

Welcome to

Magellan FuturePay™

A growing monthly income, now and into the future



Chi-X ticker: FPAY

Investing for income and growth

Many investors, particularly those in retirement, are faced with a challenge. How do you maintain ready access to your savings and invest to receive a regular and predictable income that keeps pace with inflation, without eroding your capital base?

Achieving these investment goals is difficult - usually because they compete with each other, and this has only been made harder with today's low interest rates and volatile investment markets.

Investors are left dealing with this problem by using a combination of the limited tools available and accepting the compromises that result, often without realising it.

Introducing Magellan FuturePay ('FuturePay')

FuturePay is an innovative, new, listed, actively managed fund which aims to deliver investors a predictable monthly income that grows with inflation, driven by returns and capital growth, with a focus on downside protection. This is underpinned by a reserving strategy and on-going income support, together with daily access to capital.

FuturePay invests in a carefully selected portfolio of high-quality global companies that have the potential for attractive, long-term investment returns but are less volatile than the broader equities market.

Alongside FuturePay sits Income Support

Together with **FuturePay**, the Support Trust operates to provide a capital reserving and income support function. This is further supplemented by a MFG Reserve Facility. These provide **FuturePay** with potential income support during poor market conditions, to assist **FuturePay** in delivering its objective of providing investors with a predictable and growing monthly income stream, while reducing the risk of permanent capital loss.

Think about it like saving for a 'rainy day'.

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

INVESTMENT OBJECTIVE:

The primary objectives of the Fund are to provide investors with predictable, monthly distributions that grow with inflation, while reducing the risk of permanent capital loss.

FuturePay aims to deliver investors four key benefits:



A predictable monthly income that grows with inflation



Driven by returns and capital growth, with a focus on downside protection



Underpinned by a reserving strategy and income support



Together with daily access to your capital

Using FuturePay in retirement

The desire to invest savings to receive a regular and predictable income that keeps pace with inflation is particularly true for those in retirement, who are now without a regular pay cheque.

Many retirees are left juggling the need to re-establish that regular PAY (to meet day-to-day living expenses) while ensuring they have enough savings left to maintain that income into the FUTURE, which is unknown.

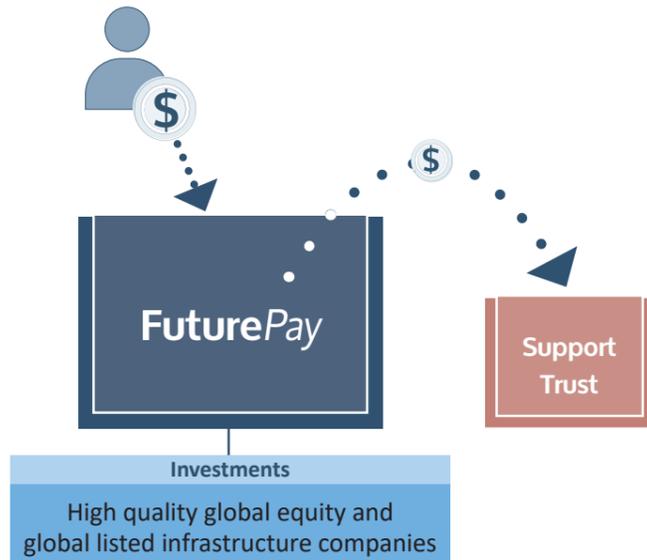
FuturePay aims to provide a growing monthly income now and into the future, and has the potential to enhance investing in retirement and retirement planning.

“Investing in FuturePay provides considerable uplifts on both income and accessible capital through retirement.”

From Rice Warner report, Review of Retirement Solutions, 5 May 2021.

This Report is an independent assessment focused on quantifying the outcomes for retirement investors using Magellan FuturePay as a component of their retirement strategies. The Report outlines the modelling assumptions and assessment framework used in their analysis.

1. When you invest in FuturePay



When you invest off-market, directly in **FuturePay**, a small amount of capital will be contributed to the Support Trust. These contributions are reserved to provide income support to **FuturePay** in the future.

Your entry price¹ is the net asset value per unit which includes the value of **FuturePay**'s investment portfolio plus the assessed value of the benefit provided by the Support Trust.



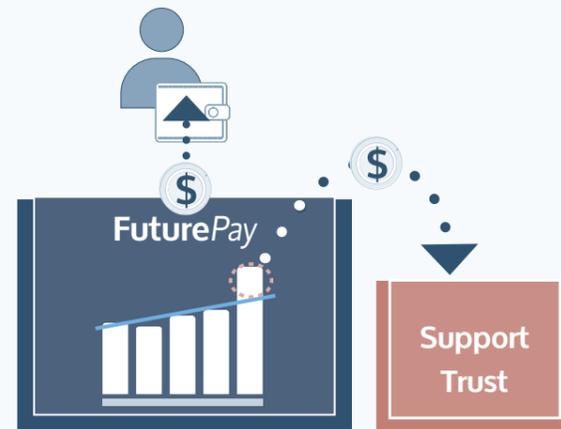
You can also buy your units on the stock exchange. The price you pay will reflect the market price for units, which may be higher or lower than the Fund entry price.

¹NAV per Unit plus 0.10% (buy spread)

2. During your investment in FuturePay

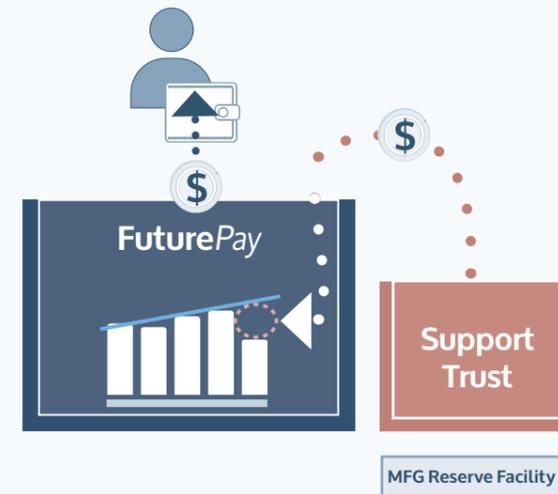
Monthly income that grows with inflation

FuturePay aims to deliver you predictable, monthly income that grows with inflation. Now and into the future.



Reserving in rising markets

In any given month, if **FuturePay**'s investment portfolio outperforms and is above its inflation target, **FuturePay** may reserve some portion of its outperformance by contributing capital to the Support Trust.



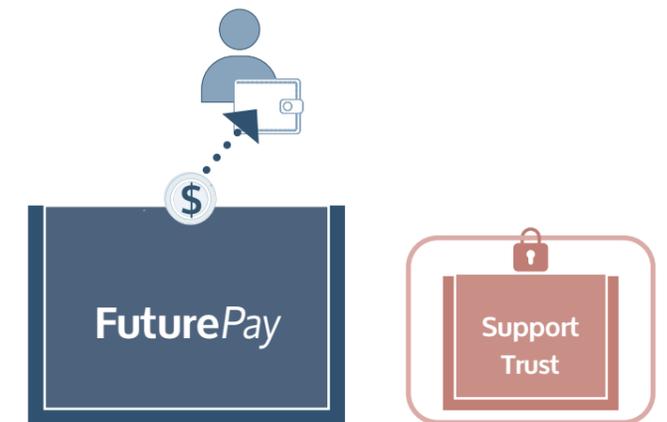
Income support in falling markets

Where the investment performance of **FuturePay** has not kept up with its inflation target, **FuturePay** may receive income support from the Support Trust* or the MFG Reserve Facility**. Any capital received is intended to assist **FuturePay** in delivering the target monthly income to investors.

*There is no guarantee that the Support Trust will provide income support or that the target monthly income will be met.

**If drawn, will be repaid from future outperformance.

3. If you exit FuturePay



If you choose to redeem your investment off-market, directly from **FuturePay**, your exit price² will generally reflect the value of **FuturePay**'s investment portfolio, and you leave behind the assessed value of the benefit provided by the Support Trust. That is retained by **FuturePay** so that remaining investors may continue to benefit from reserving and income support, just as you were entitled to when you were invested.



You can also sell your units on the stock exchange. The price you receive will reflect the market price for units. The market price may be higher than the Fund exit price as a buyer may pay a premium to purchase an existing unit from a seller as that unit continues to be entitled to the valuable benefit of the Support Trust.

²NAV per Unit less Mutualisation Amount, less 0.10% (sell spread)

Fund Facts

Portfolio Manager	Paddy McCrudden, Head of Retirement Solutions & Data Science	FuturePay Size/Nav per Unit	AUD \$10 million / \$5.75 [^] per unit	
Chi-X Ticker	FPAY	Support Trust Size	AUD \$1.0625 million	
Inception Date	2 June 2021	APIR Code	MGE9989AU	
Investment Objective	The primary objectives of the Fund are to provide investors with predictable, monthly distributions that grow with inflation, while reducing the risk of permanent capital loss	ARSN	649 688 693	
Distribution Frequency	Monthly	Management Fee[*]	1.00% p.a.	
Target Monthly Income	<ul style="list-style-type: none"> • 2.03 cents per unit at inception, growing at inflation quarterly • Income yield of 4.24%[^] 	Performance Fee	There is no performance fee	
Entry Price	NAV per Unit plus 0.10% (buy spread)	Other Costs	<ul style="list-style-type: none"> • Reserve contributions: capital contributed to the Support Trust by FuturePay • Mutualisation Amount: if you redeem your investment, you leave behind the value of the benefit provided by the Support Trust 	
Exit Price¹	NAV per Unit less Mutualisation Amount less 0.10% (sell spread)	Tickers	Solactive iNav	ICE iNav
		Bloomberg (FPAY AU Equity)	FPAYAUIV Index	FPAYIV Index
		Refinitiv (FPAY.CHA)	FPAYAUDINAV=SOLA	FPAYAUiv.P
		IRESS (FPAY.CXA)	FPAYAUDINAV	FPAY-AUINAV

[^] Estimate based on initial NAV price as at 27 May 2021. For daily the Income Yield and Nav Per Unit please visit www.magellanfuturepay.com.au

^{*} All fees are inclusive of the net effect of GST.

Three simple ways to invest in Magellan FuturePay™

You should read the PDS (available at www.magellanfuturepay.com.au) before making any decision on how to invest in the Fund.

You have the choice of either buying units in Magellan **FuturePay** via your stockbroker/online broker or applying directly with Magellan, the Responsible Entity, by submitting an Application Form to our unit registry.

If you hold your investments via an investment administration platform, you should consult your financial adviser who will be able to assist you in investing in the Fund.

<p>INVEST THROUGH THE STOCK EXCHANGE</p>  <p>Chi-X Ticker:FPAY Magellan FuturePay (Managed Fund)</p>	<p>INVEST DIRECTLY WITH THE FUND</p>  <p>Submit An Application Form Magellan FuturePay (Managed Fund)</p>	<p>SPEAK TO A FINANCIAL ADVISER</p>  <p>Speak With Your Adviser/Broker <i>To find an adviser, visit the 'Financial Planning Association of Australia (FPA)' or 'Your best interests' website.</i></p>
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There are important differences between entering or exiting the Fund through the Chi-X Securities Exchange or by applying or redeeming directly with Magellan, the Responsible Entity, including the price you will receive. For more information please read the PDS (page 3 'Entering and exiting the Fund').

Contact us

For more information on Magellan **FuturePay** and the benefits the product aims to offer investors, particularly retirees, please visit magellanfuturepay.com.au or contact your local state-based business development manager.

 magellanfuturepay.com.au  02 9235 4888

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