

7 December 2023

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

Purchase of Options over Closed Class Units in Magellan Global Fund

Magellan Financial Group Limited ("**MFG**") has been monitoring the price, performance, and investor demand for the Options over Closed Class Units in the Magellan Global Fund (the "**Fund**") issued in 2021 (ASX: MGFO).

Under an Equity Commitment Deed, MFG committed to fund 7.5% of the option exercise price through to expiry of the Options on 1 March 2024. As a consequence of this commitment, MFG recognised a financial liability for the maximum amount it may be obliged to fund if all Options were exercised. As at 30 June 2023, this financial liability from the potential exercise of the Options was approximately \$160 million.

MFG's initial commitment to fund the Options was designed around mutually beneficial outcomes being achieved by MFG and investors in the Closed Class of the Magellan Global Fund. That is, unitholders would benefit from Options issued at no consideration that they could elect to exercise at a 7.5% discount to net asset value or alternatively realise value by selling the Options on the ASX, and MFG would benefit from an increase of its closed-ended funds under management if the Options were exercised.

With the trading discount to NAV per Unit of the Closed Class significantly reducing over the past 12 months, the likelihood of the Options being exercised has increased. The Options have been a source of interest from a number of market participants who have, or may in the future, acquire Options with a view to exercising them, possibly in combination with other strategies that are designed to bring about the delisting and winding-up of the Fund.

In a situation where MFG's original objectives are less likely to be realised, MFG has determined to acquire Options to reduce both the financial liability on its balance sheet and the value of inhibiting the potential actions of market participants that are not aligned with MFG's interests and those of its shareholders.

MFG will acquire up to 500 million outstanding Options at a price of 10 cents per Option. The purchase by MFG will generally be conducted on-market and holders of Options can sell through their stockbroker or financial advisor. This includes the purchase of approximately 178 million Options from Keybridge Capital Limited, which has entered into a standstill deed in support of MFG's purchase initiative.

Authorised by

The Board of Magellan Financial Group Limited