



Level 36, 25 Martin Place  
Sydney NSW 2000 AUSTRALIA

General: +61 2 9235 4888  
Facsimile: +61 2 9235 4800  
Website: [www.magellangroup.com.au](http://www.magellangroup.com.au)  
ABN: 31 120 593 946  
AFSL: 304 401

12 July 2022

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

**MAGELLAN FUTUREPAY (MANAGED FUND) ("FuturePay")**  
**Notice of intention to terminate ("close" or "closure") Magellan FuturePay**

Please find **enclosed** a letter sent to FuturePay's unitholders today giving notice of the closure of Magellan FuturePay.

*Authorised by*

Marcia Venegas | Company Secretary

**About Magellan FuturePay (Ticker: FPAY)**

Magellan FuturePay is an 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.

12 July 2022

Dear Investor,

### **NOTICE OF INTENTION TO CLOSE MAGELLAN FUTUREPAY**

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.

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

Investors entitled to the June 2022 distribution will be paid it on 15 July 2022 and it is anticipated that they will receive the final distribution in respect of units held on or about 27 July 2022.

FuturePay is being terminated pursuant to the Responsible Entity's power under FuturePay's constitution (**Constitution**) and pursuant to section 601NA of the Corporations Act 2001 (Cth) (**Corporations Act**).

As a result of the Closure, trading of FuturePay's units on the Cboe Australia securities exchange has been suspended with immediate effect and, subject to Cboe Australia's formal decision on the application to revoke the quotation of FuturePay, the units are expected to be removed from quotation on or about 19 July 2022. Additionally, direct applications into, and redemptions from, FuturePay will cease with immediate effect.

In accordance with the terms of the Distribution Reinvestment Plan Rules, Magellan has terminated the Distribution Reinvestment Plan and the June 2022 distribution will be paid in cash only.

## **The Closure process**

The Closure of FuturePay will be conducted in accordance with the requirements of the Constitution and the Corporations Act.

The Support Trust is a discretionary trust comprised of a separate pool of assets that has been managed for the purposes of supporting FuturePay in paying its target monthly income to investors. As a result of the Closure of FuturePay, the trustee of the Support Trust will immediately commence the wind-up of the Support Trust and the proceeds derived from the Support Trust's assets will be paid into, and will form part of the assets of, FuturePay.

The assets of FuturePay will be realised and the net proceeds will be distributed to investors who are on FuturePay's register of members as at the Closure Date. Such investors will receive an amount equal to the net asset value per unit of FuturePay on the date all of FuturePay's assets have been realised, multiplied by the number of units in FuturePay they hold on the Closure Date.

Magellan will make an additional payment to those investors who would otherwise receive less than their original investment, after allowing for distributions they have received.

The costs associated with the Closure (except for the transaction costs of realising FuturePay's assets) will be incurred by Magellan and will not be borne by FuturePay. Furthermore, distributions will be free of brokerage, stamp duty and exit fees.

Magellan advises that the price of FuturePay's assets may change and the net asset value per unit in FuturePay may change between the date of this notice and the date of the completion of the Closure.

The Closure will be completed as soon as possible, and the Responsible Entity expects to make final payments to investors by 27 July 2022. Payments will be made into the investor's bank account notified to FuturePay's unit registry.

## **Further information**

You are not required to take any action. However, please contact Magellan on 9235 4888 or at [info@magellangroup.com.au](mailto:info@magellangroup.com.au) if you have any questions or would like Magellan to call you regarding the Closure, or please contact your stockbroker, financial adviser, accountant, lawyer or other professional adviser.

We will write to you again with information regarding the payments to be made to you following the Closure. We also encourage you to read the announcements made on Cboe Australia's announcement platform under the ticker FPAY.

Yours faithfully,



Robert Fraser  
Chairman  
Magellan Asset Management Limited