

Magellan Global Trust

ARSN 620 753 728

ASX code: MGG

Frequently Asked Questions – for Advisers only

1 What is the Magellan Global Trust (“MGG”)?

MGG is a unit trust that has been registered as a managed investment scheme under the Corporations Act and will apply to be listed on the ASX as a listed investment trust.

Structurally, MGG is similar to Magellan’s unlisted funds. The key difference is that MGG is a closed-ended vehicle listed on the ASX. Being closed ended, investors cannot apply and redeem their units in the fund but rather they enter and exit by buying and selling units on ASX.

2 How is MGG vehicle different to ETFs and LICs?

In brief, LICs have a company structure and are closed-ended while ETFs have a trust structure and are open-ended.

MGG has a trust structure and is closed-ended.

3 Why is Magellan launching MGG?

Magellan is seeking to provide an attractive vehicle for investors making an investment in global equities through an ASX-listed closed-ended vehicle. Magellan is seeking to differentiate MGG from other global equities funds listed on ASX through its investment strategy, by targeting a 4% per annum cash distribution yield paid semi-annually and managing the foreign currency exposure.

4 Will MGG pay distributions?

Magellan intends to target a cash distribution yield of 4% per annum based on the average of the month-end NAV per Unit over a two-year rolling period (“Target Cash Distribution”). Distributions will be paid semi-annually.

Magellan intends to announce a Target Cash Distribution per Unit on ASX at the beginning of each semi-annual period.

Magellan expects that the distribution policy will provide unitholders with greater certainty about the amount of upcoming distributions.

Where net income exceeds the targeted yield of 4% per annum, Magellan intends that the portion of any distribution in excess of the Target Cash Distribution will be required to be reinvested as additional Units in MGG.

5 When will the first distribution be paid?

It is intended the first cash distribution of 3.0 cents per unit will be paid in January 2018 and a further 3.0 cents per unit will be paid in July 2018.

6 Will there be a distribution reinvestment plan (“DRP”)?

Yes, in respect of each Target Cash Distribution, Magellan may offer DRP at its discretion. Magellan intends to offer Unitholders who elect to participate in the DRP in respect of the Target Cash Distribution an issue price which is set at a 5% discount to the prevailing NAV per Unit. As an additional benefit to Unitholders and to ensure that Unitholders who elect not to participate in the DRP suffer no dilution as a result of the DRP discount, the Magellan Group will pay MGG an amount of consideration equal to the cost of this discount.

7 What disclosure will be provided on MGG?

Disclosure includes:

- Estimated NAV announced daily;
- An indicative NAV (“iNAV”) updated at regular intervals throughout the ASX trading day;
- Monthly fund update, quarterly fund update and annual investor report; and
- Disclosure of portfolio stocks by name and weight quarterly with a delay period of no more than 2 months.

8 What is MGG’s fee structure?

The fee structure of MGG is the same as the fee structure for the Magellan Global Fund and Magellan Global Equities Fund.

9 What is the Offer?

Magellan is seeking to raise a minimum of \$250 million in the initial public offering which will comprise a Broker Firm Offer, a General Public Offer and a unique Priority Offer available to Magellan shareholders and investors in Magellan’s retail strategies.

10 What is the Offer Price and how does this differ from the initial Net Asset Value (“NAV”) of MGG?

The Offer Price is \$1.50 per Unit.

All offer costs will be paid for by Magellan in cash. This means the pro forma NAV per Unit and investible cash of MGG will be equal to \$1.50 per Unit. This will ensure investors are generating returns on every dollar they have invested from the day of listing.

11 What is the Priority Offer?

The Priority Offer is an offer open to Magellan shareholders and investors in Magellan’s retail strategies as at 1 August 2017 and who have a registered address in Australia and New Zealand. Priority Applicants are being invited to subscribe for 10% of the value of their investment in an Eligible Vehicle or \$30,000, whichever is greater.

Priority Applicants are being offered a valuable loyalty reward as part of the Priority Offer in the form of additional units (“Loyalty Units”). Priority Applicants may be eligible to receive additional units of 6.25% of the number of Units allotted to them under the Priority Offer, subject to vesting and other conditions outlined in the PDS.

Importantly, the economic cost associated with Loyalty Units will be borne by the Magellan Group.

Please refer to Section 5 of the PDS for further information.

12 How can I participate in Priority Offer?

Priority Applicants who are invested with Magellan directly, will be contacted by Magellan by email or post once the Offer opens on the 29 August 2017 and will be issued with a Unique Priority Code which will enable them to participate in the Priority Offer. Priority Applicants can use their Unique Priority Code to access a copy of the PDS and apply online at www.magellanglobaltrust.com.au or call the Unit Registry for a copy of the PDS and Application Form.

Priority Applicants who are invested with Magellan indirectly through an Investor Directed Portfolio Service (“IDPS”), IDPS-like scheme or a nominee or custody service (collectively, “Intermediaries”) should be contacted by the Intermediary.

13 When will Loyalty Units under the Priority Offer be issued to Priority Applicants?

Priority Applicants will receive Loyalty Units provided they are a unitholder (either directly as a registered Unitholder or indirectly through the Intermediary they were allotted Units under the Offer) at 5.00pm on 11 December 2017 (“Loyalty Unit Determination Date”).

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

Priority Applicants who, on this date, hold a lower number of Units than allotted to them under the Priority Offer will receive

a number of Loyalty Units which is proportionally lower (rounded down to the nearest whole Unit) than the amount they may have received had they held at least the same number of Units allotted to them under the Priority Offer.

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

Please refer to Section 5 of the PDS for detailed information about the issuance of Loyalty Units.

14 Where will Loyalty Units under the Priority Offer be issued?

Loyalty Units issued under the Priority Offer will be issued to the same Securityholder Reference Number (“SRN”), Holder Identification Number (“HIN”) or Intermediary as were a Priority Applicants’ Units under the Priority Offer.

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

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

15 How can I participate in the General Public Offer?

Applicants under the General Public Offer can apply online at www.magellanglobaltrust.com.au or call the Unit Registry for a copy of the PDS and Application Form.

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

16 How can I participate in the Broker Firm Offer?

Applicants under the Broker Firm Offer should contact their stockbroker for information about the Broker Firm Offer.

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

17 Where can I find more information about the Offer?

More information about the Offer can be found on the website www.magellanglobaltrust.com.au or by calling the Magellan Global Trust Offer Information Line on 1300 032 754 (within Australia) or +61 2 8023 5419 (outside Australia) between 8:30am and 5:00pm (Sydney time) Monday to Friday.

If Applicants who are uncertain as to whether an investment in MGG is suitable for them are being directed to contact their

stockbroker, financial adviser, accountant, lawyer or other professional adviser.

18 What are the risks around this product?

Please refer to the PDS regarding specific risks.

19 My client is invested in a Magellan strategy via a corporate super fund. How can they apply?

Magellan is working with platforms who administer the holdings of indirect holders such as the Trustees of employer super funds to ensure that an invitation to apply under the Priority Offer is either offered to the Trustee for investment in MGG or is otherwise passed through to their members. Magellan, via the Trustee, is offering all members in such funds the ability to subscribe for \$30,000 worth of units in MGG. It is at the sole discretion of the Trustee as to whether it communicates this invitation to its members. To the extent the Trustee elects to do this, the Unit Registry will work with the platform and the Trustee to provide a Unique Priority Code to the fund's members to enable those members to apply via the Offer website at www.magellanglobaltrust.com.au.

If your client has not been contacted by the Trustee of their employer super fund, they should contact the Trustee to ascertain whether the Trustee will be participating or passing through the invitation. If the Trustee is not participating or is not passing through the invitation, your client should contact the Unit Registry to speak to someone about how they can apply under the Priority Offer. They may be asked to supply information (such as a statement of holdings from their employer super fund) to support their claim as an eligible Priority Applicant.

20 My client is the trustee of a corporate super fund which invests in a Magellan investment strategy. Are they eligible to participate in the offer and/or pass their entitlement through to their members?

Magellan is working with platforms who administer the holdings of indirect holders such as the Trustees of corporate super funds to ensure that an invitation to apply under the Priority Offer is either offered to the Trustee for investment in the fund or is otherwise passed through to their members. Magellan, via the Trustee, is offering all members in such funds the ability to subscribe for \$30,000 worth of units in MGG. It is at the sole discretion of the Trustee as to whether it communicates this invitation to its members. To the extent the Trustee elects to do this, the Unit Registry will work with the platform and the Trustee to provide a Unique Priority Code to the fund's members to enable those members to apply via the Offer website at www.magellanglobaltrust.com.au.

21 My client is invested in a Magellan strategy via a multi-manager or diversified fund. How can they apply?

Magellan is working with platforms who administer the holdings of indirect holders such as investors in a multi-manager or diversified fund, where part of that fund is invested in a Magellan investment strategy, to ensure that an invitation to apply under the Priority Offer is either offered to

the manager of that fund or is otherwise passed through to the underlying investors.

Magellan, via the manager of that fund, is offering all indirect investors in such funds the ability to subscribe for \$30,000 worth of units in MGG. It is at the sole discretion of the manager of that fund as to whether it communicates this invitation to its underlying investors. To the extent the manager of that fund elects to do this, the Trust's Unit Registry will work with the platform and the manager of that fund to provide a Unique Priority Code to the fund's members to enable those members to apply via the Offer website at www.magellanglobaltrust.com.au.

If your client has not been contacted by the platform or manager of the fund, they should contact the manager of that fund to ascertain whether the manager of that fund will be participating or passing through the invitation. If the manager of that fund is not participating or is not passing through the invitation, your client should contact the Unit Registry on 1300 032 754 (within Australia) or +61 2 8023 5419 (outside Australia) during business hours to speak to someone about how they can apply under the Priority Offer. They may be asked to supply information (such as a statement of holdings from their investment fund) to support their claim as an eligible Priority Applicant.

22 Is MGG rated by any research houses?

Magellan expects research reports to be published on the offer open date of 29 August 2017.

23 What does an adviser do if the client's platform can't facilitate the Priority Offer?

The client will still be entitled to participate in the Priority Offer directly (off-platform). Advisers will need to contact the platform to determine if they are providing an alternative process, otherwise the client can contact the Unit Registry during business hours (1300 032 754 within Australia or +61 2 8023 5419 outside Australia) and may be asked to provide evidence to support their claim that they are an Indirect Magellan Holder.

The Unit Registry will work with platforms to provide Unique Priority Codes in order for clients to apply via the Offer website at www.magellanglobaltrust.com.au.

Important Information: Units in the Magellan Global Trust (Trust) are issued by Magellan Asset Management Limited (ABN 31 120 593 946, AFS Licence No 304 301). This material has been provided for general information purposes and must not be construed as investment advice. This material has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person. Investors should consider obtaining professional investment advice tailored to their specific circumstances and should read the relevant Product Disclosure Statement (PDS) prior to making any investment decisions. The PDS is available via www.magellanglobaltrust.com.au or can be obtained by calling the Magellan Global Trust Offer Information Line on 1300 032 754 (within Australia) or +61 2 8023 5419 (outside Australia) between 8:30am and 5:00pm (Sydney time) Monday to Friday