

# Magellan FuturePay™ (Managed Fund)

A growing monthly income, now and into the future

ARSN: 649 688 693

Ticker: FPAY

## Fund Facts

Portfolio Manager	Paddy McCrudden	
Inception Date	2 June 2021	
Management Fee <sup>1</sup>	1.00% p.a. of FuturePay's portfolio value	
Performance Fee	There is no performance fee	
Entry price	NAV per Unit plus 0.10% (buy spread)	
Exit price	NAV per Unit less Mutualisation Amount, less 0.10% (sell spread)	
FuturePay Size	AUD \$18.7 million	
FuturePay Nav per Unit	AUD \$5.7204 <sup>†</sup> per unit	
Hedge Ratio	43.72%	
Distribution Frequency	Monthly	
Target Monthly Income	<ul style="list-style-type: none"> <li>AUD 2.089 cents per unit, growing at inflation quarterly</li> <li>Income yield of 4.38%<sup>^</sup></li> </ul>	
Tickers	<b>Solactive iNav</b>	<b>ICE iNav</b>
Bloomberg (FPAY.AU Equity)	FPAYAUIV Index	FPAYIV Index
Refinitiv (FPAY.CHA)	FPAYAUDINAV=SOLA	FPAYAUiv.P
IRESS (FPAY.CXA)	FPAYAUDINAV	FPAY-AUINAV
APIR	MGE9989AU	
Support Trust Size	AUD \$2.6 million	
Support Trust Distribution Coverage <sup>2</sup>	34 months	
Asset Composition of Support Trust	Cash (AUD)/Cash equivalent	
Reserve Ratio	13.93%	
Index Relative Ratio	0.9206	
Mutualisation Amount per Unit	AUD \$0.4293	
MFG Capital Commitment / Paid	AUD \$50.0 million / AUD \$1.4 million	

<sup>1</sup> All fees are inclusive of the net effect of GST. No fees are payable to Magellan in respect of its management of the Support Trust's assets.

<sup>2</sup> NAV is cum distribution and therefore includes the distribution amount of AUD 2.089 cents per unit.

<sup>3</sup> The number of months over which the support trust could fund 100% of the Target Monthly Income of FuturePay calculated as (Support Trust NAV) / (Units on Issue x Target Monthly Income)

<sup>4</sup> Target Monthly Income x 12 / NAV price at end of month. There is no guarantee that the target monthly income will be achieved.

For the most up to date/live figures please refer to our website at [www.magellanfuturepay.com.au](http://www.magellanfuturepay.com.au).

## Fund Performance

	1 Month (%)	3 Months (%)	6 Months (%)	Since Inception (%) <sup>#</sup>
Investor Distribution	0.4	1.1	2.1	4.0
Capital Growth <sup>3</sup>	-0.9	-3.7	-2.5	-0.7
FuturePay Total Return <sup>4</sup>	-0.5	-2.6	-0.4	3.3
Investor Return <sup>5</sup> (after mutualisation amount)	-8.0	-9.9	-7.9	-4.5

<sup>#</sup> The inception date is 02 June 2021 (inclusive).

<sup>3</sup> Growth in the FuturePay NAV per Unit excluding distributions.

<sup>4</sup> FuturePay Total Returns are based on NAV prices with distributions reinvested, after ongoing fees and expenses but excluding individual tax, member fees, entry fees (if applicable) and the Mutualisation Amount.

<sup>5</sup> The investor return shows the impact of the Mutualisation Amount on the performance of FuturePay. The calculation is based on exit prices with distributions reinvested, but on the basis that the Mutualisation Amount is only applied on the last day of the period, after ongoing fees but excluding individual tax, member fees and entry fees (if applicable).

## Why Invest in FuturePay?

FuturePay is an innovative new fund which aims to deliver investors, particularly retirees, with:

- ✓ A predictable monthly income that grows with inflation
- ✓ Capital growth with a focus on downside protection
- ✓ A reserving strategy and income support
- ✓ Daily access to your capital.

For more detailed information visit:

[www.magellanfuturepay.com.au](http://www.magellanfuturepay.com.au)

## Fund Features

- A listed, actively managed fund focused on downside protection.
- Invests in a carefully selected portfolio of high-quality global companies. Current allocation 55% Global equities and 45% Global Infrastructure.
- Alongside FuturePay sits the Support Trust, which together with FuturePay aims to provide capital reserving and an income support function during poor market conditions. This is further supplemented by a Magellan Reserve Facility.
- Investors have the potential to benefit from the capital reserves accumulated in the Support Trust by past and existing members, pooling reserves with other members can be more effective.
- FuturePay is available on the Cboe securities exchange (ticker: FPAY) and can be bought and sold like any listed security. Investments can also be made directly with the fund itself.
- Reserve contributions are paid to Support Trust from the assets of FuturePay and reflect a cost of investing, however, investors are expected to benefit from these in the future in the form of income support received during poor market conditions

This combination of FuturePay's investment strategy, coupled with the Support Trust and a Magellan Reserve Facility to provide reserving and income support to help manage volatility, all in a single product, is what makes FuturePay unique.

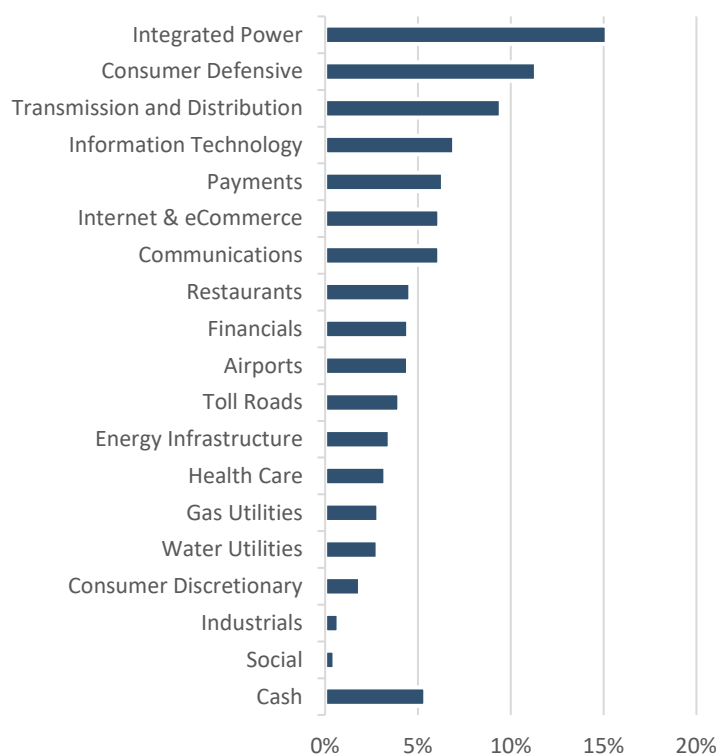
*"Reserving is the unique feature of FuturePay. Once we understood the power and the benefits of reserving, we set about trying to think of what the best reserving strategy was."*

**PADDY McCRUDDEN, HEAD OF RETIREMENT SOLUTIONS**

## Top 10 Holdings (alphabetical order)

Company	Sector <sup>6</sup>
Alphabet Inc	Internet & eCommerce
Crown Castle International Corp	Communications
Intercontinental Exchange	Financials
MasterCard Inc	Payments
McDonald's Corp	Restaurants
Microsoft Corporation	Information Technology
Novartis	Health Care
Pepsico Inc	Consumer Defensive
Visa Inc	Payments
Yum! Brands Inc	Restaurants

## Sector Exposure<sup>6</sup>



<sup>6</sup> Sectors are Magellan defined. Exposures may not add to 100% due to rounding.

## FuturePay Glossary

Term	Definition
<b>Active ETF</b>	Magellan's Active ETFs are actively managed investment funds that are quoted on a securities exchange and can be bought and sold just like any listed stock. These funds provide investors with easy access to the benefits of investing in global equities and the investment experience and expertise of Magellan.
<b>Index Relative Ratio</b>	A measure of whether <b>FuturePay</b> has outperformed the inflation target – referred to as the 'Index Unit Price' in the Product Disclosure Statement. Calculated as <b>FuturePay's</b> Portfolio Value per Unit relative to the Index Unit Price.
<b>Inflation Target</b>	One of the key benefits that <b>FuturePay</b> aims to deliver is to grow investors' capital at or above the rate of inflation, even after delivering the target monthly income payments.  <b>FuturePay's</b> inflation target – referred to as the 'Index Unit Price' in the Product Disclosure Statement – is the initial issue price of Units adjusted for inflation using the Inflation Index published for the most recent quarterly period (applied in arrears).  If the value of <b>FuturePay's</b> investment portfolio is above the inflation target – this means that <b>FuturePay</b> has both delivered the target monthly income and the value of its investment portfolio has grown at or above the rate of inflation.
<b>MFG Reserve Facility</b>	If the assets in the Support Trust are low, <b>FuturePay</b> can borrow additional funds from Magellan Financial Group to support <b>FuturePay</b> in paying the target monthly income to investors.  This is only repayable when the Support Trust reserves have been recovered and <b>FuturePay</b> outperforms its inflation objective.
<b>Mutualisation Amount</b>	The amount you leave behind if you redeem your investment in <b>FuturePay</b> off-market with Magellan via the unit registry. The Mutualisation Amount is retained by <b>FuturePay</b> for the benefit of remaining investors.  The Mutualisation Amount is equal to the value of the Support Trust Rights, subject to a cap. The Mutualisation Amount is capped at an amount equal to 7.5% of the estimated NAV per Unit of <b>FuturePay</b> – so when the value of the Support Trust Rights exceeds that cap, these amounts will differ.  When an investor redeems their investment in <b>FuturePay</b> off-market with Magellan via the unit registry, the exit price they receive will be the NAV per Unit less the Mutualisation Amount and an allowance for transaction costs.
<b>Portfolio Value</b>	A measure of the size of the assets of <b>FuturePay</b> or the Support Trust (as the case may be).
<b>Reserve Ratio</b>	Reserve Ratio is a measure of the relative size of the assets of the Support Trust to the assets of <b>FuturePay</b> . It is calculated by dividing the Portfolio Value of the Support Trust by the Portfolio Value of <b>FuturePay</b> .
<b>Responsible Entity</b>	Magellan Asset Management Limited is the responsible entity of <b>FuturePay</b> .
<b>Support Trust</b>	The Support Trust is a separate pool of assets managed for the benefit of <b>FuturePay</b> investors. It is structured as a discretionary trust.  The Support Trust's objective is to assist <b>FuturePay</b> in delivering a predictable monthly income to investors over the long term. There is no guarantee that the Support Trust will provide income support.

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