

Magellan Financial Group Limited Full Year Results

For the year ended 30 June 2019



Introduction

Financial Year Highlights¹

- Net profit after tax up 78% to \$376.9 million
- Adjusted net profit after tax grew by 35% to \$364.2 million
- Strong growth:
 - Average funds under management up 28% to \$75.8 billion
 - Management and services fees revenue up 22% to \$472.5 million
 - Profit before tax and performance fees of the Funds Management business up 29% to \$376.2 million
- Dividend for 6 months of 111.4 cents per share (Final Dividend of 78.0 cents per share and Performance Fee Dividend of 33.4 cents per share), 75% franked
- Total dividends for 2019 up 38% to 185.2 cents per share
- Strong performance of our global equity and infrastructure strategies in challenging markets conditions

Kirsten Morton, CFO: FY19 Financial Results

Brett Cairns, CEO: Business Overview

Hamish Douglass, Chairman: Partnership and Institutional Share Placement

1. Percentage changes are relative to 12 month period ended 30 June 2018.



FY19 Financial Results

Kirsten Morton, Chief Financial Officer

Magellan Financial Group Full Year Results

\$ million	30 June 2019	30 June 2018	% change
Management and services fees	472.5	385.8	22%
Performance fees	83.6	39.8	110%
Other revenue	21.1	27.1	(22%)
Adjusted revenue	577.3	452.6	28%
Adjusted expenses	(104.0)	(101.0)	3%
Adjusted net profit before tax	473.2	351.6	35%
Adjusted net profit after tax	364.2	268.9	35%
Transaction costs related to strategic initiatives (after tax)	(10.9)	(55.7)	n/m
Amortisation expense of intangible assets	(4.5)	(1.4)	n/m
Net unrealised change in fair value of financial assets (after tax)	28.1	0	n/m
Net profit after tax	376.9	211.8	78%
Key statistics			
Diluted EPS (cents per share)	213.1	122.0	75%
Adjusted diluted EPS (cents per share)	205.9	154.9	33%
Interim and Final Dividends (cents per share)	151.8	119.6	27%
Annual Performance Fee Dividend (cents per share)	33.4	14.9	124%
Total Dividends (cents per share)	185.2	134.5	38%
Franking	75%	100%	

Adjusted financial measures are adjusted for non-cash items (amortisation expense and unrealised gains/losses) and transaction costs related to strategic initiatives (Magellan Global Trust Unit Purchase Plan costs, Magellan Global Trust DRP discount funding costs (current year only) and net offer costs relating to the Magellan Global Trust IPO)

Funds Management Business

\$ million	30 June 2019	30 June 2018	% change
Revenue			
Management fees	467.8	381.1	23%
Performance fees	83.6	39.8	110%
Services fees	4.7	4.7	0%
Other income	5.2	3.2	65%
	561.3	428.7	31%
Expenses			
Employee expense	62.8	51.9	21%
Marketing expense	3.4	11.1	(70%)
Other expense	35.3	34.3	3%
	101.5	97.3	4%
Profit before tax	459.8	331.4	39%
Profit before tax and before performance fees¹	376.2	291.8	29%

Key Statistics

	30 June 2019	30 June 2018	% change
Average Funds Under Management (\$ billion)	75.8	59.0	28%
Average AUD/USD exchange rate	0.7155	0.7752	(8%)
Avg. number of employees	125	116	8%
Employee expense/total expense	61.8%	53.4%	
Cost/Income	18.1%	22.7%	
Cost/Income (excl performance fees) ¹	21.3%	25.0%	

1. Adjusts for the current period performance fee impact on revenue and expenses for the 12 month period.

Tax and Dividends

- Effective tax rate for the 12 months to 30 June 2019 is 23.6% (Offshore Banking Unit)
- Dividends:
 - 6 month dividend of 111.4 cents per share (75% franked) comprising:
 - Final Dividend of 78.0 cents per share
 - Performance Fee Dividend of 33.4 cents per share
 - Pay dividends promptly – 29 August 2019
 - Dividend policy¹ :
 - Interim and Final dividends based on 90%-95% of profit of Funds Management segment excluding crystallised performance fees
 - Annual Performance Fee Dividend of 90%-95% of net crystallised performance fees after tax

1. Subject to corporate, legal and regulatory considerations.



Business Overview

Brett Cairns, Chief Executive Officer

Funds Under Management Summary

	30 June 2019		30 June 2018		30 June 2017	
Closing FUM (\$ billion)		%		%		%
Retail	23.2	27%	19.2	28%	15.2	30%
Institutional	63.5	73%	50.3	72%	35.4	70%
Total FUM	86.7	100%	69.5	100%	50.6	100%
Average FUM (\$ billion)						
Retail	20.4		17.3		13.6	
Institutional	55.4		41.7		32.1	
Total average FUM	75.8		59.0		45.7	
Breakdown of Closing FUM (\$ billion)		%		%		%
- Global Equities	64.0	74%	52.7	76%	42.3	84%
- Global Listed Infrastructure	15.2	17%	10.3	15%	8.3	16%
- Australian Equities	7.5	9%	6.5	9%	-	-
Total FUM	86.7	100%	69.5	100%	50.6	100%
Average Base Management fee (bps) per annum (excl Perf Fee)		62		65		66
FUM subject to Performance Fees (%)		33%		34%		38%

Investment Performance

For the periods to 30 June 2019

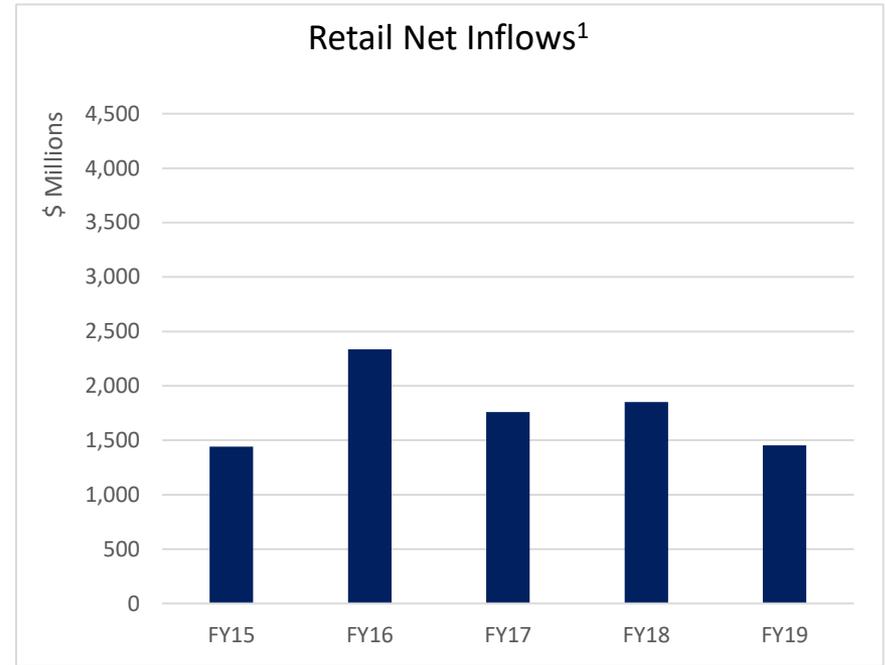
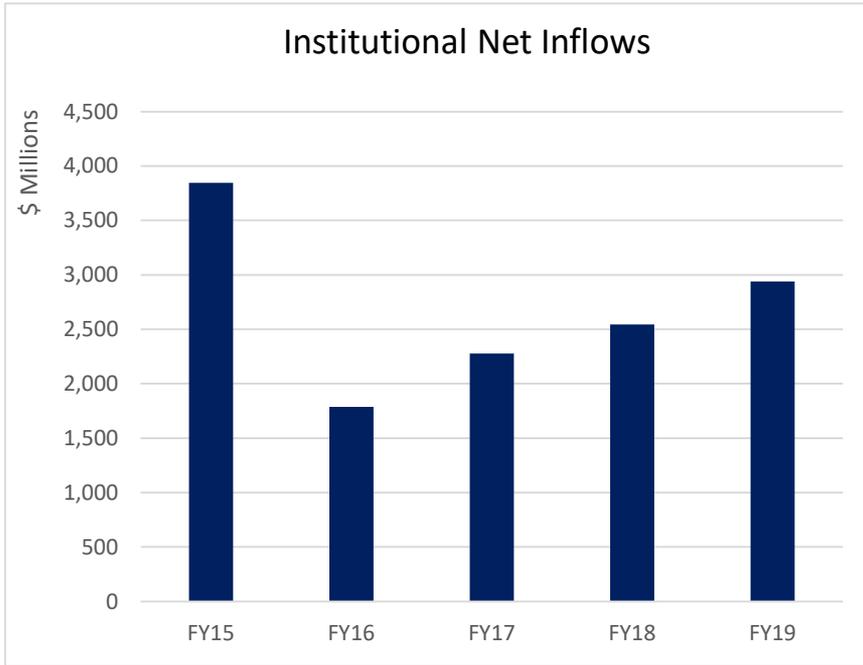
	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	Since Inception (% p.a.) ¹
Magellan Global Fund	20.2	17.5	16.0	12.3
MSCI World NTR Index (\$A)	12.0	14.0	13.1	6.4
Magellan Infrastructure Fund	16.5	10.6	12.4	9.1
Global Listed Infrastructure Benchmark (\$A) ²	12.4	8.8	7.8	6.1
Magellan High Conviction Fund	13.1	17.6	16.2	16.2
Airlie Australian Share Fund	3.8	-	-	7.4
S&P/ASX 200 Accum. Index	11.5	-	-	14.0

1. Inception date for the Magellan Global Fund and Magellan Infrastructure Fund is 1 July 2007, the Magellan High Conviction Fund is 1 July 2013 and the Airlie Australian Share Fund is 1 June 2018.

2. The Global Listed Infrastructure benchmark is comprised of the following: from inception to 31 December 2014 the benchmark is UBS Developed Infrastructure and Utilities NTR Index (AUD Hedged) and from 1 January 2015 onwards, the benchmark is the S&P Global Infrastructure NTR Index (AUD Hedged).

Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax, member fees and entry fees (if applicable). Source: MSCI, UBS, S&P, Bloomberg, Magellan Asset Management Limited.

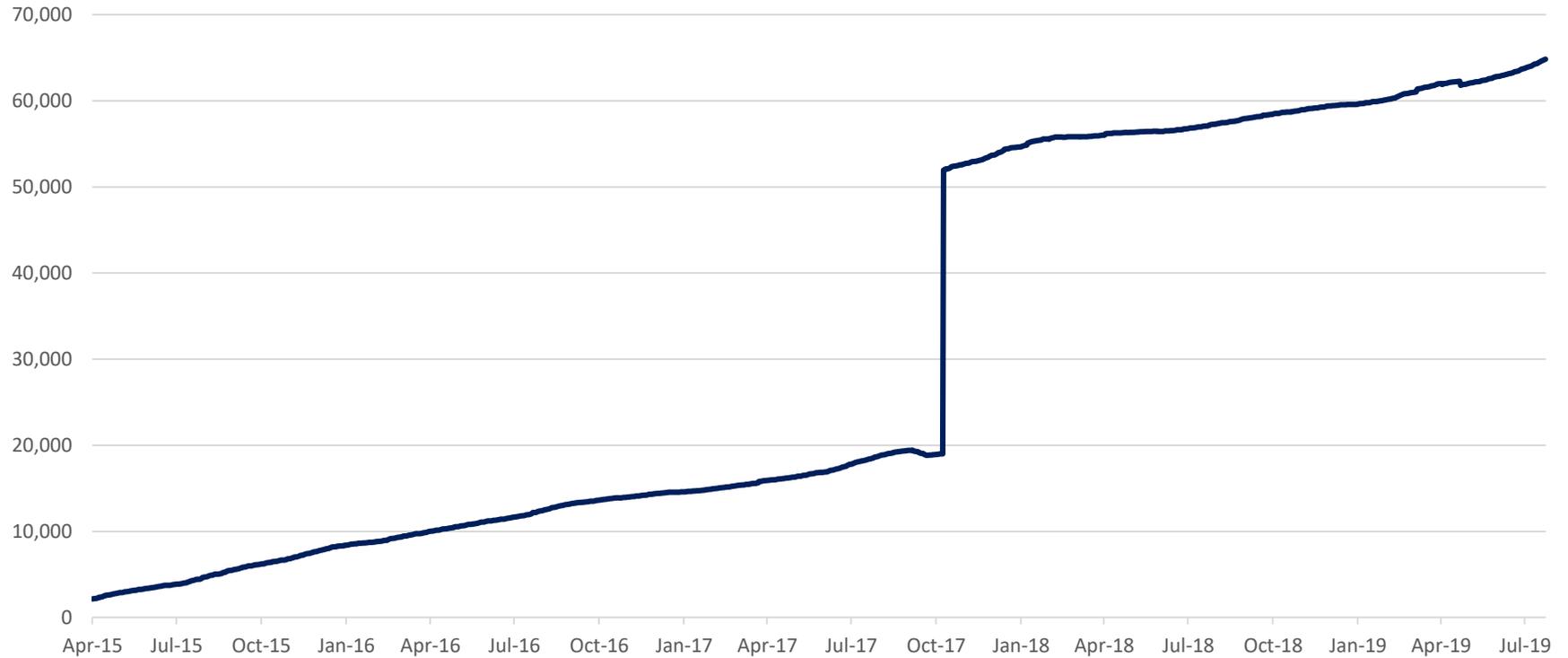
FY19 FUM Flows



Total net inflows for the 12 months ended 30 June 2019: \$4.4 billion

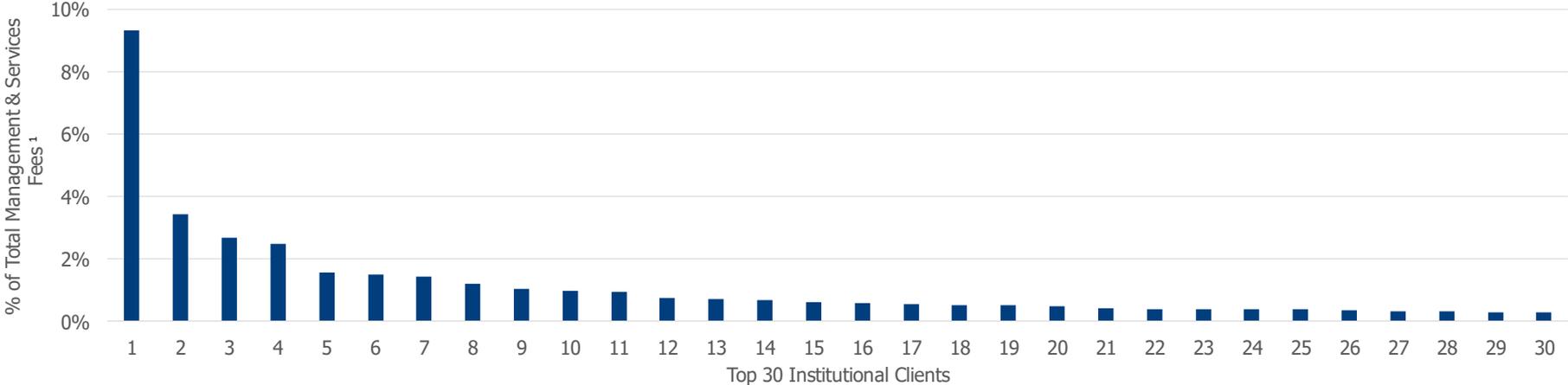
1. Includes proceeds of the Magellan Global Trust IPO (FY18) and UPP (FY19)

Listed Unitholder Growth



Number of registered unitholders across Magellan Global Equities Fund (ASX: MGE), Magellan Global Equities Fund (Currency Hedged) (ASX:MHG), Magellan Infrastructure Fund (Currency Hedged) (ASX: MICH) and Magellan Global Trust (ASX: MGG) to 31 July 2019

Institutional Client Diversity



Cumulative Total Management and Services Fees

Top Institutional Clients	5	10	20	30
%	20	26	32	36

1. Management and services fees for the 12 months to 30 June 2019 for separately managed accounts and institutional investors in local and offshore vehicles. Excludes Performance fees.

Expenses

- View costs associated with strategic initiatives as outside day-to-day operating expenses
 - Excluded from Funds Management business
 - Excluded from dividend payout
- Employee expenses account for ~60% of operating expenses
 - Expect modest headcount increases from organic growth – scalability
- Other expenses can vary depending on FUM, foreign exchange movements, unitholder activity, etc
- Expect Funds Management segment expenses in 2020 financial year to be \$115-\$120 million
- Cost to income ratio (excluding performance fees) of 21.3%
 - Key driver of profit is not expense movements, but FUM movements

Growth Areas

- **Sustainable:** approaching 3 year track records, meaningfully above benchmark, ~US\$20bn theoretical capacity
- **Infrastructure:** solid interest, great long-term track record, unique definition, remaining capacity of ~US\$6bn
- **Self-directed retail:** continued emphasis, Magellan High Conviction Trust IPO, partnership with investors
- **Airlie:** early days
- **Retirement income:** making progress but not done
- **Other early stage seedings**



Magellan's Partnership Approach

Hamish Douglass, Chairman

Partnering with our investors

- A partnership with our clients is important to building long term enduring value:
 - Providing benefits to investors increases engagement, promotes loyalty and likely to attract more investors over time
 - The investments made by Magellan generate substantial shareholder value
- Aligns interests and represents a win/win for investors and shareholders
- Substantial opportunity to make more partnership investments in the future
- Closed ended funds provide optionality for Magellan
- Adds resilience to Magellan's business over time
- Builds base of direct investors

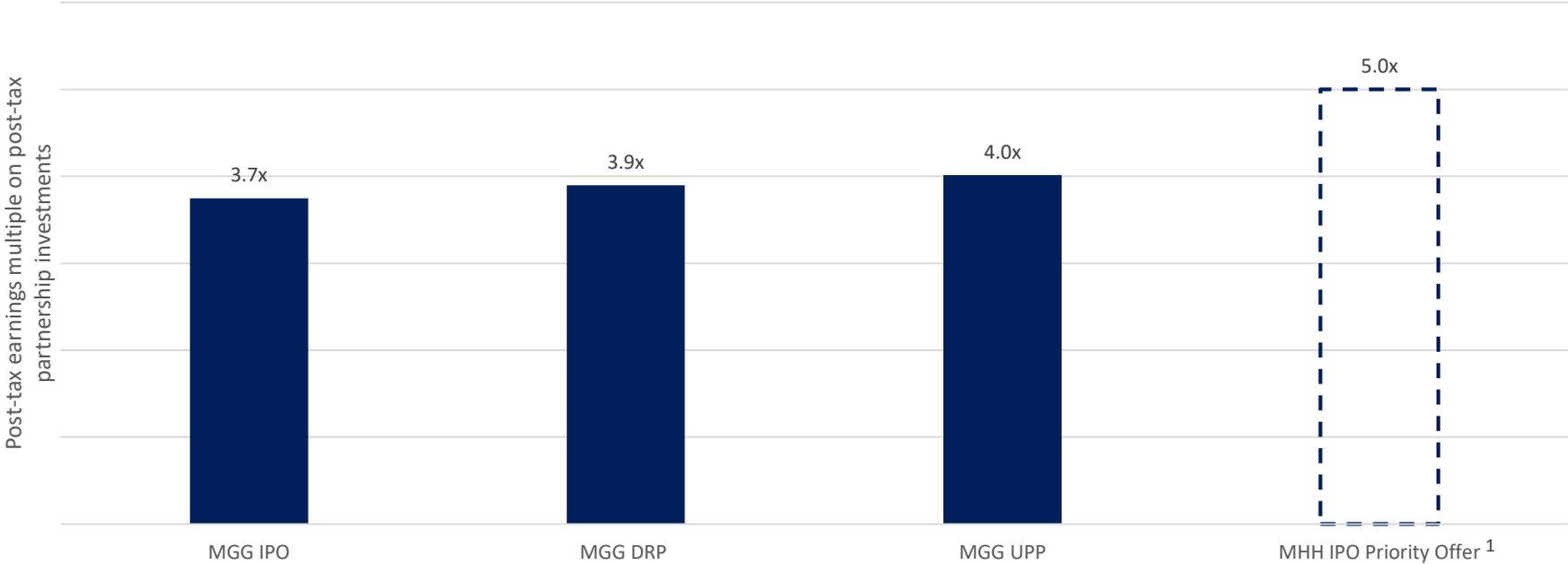
The Partnership in Action – Investor Benefits

	MGG IPO	MGG DRP	MGG UPP	MHCT IPO (ASX: MHH)
FUM raised	\$1.57 billion	\$17.5 million	\$277 million	TBC
Investor Partnership Benefit ¹	Loyalty Units of 6.25%	Ability to reinvest distributions at 5% discount to NAV	Ability to subscribe for up to \$15,000 of units at 5% discount to NAV	Loyalty Units of 7.5% or IPO Foundation Units of 2.5%
Total cost to Magellan ²	\$81 million	\$0.9 million	\$15 million	TBC

1. The benefit provided to investors participating in the relevant investor offer, dividend reinvestment plan or unit purchase plan

2. Pre-tax costs related to the strategic initiatives as outlined in the Segment Note of the Annual Report

The Partnership in Action – Enhancing Shareholder Value



Each dollar spent on partnership investment has resulted in materially more than \$2 of shareholder value to date

Note: Calculated as post-tax cost relating to strategic initiatives and costs of the offer borne by Magellan divided by annualised post-tax base management fee on total FUM raised
1. Subject to completion of the IPO of MHH in accordance with its terms

Magellan High Conviction Trust

- Undertaking an IPO for an ASX-listed investment trust of the Magellan High Conviction strategy

Priority Offer

- Open to eligible MFG shareholders and investors in Magellan Global Trust and Magellan High Conviction Fund
- Eligible investors can subscribe for up to \$50,000
- Loyalty bonus of 7.5% of the value of the applicant's allocation under the Priority Offer in the form of Loyalty Units

Wholesale / General Public Offer

- Offer to target new investors
- IPO bonus of 2.5% of the value of the applicant's allocation under the Wholesale / General Public Offer in the form of IPO Foundation Units

- Magellan is paying all the costs of the offer:
 - Consistent with our partnership approach
 - Material one-off expense in FY20
- No fees paid to brokers or advisers to handle the offer

Important information: Units in the Magellan High Conviction Trust (the "Trust") are to be issued by Magellan Asset Management Limited ("MAM") (ABN 31 120 593 946, AFS Licence No 304 301) as responsible entity for the Trust. The Offer for Units in the Trust will only be made to eligible investors in either Australia or New Zealand. MAM may vary the timing and the terms of, or withdraw the offer for Units in the Trust at any time. No person guarantees the future performance of the Trust, the amount or timing of any return from the Trust, or that the investment objectives of the Trust will be achieved. This statement has been provided for general information purposes and must not be construed as investment advice. It does not take into account the investment objectives, financial situation or particular needs of any particular person. Investors should consider the obtaining professional investment advice tailored to their specific circumstances and should consider the PDS for the Trust in deciding whether to participate in the offer for Units in the Trust or continue to hold Units in the Trust. The PDS can be found at www.magellanhighconvictiontrust.com.au



Institutional Share Placement

Hamish Douglass, Chairman

Institutional Share Placement

- Undertaking a fully underwritten institutional placement to raise \$275 million
- Funds raised will be used to:
 - Fund costs associated with the Magellan High Conviction Trust IPO
 - \$50 million to support new retirement product
 - Seed new investment strategies and funds currently under development
 - Provide significant flexibility for future growth opportunities

Institutional Share Placement Overview

Size and structure

- Fully underwritten institutional placement to raise \$275 million (“Placement”)
- 4.98 million shares will be issued (“New Shares”)
- Represents ~2.7% of expanded issued capital

Offer Price

- Offer Price of \$55.20 per New Share represents a:
 - 6.0% discount to the dividend adjusted last traded share price on 12 August 2019
 - 4.5% discount to the dividend adjusted five-day VWAP on 12 August 2019

Ranking

- New Shares will rank equally with all existing shares from issue
- New Shares will not be entitled to the 2019 final and performance fee dividends

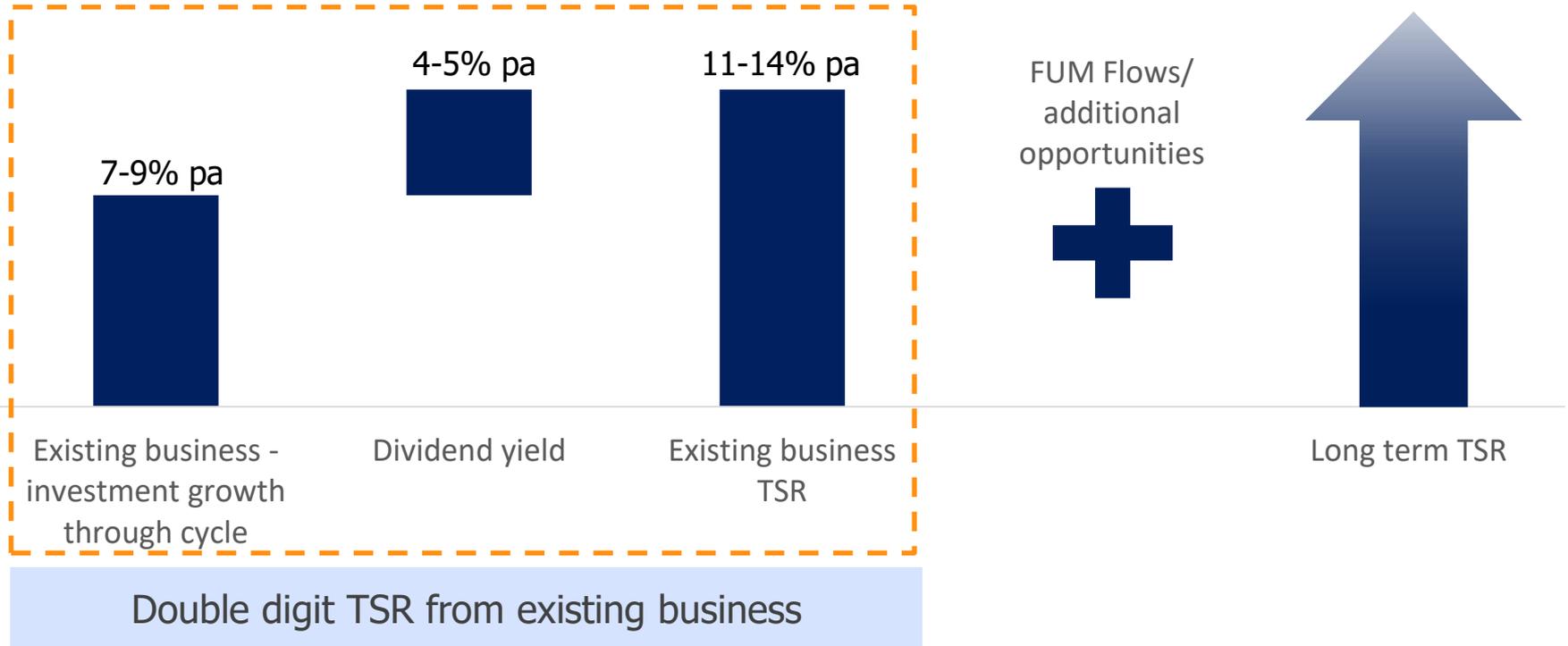
Underwriter

- Macquarie Capital (Australia) Limited



Drivers of Shareholder Value

A model for long term Total Shareholder Return (TSR)



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Risks

Attracting and retaining employees

Magellan relies on its ability to attract, train and retain highly skilled employees, portfolio managers and investment professionals, to generate future earnings and returns. If it is unable to attract and retain such employees, this may adversely impact its ability to execute its investment strategies, attract and retain clients and retain and grow funds under management.

Changes in Regulation risk

There is a risk that a change in legislation or regulations governing a security, sector or financial market could have an adverse impact on Magellan or the funds and institutional mandates managed by Magellan. A change in legislation or regulations can increase the costs of operating the business and/or change the competitive landscape and result in a loss of profits to Magellan.

Client concentration risk

Whilst Magellan views the business as well diversified by client, Magellan's largest client represents ~9% of total management and services fees.

Competition risks

The funds management industry is highly competitive, with a significant number of existing investment professionals and new companies regularly developing new products and establishing funds management businesses. Actions of current or future competitors may result in loss of funds under management, reduction in management and performance fee revenue, reduced earnings margins or lower market share, and may have a material adverse impact on Magellan's financial performance and growth prospects.

Counterparty and Credit risk

There is a risk that Magellan or a Magellan fund or mandate may incur a loss arising from the failure of another party to a contract to meet its obligations. Counterparty risk arises primarily from investments in cash, derivatives and currency transactions. Substantial losses could be incurred if a counterparty fails to deliver on its contractual obligations including as a result of its bankruptcy.

Cybersecurity risk

There is a risk that Magellan's business could be materially adversely impacted as a result of a cybersecurity attack such as a cryptolocker or denial of service attack. Magellan could also experience a data leakage of sensitive client and proprietary information as a result of an attack or due to human error. Such events could result in a financial loss, loss of clients, reputational damage and a loss of funds under management which could materially and adversely impact the value of Magellan's business.

Risks

Economic conditions

The operating and financial performance of Magellan is influenced by a variety of general economic and business conditions including the level of inflation, interest rates and exchange rates and government fiscal, monetary and regulatory policies. A prolonged deterioration in domestic or general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a material adverse impact on the financial performance of Magellan's business.

Equity raising risk

Magellan has entered into an underwriting agreement under which the underwriter has agreed to underwrite the Placement. If certain conditions are not satisfied or certain events occur under the underwriting agreement, the underwriter may terminate this agreement which may require Magellan to search for alternative financing.

Foreign currency risk on Magellan's earnings

Foreign currency risk is the risk that the fair value or cash flows arising from revenues, a financial commitment or recognised asset or liability will fluctuate due to changes in foreign exchange rates. Magellan is exposed to foreign currency risk on:

- Cash and term deposits denominated in foreign currency;
- Investments denominated in foreign currency along with their respective distributions received/receivable and outstanding settlements/payments for purchases or sales of equities;
- Management and performance fees receivable denominated in a foreign currency;
- Payables denominated in a foreign currency namely supplier invoices and firm commitments; and
- Translation of US based foreign subsidiaries.

General investment risks

As a global investor, Magellan's investments are exposed to a range of risks including volatility in global securities markets, economic risks, currency risks, interest rate risks, changes in government, fiscal, monetary and regulatory policies, changes in accounting standards, global geo-political events and hostilities including acts of terrorism, changes in investor perceptions and environmental, social and governance risks, all of which may adversely affect the companies and markets in which Magellan invests.

Risks

Investment Performance Risk

The performance of Magellan and its subsidiaries in providing its investment management services is dependent on its expertise, the level of research it undertakes and ultimately the outcomes of its investment decisions. Magellan's assessment of the intrinsic worth of an investment may be incorrect, the relevant investment objective may not be achieved, and the market may continue to value the securities within the portfolios at prices materially different to Magellan's assessment from time to time, which may result in the poor performance of the investment strategies that Magellan manages.

Sustained periods of poor performance, poor investment decisions and/or unfavourable market movements may result in reduced or no performance fees and lower management fees, client redemptions, inability to attract new clients and may curtail potential future investment products.

Information technology risk

Magellan is dependent upon the information technology software and hardware used in its business. If any of Magellan's business operations or systems, or those of its outsourced service providers, are damaged or disrupted, Magellan could suffer financial loss, incur liability to clients, experience regulatory issues or damage to its reputation.

Litigation risk

Magellan may be exposed to litigation from time to time by third parties (including but not limited to clients, regulators and investment professionals) in relation to professional negligence, investment losses or product liability claims. To the extent that the costs of such litigation are not covered by insurance policies, these may have a material adverse impact on the financial performance or position of Magellan.

Liquidity risk

Magellan may encounter difficulty in meeting obligations associated with its financial liabilities on their due dates and may be forced to sell financial assets at a value which is less than they are worth in order to fund these liabilities.

Loss of key personnel

Loss of key personnel, such as the Chief Investment Officer, may affect Magellan's ability to execute its investment strategies, result in material client redemptions or give rise to an inability to attract new funds under management. These impacts may have a materially adverse impact on the value of Magellan's business.

Risks

Reduced ability to retain and attract investors

With the exception of Magellan's ASX-listed closed end investment trusts, Magellan's funds and institutional mandates provide investors with the ability to redeem their investment. Redemptions reduce Magellan's funds under management and, therefore, the level of management and performance fees earned.

A reduced ability, or inability, to attract new clients for its existing investment strategies or for new future strategies, will reduce its ability to grow fee revenue, and/or offset redemptions.

Regulatory Compliance risk

As a global investor, Magellan is subject to extensive legislation, regulation and supervision by a number of regulatory bodies in multiple jurisdictions. There is a risk that Magellan or its products and services do not comply with all legislative and regulatory requirements applicable to Magellan.

Reputation

Damage to Magellan's reputation may adversely impact its ability to attract and retain clients. This may occur as a result of, amongst other things:

- a failure to address actual, potential or perceived conflicts of interest;
- a regulatory breach or incident;
- employee misconduct; and
- action or inaction that could be perceived by clients, consultants, service providers or regulators to be inappropriate, unethical or inconsistent with regulatory requirements.

Securities price risk

There are general risks associated with an investment in the share market. As such, the value of Magellan's shares may rise above or fall below the Offer Price for New Shares, depending on the financial position and operating performance of Magellan and other factors. Further, the market price of Magellan's shares will fluctuate due to various factors, many of which are non-specific to Magellan, including recommendations by brokers and analysts, Australian and international general economic conditions, inflation rates, interest rates, changes in government, fiscal, monetary and regulatory policies, global geo-political events and hostilities and acts of terrorism, investor perceptions and volatility in global markets. In the future, these factors may cause Magellan's shares to trade at a lower price.

Risks

Service Provider Risk

Magellan relies on a number of service providers to provide operational and administrative functions for its funds and institutional mandates. Failure of a key service provider to deliver services to Magellan in accordance with its contractual obligations may result in a financial loss or loss of clients resulting in a loss of funds under management.

Strategic risk

Poor strategic decisions or an inability to execute strategic decisions effectively may adversely impact the revenue and profitability of Magellan. As part of Magellan's corporate strategy, Magellan may establish new investment strategies, funds or businesses in the future, which may introduce additional risks and uncertainty into the business which may adversely impact its value.

Taxation

Future changes in taxation legislation in Australia and in other jurisdictions, including changes in interpretation or application of the law by the courts or taxation authorities in Australia or other jurisdictions, may impact Magellan's earnings or its future tax liabilities or may affect taxation treatment of an investment in Magellan's shares, or the holding or disposal of those shares.

Trading risk

Magellan may suffer financial loss or reputational damage or, may lose clients leading to a reduction in funds under management as a result of a trading (or related) error.

Unit Pricing risk

Magellan acts as the responsible entity to several registered and unregistered managed investment schemes ("funds") in Australia. As such, Magellan bears the risk of any unit pricing error made in the calculation of unit prices on behalf of these funds. An incorrect unit price may result in a financial loss to the fund(s) or the underlying clients and may lead to a loss of funds under management. Magellan may be required to compensate the fund(s) or clients for losses resulting from unit pricing errors.

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This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

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No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

Magellan as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon Magellan or its directors or officers. All or a substantial portion of the assets of Magellan and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against Magellan or such persons in Canada or to enforce a judgment obtained in Canadian courts against Magellan or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

International Offer Restrictions

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against Magellan if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against Magellan. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against Magellan, provided that (a) Magellan will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, Magellan is not liable for all or any portion of the damages that Magellan proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

International Offer Restrictions

European Union – Germany and the Netherlands

This document has not been, and will not be, registered with or approved by any national securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

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

International Offer Restrictions

Japan

The New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

International Offer Restrictions

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of Magellan's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

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

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering material relating to the New Shares (i) constitutes a prospectus or a similar notice as such terms are understood under art. 652a, art. 752 or art. 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of art. 27 et seqq. of the SIX Listing Rules or (ii) has been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations. This document is personal to the recipient and not for general circulation in Switzerland.

International Offer Restrictions

United Arab Emirates

Neither this document nor the New Shares have been approved, disapproved or passed on in any way by the Emirates Securities and Commodities Authority ("ESCA") or any other governmental authority in the United Arab Emirates. Magellan has not received authorisation or licensing from the ESCA or any other governmental authority in the United Arab Emirates to market or sell the New Shares within the United Arab Emirates. This document does not constitute, and may not be used for the purpose of, an offer of securities in the United Arab Emirates (excluding the Dubai International Financial Centre). No services relating to the New Shares, including the receipt of applications, may be rendered within the United Arab Emirates (excluding the Dubai International Financial Centre).

In the Dubai International Financial Centre, the New Shares may be offered, and this document may be distributed, only as an "Exempt Offer", as defined and in compliance with the Markets Rules issued by the Dubai Financial Services Authority (the "DFSA"). The DFSA has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to Magellan.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

International Offer Restrictions

United States

The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, in the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or jurisdiction of the United States.

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