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12 July 2022

Cboe Australia Pty Ltd  
Level 23, Governor Phillip Tower  
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Sydney NSW 2000

### **Closure of Magellan FuturePay (Managed Fund) (Ticker: FPAY)**

Magellan Asset Management Limited ACN 120 593 946 (**Magellan**), in its capacity as Responsible Entity for Magellan FuturePay (**FuturePay**), has resolved to terminate FuturePay (**Closure**) and return to investors their capital in the fund. The Closure will take effect on Wednesday, 20 July 2022 (**Closure Date**).

FuturePay was developed to meet the needs of many investors for retirement income and its unique structure achieved this objective. However, given the current size and modest anticipated demand for FuturePay, the Board of Magellan, having considered the alternatives, has determined that it is in the best interests of investors to return their capital and terminate FuturePay. The Closure is also consistent with the strategy announced by Magellan Financial Group Limited in February 2022 to simplify its business and concentrate on its core investment capabilities.

Magellan has undertaken to make an additional payment to investors who would have otherwise received less than their original investment (after taking into account distributions received) at the Closure Date. This will ensure investors who have continued to support FuturePay will have received an amount at least equal to their original investment in FuturePay.

FuturePay will be suspended from quotation on Cboe Australia effective immediately and terminated in accordance with the constitution of FuturePay and Part 5C.9 of the Corporations Act 2001 (Cth). The trustee of the FuturePay Support Trust (**Support Trust**) has been notified of the Closure and will commence winding up the Support Trust. It is expected that the trustee of the Support Trust will fully distribute the assets of the Support Trust to FuturePay.

In addition to the June 2022 distribution that will be paid on 15 July 2022, it is anticipated that investors in FuturePay will receive the final distribution in respect of their units held or about 27 July 2022.

As a result of the Closure, Magellan will shortly lodge with Cboe Australia a formal request for quotation of FuturePay to be revoked. Magellan has received in-principle advice from Cboe Australia that it will agree to this request. The revocation of the quotation of FuturePay is expected to be effective on or about 19 July 2022. Magellan will update the market when Cboe Australia has provided its decision regarding Magellan's request.

## Important dates

Last day for trading in FuturePay units and last day for applications / redemptions by the 2pm cut-off	12 July 2022
Closure notice dispatched to unitholders in accordance with their communication preferences	12 July 2022
Payment date for the June 2022 monthly distribution (the distribution Record Date was 4 July 2022)	15 July 2022
Closure Date	20 July 2022
Final distribution to be paid to investors holding units on the Closure Date	27 July 2022

The dates above are subject to change. Any change will be announced to the market through Cboe Australia.

## Consequences of removal and Closure

With immediate effect, investors will not be able to trade their units on Cboe Australia or directly apply for additional units or redeem their existing units. Investors will be required to hold their units until completion of the Closure of FuturePay and will be entitled to receive a pro-rata share of the proceeds of the realisation of the assets of FuturePay.

Investors who were on the register of unitholders on the Record Date of 4 July 2022 will receive the distribution of 2.133 cents per unit for the month of June 2022, payable on 15 July 2022. In accordance with the terms of the Distribution Reinvestment Plan Rules, Magellan has terminated the Distribution Reinvestment Plan and the distribution will be paid in cash only.

Following the realisation of the assets of FuturePay, investors will, on or around 27 July 2022, receive an amount in Australian dollars paid to their nominated bank account and equal to the net asset value per unit of FuturePay multiplied by the number of units they hold on the Closure Date. These assets will include the amount received by FuturePay from the winding up of the Support Trust. Any additional payment from Magellan will be paid to eligible investors at the same time.

It is important to understand that the price of the underlying securities held by FuturePay and the net asset value per unit may change between the date of this announcement and completion of the Closure. The proceeds that investors receive will not be reduced by the mutualisation amount that is ordinarily deducted when investors directly withdraw from FuturePay. Furthermore, distributions will be free of brokerage and stamp duty.

The costs of the Closure, excluding the transaction costs of realising FuturePay's assets, will be incurred by Magellan and not borne by FuturePay.

If you have any questions regarding the Closure, please call Magellan on 9235 4888 or contact your stockbroker, financial adviser, accountant, lawyer or other professional adviser.

*Authorised by*

Marcia Venegas | Company Secretary