

# Magellan Financial Group

---

## Full Year Results Briefing For the year ended 30 June 2024

Andrew Formica | Executive Chairman  
Sophia Rahmani | Managing Director, Magellan Asset Management  
Kirsten Morton | Chief Operating Officer & Chief Financial Officer



**MAGELLAN**  
FINANCIAL GROUP LIMITED

# Agenda

---

1.	FY24 Overview	Andrew Formica	3
2.	Vinva Investment Management	Andrew Formica	6
3.	Funds Management Business (MAM)	Sophia Rahmani	10
4.	Group Financials	Kirsten Morton	17
5.	Business Update	Andrew Formica	23

Internal use only

# FY24 Overview

Andrew Formica | Executive Chairman



**MAGELLAN**  
FINANCIAL GROUP LIMITED

# FY24 Highlights

---

1

● **Stability restored with transitional leadership arrangements**

2

● **Net flows stabilising; institutional inflows of \$0.6bn in Q4 FY24 and further inflows in July 2024**

3

● **Performance fees of \$19.2m generated in the year, primarily from Global Equities strategy – highest since FY21**

4

● **Employee share purchase plan loans substantially resolved and conversion of Magellan Global Fund (Closed Class) completed**

5

● **Improved client engagement in Global Equities and Infrastructure; Airlie performing strongly**

6

● **Significant growth in contribution from associates, with MFG's share of NPAT<sup>1</sup> of \$11.0m (FY23: loss of \$11.5m)**

7

● **Announced strategic partnership with Vinva Investment Management, in line with strategy of bringing high-quality investment capabilities to our clients<sup>2</sup>**

[1] Net profit after tax. [2] Announced 15 August 2024.

# FY24 Achievements

## Colleagues



- ✓ Board renewal completed
  - ✓ Transitional leadership structure implemented
  - ✓ Announced additional retention payments to be paid to current employees with Employee Share Purchase Plan (ESPP) loans, which will close out these loans for the vast majority of staff by September 2025
  - ✓ Progressed staff equity program and revised remuneration framework for key management personnel (KMP) and other senior management incorporating feedback from proxy advisors and shareholders
- Staff survey undertaken in December 2023 and follow-up pulse survey undertaken in June 2024 – employee engagement score improved slightly to 55% (from 52%)

## Clients



- ✓ Completed conversion of Magellan Global Fund Closed Class (ASX: MGF) into Magellan Global Fund Open Class (ASX: MGOC)
- ✓ Stability restored amongst client base, with improved client engagement in Global Equities and Infrastructure; positive momentum in Airlie
- ✓ Successful investment strategy roadshows held – Global Equities and Infrastructure in March 2024, Airlie in October 2023 – with over 1000 attendees
- ✓ Published Magellan’s first Climate Report aligned to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)
- ✓ Improved 2023 Principles for Responsible Investment (PRI) assessment score
- ✓ Launched new look Magellan website

## Capabilities



- ✓ Strategic Product Group established and meeting regularly
- ✓ Announced refocused and enhanced US Distribution platform
- ✓ Strategic Partnership with Vinva Investment Management
- ✓ Funds management business operating expenses delivered within cost guidance
- ✓ FY25 funds management operating expense guidance of \$105 to \$110 million, reflecting investment in growth & Vinva
- ~ Review of US distribution capabilities completed and strategies underway to improve and grow US distribution platform and UK/Europe

Internal use only

# Strategic Partnership: Vinva Investment Management

Andrew Formica | Executive Chairman



**MAGELLAN**  
FINANCIAL GROUP LIMITED



# Vinva Investment Management

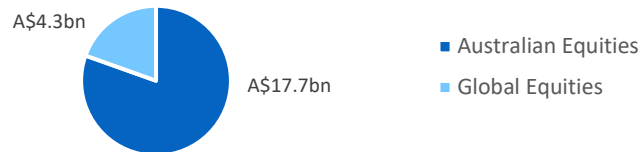
## About Vinva Investment Management (Vinva)

- Global investment management firm founded in Australia in 2010
- Pioneer in systematic equity strategies, specialising in long-only and long-short strategies across Australia and global equity markets
- Funds under management of approx. \$22 billion across several strategies
- Led by Managing Director and CIO, Morry Waked, and supported by 28 experienced professionals
  - Prior to establishing Vinva, Morry Waked was Global CIO of active equities at BGI with responsibility for \$300bn in global equities
- Members of the Investment Team have a high level of co-tenure, some having worked over 20 years together
- Significant intellectual property within the business, developed over decades investing in global equity markets

- ◆ **Equity specialists**
- ◆ **Systematic process**
- ◆ **Performance-focused**

- ◆ **Advanced technology**
- ◆ **Insight-driven**
- ◆ **Experienced team**

## Funds Under Management<sup>1</sup> (A\$bn)



## Investment Performance – Key Strategies<sup>2,3</sup>

As at 31 July 2024	1 year (%)	3 years (% p.a.)	5 Years (% p.a.)	SI (% p.a.)
<b>Australian Equity Long Only (Low Risk)</b>	14.88%	7.95%	7.73%	8.98%
S&P/ASX300	13.27%	7.12%	7.46%	8.55%
Excess	<b>1.61%</b>	<b>0.83%</b>	<b>0.27%</b>	<b>0.44%</b>
<b>Equity Market Neutral</b>	21.00%	9.25%	7.04%	7.39%
RBA Cash Rate	4.30%	2.56%	1.68%	2.19%
Excess	<b>16.70%</b>	<b>6.68%</b>	<b>5.36%</b>	<b>5.20%</b>
<b>Global Equity Long Only (Mid Risk)</b>	26.53%	14.09%	15.12%	15.33%
MSCI DM World ex-Aus	22.26%	11.17%	13.41%	13.86%
Excess	<b>4.27%</b>	<b>2.92%</b>	<b>1.71%</b>	<b>1.47%</b>
<b>Global Equity Alpha Extension (120/20)</b>	33.19%	18.67%	-	23.41%
MSCI World ex-Aus ex-Tob ex-CW	22.34%	11.27%	-	15.61%
Excess	<b>10.85%</b>	<b>7.39%</b>	-	<b>7.80%</b>

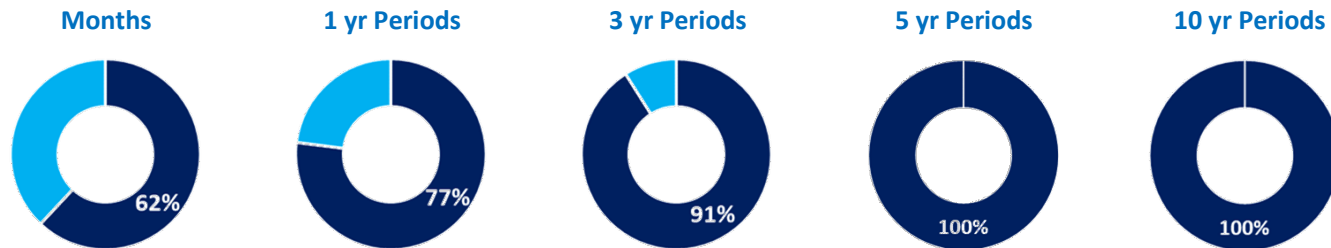
*The Vinva team have a track record of delivering alpha for clients*

[1] FUM as at 31 July 2024. [2] Net of fees. [3] Past performance is not necessarily an indicator of future performance.

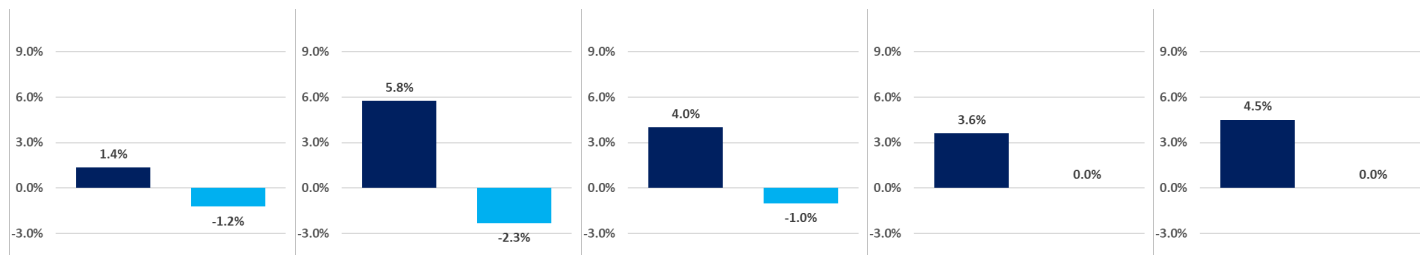
# Vinva – Investment Performance

## Australian Equity Long-Short – Style Neutral Alpha Consistency<sup>1,2</sup>

Consistency over rolling periods since inception



Average active returns across rolling periods



Source: Vinva Investment Management. [1] Returns shown are before fees. [2] Past performance is not necessarily an indicator of future performance.



# Strategic Partnership

## Strategic Partnership Overview

- Strategic partnership with Vinva Investment Management (“Vinva”)
- Magellan to distribute Vinva’s systematic equity products globally (excluding Australian institutional clients)
  - Commercial fee sharing arrangements on flows into Vinva products
- Magellan has acquired a long-term 29.5% minority equity stake in Vinva’s parent entity, Vinva Holdings Limited, for cash consideration of \$138.5 million
  - Magellan is downside protected with a preferred dividend in the first two financial years
- Magellan Executive Chairman, Andrew Formica, to join Vinva Board
- Investment to be held within Magellan’s Associates business
- Serviced by Magellan’s highly regarded global distribution platform
- Vinva to retain its independence and autonomy
- Collaboration on new markets and product extensions



## Strategic Rationale

- ✓ Strategic partnership represents the coming together of two culturally aligned businesses focused on delivering for clients. The 15 strong Vinva investment team has largely been working together for almost 30 years
- ✓ Vinva is a high-quality investment manager with strong long term investment performance and positive research & consultant ratings
- ✓ Significant growth potential with untapped capacity across existing and new investment strategies
- ✓ Continued strong alignment with Vinva team, which remains majority employee owned
- ✓ In line with Magellan’s strategy of investing in high quality teams with strong growth opportunity to diversify the business
- ✓ Upside from potential performance fees<sup>1</sup>
- ✓ Diversification of revenue streams from distribution agreement with Magellan’s market-leading distribution team to domestic retail investors and global institutions and retail investors

*Strategic partnership with Vinva Investment Management, a pioneer in systematic equities investing in Australia*

[1] Performance fees (if any) may fluctuate significantly from period to period

Internal use only

# Funds Management Business (MAM)

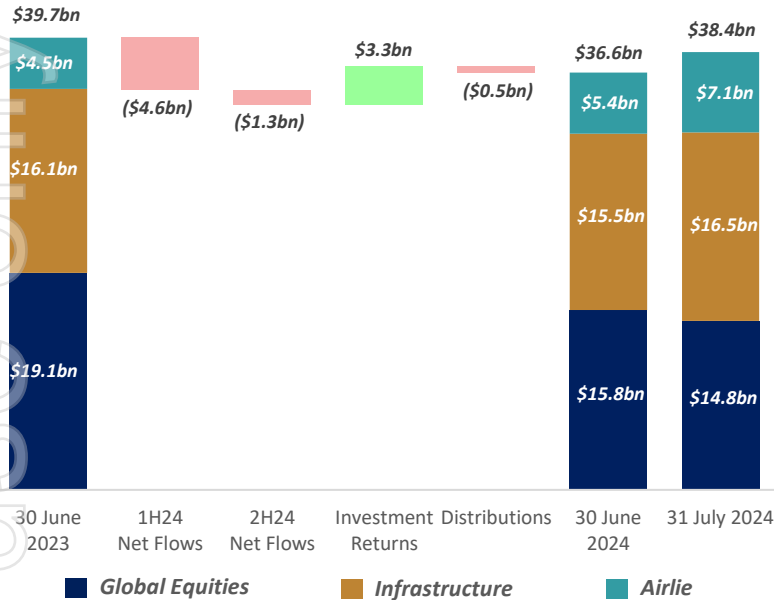
**Sophia Rahmani | Managing Director, MAM**



**MAGELLAN**  
FINANCIAL GROUP LIMITED

# Funds Under Management

Funds Under Management<sup>1,2</sup> (FUM) (A\$ billion)



## Global Equities

- Net outflows of ~\$5.7 billion, ~\$3.2bn from institutional channel
- Institutional FUM of ~\$3.0 billion at 30 June
- Investment returns added ~\$2.8bn of FUM

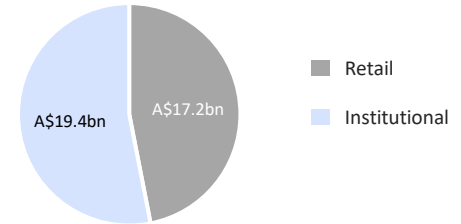
## Infrastructure

- Net outflows of ~\$0.5 billion in FY24
- Investment returns broadly flat over the period, with an immaterial contribution to FUM

## Airlie

- Net inflows of ~\$0.3 billion in FY24, including monthly net retail inflows
- Investment returns added ~\$0.6 billion in FUM
- Institutional inflows of \$1.4bn in July 2024

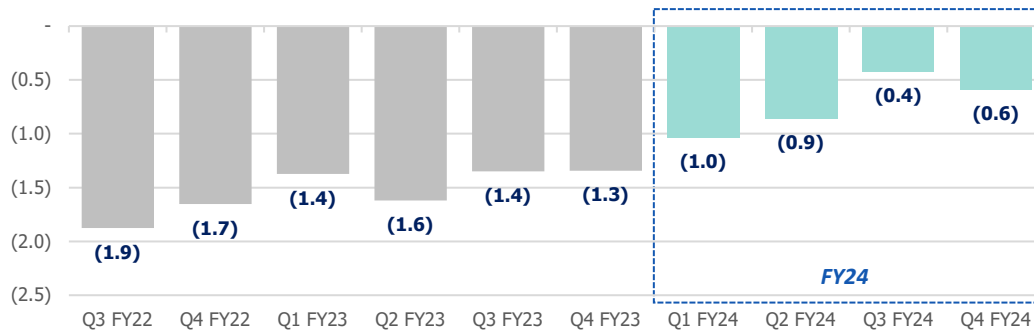
## Retail vs. Institutional FUM (30 June 2024)



[1] For full breakdown of net flows, investment performance and distributions by investment strategy see the Performance Overview in the FY24 Annual Report. [2] Totals may not add up due to rounding.

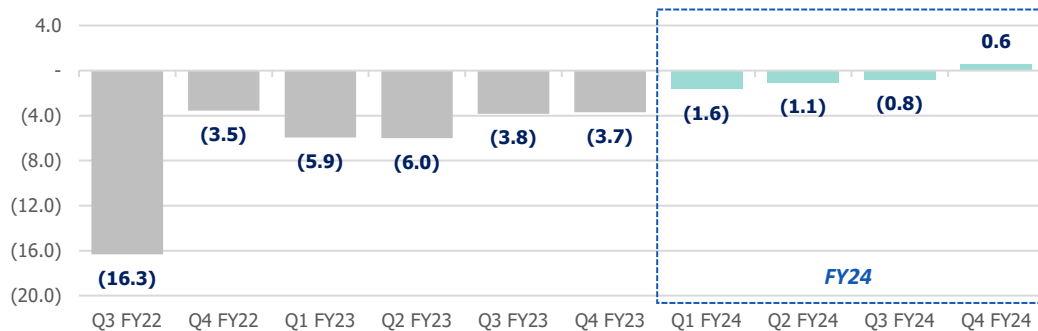
# Quarterly Net Flows

## Retail Flows (A\$ billion)



- Quarterly retail net outflows continue to improve
- Q3 FY24 retail outflows partly offset by exercise of MGF Options prior to expiry
- Expect increased outflows in Q1 FY25 following MGF conversion

## Institutional Flows (A\$ billion)



- First positive quarter of net institutional inflows in over two years
- Q4 FY24 institutional inflows driven primarily by Infrastructure strategy

# Global Equities Strategy

## Strategy Update

- Appointed Arvid Streimann to newly created role, Head of Global Equities

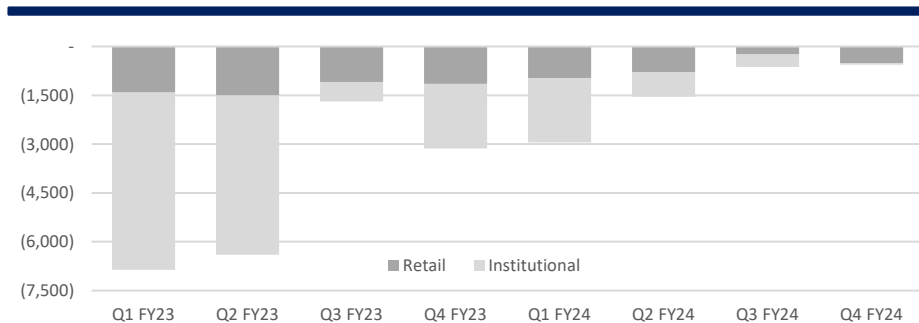
## Flows

- Retail outflows slowing quarter on quarter (excl. exercise of MGF Options in Q3 FY24)
- Net outflows of ~\$5.7 billion in FY24, ~\$3.2bn from institutional channel
- Magellan Global Fund's conversion to an open-ended structure has seen outflows of \$1.2 billion as at 13 August 2024

## Performance

- Investment returns added ~\$2.8 billion of FUM
- Magellan Global Fund performance improving since portfolio management change in February 2022
- High Conviction and Global Opportunities delivered strong returns for the 12 months to 30 June 2024
- Majority of performance fees generated by Global Equities strategy, due to strong second half performance

## Quarterly Flows (A\$ million)



## Investment Performance<sup>1,2</sup>

As at 30 June 2024	6 months (%)	1 year (%)	3 years (% p.a.)	5 Years (% p.a.)	Since Inception (% p.a.) <sup>3</sup>
<b>Magellan Global Fund</b>	15.46%	19.29%	8.27%	8.90%	11.26%
MSCI World NTR Index (\$A)	14.17%	19.80%	11.11%	12.89%	8.28%
Excess	1.29%	(0.51%)	(2.84%)	(3.99%)	2.98%
<b>Magellan High Conviction Fund</b>	13.19%	22.97%	5.05%	7.62%	12.21%
MSCI World NTR Index (\$A)	14.17%	19.80%	11.11%	12.89%	13.65%
<b>Magellan Global Opportunities Fund</b>	13.15%	22.10%	<i>n.a.</i>	<i>n.a.</i>	9.90%
MSCI World NTR Index (\$A)	14.17%	19.80%	<i>n.a.</i>	<i>n.a.</i>	8.74%

[1] 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.

[2] Past performance is not necessarily an indicator of future performance. [3] Inception date for the Magellan Global Fund is 1 July 2007, inception date for Magellan High Conviction Fund is 1 July 2013, and the inception date for Magellan Global Opportunities Fund is 1 January 2022.

# Infrastructure Strategy

## Strategy Update

- Two primary strategies, Select and Core, built on a strict definition of infrastructure
- Stable team with 5 portfolio managers who have worked together for the last 8 years

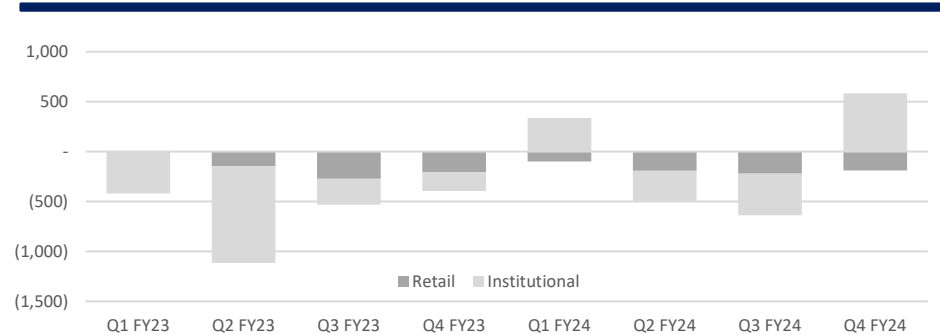
## Flows

- Net outflows of ~\$0.5 billion in FY24
- Mixed flow profile over last two years, however, recent success with institutional client wins in FY24

## Performance

- Performance challenged over medium-term, however, reasons for underperformance primarily a function of strict definition of infrastructure
- Portfolio of high-quality, relatively stable assets positions the business well to deliver strong investment returns over the long-term

## Quarterly Flows (A\$ million)



## Investment Performance<sup>1,2</sup>

As at 30 June 2024	6 months (%)	1 year (%)	3 years (% p.a.)	5 Years (% p.a.)	Since Inception (% p.a.) <sup>3</sup>
<b>Magellan Infrastructure Fund</b>	(1.23%)	(0.12%)	1.59%	0.60%	6.52%
Infrastructure Benchmark (\$A) <sup>4</sup>	4.90%	5.77%	5.62%	2.96%	5.20%
Excess	(6.13%)	(5.89%)	(4.03%)	(2.36%)	1.32%
<b>Magellan Core Infrastructure Fund</b>	(1.06%)	(1.13%)	1.33%	2.34%	9.97%
Infrastructure Benchmark (\$A) <sup>4</sup>	4.90%	5.77%	5.62%	2.96%	7.37%
Excess	(5.96%)	(6.90%)	(4.29%)	(0.62%)	2.60%

[1] 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.  
 [2] Past performance is not necessarily an indicator of future performance. [3] Inception date for the Magellan Infrastructure Fund is 1 July 2007 and inception date for Magellan Core Infrastructure Fund is 17 December 2009. [4] The 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).

# Airlie Funds Management

## Strategy Update

- High-quality team led by Matt Williams and Emma Fisher, with growing following in the market

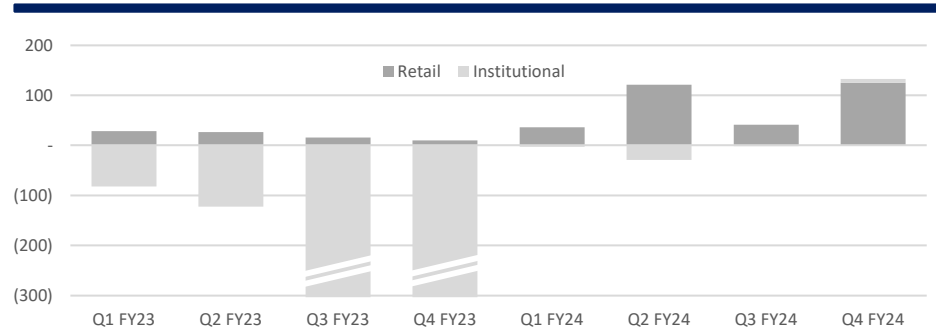
## Flows

- Strong flows in retail products and continuing to build momentum
- Positive client conversations across retail and institutional channels
- Net inflows of ~\$0.3 billion in FY24
- Significant institutional inflows in July 2024 (not shown RHS), adding ~\$1.4 billion of FUM

## Performance

- Strong performance in flagship product, Airlie Australian Share Fund
- Airlie Small Companies Fund, launched in 2023, also outperforming its benchmark
- Investment returns added ~\$0.6 billion of FUM

## Quarterly Flows (A\$ million)



## Investment Performance<sup>1,2</sup>

As at 30 June 2024	6 months (%)	1 year (%)	3 years (% p.a.)	5 Years (% p.a.)	Since Inception (% p.a.) <sup>3</sup>
<b>Airlie Australian Share Fund</b>	1.61%	12.44%	7.14%	10.81%	10.20%
S&P/ASX 200 Accum. Index	4.22%	12.10%	6.37%	7.26%	8.43%
Excess	(2.61%)	0.34%	0.77%	3.55%	1.77%
<b>Airlie Small Companies Fund</b>	7.30%	23.96%	<i>n.a.</i>	<i>n.a.</i>	16.05%
S&P/ASX Small Ords Accum. Index	2.75%	9.34%	<i>n.a.</i>	<i>n.a.</i>	6.48%
Excess	4.55%	14.62%	<i>n.a.</i>	<i>n.a.</i>	9.57%

[1] 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.

[2] Past performance is not necessarily an indicator of future performance. [3] The inception date for Airlie Australian Share Fund is 1 June 2018 and the inception date for Airlie Small Companies Fund is 4 April 2023.



# Magellan's Platform Strength



## High Quality Team

- ✓ High quality team across the business
- ✓ Collaborative, dedicated & entrepreneurial
- ✓ Focused on delivering investment excellence to our clients

## Institutional Grade Platform

- ✓ Culture of operational excellence
- ✓ Efficient and scalable platform, with reach
- ✓ Underpinned by strong risk management and compliance

## Brand Strength

- ✓ Significant brand equity
- ✓ Recognised for strength in investment capabilities
- ✓ Long-standing relationships

# Group Financials

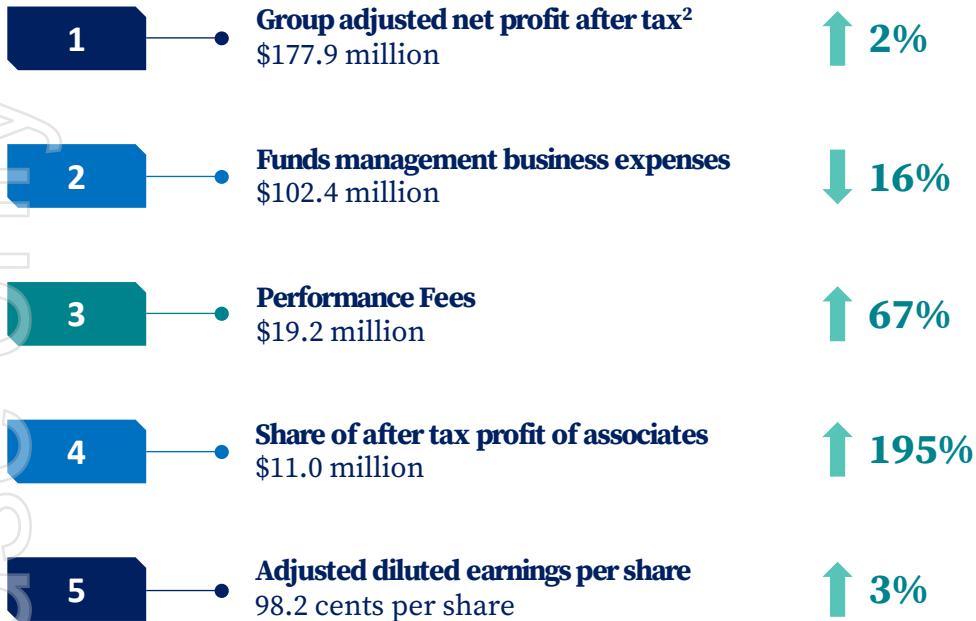
Kirsten Morton | COO & CFO



**MAGELLAN**  
FINANCIAL GROUP LIMITED

Internal use only

# Financial Highlights<sup>1</sup>



**\$912.2 million**

*Net Tangible Assets (\$5.05 per share)*

**No debt**

*Total liabilities of \$69.7 million down 71%*

**65.1 cps**

*Total dividends for the financial year*

[1] Comparisons are FY24 figures compared to prior corresponding period, FY23. [2] Adjustments are made for strategic, non-recurring, non-cash or unrealised items.

# Reported Earnings

\$ million	30 Jun 2024	30 Jun 2023	% change
Management and services fees	257.9	330.2	(22%)
Performance fees	19.2	11.5	67%
Other revenue and income	68.5	37.6	82%
<b>Adjusted revenue and other income</b>	<b>345.7</b>	<b>379.4</b>	<b>(9%)</b>
Adjusted expenses	(106.9)	(126.8)	(16%)
<b>Adjusted net profit before tax</b>	<b>238.8</b>	<b>252.6</b>	<b>(5%)</b>
Adjusted tax expense	(71.9)	(66.7)	8%
Share of after tax profit/(loss) of associates	11.0	(11.5)	195%
<b>Adjusted net profit after tax</b>	<b>177.9</b>	<b>174.3</b>	<b>2%</b>
Net benefits/(expenses) related to MGF Options <sup>1</sup>	42.7	(18.6)	nm
Transaction costs related to strategic initiatives	-	(0.0)	nm
Amortisation of intangible assets	(1.4)	(3.6)	nm
Net non-cash remeasurement of share purchase loans	1.7	(0.8)	nm
Non-cash employee share option expense	(3.1)	(3.8)	nm
Gain on dilutions and disposals of associates	0.1	(0.2)	nm
Net unrealised change in fair value of financial assets & liabilities	21.0	35.3	nm
<b>Statutory net profit after tax</b>	<b>238.8</b>	<b>182.7</b>	<b>31%</b>
<b>Key statistics</b>			
Diluted EPS (cents per share)	131.8	100.0	32%
Adjusted diluted EPS (cents per share)	98.2	95.5	3%
Interim and Final dividends (cents per share)	58.0	82.5	(30%)
Annual Performance Fee dividend (cents per share)	7.1	4.2	69%
Franking	50%	85%	

- Management and services fees decreased by 22%, reflecting the 25% reduction in average FUM
- Performance fees of \$19.2 million, primarily driven by performance in the Global Equities strategy
- Other revenue and income driven primarily by realised capital gains of \$38.1 million
- Group adjusted expenses down 16% to \$106.9 million
- Associates recorded an after-tax profit of \$11.0 million
- Adjusted net profit after tax up 2% to \$177.9 million
- Recorded \$42.7 million benefit related to MGF Options
  - Financial liabilities on balance sheet reduced to nil from ~\$160 million<sup>2</sup>, for a cost of \$75 million plus transaction costs
- Adjusted diluted EPS of 98.2cps, up 3% in line with increase in adjusted net profit after tax
- Effective tax rate of 29.2%
- Total dividends for the financial year of 65.1 cps, 50% franked

Note: May not add due to rounding. Adjusted financial measures are adjusted for strategic, non-recurring, non-cash or unrealised items (refer to section 1.4.1 of the Directors' Report and note 2 in the financial statements for the breakdown of these items). [1] Reflects the change in value of the obligation associated with the Magellan Global Fund ("MGF") Options and, for the period ended 30 June 2024, also includes the cost of the on-market purchase of MGF Options ("MGFO") by the Group and related transaction costs. [2] As at 30 June 2023.

# Funds Management Business – MAM

\$ million	30 Jun 2024	30 Jun 2023	% change
<b>Revenue</b>			
Management fees	256.7	327.6	(22%)
Performance fees	19.2	11.5	67%
Services fees	1.2	2.6	(54%)
Other revenue and income	2.8	3.3	(17%)
	<b>279.9</b>	<b>345.1</b>	<b>(19%)</b>
<b>Expenses</b>			
Employee expenses	68.7	86.1	(20%)
Other expenses	33.8	35.2	(4%)
	<b>102.4</b>	<b>121.3</b>	<b>(16%)</b>
<b>Profit before tax</b>	<b>177.5</b>	<b>223.8</b>	<b>(21%)</b>
<b>Profit before tax and before performance fees<sup>1</sup></b>	<b>158.3</b>	<b>212.3</b>	<b>(25%)</b>

## KEY STATISTICS

	30 Jun 2024	30 Jun 2023	% change
Average FUM (\$ billion)	36.8	48.8	(25%)
Average base management fee <sup>2</sup> (bps)	70	67	4%
Average AUD/USD exchange rate	0.6560	0.6732	(3%)
Average number of employees	112	125	(10%)
Employee expense/total expense	67.0%	71.0%	
Cost/Income	36.6%	35.2%	
Cost/Income (excl performance fees) <sup>1</sup>	39.3%	36.4%	

Note: May not add due to rounding. [1] Adjusts for the current period performance fee impact on revenue and expenses for the 12-month period. [2] Calculated as management fees (excluding performance and services fees) for the relevant period divided by the average of month end FUM over the same period.

- Funds Management segment represents the core business that drives profits and dividends
- Profit before tax and performance fees down 21%, driven by 25% decrease in average FUM, offset by improved performance fees
- Increase in average base management fee to 70bps driven by change in FUM mix towards higher margin retail FUM, following institutional outflows of ~\$3.0bn in FY24
- Employee expenses down 20% reflecting:
  - Reduction in average number of employees
  - Lower staff cash retention payment expenses in FY24 compared to FY23
- Cost to income ratio (excl. performance fees) of 39.3%

# Funds Management Business – MAM (cont.)

## Expenses



- Cost to income ratio (excluding performance fees) of 39.3% during the period
- FY24 Funds Management business operating expenses of \$102.4 million, within previously provided guidance range of \$97.5-102.5 million. FY24 funds management operating expenses included:
  - ~\$4.8 million in expenses relating to retention payments to current employees (initial retention program announced March 2022 and additional retentions announced October 2023); and
  - ~\$1.8 million in expenses for executive talent acquisition comprising sign-ons and forfeited remuneration payments for Executive Chair and Managing Director of MAM<sup>1</sup>
- FY25 expense guidance of \$105-\$110 million, reflecting continued discipline in the management of costs balanced with investing in our global distribution platform, facilitated by the Vinva partnership. Cost guidance for FY25 includes:
  - ~\$3.8 million in estimated expenses relating to retention payments to current employees; and
  - ~\$2.4 million in expenses for executive talent acquisition<sup>1</sup>

[1] Includes Magellan management's estimates of expensing of equity instruments which are subject to approval at Magellan's 2024 Annual General Meeting and subject to revaluation at that time.

# Fund Investments

Magellan has set a pre-tax hurdle of 10% p.a. over the business cycle for the Fund Investments portfolio

## FUND INVESTMENTS PORTFOLIO

Investment (\$ million)	30 June 2024	30 June 2023
Cash	0.2	0.4
Investments in:		
Magellan Funds <sup>1</sup>	398.5	412.9
Net seed portfolios	5.6	7.0
Other <sup>2</sup>	0.4	0.2
<b>Total</b>	<b>404.7</b>	<b>420.5</b>
Net deferred tax <sup>3</sup>	(33.6)	(28.5)
<b>Net Fund Investments</b>	<b>371.1</b>	<b>392.0</b>
Net Fund Investments per share (cents) <sup>4</sup>	205.3	216.1

## INVESTMENT RETURNS

Time Period (to 30 June 2024)	Return
1 year	18.1%
3 years p.a.	7.6%
5 years p.a.	8.4%
Since Inception p.a. <sup>5</sup>	10.8%

[1] Investments are set out in note 7 of the Financial Statements. [2] Comprises receivables and payables. [3] Arises from changes in the fair value of financial assets offset by the deferred tax asset relating to unused tax losses. [4] Based on 180,746,328 ordinary shares on issue at 30 June 2024 (30 June 2023: 181,431,899 ordinary shares). [5] Return excludes previous investment in MFF Capital Investments Limited. Inception date of 1 July 2007.



# Business Update

**Andrew Formica | Executive Chairman**

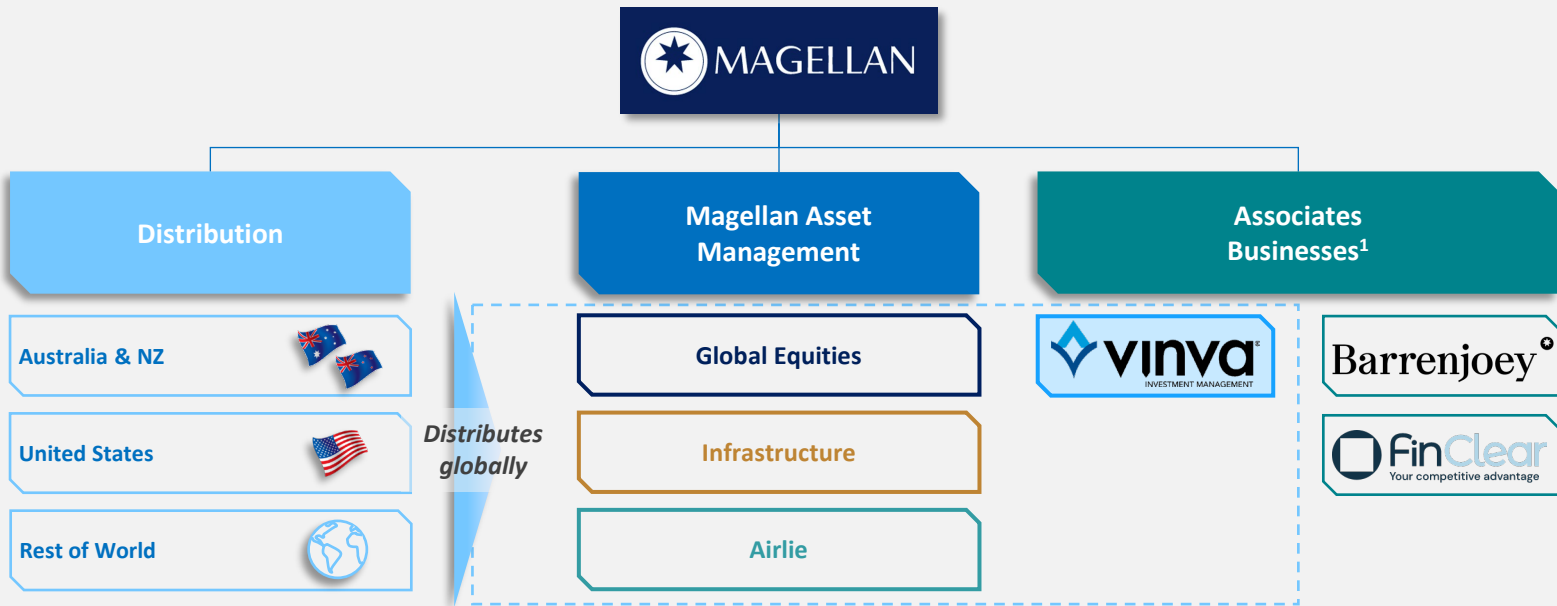


**MAGELLAN**  
FINANCIAL GROUP LIMITED

Internal use only



# Our Business



**Magellan is underpinned by our institutional grade platform**

[1] Vinva economic interest of 29.5%; Barrenjoey economic interest of 36% (4.99% voting interest); FinClear economic interest of 16% excluding the impact of any potential dilution arising from unexercised issued options.

# Distribution Update

## Domestic Distribution

- Standout distribution platform servicing retail clients in Australia and New Zealand, and institutional clients within Australia
- Collaborative, highly experienced and tenured team with deep stakeholder relationships
- End-to-end coverage of retail service model with specialists to manage broker, research house and platform relationships
- Physical presence in all major Australian cities
- Well positioned to adapt and benefit from changing industry landscape given size, geographic coverage and connectivity

## US Distribution

- US is a key growth market for Magellan given size, scale and existing US distribution infrastructure
- Recently announced refocused and enhanced US Distribution platform
- US platform capabilities reviewed and are now focused on enhancing the platform
- Exploring opportunities to invest in expanding the platform's capabilities further, including in the retail market
- Remains a work in progress, however, Magellan is committed to growing platform

## Rest of World Distribution

- Highly regarded institutional distribution team with access to global investors and consultants across the US, Asia, UK, Europe, and the Middle East
- Established UCITS platform and product capability
- Experience assessing and closing opportunities and ensuring regulatory compliance
- Exploring opportunities to broaden and deepen client relationships in other countries

***Magellan's distribution platform remains a key strength of the business with deep global relationships and a strong brand in which we will continue to invest in***

# Associates Business



- High quality, well regarded manager with significant capacity and strong performance
- Approximately \$22 billion of assets under management as at July 2024
- Highly profitable and will contribute after-tax profits to Magellan immediately (equity accounted)
- Significant growth potential across existing and new product globally
- Performance fee generation potential across strategies<sup>1</sup>
- Strategic partnership with Magellan to accelerate Vinva's growth



- Profitable with FY24 NPAT of \$34.7m following record revenues up over 40%
- All key businesses established with revenue growth recorded across all business lines and particularly Fixed Income
- Disciplined cost management with operating expenses only up 4%
- Strong capital position – well-above minimum required with 4.89x at year-end
- Strong cash generation allowing all working capital facilities to be repaid
- Barrenjoey intends to commence paying dividends given the growth in earnings, cash generation and capital (subject to board approval).

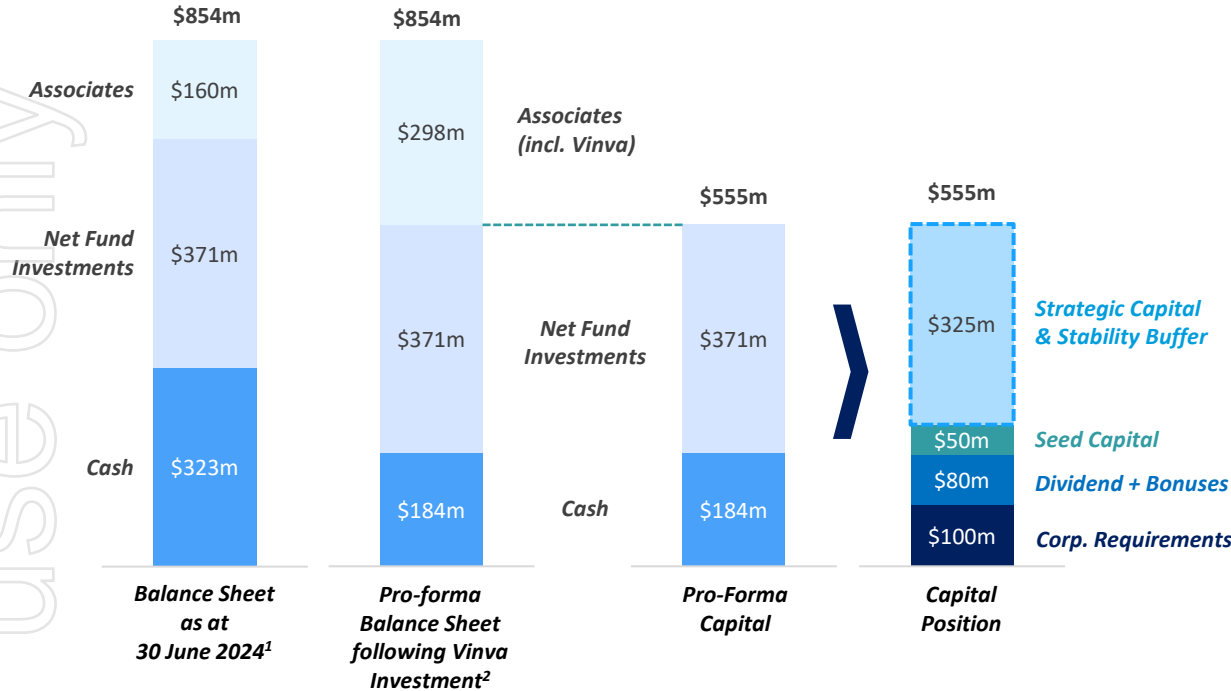


- Diverse client base with \$155 billion of underlying client assets
- Solid revenue growth from recovery in market volumes and new cash and FX solutions that meet the changing needs of brokers
- System rationalisation in June 2024 will deliver material cost efficiencies
- Strong capital position
- FCX expected to be fully operational H1 FY25 with a licenced trading, clearing and settlement venue for private companies and funds

*Investments in high quality businesses, with significant growth potential*

[1] Performance fees (if any) may fluctuate significantly from period to period

# Capital Management Position



- Strategic Capital & Stability Buffer has protected the business from recent challenges
- Over time, anticipate a lower level of Stability Buffer will be required, as the business becomes more resilient and impacts of initiatives such as the Magellan Global Fund conversion dissipate
- Continue to have a strong dividend policy and recently extended buyback to April 2025
  - ~5 million shares bought back since inception
- Strategic investment in Vinva Investment Management, included in Associates
- Board continues to assess strategic growth opportunities, balanced with active review of capital management
  - Intend to update shareholders in February 2025

Note: Totals may not add up due to rounding. [1] Based on balance sheet at 30 June 2024, comprising cash, net fund investments (net of deferred tax liabilities), and associates (at carrying value). [2] Pro-forma balance sheet reflects 30 June 2024 balances of cash, net fund investments (net of deferred tax liabilities), and associates (at carrying value), adjusted for 15 August investment in Vinva Investment Management ('Vinva') which is reflected in associates. Magellan's investment in Vinva was completed on 15 August 2024.

# FY25 Priorities & Summary



## FY25 Priorities

### Colleagues

- Implement and finalise Remuneration Framework
- Targeted training and development of staff
- Improve employee engagement
- CEO appointment and transition

### Clients

- Maintain strong investment performance across strategies
- Strengthen distribution capabilities globally

### Capabilities

- Commence distribution of Vinva investment strategies to clients
- Undertake governance review



## Summary

- ✓ Strengthened governance with Board renewal
- ✓ Well positioned for growth following stabilisation of FUM flows
- ✓ High quality team across the business, an institutional grade platform and strong band
- ✓ Highly regarded distribution function with opportunities to expand capabilities further
- ✓ A range of strategic growth opportunities on the horizon – locally and globally
- ✓ Profitable and financial strength to execute strategic growth agenda
- ✓ Continue to generate strong operating cash flows supporting attractive dividends to shareholders
- ✓ Diversification of revenue underway

Internal use only

Q&A



**MAGELLAN**  
FINANCIAL GROUP LIMITED



# Important Information

This presentation has been prepared by Magellan Financial Group Ltd ACN 108 437 592 ('Magellan').

This presentation contains summary information about Magellan and its related bodies corporate and is current as at 15 August 2024. While the information in this presentation has been prepared in good faith and with reasonable care, no representation or warranty, express or implied, is made as to the accuracy, adequacy or reliability of any statements, estimates, opinions or other information contained in the presentation, any of which may change without notice. This includes, without limitation, any historical financial information and any estimates and projections and other financial information derived from them.

This presentation may contain forward-looking statements. These forward-looking statements have been made based upon Magellan's expectations and beliefs concerning future developments and their potential effect upon Magellan (and its controlled entities) and are subject to risks and uncertainty which are, in many instances, beyond Magellan's control. No assurance is given that future developments or proposed strategic initiatives will materialise or be in accordance with Magellan's expectations. Actual outcomes could differ materially from those expected by Magellan and Magellan assumes no obligation to update any forward-looking statements or information.

To the maximum extent permitted by law, Magellan (including its directors, officers, employees, agents, associates, affiliates and advisers) ("Magellan Parties") disclaims and excludes all liability for any loss or damage suffered or incurred by any person as a result of their reliance on the information contained in this presentation or any errors in or omissions from this presentation. To the maximum extent permitted by law, no Magellan Party nor any other person accepts any liability, including without limitation, any liability arising from fault, negligence or lack of care, for any loss or damage arising from the use of this presentation or its contents or otherwise in connection with it.

The information in this presentation does not constitute financial product advice (nor investment, tax, accounting or legal advice) and does not take account of your individual investment objectives, including the merits and risks involved in an investment in shares or units in any entity or trust or your financial situation, taxation position or particular needs. You must not act on the basis of any matter contained in this presentation, but must make your own independent assessment, investigations and analysis of Magellan and obtain any professional advice you require, including financial, legal and taxation advice appropriate to your jurisdiction, before making an investment decision based on your investment objectives.

This presentation does not constitute an offer to sell or a solicitation of an offer to purchase any security or financial product or service and does not and will not form any part of any contract or commitment for the acquisition of any securities, financial products or services. This presentation is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or the law of any other jurisdiction and does not contain all of the information which would be required in such a document.

Units in the Magellan funds referred to in this presentation are issued by Magellan Asset Management Limited (ABN 31 120 593 946, AFS Licence No 304 301). The Product Disclosure Statement and Target Market Determination applicable to each Magellan fund are available at [www.magellangroup.com.au](http://www.magellangroup.com.au) or can be obtained by calling +61 2 9235 4888.

Past performance is not necessarily indicative of future results and no person guarantees the performance of any security, financial product or service or the amount or timing of any return from it. There can be no assurance that the financial product or service will achieve any targeted returns, that asset allocations will be met or that the financial product or service will be able to implement its investment strategy and investment approach or achieve its investment objective.

The information contained in this Presentation must not be reproduced, used or disclosed, in whole or in part, without the prior written consent of Magellan.

magellan only

[www.magellangroup.com.au](http://www.magellangroup.com.au)  
Phone: +61 2 9235 4888

