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 ASX Limited
 ASX Market Announcements Office
 Exchange Centre
 20 Bridge Street
 SYDNEY NSW 2000

Magellan Financial Group Limited

Full year results for the period ended 30 June 2020

- **Average funds under management up 26% to \$95.5 billion**
- **Adjusted net profit after tax up 20% to \$438.3 million**
- **122.0 cents per share dividend declared for six months to 30 June 2020, up 10%**
- **Total dividends for the year up 16% to 214.9 cents per share**
- **Announces proposed launches of MFG Core Series and Magellan Sustainable Fund**

Magellan Financial Group Limited ("Magellan") today announced adjusted after-tax net profit¹ increased by 20% to \$438.3 million for the 12 months to 30 June 2020. For the six months to 30 June 2020, the board has declared a dividend of 122.0 cents per share (franked at 75%), comprising a final dividend of 91.6 cents per share and a performance fee dividend of 30.4 cents per share. The final and performance fee dividends will be payable to shareholders on 26 August 2020 in accordance with our policy to pay dividends promptly. Total dividends for the 2020 financial year increased by 16% to 214.9 cents per share.

Results summary	FY2020	FY2019	Change
Average funds under management (\$ billions)	95.5	75.8	26%
Net profit after tax (\$ millions)	396.2	376.9	5%
Adjusted net profit after tax (\$ millions)	438.3	364.2	20%
Diluted earnings per share (cents per share)	218.3	213.1	2%
Adjusted diluted earnings per share (cents per share)	241.5	205.9	17%
Total dividends (cents per share)	214.9	185.2	16%

Brett Cairns, CEO, said: "Magellan has had a strong year and proved resilient in difficult market conditions. Average funds under management for the year increased 26% and as at 30 June 2020, Magellan managed \$97.2 billion on behalf of our clients. Magellan's strong investment performance during this time has highlighted the importance of our investment processes and the focus on protecting investors' capital. Growth in average funds under management led to a 25% increase in management and services fees to \$591.6 million and a 20% increase in adjusted net profit after tax to \$438.3 million.

¹ Adjusted for non-cash items (amortisation expense and unrealised gains/losses on Principal Investments) and transaction costs related to strategic initiatives.

Magellan is in a strong financial position with net tangible assets of \$925.4 million as at 30 June 2020. We have long maintained that a strong balance sheet is in the best interests of our clients and therefore our shareholders. This has again been reinforced during these current difficult times.

Our strong balance sheet has also allowed us to continue to invest in the business, including the recently announced restructure of our Global Equities retail funds.”

Proposed launch of MFG Core Series and Magellan Sustainable Fund

Magellan also today announced the development of the MFG Core Series. The MFG Core Series is a series of investment strategies (initially comprising the MFG Core International Fund, the MFG Core ESG Fund and the MFG Core Infrastructure Fund) that leverage Magellan’s investment philosophy and proprietary research to offer investors lower cost more diversified portfolios of high quality companies.

Brett Cairns, CEO, said: “The MFG Core Series has been under development for several years and extends the successful approach that has been applied by our institutional Core Infrastructure Fund and mandates for the past 10 years. This approach actively constructs diversified portfolios of high-quality companies leveraging Magellan’s research, and manages them using a proprietary process.

The MFG Core Series will be offered at a management fee of 0.5% p.a. We believe it provides an attractive lower cost investment alternative for those wishing to gain an exposure to Magellan’s research and investment expertise but are not necessarily seeking our full actively managed portfolio services.

We have also had considerable interest from retail investors and advisers in making our sustainable investment strategy available to the retail market in Australia. The sustainable strategy, managed by Dom Giuliano, has demonstrated an attractive return profile since its inception over 3 years ago. Importantly, the Magellan Sustainable strategy applies a thoughtful and proprietary approach to ESG including climate change risk and utilises our considerable research and investment expertise.”

Magellan intends to make the MFG Core Series and Magellan Sustainable Fund available to investors via exchange quoted open-ended funds (which will also be able to be transacted off market) by the end of the year.

Update on Retirement Income

Notwithstanding delays due to COVID-19, we continue to make progress on the launch of a retirement income product for the Australian market. We have recently obtained a necessary private binding tax ruling from the Australian Taxation Office and we continue to work with the remaining regulators with a view to launching the product once all the necessary approvals have been obtained.

***Find our Annual Report and more at our Annual Results Centre:
<https://magellangroup.com.au/mfg-results-centre/>***

About Magellan

Magellan Financial Group is a specialist funds management business established in 2006 and based in Sydney, Australia. Magellan's core operating subsidiary, Magellan Asset Management Limited, manages approximately \$99 billion of funds under management at 31 July 2020 across its global equities, global listed infrastructure and Australian equities strategies for retail, high net worth and institutional investors and employs over 120 staff globally. Magellan is listed on the Australian Securities Exchange (ASX Code: MFG) and has a market capitalisation of approximately \$11 billion. Further information can be obtained from www.magellangroup.com.au.

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