote for a Unitholder even if the Unitholder is present at the Meeting.
- (b) An appointment of a proxy is valid even if it does not include the Unitholder's address or the Trust's name. An appointment of a proxy for a Meeting is effective if received by the Responsible Entity by a time before the time the Meeting is due to start that the Responsible Entity considers appropriate.

~~33.4~~31.4 Other types of Units, Options and Financial Instruments

Clause ~~31~~33 applies also, to the extent appropriate and with any necessary amendments, to meetings of Holders of any type or class of Units or Options or Financial Instruments.

~~34.~~32. Conduct of Meetings

~~34.1~~32.1 Chairperson may adjourn Meeting

The chairperson may adjourn a Meeting to a time and place as the chairperson sees fit. The only business that can be transacted at an adjourned Meeting is the unfinished business of the initial Meeting.

34.232.2 Closing of Register

When a Meeting is to be held the Responsible Entity must ~~subject to the Listing Rules and CS Facility Rules~~ close the Register at an appropriate date and time to determine those Unitholders entitled to vote at the Meeting, and entitled to notification of the Meeting.

34.332.3 Joint Unitholders

The first named of joint Unitholders shown in the Register (or if that person does not vote, the next named joint Unitholder, or if that person does not vote, the next named, and so forth) may exercise the voting rights of jointly-held Units.

34.432.4 Resolutions

- (a) The chairperson's declaration of the validity of any vote and the result of voting is conclusive.
- (b) A resolution duly passed binds all Unitholders, whether or not present at the Meeting.
- (c) A resolution in writing signed by all Unitholders will be deemed to have been duly passed at a Meeting.

34.532.5 Minutes

Minutes of a Meeting signed by the chairperson constitute conclusive evidence of the proceedings of the Meeting.

34.632.6 Postal ballot

Subject to the Corporations Act, a Meeting may be conducted by postal ballot in accordance with arrangements the Responsible Entity may determine reflecting, as closely as may be practicable, the provisions of this constitution.

34.732.7 Destruction of proxy forms and ballot papers

In the absence of any resolution to the contrary, all proxy forms and ballot papers may be destroyed 14 days after the closure of a Meeting.

34.832.8 Right to attend and be heard

The Auditor and Manager (if any) are entitled to:

- (a) attend any Meeting of Unitholders;
- (b) be heard at any Meeting of Unitholders on any part of the business of the Meeting that concerns them in their respective capacity, even if:
 - (i) the Auditor or Manager (if any) retires at the general Meeting; or
 - (ii) Unitholders pass a resolution to remove the Auditor (from office); and
- (c) authorise a person in writing to attend and speak at any general Meeting as their representative.

34.932.9 Certain polls

A poll demanded on any resolution concerning the election of the chairperson of a Meeting or to adjourn the Meeting must be taken immediately.

~~34.10~~32.10 Other types of Units, Options and Financial Instruments

This clause ~~32~~34 applies also, to the extent appropriate and with the necessary amendments, to Meetings of Holders of any type or class of Units or Options or Financial Instruments.

~~35.33.~~ GST

~~35.1~~33.1 Interpretation

In this clause ~~33~~35, a word or expression defined in the GST Act has the same meaning given to it in that Act.

~~35.2~~33.2 GST gross up

If the Responsible Entity is liable for GST on any supply made under or in connection with this constitution (including the supply of any goods, services, rights, benefits or things), the Responsible Entity is entitled to receive, unless the consideration for the supply is specifically described in this constitution as being inclusive of GST, in addition to any consideration for that supply, or any other fee, amount or consideration, an additional amount on account of GST, equal to the GST payable by the Responsible Entity, and the Responsible Entity is entitled to be reimbursed or indemnified for the amount out of the Trust Property. The Responsible Entity must issue a tax invoice in respect of the supply before it is entitled to be reimbursed or indemnified.

~~35.3~~33.3 GST inclusive supply

Where the consideration for a supply made under or in connection with this constitution is specifically described as being inclusive of GST and:

- (a) the supply is not subject to GST, and the GST rate is the same as at the date of this constitution, the consideration to be provided for that supply is reduced by one-eleventh; or
- (b) there is a change to the prevailing rate of GST, the consideration is increased or decreased in proportion to the change in the rate of GST.

~~35.4~~33.4 Input tax credits

When calculating the amount of any costs, charges, expenses or outgoings incurred by the Responsible Entity for which it is entitled to be reimbursed out of the Trust Property, the Responsible Entity must deduct an amount equal to any input tax credit to which the Responsible Entity is entitled in connection with the costs, charges, expenses or outgoings sought to be reimbursed.

~~36.34.~~ Complaints

The Responsible Entity, as the holder of an Australian financial services licence, must comply with the dispute resolution requirements in section 912A(2) of the Corporations Act in dealing with complaints received from Holders in relation to the Trust.

For the purposes of this clause ~~34~~36, a reference to a Holder includes any person who has an 'interest' in the Trust as that term is defined in section 9 of the Corporations Act, or a former Holder whose Units have been redeemed under clause ~~12.15~~14.12 but who has not yet been paid in accordance with clause ~~29~~34 the Redemption Price of each Units redeemed.

~~37.~~35. Corporations Act

~~37.1~~35.1 Compliance with Relief and things required to be in this constitution

The Responsible Entity and each Holder must, subject to the Corporations Act and to any Relief, comply with:

- (a) any conditions of, and any covenants required to be contained in this constitution as a condition of the Relief, for so long as it applies, and
- (b) all provisions required from time to time to be contained or altered in this constitution as a condition of any Relief, or as prescribed by the Corporations Act, Operating Rules, Listing Rules, ASIC or the Securities Exchange (if and as applicable), for so long as ~~it~~ the requirement applies.

~~37.2~~35.2 Matters required to be in this constitution

For so long as the Trust is registered as a managed investment scheme:

- (a) any covenants required to be contained in this constitution as a condition of any Relief are taken to be contained in this constitution for so long as the Relief applies; and
- (b) all provisions required from time to time to be contained or altered in this constitution as a condition of Relief, or as prescribed by the Corporations Act, Operating Rules, Listing Rules, ASIC or the Securities Exchange (if and as applicable), are taken to be contained or altered in this constitution to the extent that they are not specifically set out in this constitution for so long as ~~Relief~~ the requirement applies.

35.3 Holders authorisation

The Holders:

- ~~(a)~~ (a) authorise the Responsible Entity to make the amendments referred to in this clause 38 in a deed and, if required, to lodge it with ASIC; and
- (b) agree that, subject to the Corporations Act, their rights under this constitution do not include or extend to a right not to have this constitution amended to comply with requirement contemplated in clauses ~~36.1~~38.1 or ~~36.2~~38.2.

~~38.~~36. Application of Accounting Principles and Standards

~~38.1~~36.1 Application

Notwithstanding any other provision of this constitution, where:

- (a) the effect of this constitution is that any of the amounts referred to in paragraph (b) below are required to be calculated by reference to the:
 - (i) value of Trust Property;
 - (ii) amount of any liability that under the constitution may be discharged from Trust Property; or
 - (iii) the income of the Trust,

and the effect of the constitution is that the value or amount is to be worked out by applying generally accepted accounting principles or methodology set out in an accounting standard

(including Australian Accounting Standards) as generally accepted or in force from time to time; and

- (b) the relevant amounts include the:
 - (i) consideration that is to be paid to acquire a Unit;
 - (ii) amount to be paid on a withdrawal from the Trust;
 - (iii) remuneration or Fees payable to the Responsible Entity, any agent of the Responsible Entity or any custodian who holds Trust Property;
 - (iv) extent of any limitation on borrowings or on the investment of Trust Property; or
 - (v) amount of a distribution payable to Unitholders,
- (c) then, to the extent to which paragraph (a) above applies to any of the relevant amounts referred to in paragraph (b) above, the amounts referred to in paragraph (b) above may be calculated instead by applying generally accepted accounting principles or accounting standards as generally accepted or in force immediately before 1 January 2005.

38.236.2 Perpetuities

Notwithstanding any other provision of this constitution, where the effect of current generally accepted accounting principles or methodology set out in an accounting standard (including Australian Accounting Standards) as generally accepted or in force from time to time is that the constitution should be interpreted (whether because of the existence of a perpetuities clause in the constitution or otherwise) on the basis that liabilities representing interests in, or rights attaching to, Units:

- (a) at any time during the life of the Trust;
- (b) on termination of the Trust; or
- (c) on the vesting of any interest in the Trust,

should be treated as a liability in the accounts of the Trust, then such liabilities shall continue to be treated for Trust operational purposes such as the calculation of the Responsible Entity's Fees (but not for the purpose of financial reporting) in accordance with the accounting principles or methodology set out in accounting standards generally accepted or in force immediately before 1 January 2005.

38.336.3 Interpretation of this clause

For the purposes of this clause 36~~38~~, a reference to:

- (a) Trust Property includes the terms assets or property (of the Trust) or trust fund or words of similar import;
- (b) Unitholder includes a member, investor or other similar description;
- (c) constitution includes trust deed or other similar description;
- (d) Trust includes fund or other similar description; and
- (e) Responsible Entity includes the trustee, Manager or other party however described, acting in the capacity of responsible entity.

~~39.~~37. Amendments to constitution

Subject to the Corporations Act, the Responsible Entity may by supplemental deed modify, add to, delete from or replace, this constitution (including this clause ~~37~~39).

~~40.~~38. Calculations

Any calculation for the purposes of this constitution must be to the fourth decimal place or, in any case, as otherwise determined by the Responsible Entity from time to time.

~~41.~~39. Notices and cheques

~~41.1~~39.1 Notices sent by mail

Subject to clause ~~39.2~~41.2, any consent, notice, report, statement given, or required to be given, in writing, or cheque, may be sent to a Holder or joint Holders by prepaid post to the address of the Holder, or of the first named of joint Holders, shown in the Register and is taken to be received on the next Business Day after posting.

~~41.2~~39.2 Notices sent by email or facsimile

If a Holder, or the first named of joint Holders shown on the Register, has given its electronic address or facsimile number to the Responsible Entity, any consent, notice, report or statement given or required to be given in writing may be sent to the Holder or joint Holders electronically at the address or facsimile number given to the Responsible Entity from time to time, and is taken to be received on the Business Day it was sent but if it is sent before or after Business Hours, it is taken to be received on the next Business Day.

~~42.~~40. Governing law

This constitution is governed by the law of the State of New South Wales, Australia.

~~43.~~ Listing Rules

~~Notwithstanding anything contained in this constitution, for so long as the Trust or Units are Listed:~~

- ~~(a) — If the Listing Rules prohibit an act being done, the act shall not be done.~~
- ~~(b) — Nothing contained in this constitution prevents an act being done that the Listing Rules require to be done.~~
- ~~(c) — If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).~~
- ~~(d) — If the Listing Rules require this constitution to contain a provision and it does not contain such a provision, this constitution is deemed to contain that provision.~~
- ~~(e) — If the Listing Rules require this constitution not to contain a provision and it contains such a provision, this constitution is deemed not to contain that provision.~~
- ~~(f) — If any provision of this constitution is or becomes inconsistent with the Listing Rules, this constitution is deemed not to contain that provision to the extent of the inconsistency.~~

44. ~~Restricted Securities~~

- ~~(a) — Paragraphs (b) and (c) below only operate:~~
 - ~~(i) — while Units are Officially Quoted; and~~
 - ~~(ii) — to the extent they are not inconsistent with the Corporations Act.~~
- ~~(b) — During a breach of the Listing Rules or of a restriction agreement relating to Units which are Restricted Securities, the Holder who holds the Units which are Restricted Securities is not entitled to any distribution from the Trust, nor any voting rights, in respect of those Units.~~
- ~~(c) — While the Trust or Units are Listed, during the applicable escrow period:~~
 - ~~(i) — a Holder may not transfer Restricted Securities; and~~
 - ~~(ii) — the Responsible Entity will refuse to acknowledge a disposal (including registering a transfer) of Restricted Securities,~~

~~except as permitted by the Listing Rules or ASX.~~

Signing page

EXECUTED as a deed poll.

Executed by Magellan Asset Management Limited ABN 31 120 593 946 in accordance with Section 127 of the *Corporations Act 2001*

Signature of director

Name of director (print)

Signature of director/company secretary
(Please delete as applicable)

Name of director/company secretary (print)

|

|

Schedule 1—Additional IPO Units

1. Defined terms and interpretation

1.1 Defined terms

Unless the contrary intention appears, capitalised terms not defined in this schedule have the same meaning as they have elsewhere in the Constitution and:

Additional IPO Unit means a Loyalty Unit or a Foundation Unit, as the case may be.

Additional IPO Unit Applicant means:

- (a) in the case of Loyalty Units, a person subscribing for Units under the Priority Offer; and
- (a) in the case of Foundation Units, a person subscribing for Units under the Wholesale & Public Offer.

Additional IPO Unit Issue Date means, for the issue of Loyalty Units related to the Priority Offer and Foundation Units related to the Wholesale & Public Offer, the last Business Day of a Period.

Additional IPO Unit Vesting Date means the day determined by the Responsible Entity for determining the number of Additional IPO Units to be issued to Additional IPO Unit Applicants on the Additional IPO Unit Issue Date.

Wholesale & Public Offer means the either or both of the wholesale offer and the public offer as described in the Disclosure Document to be issued for the Initial Public Offer.

Constitution means the constitution establishing the Trust of which this schedule forms an operative part.

Eligible Percentage means the percentage determined by the Responsible Entity for determining the maximum number of:

- (a) Loyalty Units that an Additional IPO Unit Applicant may receive under the Priority Offer; and
- (b) Foundation Units that an Additional IPO Unit Applicant may receive under the Wholesale & Public Offer.

To avoid doubt, the Responsible Entity may determine different Eligible Percentages for Loyalty Units and for Foundation Units.

Maximum Additional IPO Units means highest possible number of Additional IPO Units to be issued to Additional IPO Unit Applicants at the time of allotment of ordinary Units under the Priority Offer (in the case of Loyalty Units) and the Wholesale & Public Offer (in the case of Foundation Units).

Priority Offer means the priority offer which is made to selected persons who have received a priority offer invitation as described in the Disclosure Document to be issued for the Initial Public Offer.

1.2 Interpretation

Unless the contrary intention appears, in this schedule a reference to a "paragraph" is a reference to a numbered paragraph of this schedule.

~~2. Implementation~~

~~2.1 General power~~

~~The Responsible Entity has the power to do all things which it considers are necessary, desirable or reasonably incidental to give effect to the matters set out in this schedule.~~

~~2.2 Express power~~

~~Without limiting paragraph 2.1 and despite any other provision in the Constitution, the Responsible Entity has the power to do each of the things referred to as actions to be taken by the Responsible Entity in this schedule.~~

~~2.3 Additional IPO Units~~

~~(a) The Responsible Entity may create:~~

~~(i) Loyalty Units related to the Priority Offer; and~~

~~(ii) Foundation Units related to the Wholesale & Public Offer,~~

~~and issue these Additional IPO Units to Additional IPO Unit Applicants in accordance with this schedule and the Constitution.~~

~~(b) An Additional IPO Unit Applicant will be taken by the Responsible Entity to have subscribed for Additional IPO Units as part of their Application for Units under the Priority Offer or Wholesale & Public Offer (as applicable) given to the Responsible Entity and the Responsible Entity may accept that Application subject to the terms set out in the Disclosure Document. There shall be no further consideration payable for this subscription for Additional IPO Units.~~

~~(c) The number of Additional IPO Units that an Additional IPO Unit Applicant may potentially receive subject to vesting on the Additional IPO Unit Vesting Date is based on the following calculation:~~

$$N = E \times \frac{M}{O}$$

~~Where:~~

~~N is the number of Additional IPO Units that an Additional IPO Unit Applicant may potentially receive subject to vesting on the Additional IPO Unit Vesting Date (rounded down to the nearest whole Unit).~~

~~E is the Eligible Percentage (expressed as a decimal).~~

~~M is the total value, as at the time of allotment of ordinary Units under the:~~

~~(i) Priority Offer, for all Units (except Loyalty Units) issued under the Priority Offer to the Additional IPO Unit Applicant;~~

~~(ii) Wholesale & Public Offer, for all Units (except Foundation Units) issued under the Wholesale & Public Offer to the Additional IPO Unit Applicant.~~

~~O is the Issue Price of Units under the Priority Offer or Wholesale & Public Offer (as applicable).~~

~~(d) The Responsible Entity may determine in its discretion the Additional IPO Unit Vesting Date for an Additional IPO Unit Issue Date.~~

2.4 — Issue of Loyalty Units

- (a) — On the Additional IPO Unit Vesting Date, the Responsible Entity must determine the number of Loyalty Units to be issued to each Additional IPO Unit Applicant on the Additional IPO Unit Issue Date based on the following calculation:

$$A = B \times \frac{C}{D}$$

Where:

A is the number of Loyalty Units to be issued to the Additional IPO Unit Applicant on the Additional IPO Unit Issue Date (rounded down to the nearest whole Unit).

B is the maximum number of Loyalty Units calculated in accordance with paragraph 2.3(c) that the Additional IPO Unit Applicant may receive on the Additional IPO Unit Vesting Date.

C is the total number of Units that are held by the Additional IPO Unit Applicant on the Additional IPO Unit Vesting Date, but not exceeding the total amount of **D**.

D is the total number of Units issued under the Priority Offer to the Additional IPO Unit Applicant.

- (b) — On the Additional IPO Unit Issue Date, the Responsible Entity must create and issue to an Additional IPO Unit Applicant that number of Loyalty Units calculated in accordance with paragraph 2.4(a) for that Additional IPO Unit Applicant.
- (c) — The Responsible Entity must use reasonable endeavours to procure that, upon the issue of Loyalty Units under paragraph 2.4(b), these Loyalty Units are Officially Quoted.

2.5 — Issue of Foundation Units

- (a) — On the Additional IPO Unit Vesting Date, the Responsible Entity must determine the number of Foundation Units to be issued to each Additional IPO Unit Applicant on the Additional IPO Unit Issue Date based on the following calculation:

$$A = B \times \frac{C}{D}$$

Where:

A is the number of Foundation Units to be issued to the Additional IPO Unit Applicant on the Additional IPO Unit Issue Date (rounded down to the nearest whole Unit).

B is the maximum number of Foundation Units calculated in accordance with paragraph 2.3(c) that the Additional IPO Unit Applicant may receive on the Additional IPO Unit Vesting Date.

C is the total number of Units (excluding the number of Units reflected by the variable 'C' in paragraph 2.4(a)) that are held by the Additional IPO Unit Applicant on the Additional IPO Unit Vesting Date, but not exceeding the total amount of **D**.

D is the total number of Units issued under the Wholesale & Public Offer to the Additional IPO Unit Applicant.

- (b) — On the Additional IPO Unit Issue Date, the Responsible Entity must create and issue to an Additional IPO Unit Applicant that number of Foundation Units calculated in accordance with paragraph 2.5(a) for that Additional IPO Unit Applicant.

~~(c) The Responsible Entity must use reasonable endeavours to procure that, upon the issue of Foundation Units under paragraph 2.5(b), these Foundation Units are Officially Quoted.~~

~~3. General~~

~~3.1 No conflict~~

~~Subject to the Corporations Act, the Responsible Entity and any of its directors, other officers, employees and associates may do any act, matter or thing described in or contemplated by this schedule, even if they have an interest (financial or otherwise) in the outcome of such exercise.~~

Magellan High Conviction Trust - Legislation guide

This list has been prepared to assist in identifying the provisions of the Magellan High Conviction Trust relating to requirements under the *Corporations Act 2001* (Cth) (**Corporations Act**) for constitutions of registered managed investment schemes.

Corporations Act provision	Constitution provision
601GA (1)(a)	Clause 10 12
601GA (1)(b)	Clause 14 17
601GA (1)(c)	Clause 34 36
601GA (1)(d)	Clause 28 30
601GA (2)(a)	Clauses 16.2 19.2 and 20 18
601GA (2)(b)	Clauses 16.2 19.2 and 18 20
601GA (3)	Clause 14.1 17
601GA (4)(a)	Clause 12.1 14.4
601GA (4)(b)	Clause 12.2 14.3
601GA (4)(c)	Clause 12.3 14.4
601GB	Clause 2.4 2.4