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MAGELLAN FINANCIAL GROUP LIMITED
MAGELLAN GLOBAL FUND PARTNERSHIP OFFER UPDATE

Magellan Financial Group Limited ('Magellan Financial Group') is pleased to provide an update on the Magellan Global Fund Partnership Offer ('Partnership Offer') that closed on 23 February 2021.

Magellan Global Fund received applications from more than 30,000 unitholders totalling approximately \$726 million. Including the Additional Closed Class Units to be issued under the partnership benefits, the total raising is approximately \$780 million.

Investors who participated in the Partnership Offer will receive valuable partnership benefits comprising:

- Additional Closed Class Units worth 7.5% of their subscription; and
- One MGF Option (ASX: MGFO) for each Closed Class Unit allotted under the Partnership Offer. Each MGF Option has a three year term and will be exercisable at a 7.5% discount to the estimated net asset value per Closed Class Unit at the time of exercise.

In addition, MGF Options will also be issued to eligible Closed Class Unitholders of the Magellan Global Fund who were unitholders on 26 February 2021 on a one for two basis under the Bonus MGF Option Issue.

These partnership benefits will be funded by Magellan Financial Group and not by the Magellan Global Fund or unitholders.

The estimated total after tax cost of all partnership benefits is approximately \$135 million comprising \$38 million associated with the issue of the Additional Closed Class Units on 1 March 2021 and \$97 million associated with the MGF Options assuming all MGF Options are exercised over their three year term.

As previously disclosed, these costs will be included in Magellan Financial Group's 2021 financial year expenses but will be excluded from Funds Management expenses and from the full year dividend calculation. Over time, the liability relating to the MGF Options will move in line with changes to the Closed Class Unit price and the number of MGF Options that are ultimately exercised. Any increase in the liability will be recorded as an additional expense in the profit or loss, and a decrease in the liability will result in a gain.

Authorised by

Marcia Venegas | Company Secretary