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ASX Limited
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SYDNEY NSW 2000

MAGELLAN FINANCIAL GROUP LIMITED INVESTMENT IN NEW BUSINESS VENTURE

Magellan Financial Group Limited ("Magellan") is pleased to announce it has become a foundation investor in Barrenjoey Capital Partners ("Barrenjoey"), a newly established Australian-based full-service financial services firm. Barrenjoey will provide corporate and strategic advisory, equity and debt capital market underwritings, cash equities, research, prime brokerage as well as traditional fixed income services to Australian and international clients.

Barrenjoey will be led by a highly respected team of experienced executives including Guy Fowler as Executive Chairman, Brian Benari as Chief Executive and other founding partners including John Cincotta, Matt Hanning and Chris Williams.

Ken MacKenzie, one of Australia's most highly regarded senior executives will also join in early 2021 as Barrenjoey's Senior Strategy Partner. Ken will be available to provide strategic advice and senior counsel to CEOs, chairpersons, boards, executive teams and business owners in developing and executing their long-term strategies. In addition, Cynthia Whelan will join as a Senior Adviser. Cynthia, former Barclays Australia CEO and Telstra Group Executive, will provide strategic advice to Barrenjoey's clients.

Additional senior appointments, including an independent Chair, will be made as the platform is built out.

Separately, Barclays has also announced that it has also become a foundation investor in Barrenjoey. Barclays has entered into a Co-operation Agreement with Barrenjoey covering global product distribution, research, cross-border advisory and debt capital markets, as well as making available significant balance sheet capacity for Barrenjoey to support its clients. In addition to having a significant presence in the European landscape, through its acquisition of Lehman Brothers, Barclays is a leading US banking franchise amongst its European peers.

Brett Cairns, Magellan's CEO, said "Magellan is delighted to be a founding partner of Barrenjoey. We believe the partnership model that leaves control, equity ownership and core decision making with the executives is proven and powerful. This partnership model was adopted historically by many investment banks but unfortunately seems to have disappeared over the last 20 years. By offering true ownership and autonomy to staff, we believe that Barrenjoey will be able to attract the best and brightest talent in the country providing clients with the best possible service and outcomes."

"We have known John, Brian, Cynthia and Guy for many years. Magellan approached them as their track records and reputations speak for themselves. We are excited by the prospects for Barrenjoey and feel very privileged to be a foundation investor."

Guy Fowler, Barrenjoey Executive Chairman, said "Our vision is to create a platform that will attract, liberate and reward the very best people so they can produce outstanding outcomes for our clients. There are a lot of

talented people in the market who are looking for a true partnership which has a team atmosphere, is more entrepreneurial and also provides greater flexibility than traditional firms.”

Paul Compton, President of Barclays Bank PLC, who will be joining the Barrenjoey Board said “We see Australia as an attractive and important financial services location. With Barrenjoey’s ambitions in the domestic market and our focus on cross-border business, we see this as a compelling strategic investment. This opportunity enables us to complement our existing presence and leverage our global infrastructure and assets, providing access to Australian opportunities for our global clients while at the same time ensuring a strong financial return on Barclays’ investment in Barrenjoey. We are pleased to be a foundation investor in Barrenjoey and also to have made available significant balance sheet capacity so that Barrenjoey can support its clients to meet their aspirations.”

Brian Benari, Barrenjoey Chief Executive, said “Barrenjoey is unique as a ‘local global’, offering a nimble, aligned and entrepreneurial approach through staff ownership, paired with the strength and reach of a global institution, through our partnering with Barclays. It offers the best of both worlds and is a fresh compelling alternative for both clients and staff”

Magellan’s investment

Magellan’s investment comprises the issue of approximately 1.2 million Magellan shares and \$90 million of cash, to take a 40% economic ownership interest in Barrenjoey. Magellan has a 4.99% voting interest and Magellan’s CEO, Brett Cairns, will join the Board of Barrenjoey. Magellan is also providing Barrenjoey with a \$50 million working capital facility to support the growth of the business.

Brett Cairns, CEO, said “This investment represents a rare opportunity to generate attractive financial returns together with meaningful optionality and diversification prospects for Magellan and its stakeholders over the long term. I look forward to joining the Board of Barrenjoey.”

Magellan’s investment in Barrenjoey will form part of Magellan’s Principal Investments business. Magellan will have no day-to-day operational involvement in Barrenjoey.

Barclays investment

Barclays’ investment comprises \$45 million providing it with a 9.99% economic stake and 4.99% voting interest in Barrenjoey. In addition to this investment, Barclays has also entered into a Co-operation Agreement with Barrenjoey covering global product distribution, research, cross border advisory and debt capital markets and made available additional regulatory capital and significant balance sheet capacity for the new company.

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About Magellan

Magellan Financial Group is a specialist funds management business established in 2006 and based in Sydney, Australia. Magellan’s core operating subsidiary, Magellan Asset Management Limited, manages approximately \$100 billion of funds under management at 31 August 2020 across its global equities, global listed infrastructure strategies and Australian equities strategies for retail, high net worth and institutional investors and employs over 120 staff globally. Magellan Financial Group Limited is listed on the Australian Securities Exchange (ASX Code: MFG) and has a market capitalisation of approximately \$10.5 billion. Further information can be obtained from www.magellangroup.com.au.

Barrenjoey^{*}

Partnering with  **BARCLAYS**

Fact Sheet

Full-Service Offering

- Corporate Finance: Traditional corporate advisory transactional services, ECM, DCM, and leveraged finance solutions
- Equities: Cash sales, trading and execution, Prime Finance, Derivatives and Corporate Solutions to a global client base
- Fixed Income: Cash and derivative AUD/NZD products, underpinned by quantitative and analytical research and trade ideas
- Research: Coverage of ANZ securities leveraging data science capabilities, as well as quantitative equity, interest rate, and macro-economic research
- Strategic Advice: Support for CEO and Boards around strategy, capital allocation, and strategy execution

Ownership Structure

- Barrenjoey is a genuine partnership model with economic ownership allocated to Staff 50.01%, Magellan 40.00% and Barclays 9.99%
- Staff equity ownership will be broad-based and available to all employees

Capital and Funding

- Regulatory and working capital comprises the equity subscriptions announced today plus additional funding from both shareholders comprising regulatory capital and working capital facilities
- Significant balance sheet capacity made available by Barclays to support clients

Partnership with Barclays

- The Barclays arrangements provide Barrenjoey's Australian corporate, institutional and government clients with access to:
 - Balance sheet support and underwriting capability
 - Industry leading global equity and debt distribution network
 - Global best in class Research
- Specifically, Barclays:
 - Is a British universal bank with major offices in cities across the globe including London, New York, Tokyo, Singapore, Mumbai and Hong Kong with total income of £21.6 billion (FY 2019) and a common equity tier 1 (CET 1) ratio of 14.2% (Q2 2020)
 - Is the 5th largest Prime Broker globally and a leading European Prime Broker^[1]
 - Is the World's Best Bank for Markets^[2]
 - Provides Equity Research on over 1500 companies across the US, UK and Europe providing event analysis and deep dives into stock ideas and sector themes
 - Is a top-ranked Banking franchise across the globe^[3]:
 - #1 ranked non-US headquartered Banking franchise globally for FY 2019
 - #5 ranked in the US and #3 ranked in the UK

[1] Coalition

[2] Euromoney Magazine's Awards for Excellence 2020

[3] Dealogic, unless otherwise noted

- #4 ranked for global debt capital markets, #6 ranked for global advisory, #7 ranked for global equity capital markets
- #2 ranked for green bond underwriting globally in 1H 2020 (Source: Refinitiv)

Implementation

- Established offices located at Liberty Place, 161 Castlereagh Street Sydney 2000
- Well advanced in the establishment of the operational infrastructure and risk management and governance framework required to operate the business
 - Diverse team of over 60 individuals are currently engaged to deliver the infrastructure for a full-service offering across equities, fixed income and corporate finance
 - Strategic relationships have been established with over 50 vendors and suppliers to deliver a state-of-the-art operating platform
 - In establishing a best in class technology environment, the Group is adopting the “software as a service” (SaaS) approach – taking advantage of Barrenjoey’s unique position as a zero legacy, greenfield environment
- The Group’s application for two Australian Financial Services Licences is well progressed, subject to full capitalisation of the Group as announced today and operational readiness
- Barrenjoey has applied for full ASX participation to provide clients execution, clearing and settlement capability across equity market and related products
- Barrenjoey will also apply to become a participant of the Chi-X and Yieldbroker markets
- The Corporate Finance business will be operational in October 2020, and the Markets business is expected to be fully operational in the middle of 2021

Further information

- Visit www.barrenjoey.com

Key Management

Brian Benari

Brian has been involved in financial services for over 25 years, most recently as CEO of Challenger Limited, a role he held for 7 years. Prior to that he was CFO/COO for 4 years and Chief Executive of their Mortgage Finance division for 5 years. During his career, Brian has also gained experience in the UK and Australian markets with organisations including Bankers Trust, JPMorgan, Macquarie Bank and Zurich Capital Markets, a financial services start-up. Brian initially qualified as a Chartered Accountant with Arthur Andersen.

John Cincotta

John has been involved in financial markets for over 30 years and was most recently Deputy CEO, COO and CRO for Deutsche Bank in Australia and New Zealand. Prior to this he worked with Chase Manhattan Bank. John brings deep and proven leadership experience across strategic execution, business operations, risk management, governance, and regulation. He played a significant role in building and managing one of the leading foreign banks in Australia across sales and trading, investment banking, asset, and wealth management.

Guy Fowler

Guy has been involved in financial markets for over 30 years. He spent 27 years at UBS Australia in various roles including Head of Corporate Finance and prior to that Head of Equity Capital Markets. He was instrumental in building and running the most successful investment banking franchise in Australia for over three decades. He has a track record of delivering some of the largest and most complex transactions for Australia's corporate clients including large companies, institutions, banks and both Federal and State Governments.

Matt Hanning

Matt has been involved in financial markets for over 28 years and has worked in the industry across trading, investment banking, private equity, and law, with roles in Australia, London, and Hong Kong. As Head of UBS's Asia Pacific Investment Banking operations, Matt ran the leading regional investment banking franchise and was a member of the global executive committee for the Investment Bank. Prior to that Matt held senior roles with Morgan Stanley, including head of investment banking for Australia and NZ.

Cynthia Whelan

Cynthia had an investment banking career spanning more than 20 years in Australia and Asia, including 10 years at Barclays where she held the role of CEO, Australia. Since leaving Barclays in 2013 she held senior executive roles including Group Executive International and New Business, and Group Managing Director, Strategic Finance at Telstra and Chief Strategy and Business Development Officer at Scentre Group. Cynthia has also held non-executive roles including Chair of Foxtel and Chair of NYSE-listed Autohome.

Chris Williams

Chris has been involved in financial markets for over 22 years and for the past 6 years led the No.1 equities franchise in Australia at UBS. Previously, he oversaw UBS's leading Company Research business (and was a lead ranked Financial Institutions Sector Head). Prior to UBS, Chris worked for the Australian Securities Exchange.