



Magellan Financial Group Ltd

Annual Report 2025

ABN 59 108 437 592

Five Year Summary

		30 June 2025	30 June 2024	30 June 2023	30 June 2022	30 June 2021
Group results						
Total revenue and other income	\$'000	318,948	378,626	431,650	553,530	715,012
Total expenses	\$'000	116,444	51,647	163,372	116,582	336,048
Net profit after tax	\$'000	165,022	238,759	182,655	383,011	265,156
Operating expenses ¹	\$'000	110,467	106,851	126,774	130,799	110,451
Operating profit after tax ¹	\$'000	159,710	151,496	181,234	385,688	398,416
Effective tax rate	%	28.9	29.2	28.5	22.8	21.4
Assets under management						
Average assets under management	\$m	38,397	36,819	48,849	94,251	103,680
Closing assets under management	\$m	39,674	36,630	39,693	61,291	113,902
Assets under management comprises:						
Retail	\$m	16,831	17,188	18,396	22,169	30,883
Institutional	\$m	22,843	19,442	21,297	39,122	83,019
Average base management fee (per annum) ²	bps	61.1	69.7	67.1	62	61
Average AUD/USD exchange rate	\$	0.6481	0.6560	0.6732	0.7257	0.7469
Investment Management business¹						
Net client revenue	\$'000	245,725	278,349	343,001	605,642	667,113
Operating profit after tax	\$'000	96,618	123,960	165,803	370,188	431,096
Partnerships & Investments business¹						
Partnerships income	\$'000	31,333	10,399	(11,298)	9,120	(41,494)
Fund investments income	\$'000	42,197	13,606	34,724	17,655	14,841
Assets						
Total assets	\$'000	1,093,756	1,089,244	1,198,974	1,241,401	1,216,166
Net assets	\$'000	1,003,254	1,019,529	962,502	1,026,760	989,434
Net tangible assets per share	\$	5.21	5.05	4.71	4.95	4.77
Shareholder value						
Basic earnings per share	cents	92.7	131.8	100.0	206.9	144.6
Diluted earnings per share	cents	92.7	131.8	100.0	206.9	144.6
Operating earnings per share ¹	cents	89.8	83.7	99.3	208.3	217.3
Total dividends per share comprises:	cents	73.3	65.1	116.7	179.0	211.2
Ordinary dividends per share ³	cents	52.3	65.1	86.7	179.0	211.2
Special dividends per share	cents	21.0	-	30.0	-	-
Franking	%	95	50	85	75	75
Other information						
Number of employees		111	109	115	135	139
Average number of employees		105	112	125	137	135

¹ Adjustments are made for strategic, non-recurring, non-cash or unrealised items to provide additional meaningful information (refer to note 2 in the financial statements for the breakdown of these items).

² Calculated using management fees (excluding services and performance fees) for the relevant year divided by the average of month end AUM over the same year.

³ Ordinary dividends include interim, final and performance fee dividends declared in respect of the financial year.

Where accounting classifications have changed, or where changes in accounting policy are adopted retrospectively, comparatives have been revised and may differ from results previously reported. The above extracts from the Consolidated Statement of Profit or Loss and Comprehensive Income and the Consolidated Statement of Financial Position are derived from the published financial statements. This table includes non-IFRS information as defined in the Operating and Financial Review.

The annual financial report has been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001* (Cth). MFG has also released information to the ASX in compliance with the continuous disclosure requirements of the ASX Listing Rules and these announcements are available at www.asx.com.au (MFG's ASX code: MFG).

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Chairman's Letter

For the year ended 30 June 2025

Andrew Formica, Chairman

FY25 has been a year of meaningful transition and continued progress at Magellan Financial Group ("MFG"). As Chairman, I am pleased to reflect on the significant milestones we have achieved and the strong platform we have built for future growth.

Importantly, we are pleased to be sharing our results with you in our refreshed corporate brand for MFG – the parent company of a selective and focussed group of investment management and specialist financial services. We have also introduced a new distribution brand – Magellan Investment Partners – which will serve as the outward-facing brand name for our investment management business across all our investment solutions. As of today, these are Magellan Global Equities, Magellan Global Listed Infrastructure, Airlie Funds Management ("Airlie") and Vinva Investment Management ("Vinva"). This brand refresh marks the start of a new era for our company.

Leadership transition and team strength

In March 2025, we formally completed the leadership transition with the appointment of Ms Sophia Rahmani as Chief Executive Officer and Managing Director of MFG ("CEO"). This followed her earlier appointment as Managing Director of Magellan Asset Management Limited, during which she demonstrated outstanding leadership, focus and vision. Sophia has assembled a highly capable executive team, with new appointments including Mr Dean McGuire (Chief Financial Officer), Ms Jen Driscoll (Chief Operating Officer) and Ms Sam Mosse (Chief Risk Officer), each bringing exceptional experience and deep industry insight.

Employee engagement continued to improve throughout FY25, rising 12 points over the year, with notable gains in sentiment around MFG being a great place to work. This improvement in culture and morale has been integral to stabilising the business and will remain a focus into FY26.

Strategy and performance

We remain steadfast in our evolution from a traditional asset manager to a trusted financial group active in two pillars – investment management and specialist financial services. Calculated investments in high quality businesses are fundamental to how we add capabilities for clients and maximise the full potential of our balance sheet.

The strength of our FY25 results is a testament to our announced strategy, with MFG's strategic partners adding quality and earnings diversification against the structural headwinds of the traditional active asset management industry. Our investment management business remains highly profitable and our balance sheet remains robust. Each of these supports our ability to invest in organic and strategic growth initiatives.

Dividend

Following the appointment of Mr McGuire in March this year, a review of MFG's capital management strategy and dividend policy has been undertaken. In line with our evolution and the increasing contribution of partnership earnings, the Board has adopted a revised dividend policy for FY26 onwards, targeting **at least 80% of Group Operating Profit**. This is a demonstration of the Board's confidence in the sustainability and diversity of future earnings.

In accordance with our current stated policy, the Board has determined a **final dividend of 25.9 cents per share**, fully franked. In addition, a **special dividend of 21.0 cents per share** has been determined, also fully franked, bringing the full year dividend to **73.3 cents per share**, franked at 95%. The special dividend reflects the material increase in non-investment management earnings, the Group's strong capital position and aligns with the new FY26 dividend policy of paying at least 80% of Group operating profit.

Looking ahead

MFG is entering FY26 with strong momentum. We believe we have the right strategy, leadership and capabilities in place to continue to be a trusted steward of capital and a partner of choice for clients and investment teams alike.

On behalf of the Board, I would like to thank our clients for their continued trust, our shareholders for their support and our people for their resilience and commitment to deliver the best outcomes for our clients.

Yours sincerely,



Andrew Formica
Chairman

CEO's Letter

For the year ended 30 June 2025

Sophia Rahmani, Chief Executive Officer and Managing Director

It is with pleasure that I present our company's results for FY25 – marking my first full year with MFG and nearly six months as CEO. This was a year of renewal and focus, grounded in the fundamentals of great people, trusted partnerships and a clear path forward.

We entered FY25 with a commitment to continuing to restore stability and confidence in our business. With our executive team now in place, and positive momentum across our strategy, culture, product delivery and investment capabilities, we have strong foundations in place for long-term success.

Executing on strategy

Early in FY25 we were pleased to enter a strategic partnership with Vinva, acquiring a stake in Vinva Holdings Limited ("**Vinva**") and establishing a global distribution arrangement for Vinva's systematic equity strategies. The partnership provides investors with access to Vinva's investment capabilities through Magellan Investment Partners' global distribution network including, for wholesale clients in Australia, the three systematic equity funds launched by MFG in Q2 this year and a fourth fund which transitioned in April 2025. These funds complement our active equity strategies and provide investors with high-quality, differentiated solutions. We are pleased to now have over \$1.6 billion invested across these funds for which Magellan is the responsible entity¹ and the strong research house ratings across all four funds highlight the momentum we're building. The strength of the partnership was further underscored in May this year when the Magellan Investment Partners team worked jointly with Vinva to successfully secure a mandate appointment for Vinva.

More broadly, our partnership model has delivered strong shareholder results this year. Earnings from our strategic partners increased by **202%** to **\$31.1m**, driven by strong performance from both Vinva and Barrenjoey Capital Partners ("**Barrenjoey**"), the latter of which paid its first dividend in 1H25 and which continues to cement its position as a leading specialist financial services firm.

Investment Management

In further support of our commitment to ensuring our product solutions are aligned to evolving client needs, during the year we finalised a review of our fundamental global equity solutions and closed three funds that lacked scale. We also successfully launched the Magellan Global Opportunities Fund into the wholesale market and celebrated a major milestone with the fund achieving its first 'Buy' rating and three-year track record.

Investment performance varied across asset classes during 2H25, with the Global Opportunities, Airlie Small Companies and Vinva managed strategies outperforming their benchmarks, while Magellan Global Listed Infrastructure, Magellan Global Fund and Airlie Australian Share Fund were below. Despite the relative underperformance, all strategies achieved double-digit absolute investment returns in FY25 and we are pleased that the Magellan Global Fund has continued to beat its stated objective of delivering absolute returns of 9% per annum net of fees over the economic cycle.

Client focus

In addition to the launch of Magellan Investment Partners, in FY25 we delivered two highly successful national roadshows with nearly 1,300 advisers attending across five cities. Feedback from attendees has been positive, reinforcing the value of direct engagement with our investment professionals.

We are also deepening our institutional reach across Asia Pacific, the US, UK and Middle East, and focusing on providing further support and investment for our distribution team focused on those markets.

Investment in people and culture

The strength of our business lies in the calibre and commitment of our people. During the year we made key hires to bolster our executive team capability, each new appointment bringing sought after skills and expertise and importantly, the cultural attributes that will propel us forward. We also appointed Ben McVicar and Ofer Karliner as co-Heads of Global Listed Infrastructure following Gerald Stack's resignation². The seamless transition of the leadership of the infrastructure team was well-received by clients and we look forward to their continued success. In Global Equities, we added a portfolio manager and restructured portfolio management responsibilities within the Global Equities team to allow for collaboration and enhanced focus.

Our **employee engagement score improved 12 points to 67%** compared to the same time last year. We are pleased with the overall direction, though we know there is more to do. Embedding a high-performing culture where people want to join and stay remains a key priority for me and the executive team.

Financial performance

The Group's financial performance for the year ended 30 June 2025 reflects the progress the business has made in restoring stability and establishing the foundations for future growth and the increasing contribution made from its strategic partners.

For the full year, MFG's **assets under management ("AUM") increased to \$39.6 billion** at 30 June 2025, an 8.2% increase from FY24, largely driven by supportive investment markets, though partially offset by net outflows. The strong growth from our strategic partners

¹ As at 30 June 2025

² Announced 30 January 2025

CEO's Letter

For the year ended 30 June 2025

and an increase in distributions from our fund investments was partially offset by revenue reductions in our investment management business to deliver a **5.4% increase in operating profit to \$159.7 million.**

This year we saw the contribution of our strategic partnership with Vinva, combined with continued growth from Barrenjoey, including its first dividend, to deliver a material increase in partnership income—up **202%** on the prior year, contributing **20%** of total profit.

We returned **\$202.1 million** to shareholders in FY25 – up **64%** on FY24 - with \$74.3m via an on-market share buy-back and the balance through dividends. The business continues to maintain a strong balance sheet with no debt, providing stability and flexibility.

Outlook

Looking ahead, we remain focused on executing with discipline, innovating for our clients and investing for future growth. We will continue to assess opportunities to extend our capabilities in adjacent areas that complement our existing offerings.

Our ambition is clear: to deliver sustained outperformance for our clients, and strong, growing returns for our shareholders.

I would like to thank the Board for their support, our entire team for their tireless work and most importantly, our clients and shareholders for their ongoing trust in MFG.

Yours sincerely,



Sophia Rahmani
CEO and Managing Director

Operating and Financial Review

For the year ended 30 June 2025

\$159.7m Operating profit (up 5.4% on FY24)	\$38.4b Average AUM (up 4.3% on FY24)	\$39.6b AUM at 30 June (up 8.2% on FY25)
\$165.0m Statutory net profit after tax (down 30.9% on FY24)	\$245.7m Investment Management revenue (down 11.7% on FY24)	\$31.1m Income from strategic partners (up 201.9% on FY24)
89.8c Operating earnings per share (up 7.3% on FY24)	73.3c Full year dividend per share (up 12.6% on FY24)	\$202.1m Returns to shareholders from dividends and on-market buy-back ¹ (up 64% on FY24)
No debt Total liabilities of \$90.5m	111 people employed at 30 June 2025	3 Strategic partners

1. Includes \$74m of FY25 on-market share buy-back and \$128m FY25 total dividends

MFG is an innovative global financial services group headquartered in Australia and operating across select key markets. We are highly selective and focused, anchored by two core pillars: investment management and specialist financial services.

We partner with high-quality businesses with the objective of extending our capabilities, creating long-term value and strengthening our service offering.

The Group has strategic investments in three specialist financial services businesses which comprise Barrenjoey, Vinva and FinClear Holdings Limited (“**FinClear**”).

Overview of results

The Group’s **operating profit after tax**³ for the year ended 30 June 2025 was \$159.7 million (FY24: \$151.5 million). The Group’s **statutory net profit after tax** for the year ended 30 June 2025 was \$165.0 million (FY24: \$238.8 million). **Operating earnings per share** was 89.8 cents per share (FY24: 83.7 cents per share).

Dividends

During the year we concluded a review of MFG’s dividend policy. In line with our evolution and the increasing contribution of earnings from our strategic partners, the Board has adopted a revised dividend policy for FY26 onwards.

The Group’s updated policy is to pay **interim and final dividends** of at least 80% of the operating profit after tax of the Group.

Reflecting our current policy, the Directors have determined a final dividend of 25.9 cents per share in respect of the year ended 30 June 2025, which includes an annual performance fee dividend of 4.3 cents per share. In addition, a special dividend of 21.0 cents per share has also been determined. The special dividend reflects the material increase in non-investment management earnings, the Group’s strong capital position and aligns with the new FY26 dividend policy of paying at least 80% of Group operating profit. Both the final dividend and the special dividend are 100% franked and will be paid on 9 September 2025.

³ On 4 July 2025, the Group announced changes in the segment reporting structure, effective from FY25 onwards. The Group updated its operating profit disclosure (previously referred to as ‘adjusted NPAT’) and the segment presentation. The updated operating profit provides meaningful information about earnings from our core business activities, and excludes all strategic, non-recurring or non-cash items, the fair value movements on fund investments, whether those are realised or not, and deferred tax on undistributed associate profits.

Operating and Financial Review

For the year ended 30 June 2025

The Board has a policy of paying out franking credits to the maximum extent possible over time, however, the level of franking attached to dividends may vary from period to period. The franking rate applied of 100% to the final and special dividends has been determined having regard to the franking credits that are expected to be available to the Group. The payment of dividends by the Group will be subject to corporate, legal and regulatory considerations.

Group financial results

The table below summarises the Group's profitability over the past two financial years⁴. The Group has updated its segment reporting format as announced to the ASX on 4 July 2025.

	30 June 2025 \$'000	30 June 2024 \$'000	Change %
Management fees	234,595	256,748	(9%)
Performance fees	11,107	19,206	(42%)
Services and advisory fees	1,622	2,395	(32%)
Client revenue	247,324	278,349	(11%)
Less: sub-advisory and distribution fees	(1,599)	-	0%
Net client revenue	245,725	278,349	(12%)
Share of associate profit	31,139	10,295	202%
Dividends and distributions	42,230	13,628	210%
Interest and other income	9,802	15,636	(37%)
Operating expenses	(110,467)	(106,851)	3%
Operating profit before tax	218,429	211,057	3%
Income tax expense	(58,719)	(59,561)	(1%)
Operating profit after tax	159,710	151,496	5%
Net change in fair value of financial assets and liabilities	18,558	68,027	(73%)
Net benefit/(expense) related to Magellan Global Fund options ¹	-	61,063	(100%)
Other non-cash and non-recurring items	(8,084)	(2,133)	279%
Income tax on above items	(5,162)	(39,694)	(87%)
Total non-IFRS adjustments	5,312	87,263	(94%)
Statutory net profit after tax	165,022	238,759	(31%)
Key statistics			
Statutory earnings per share (cents per share)	92.7	131.8	(30%)
Operating earnings per share (cents per share)	89.8	83.7	7%
Dividends			
Interim and final dividends (cents per share)	52.3	65.1	(20%)
Special dividend (cents per share)	21.0	-	na
Total dividends (cents per share)	73.3	65.1	13%

¹ Reflects the change in value of the obligation associated with the Magellan Global Fund ("MGF") Options issued under the MGF Partnership Offer and Bonus MGF Option Issue and, for the period ended 30 June 2024, also includes the cost of the on-market purchase of MGF Options ("MGFO") by the Group and related transaction costs.

Investment Management

MFG's Investment Management business leverages the collective power of specialisation to deliver high quality, innovative solutions to clients.

As at 30 June 2025, MFG had AUM of \$39.6 billion across a carefully selected portfolio of investment strategies.

The table below summarises the revenue of our Investment Management business for the financial year ended 30 June 2025 compared with the prior corresponding period:

⁴ Operating profit is the Group's statutory net profit adjusted for strategic, non-recurring, non-cash or unrealised items to provide additional meaningful information. Non-International Financial Reporting Standards ("non-IFRS") measures are not defined or specified under IFRS and should be viewed in addition to, not as a substitute for, the Group's statutory results. These measures may also differ from non-IFRS measures used by other companies. Non-IFRS financial measures are not subject to audit or review.

Operating and Financial Review

For the year ended 30 June 2025

	30 June 2025 \$'000	30 June 2024 \$'000	Change %
Management fees	234,595	256,748	(9%)
Performance fees	11,107	19,206	(42%)
Services and advisory fees	1,622	2,395	(32%)
Client revenue	247,324	278,349	(11%)
Less: sub-advisory and distribution fees	(1,599)	-	na
Net client revenue	245,725	278,349	(12%)
Key statistics			
Average funds under management (\$ million)	38,397	36,819	4%
Average AUD/USD exchange rate	0.6481	0.6560	(1%)
Average base management fee (bps) per annum ¹	61	70	(12%)

¹ Calculated as management fees (excluding performance and services fees) for the relevant period divided by the average of month end AUM over the same period.

Revenues

The updated reporting presentation now refers to **net client revenue** which comprises management, performance, services and advisory fees earned, net of sub-advisory and distribution fees payable to third parties. For the financial year, net client revenue decreased 12% to \$245.7 million, driven by:

- a 9% decrease in total net management fee revenue, resulting from an 8.6 bps decline in the average base management fee, despite a \$1.6 billion increase in average AUM due to compositional AUM changes; and
- lower performance fees, which decreased to \$11.1 million (FY24: \$19.2 million). The decline was primarily driven by the Group's Global Equities strategy which, despite delivering strong absolute investment performance for the financial year ended 30 June 2025, generated lower fees year-on-year. The Global Listed Infrastructure strategy contributed higher net performance fees. *Performance fees can vary significantly from period to period.*

Assets under management

The following table sets out the composition of our AUM:

	30 June 2025		30 June 2024	
	\$ billion	%	\$ billion	%
Retail				
Global Equities	10.5	62%	12.8	74%
Global Listed Infrastructure	3.5	21%	3.6	21%
Australian Equities	1.1	7%	0.8	4%
Systematic Equities	1.7	10%	-	-
Retail AUM	16.8	42%	17.2	47%
Institutional				
Global Equities	3.0	13%	3.0	15%
Global Listed Infrastructure	12.9	57%	11.8	61%
Australian Equities	6.9	30%	4.6	24%
Institutional AUM	22.8	58%	19.4	53%
Total AUM	39.6		36.6	
AUM subject to performance fees (%)		37%		44%

Average AUM for the financial year was up 4% to \$38.4 billion (FY24: \$36.8 billion).

During FY25, AUM increased by 8.2% to \$39.6 billion up from \$36.6 billion at 30 June 2024. Key drivers of AUM growth included:

- strong market performance adding \$6.4 billion, net of distributions;
- transition of the Vinva Global Alpha Extension Fund to MFG, totalling \$1.4 billion; and
- inflows into Australian Equities and Systematic Equities strategies, offset by outflows in Global Equities and Global Listed Infrastructure, resulting in net outflows of \$4.8 billion;

Operating and Financial Review

For the year ended 30 June 2025

Retail outflows stabilised over the period to around \$0.5 billion per quarter, noting \$1.2 billion in outflows from Global Equities during 1Q25 related to the conversion of the closed class units in the Magellan Global Fund to the open class units.

The table below sets out the drivers of AUM changes for each asset class.

AUM by strategy (\$ billions)	30 June 2024	Net flows	Other ¹	30 June 2025 ²
Fundamental Equities				
Global Equities	15.8	(3.6)	1.3	13.5
Global Listed Infrastructure	15.5	(3.2)	4.2	16.4
Australian Equities	5.4	1.9	0.7	8.0
Systematic Equities				
Australian and Global Equities	-	0.1	1.4	1.7
Total²	36.6	(4.8)	7.6	39.6

¹ May include market movements, distributions and payments of management and performance fees.

² May not add due to rounding

Investment performance

Investment performance for the period to 30 June 2025 ¹	1 year	3 years	5 years	Since inception
	%	% p.a.	% p.a.	% p.a. ²
Magellan Global Fund³	15.6	18.5	10.2	11.5
Investment objective ⁴	9.0	9.0	9.0	9.0
MSCI World NTR Index (\$A)	18.5	20.2	15.7	8.8
Magellan Global Opportunities Fund	25.1	25.0	-	14.1
MSCI World NTR Index (\$A)	18.5	20.2	15.7	8.8
Magellan Infrastructure Fund	20.0	5.7	6.3	7.2
Infrastructure Benchmark (\$A) ⁵	23.7	10.0	11.3	6.2
Magellan Core Infrastructure Fund	21.3	5.0	6.8	10.7
Infrastructure Benchmark (\$A) ⁵	23.7	10.0	11.3	6.2
Airlie Australian Share Fund	10.3	13.6	12.7	10.2
S&P/ASX 200 Accum. Index	13.8	13.6	11.9	9.2
Airlie Small Companies Fund	14.7	-	-	15.4
S&P/ASX Small Ords Accum. Index	12.3	-	-	9.0
Vinva Global Alpha Extension Fund	25.1			25.3
MSCI World ex Australia ex Tobacco ex Controversial Weapons Index	18.4	-	-	17.7

¹ Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax, member fees and entry fees (if applicable). Annualised performance is denoted with "p.a." for the relevant period.

² Inception date for Magellan Global Fund and Magellan Infrastructure Fund is 1 July 2007. Inception date for the Magellan Core Infrastructure Fund is 17 December 2009. Inception date for Magellan Global Opportunities Fund is 1 January 2022. Inception date for Airlie Australian Share Fund is 1 June 2018. Inception date for Airlie Small Companies Fund is 4 April 2023. Inception date for the Vinva Global Alpha Extension Fund is 20 February 2024

³ Performance for the Magellan Global Fund Open Class.

⁴ The fund aims to deliver 9% per annum net of fees over the economic cycle.

⁵ The Infrastructure benchmark is comprised of the following: from inception to 31 December 2014 the benchmark is UBS Developed Infrastructure and Utilities NTR Index (AUD Hedged) and from 1 January 2015 onwards, the benchmark is the S&P Global Infrastructure NTR Index (AUD Hedged).

We were pleased to see all strategies deliver **double-digit absolute returns** for FY25 with improved relative performance in key funds. Our investment teams remain highly focused on delivering positive investment outcomes for clients.

Magellan Global Equities

The Magellan Global Fund has achieved its absolute return objective of 9% pa after fees through the cycle. This is consistent with the strategy's defensive risk-adjusted positioning and, although relative returns have been below benchmark, it has achieved its strong absolute returns whilst taking less risk than the market. The Global Opportunities strategy, launched in January 2022, has performed very strongly since inception outperforming the benchmark over one and three years and, having achieved this three-year track record during the year, received its first Recommended rating. Investment performance contributed \$2.2 billion in AUM during the period, partially offsetting outflows. Outflows were concentrated in the Magellan Global Fund, with \$3.6 billion in net outflows, including \$0.6 billion from the institutional channel and \$1.2 billion directly related to the conversion of the fund's closed class units to the open class units.

Operating and Financial Review

For the year ended 30 June 2025

Magellan Global Listed Infrastructure

In global markets, FY25 was a year marked by heightened market volatility, driven by geopolitical uncertainty, disruptive technological developments, and shifting economic signals. In this environment, Magellan Global Listed Infrastructure delivered strong performance, highlighting the enduring role of infrastructure in providing diversification and stability in investor portfolios. Over the reporting period the combined strategies experienced net outflows of \$3.2 billion, which was more than offset by \$4.2 billion in investment returns. The focus on regulated, contracted and essential service assets - such as utilities, toll roads, airports, energy networks, and communications infrastructure- enabled the team to navigate multiple market dislocations while delivering dependable, inflation-linked earnings. By maintaining a strict and disciplined investment universe, which excludes economically sensitive or highly competitive businesses, we seek to minimise downside risk during periods of elevated uncertainty.

Throughout the year, the asset class demonstrated this resilience during sharp market drawdowns and periods of policy disruption, reinforcing its defensive characteristics and value through the cycle. Looking ahead, we see a constructive environment for global listed infrastructure, with long-term growth supported by structural themes including decarbonisation, digital connectivity, and essential services demand. As interest rates stabilise and the macroeconomic backdrop remains mixed, infrastructure assets are well placed to deliver attractive risk-adjusted returns over the long term.

Airlie Australian Equities

Our Australian Equities business delivered positive absolute returns in its Airlie Australian Share Fund ("**AASF**") in FY25 but underperformed the S&P/ASX 200 benchmark mostly due to an underweight position in CBA. Airlie reaffirmed its long-standing investment philosophy of focusing on fundamental business quality and valuation and has continued to outperform its benchmark since inception. The Airlie Small Companies Fund, launched in April 2023, had solid year of performance in FY25 and continues to outperform its benchmarks over every period since inception. During the financial year, investment returns added \$0.7 billion to the Airlie business overall, and net inflows added \$2.0 billion of AUM, with consistent wholesale inflows into AASF each month and institutional inflows of \$1.7 billion. Looking ahead to FY26, Airlie remains confident in the portfolio's capacity to generate strong long-term returns, supported by a disciplined investment process and a commitment to building wealth for its clients.

Vinva Systematic Equities

Through our strategic partnership with Vinva we offer four systematic equity funds across Australian and global equities. Three of these funds were launched in 2Q25 and the fourth, the Global Alpha Extension Fund, was transitioned onto our platform in 4Q25. Each of the funds has delivered strong performance, with the Vinva Global Alpha Extension Fund outperforming its benchmark by 6.77% over the year to 30 June 2025. We were pleased to secure Buy ratings across all four funds from the wholesale research houses, which has provided further support for increasing net flows and strong client interest in these investment strategies.

Strategic Partners

Strategic investments in high quality businesses are fundamental to how we add capabilities for our clients and deliver diversified earnings potential for our shareholders. As at 30 June 2025, MFG held three investments in associates on balance sheet:

- Barrenjoey – 36% ownership
- FinClear – 16% ownership
- Vinva – 29% ownership

Capital employed in our strategic partnerships doubled over the year as a result of the \$139 million investment in Vinva in August 2024. Profits from these partnerships approximately tripled, with the Group's share of the **after-tax associate profits** at \$31.1 million (FY24: after-tax profits of \$10.3 million). During the period we received an unfranked dividend of \$4 million from Barrenjoey in respect of the financial year ended 30 June 2024.

Barrenjoey's strong financial performance in FY25 saw 24% increase in revenue combine with operational cost leverage to deliver net profit after tax of \$59.4 million. Revenue growth was recorded across all business lines, with Fixed Income particularly benefiting from increased market volatility and the establishment of a new office in Abu Dhabi Global Market (ADGM). The business continued to generate strong organic cash flow, supporting robust liquidity, a solid regulatory capital position and dividend capacity. Operationally, Barrenjoey acted as joint Lead Manager on 18 federal and state government bond syndications totalling over \$48 billion, and its Equities Sales, Trading and Research teams continued to receive strong customer support. Governance was further strengthened with the appointment of two new independent directors, Dr Philip Lowe and Fiona Hick.

In August 2024 we announced a strategic partnership with **Vinva** which has seen MFG bring Vinva's innovative product solutions to our clients. MFG's strategic equity stake in the business contributed to our annual result for the first time this year, with 11 months of earnings since investment, and financial results in FY25 have exceeded our base case expectations. Vinva has a unique and scalable investment platform and we look forward to continued growth from the partnership.

FinClear has experienced sustained growth across key metrics and continues to expand its business. Its core operations are progressing well toward break-even, and the business has recently launched two strategic growth initiatives – FCX, a private market and settlement facility; and Multi-currency Cash Hub, offering FX services for settlement. The expansion into new product areas will further diversify and strengthen FinClear's revenue streams.

Operating and Financial Review

For the year ended 30 June 2025

The Group remains a supportive shareholder and will oversee these investments to support its strategic priorities and enhance shareholder value.

Group expenses

	30 June 2025 \$'000	30 June 2024 \$'000	Change %
Employee expenses	73,098	68,741	6%
Fund administration and operational costs	12,582	13,335	(6%)
Information, technology and data	9,075	8,647	5%
Marketing	1,752	1,830	(4%)
Other expenses	13,960	14,298	(2%)
Operating expenses	110,467	106,851	3%
Key statistics			
Average number of employees	105	112	(6%)
Employee expenses / total expenses	66.2%	64.3%	3%
Operating expenses / income	33.6%	33.6%	0%

MFG maintains its disciplined approach to costs, with Group operating expenses increasing 3% compared to the prior corresponding period. Operating expenses in the Investment Management business were \$105.9 million, at the lower end of our FY25 guidance range of \$105 million to \$110 million.

Employee expenses were higher for the financial year ended 30 June 2025, reaching \$73.1 million and made up 66% of the operating expenses of the Group in the year.

The table below sets out total employee numbers:

	30 June 2025	30 June 2024
Investments		
Portfolio Managers/Analysts	31	30
Dealers	3	3
	34	33
Distribution & Marketing		
	26	25
Other (including Finance, Risk & Compliance, Admin)		
	51	51
Total employees¹	111	109
Average number of employees	105	111

¹ Employees previously disclosed under Airlie and Frontier are now included in the Investments, Distribution & Marketing and Other categories (as applicable) for both periods presented.

Capital management

As at 30 June 2025, the Group's financial position included:

- investment assets (cash and cash equivalents, financial assets and investments in associates) of \$914.1 million (June 2024: \$889.0 million);
- net tangible assets of \$896.4 million (June 2024: \$912.2 million) equating to \$5.21 per share (June 2024: \$5.05);
- total liabilities of \$90.5 million (June 2024: \$69.7 million);
- no debt; and
- shareholders' funds of \$1,003.3 million (June 2024: \$1,019.5 million).

During the second half of FY25, we completed a review of our capital management and dividend policy. From FY26 onwards, our dividend policy will be based on the Group's total operating profit, reflecting the growing contribution from strategic partnerships and the strength of our liquid capital position. Under this revised approach, we intend to pay out at least 80% of Group operating profit annually.

Over FY25 we have continued the on-market buy-back, returning \$74 million to shareholders. Our view is that it remains the most efficient way to return capital to shareholders, where appropriate. As at 30 June 2025, the Group had purchased 14,075,160 MFG shares, at an average price of \$9.01 per share, since the inception of its on-market share buy-back program of up to 20 million ordinary fully paid

Operating and Financial Review

For the year ended 30 June 2025

shares (representing 10.8% of shares on issue at announcement) . Of this, 9,105,489 shares were purchased during the year to 30 June 2025, at an average price of \$8.15 per share.

Fund Investments

Fund Investments includes investments in MFG funds and seed portfolios for new strategies and initiatives.

As at 30 June 2025 the Group had net fund investments of \$394.7 million, compared with \$371.1 million at 30 June 2024. On a per share basis, net fund investments were \$2.30 per share.

The carrying value of strategic investments in MFG's associates on the Group's balance sheet also increased over the year, primarily as a result of the \$138.9 million investment in Vinva. The share of after-tax profits of MFG's strategic partners grew strongly, up 202% to \$31.1 million compared to \$10.3 million in the previous financial year. Barrenjoey's contribution increased, reflecting a strong FY25 result, whilst FinClear saw a reduction in its loss. Vinva's contribution was recognised for part of the first half and all of the second half, and reflected a strong result with a significant contribution.

\$million	30 June 2025	30 June 2024
Net Fund Investments¹	394.7	371.1
Net Fund Investments per share (\$)²	2.30	2.05
Carrying value of investments in strategic partners	324.5	160.0
	30 June 2025	30 June 2024
Share of strategic partners' after-tax profits³	31.1	10.3

¹ Net of deferred tax, which arises from changes in the fair value of financial assets.

² Based on 171,905,721 ordinary shares on issue at 30 June 2025 (30 June 2024: 180,746,328 ordinary shares).

³ Share of associate net profit after tax and any adjustments made to align with MFG accounting policies.

The Group aims to earn appropriate positive absolute returns on its Fund Investments portfolio over time while maintaining capital strength to underpin the Group's business.

The Group's Fund Investments portfolio has returned pre-tax 15.4%, 17.7% and 10.2% per annum after fees over the last one, three and five years to 30 June 2025 respectively.

Outlook

Entering FY26, MFG is positioned for sustainable growth with

- Strong foundations in investment management
- A leading distribution platform focused in key markets of Asia Pac, North America and UK and EMEA
- A clear strategic roadmap focused on delivering client-centric innovation for world-class solutions
- A high performing team and strong culture
- Ongoing assessment of new opportunities in investment management and specialist financial services.

Directors' Report

For the year ended 30 June 2025

The Directors present their report together with the financial statements of Magellan Financial Group Ltd (the "Company" or "MFG") and its controlled entities, which together form the Group, for the year ended 30 June 2025.

1. Operations and activities

1.1. Company overview

The Company is a listed public company incorporated in Australia. The Group's main operating company is Magellan Asset Management Limited ("MAM"). The shares of the Company are publicly traded on the Australian Securities Exchange ("ASX") under ASX code: MFG.

The Company's principal place of business is Level 36, 25 Martin Place, Sydney, New South Wales, 2000.

1.2. Principal activity

The principal activity of the Group is the provision of funds management services to wholesale and retail investors in Australia and New Zealand, and to institutional investors globally.

1.3. Dividends

During the year ended 30 June 2025, dividends amounting to \$111,812,000 were paid representing 62.1 cents per ordinary share (June 2024: \$179,864,000 representing 99.2 cents per ordinary share).

On 20 August 2025, the Directors determined a final dividend of 25.9 cents per ordinary share and a special dividend of 21.0 cents per ordinary share (both 100% franked) in respect of the six months to 30 June 2025 (June 2024: 35.7 cents per ordinary share 50% franked), amounting to approximately \$80,624,000 (June 2024: \$64,526,000). The final dividend includes an annual performance fee dividend of 4.3 cents per ordinary share (June 2024: the final dividend included an annual performance fee dividend of 7.1 cents per ordinary share). The final and special dividends are expected to be paid on 9 September 2025.

1.4. Operating and financial review

Information relating to the Group's operations, the results of those operations and the Group's financial position is included in the Operating and Financial Review on pages 7 to 13 of this report. The Operating and Financial Review is incorporated into and forms part of this report.

Information relating to the Group's business strategies, prospects for future financial years and likely developments in its operations is included in the Chairman's Letter (on page 4 of this report) and the CEO's Letter (on pages 5 to 6 of this report).

Other than the information included in the sections of this report referred to above, information on other business strategies, prospects for future financial years and likely developments has not been included as it would likely result in unreasonable prejudice to the Group.

1.5. Risk management

The Directors believe that the management of risk is a continual process and an integral part of good business management and corporate governance. The Group's Risk Management Framework has been designed to enable risk-informed decision making within established tolerance limits. It sets the Board's risk appetite and mechanisms to manage material risks within the approved risk appetite.

Presented below are the Group's material risks together with mitigations employed. Each material risk also encompasses reputation risk which is the risk of possible damage to the Group's reputation resulting from an action or inaction which could be perceived by clients, consultants, service providers and regulators to be inappropriate, unethical or inconsistent with the Group's values, cultures and beliefs.

Mitigation strategies are designed to reduce the likelihood of the risk occurring and/or to minimise the adverse consequences of the risk should it ever occur. However, some risks are affected by factors external to and beyond the control of the Group.

The Group's operations are not significantly impacted by environmental regulations under a law of the Commonwealth or of a state or any other territory of Australia in which it operates.

Material risk description	Mitigations employed
Strategic risks	
Strategic alignment and execution	
The risk that the Group does not recognise and/or innovate essential elements needed to successfully deliver value to the Group's existing clients and shareholders.	<ul style="list-style-type: none">✓ Strategic decisions are made with due consideration of the established and Board-approved Risk Management Framework and Risk Appetite Statement.✓ Robust pre-investment due diligence programme commensurate with the size and nature of proposed initiatives.✓ Key risks are identified, assessed and provided to the Board.✓ Annual strategy and budget process, with outcomes and priorities approved by the Board.

Directors' Report

For the year ended 30 June 2025

Material risk description	Mitigations employed
Business model The risk of loss or harm to the Group resulting from an inability to: <ul style="list-style-type: none">recognise and react to the actions of competitors;plan for, and adapt to technological or other innovations that create new market opportunities or disrupt existing ones;adequately identify and assess economic, regulatory or industry issues that adversely impact the Group's business model or demand for the Group's investment strategies.	<ul style="list-style-type: none">✓ Regular reporting to the Board on the progress of strategic initiatives.✓ Periodic monitoring of the external macro-economic, financial and regulatory landscape.✓ Ongoing review and analysis of product offerings.✓ Marketing and branding strategy.✓ Ongoing monitoring and reporting of emerging risks against Board appetite.✓ Client engagement and relationship management to gain deeper insight into client needs.
Environmental, Social and Governance ("ESG") The risk that the Group fails to adequately execute its ESG, Responsible Investment and Stewardship Strategy. Failure to meet ESG commitments or expectations, or manage ESG risks, could harm the Group's reputation, impact performance, limit access to capital or impact the Group's ability to attract and retain talent.	<ul style="list-style-type: none">✓ Client representation in matters of corporate governance through the proxy voting process.✓ Dedicated Head of ESG.✓ Ongoing integration of ESG considerations into investment processes for relevant strategies.✓ Regular review and enhancement of the Group's ESG, Responsible Investment and Stewardship Strategy.✓ ESG product offerings to investors.✓ ESG targets that are reviewed and monitored.✓ Training provided periodically on specific ESG-related topics such as Modern Slavery.✓ Signatory to the Net Zero Asset Manager initiative.✓ Climate risk management framework.
Operational risks Business resilience The risk arising from inadequate, failed or disrupted processes, systems or people due to internal or external events including processing errors, fraud or any event which disrupts business continuity.	<ul style="list-style-type: none">✓ Clearly defined and documented policies, procedures and processes including defined roles and responsibilities.✓ Controls testing program conducted by Risk and Compliance team.✓ External audits of key policies, processes and controls.✓ Incident management policy and process.✓ Risk & Compliance team review of incidents and breaches to assess control breakdowns and improvements.✓ Annual testing of business continuity plan.
Cyber and information security The risk that the Group, its partners, third parties or client base is impacted by a cyber event which causes loss, harm, damage or disruption. A cyber incident could cause disruption to client services and critical business processes. Actual or perceived failures in the Group's technology security capability and control environment could result in financial loss and impact the Group's reputation and brand.	<ul style="list-style-type: none">✓ Information Technology Risk Committee ("ITRC") providing governance and oversight of the Group's information technology risk management activities.✓ Defined IT security policies and implementation of top-tier security products including firewalls and antivirus.✓ Use of VPN networks and Two-Factor Authentication on any external device accessing the internal network.✓ Independent penetration testing conducted annually.✓ Annual testing of business continuity plan.✓ Cyber security incident response plan tested annually.✓ Regular cyber training provided to staff with completion statistics monitored and results provided to the ITRC.

Directors' Report

For the year ended 30 June 2025

Material risk description	Mitigations employed
Distribution <p>The risk that the Group's distribution strategy is ineffective or that it is poorly executed.</p>	<ul style="list-style-type: none">✓ The distribution strategy is reviewed and approved by the Board annually.✓ Ongoing review and monitoring of the distribution strategy by senior executives.✓ Committed to attracting and retaining skilled distribution specialists with global experience and reach.✓ Board oversight and reporting.
People <p>The Group's success is dependent on attracting and retaining talent. Loss of key investment management and other personnel could adversely impact financial performance and business growth.</p> <p>This risk is elevated by changes in employee working operating model expectations, wage inflation and the competitive environment for talent globally in the disciplines in which the Group recruits.</p> <p>There is also a risk of concentration whereby a material proportion of the Group's revenue is delivered by a few strategies which creates reliance on a few key investment personnel.</p>	<ul style="list-style-type: none">✓ Competitive remuneration structures to attract, motivate and retain talent.✓ Brand and business diversification.✓ Ongoing succession planning process to attract, develop and retain talent for sustainable growth.✓ Employee engagement surveys to support retention.✓ Training, development and well-being programs.✓ Maintenance of a strong reputation and culture which promotes an attractive and safe workplace.✓ Short-term and long-term incentive plans.✓ Flexible work policies and hybrid work model.✓ Work Health & Safety Policy which considers both physical and psychological health of employees.
Behaviour and conduct <p>The risk of inappropriate, unethical or unlawful behaviour by employees which is not aligned to the Group's core values.</p> <p>This includes the risk of the Board and senior management failing to set an appropriate cultural 'tone from the top' which may result in the delivery of detrimental or suboptimal outcomes for clients and shareholders.</p>	<ul style="list-style-type: none">✓ Clearly defined Code of Ethics outlining the expected behaviour of employees.✓ Code of Ethics training at induction and annually.✓ Compensation structures that incentivise staff to behave in ways consistent with the Code of Ethics and risk culture outlined in the Risk Management Framework.✓ The Group maintains Whistle-blowing and Human Resources policies which specifically relate to conduct and behaviour.✓ Employee compliance with the Group's policies and procedures is included in the performance assessment process.✓ Employee engagement surveys.
Outsourcing <p>The Group's operating model places high reliance on the availability and reliability of third-party software, hardware and information technology, including data centres and communication systems. Failure or disruption may impact on the execution of critical business processes affecting the Group's ability to service its clients and shareholders. Incidents could result in financial penalties, client loss, missed business critical deadlines and increased costs.</p>	<ul style="list-style-type: none">✓ Established Outsourcing Policy defining the requirements for the appointment and ongoing monitoring of outsourced service providers.✓ Due diligence review of material service providers ahead of appointment, including an assessment of business continuity.✓ Legal contracts in place with material service providers.✓ Reliance on independent audits of the internal controls of material service providers.
Legal and regulatory compliance <p>The Group is impacted by numerous laws and regulations, including corporate, privacy, sanctions, employment, tax and financial reporting.</p> <p>There is a risk the Group's activities may have contravened laws or regulations in one or more jurisdictions. This could result in financial loss and reputational damage.</p>	<ul style="list-style-type: none">✓ Defined Compliance Framework with documented policies.✓ Risk and compliance monitoring protocols and processes.✓ Induction and periodic refresher training on compliance policies to applicable teams.✓ Experienced and appropriate level of legal, risk and compliance and tax resources to manage obligations.✓ Monthly or quarterly compliance attestations to the Chief Risk Officer from team managers.

Directors' Report

For the year ended 30 June 2025

Material risk description	Mitigations employed
<p>There is also a risk that changes to laws and regulations are not effectively responded to impacting strategy, business performance and future compliance costs.</p>	<ul style="list-style-type: none">✓ Incident and Breach Management Policy.✓ Risk & Compliance team review of incidents and breaches to assess control breakdowns and improvements.✓ External audits of key processes and procedures.✓ Risk & Compliance and Legal teams use a variety of information sources to stay abreast of legal obligations (e.g. subscriptions to legal commentary and research services, news alerts from professional services firms and ASIC and attendance at law firms' briefings).✓ Regulatory tracker presented and discussed at the Group's Board and Risk & Compliance Committee meetings.
<p>Investment and performance</p> <p>The risk that there is a material deviation from the investment process or that poor performance of the equity markets and/or the funds adversely impacts the Group (e.g. due to factors such as economic conditions, government regulations, market sentiment, political events) leading to a loss of assets under management or an inability to attract new clients.</p>	<ul style="list-style-type: none">✓ An established, well-defined and documented investment process supported by a compliance and risk framework.✓ Governance and reporting frameworks to oversee the investment process and related outcomes.✓ The application of portfolio risk controls applied to manage market risk.✓ Oversight by the Group's Boards and Committees.
<p>Financial risks</p> <p>Proprietary investments</p> <p>The risk that the Group's principal investments are significantly concentrated in any fund and lack diversification compounding the financial impacts on the Group of poor performance of any funds.</p>	<ul style="list-style-type: none">✓ Capital Management Framework.✓ A capital management plan is reviewed periodically by the Board.✓ Ongoing monitoring and reporting of the performance of the proprietary investments by senior executives.
<p>Financial and treasury</p> <p>The Group is exposed to a variety of financial risks including counterparty credit, foreign exchange and liquidity.</p> <p>There is a risk that the Group fails to maintain appropriate regulatory capital and is unable to meet contractual, payment or redemption obligations.</p> <p>There is also a risk of error in financial reporting due to inadequate or ineffective financial processes and controls.</p>	<ul style="list-style-type: none">✓ Budgeting, performance monitoring and Board reporting process.✓ Monitoring of regulatory capital requirements per Magellan Asset Management Limited's Australian Financial Services Licence.✓ Regular review and approval of cash flow forecasts.✓ Quarterly or semi-annual liquidity testing and annual stress testing for Magellan Funds with results reported to the Board.✓ Ongoing oversight of investment in associates through Board representation and receipt of financial information from equity accounted investments.✓ Annual impairment testing of the Group's non-financial assets.✓ Early engagement and consultation with external auditors on significant transactions and key accounting policies.

Directors' Report

For the year ended 30 June 2025

1.6. Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the year ended 30 June 2025.

1.7. Events subsequent to the end of the financial year

Other than the Board determining a fully franked final dividend and a fully franked special dividend (details of which are set out in section 1.3), the Directors are not aware of any other matter or circumstance that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

1.8. Auditor

Ernst & Young continues in office in accordance with section 327 of the *Corporation Act 2001* (Cth). A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* (Cth), and which forms part of this report, is included on page 37.

Non-audit services

The Audit & Risk Committee has reviewed details of the amounts paid and payable for non-audit services provided by the Group's auditors, Ernst & Young and Plante Moran, to the Group during the year ended 30 June 2025.

The Directors, in accordance with advice received from the Audit & Risk Committee, are satisfied that the provision of non-audit services by the auditors did not compromise the auditor independence requirements of the *Corporations Act 2001* (Cth) for the following reasons:

- all non-audit services have been reviewed by the Audit & Risk Committee to ensure that they did not impact the impartiality and objectivity of the auditors;
- the Board's own review conducted in conjunction with the Audit & Risk Committee concluded that the auditor independence was not compromised, having regard to the Board's policy with respect to the engagement of auditors; and
- none of the non-audit services provided by Ernst & Young or Plante Moran during the financial year had the characteristics of management, decision making, self review, advocacy or joint sharing of risks.

For details regarding non-audit services provided by the auditors, fees paid to the auditors along with auditor tenure, refer to note 24 to the financial statements.

1.9. Rounding of amounts

The Company is an entity to which the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* applies and, in accordance with that Legislative Instrument, amounts in the Directors' Report and the financial statements have been rounded to the nearest thousand dollars unless stated otherwise.

Directors' Report

For the year ended 30 June 2025

2. Directors and officers

The Directors of the Company during the financial year and up to the date of this report are set out below:

		Appointed	Resigned
Andrew Formica	Chairman, Non-Executive Director ¹	26 July 2023	-
Deborah Page AM	Lead Independent Non-Executive Director ²	3 October 2023	-
David Dixon	Independent Non-Executive Director	15 December 2022	-
John Eales AM	Independent Non-Executive Director	1 July 2017	-
Cathy Kovacs	Independent Non-Executive Director	6 November 2023	-
Sophia Rahmani	Chief Executive Officer and Managing Director	3 March 2025	-
Hamish McLennan	Independent Non-Executive Director ³	1 March 2016	22 October 2024

¹ During the year ended 30 June 2025, Mr Formica served as Executive Chairman from 1 July 2024 to 3 March 2025 and Non-Executive Chairman on and from 3 March 2025.

² During the year ended 30 June 2025, Mrs Page served as the Company's Deputy Chairman from 23 October 2024 to 3 March 2025, on which date she was appointed the Company's Lead Independent Director.

³ During the year ended 30 June 2025, Mr McLennan served as the Company's Deputy Chairman from 1 July 2024 to 22 October 2024 (being the date of his resignation from the Board).

Secretary

Emilie Cameron was appointed to the role of Company Secretary on 29 November 2024. Prior to that date, Marcia Venegas served as Company Secretary from 2019.

Information on directors and officers

Andrew Formica

Non-Executive Chairman - member of the Audit & Risk Committee and the Remuneration & Nominations Committee

Andrew has 30 years' experience in leading and growing investment businesses within the funds management industry globally, 14 years of which were as CEO. Most recently, Andrew was CEO and Director of Jupiter Asset Management plc, where he served from March 2019 to September 2022. Prior to this, Andrew was Co-CEO of Janus Henderson Group plc, and prior was the Chief Executive and a Board member of Henderson Group plc ("Henderson") from 2008 before the merger with Janus Capital in 2017. Andrew was at Henderson and its prior business from 1993 and held various senior roles, including Joint Managing Director of Henderson's Listed Assets business (from September 2006) and Head of Equities (from September 2004). In the early part of his career, Andrew was an equities portfolio manager and analyst for AMPAM and Henderson.

Andrew is a Fellow of the Institute of Actuaries both in the UK and Australia. Andrew was also previously Deputy Chairman of the Board of the Investment Association and formerly a Board member of Hammerson Group plc.

Andrew earned a master's degree in Economics from Macquarie University in 1992 and an MBA from London Business School in 2001.

Sophia Rahmani

Chief Executive Officer and Managing Director

Sophia has over 20 years' experience in financial services with a focus on leading and growing asset management businesses within Australia and globally.

Most recently, Sophia was the Chief Executive Officer and Managing Director of Maple-Brown Abbott from October 2019 to March 2024, where she spearheaded the firm's growth in investment capabilities, offerings, services and distribution channels. Prior to this, Sophia was the Chief Operating Officer, Pan Asia, for Janus Henderson Investors based in Singapore, having previously been with Henderson Global Investors as Chief Operating Officer, Australia, from 2013 where she was a key member of the team responsible for establishing and growing the business in Australia.

Sophia also spent eight years with the Macquarie Group, principally in its asset management division, with experience across strategy, mergers and acquisitions, product and marketing. During this period, she spent time based in Sydney, New York and Philadelphia. Sophia started her career as a solicitor at King & Wood Mallesons.

Sophia holds a Bachelor of Laws (Hons) and Bachelor of Commerce (majoring in Accounting and Finance) from The Australian National University. She also holds a Graduate Diploma of Applied Finance and Investments and is a Graduate of the Australian Institute of Company Directors.

Directors' Report

For the year ended 30 June 2025

Deborah Page AM

Lead Independent Non-Executive Director - Chairman of the Audit & Risk Committee and member of the Remuneration & Nominations Committee

Deborah is an experienced chair and company director with broad industry experience spanning various ASX listed, private, public sector and regulated entities including in the funds management, property, utilities, insurance, technology and renewables sectors. She is currently a Non-Executive Director of Brickworks Limited (appointed July 2014), Growthpoint Properties Australia Limited (appointed March 2021) and The Star Entertainment Group Limited (appointed March 2023). She was previously Chairman of Pandal Group Limited (from January 2022 – January 2023 and Non-Executive Director from April 2014 – January 2023) and Investa Listed Funds Management Limited (the responsible entity of ASX Listed Investa Office Fund) and a Non-Executive Director of Service Stream Limited (September 2010 – April 2023), GBST Holdings Limited, Australian Renewable Fuels Limited and Investa Property Group. She was also formerly Non-Executive Director of The Colonial Mutual Life Assurance Society Limited and Commonwealth Insurance Limited.

Deborah is a Chartered Accountant with dual audit partner and CFO experience during her executive career, and she brings extensive governance, Board and Audit Committee Chair experience as well as corporate finance, accounting, audit, mergers and acquisitions, capital markets, insurance and joint venture arrangements.

Deborah has been a professional director since 2001, holds a degree in Economics from the University of Sydney and is a Fellow of Chartered Accountants Australia and New Zealand and the Australian Institute of Company Directors. She is also a Member of the Takeovers Panel and Chief Executive Women. In 2006, she received an Order of Australia for services to public health, business and the accounting profession.

David Dixon

Independent Non-Executive Director - member of the Audit & Risk Committee and the Remuneration & Nominations Committee

David has over 30 years' experience in leading and growing investment businesses within the funds management industry. He has extensive experience as a senior investment leader, board trustee and director of companies. From 2013 to 2020, David was Chief Investment Officer, Equities at First Sentier Investors (formerly Colonial First State Global Asset Management) ("FSI"). In this role, David was responsible for the Australian based equity teams managing domestic and international equities. He also was responsible for the global equities dealing teams in Australia and overseas. From 2003 to 2013 he was FSI's Global Chief Investment Officer, where he was responsible for the investment functions within the entity, of the Australian and global equities, global infrastructure, global resources, global property, quantitative equities, fixed income, private equity investments, economics and market research.

Prior to FSI, David was the Head of Equities (1995 to 2002) and Chief Investment Officer (2002 to 2003) at Insurance Australia Group Limited. From 1986 to 1995 he held numerous roles at Westpac Investment Management including equity analyst, portfolio manager and Head of Corporate Research.

David served as a Non-Director Member of the Aware Super Investment Committee from January 2021 to April 2025. He also previously held directorial roles across a number of Commonwealth Bank of Australia subsidiaries within the Wealth Management division along with member roles on ASIC's Market Supervision Advisory Panel and the Financial Services Council Investment Board.

David was awarded the Financial Services Council Industry Excellence Award in 2012. He holds a Bachelor of Business (Finance and Economics) from the University of Technology Sydney.

John Eales AM

Independent Non-Executive Director - Chairman of the Remuneration & Nominations Committee and member of the Audit & Risk Committee

John graduated from the University of Queensland in 1991 and enjoyed a 10 year international sporting career with the Australian rugby team from 1991, captaining the Wallabies from 1996 until 2001.

John has served as an executive, adviser, director and investor in a number of listed and unlisted private organisations. John co-founded the Mettle Group in 2003 – a corporate consultancy which was acquired by Chandler Macleod in 2007.

John is currently Chairman of Trajan Group (since March 2021) and also serves on the Boards of Flight Centre Travel Group (since September 2012) and FUJIFILM Data Management Solutions Pty Ltd. He continues to serve as a consultant to some Australian and international companies. John has authored books, is the Chair of the World Rugby Hall of Fame and was on the Rugby Australia Bid Advisory Committee for the Rugby World Cup 2027.

John was made a Member of the Order of Australia in 1999 for services to the community and rugby and is a Patron of the Melanoma Foundation, Hearts in Union and the Champagnat Trust. He holds a Bachelor of Arts from the University of Queensland and is a graduate of the Australian Institute of Company Directors.

Directors' Report

For the year ended 30 June 2025

Cathy Kovacs

Independent Non-Executive Director - - member of the Audit & Risk Committee and the Remuneration & Nominations Committee

Cathy is an experienced company director and financial services professional, currently serving on the boards of ASX listed, private and not for profit companies. She is a Non-Executive Director of wealth tech HUB24 (appointed July 2021), international payments provider OFX (appointed February 2021), Universities Admission Centre (UAC) for ACT and NSW, and lendtech Grapple Holdings Limited.

Cathy has 30 years' broad experience across the financial services sector including senior leadership roles at BT Investment Bank, Macquarie Group, Ellerstou Capital and Westpac Banking Group. In her last executive role she was responsible for driving Westpac's strategic initiatives towards the future of financial services and managing a portfolio of investments in early stage innovative and disruptive fintech businesses.

She holds a Bachelor of Commerce from UNSW, a Masters of Applied Finance from Macquarie University and is a Fellow of the Australian Institute of Company Directors.

Emilie Cameron

Company Secretary

Emilie Cameron was appointed Company Secretary of the Company on 29 November 2024 and also holds the role of Senior Legal Counsel. Emilie has over 20 years' legal experience advising on corporate and financial services matters across multiple jurisdictions. Prior to joining the Group in 2017, Emilie was Senior Counsel with the international law firm Walkers in their investment funds team, Legal Counsel at PwC and solicitor with King & Wood Mallesons. Emilie holds a Bachelor of Laws (First Class Honours) and a Bachelor of Commerce, both from the University of Sydney.

Directors' meetings

The number of meetings of the Board and Board Committees held during the year ended 30 June 2025 and the number of those meetings attended by each Director that held office at any time during, or since the end of, the financial year are set out below:

	Board ¹		Audit & Risk Committee ²		Remuneration & Nominations Committee ³	
	Held ⁴	Attended	Held ⁴	Attended	Held ⁴	Attended
Andrew Formica ⁵	15	15	3	3	3	3
Deborah Page AM	15	15	10	10	8	8
David Dixon	15	15	10	10	8	8
John Eales AM	15	14	10	10	8	8
Cathy Kovacs	15	14	10	10	8	8
Sophia Rahmani	3	3	-	-	-	-
Hamish McLennan	6	6	4	4	3	3

¹ The Board met 15 times during the year ended 30 June 2025.

² The Audit & Risk Committee met 10 times during the year ended 30 June 2025.

³ The Remuneration & Nominations Committee met 8 times during the year ended 30 June 2025.

⁴ The number of meetings held during the time the Director was a member of the Board or of the relevant Committee.

⁵ During the period, Mr Formica was a member of the Audit & Risk and the Remuneration & Nominations committees from 3 March 2025 to 30 June 2025 as he was not eligible for membership on these committees whilst he held an Executive role.

Indemnification and insurance of directors and officers

Under the Company's constitution, the Company indemnifies, to the extent permitted by law, all current and former Directors and Secretaries of the Company against any liability incurred in that person's capacity as an Officer of the Company and against any legal costs incurred by that person in defending any proceedings relating to any such liability. The Company has also entered into a deed of indemnity with each current and former Director and Secretary, and each director and secretary of the Company's wholly-owned subsidiaries, on substantially the same terms as those set out in the Company's constitution.

During the financial year, the Company paid insurance premiums to insure the Directors and Officers of the Group, as permitted by the *Corporations Act 2001* (Cth), in respect of losses, liabilities, costs and charges incurred by those persons in their capacity as an Officer of the Group. The terms of the policy prohibit the disclosure of the amount of the premiums paid by the Company.

Directors' Report

For the year ended 30 June 2025

3. 2025 Remuneration Report (Audited)

Message from the Chair of the Remuneration & Nomination Committee

Dear Shareholder,

On behalf of the Board of Directors, I am pleased to present the Group's Remuneration Report for the financial year ended 30 June 2025 ("FY25"). As well as an explanation of the Group's remuneration framework, performance and outcomes for the Executive Key Management Personnel ("KMP") and Non-Executive Directors, this Remuneration Report includes context on our culture and current people initiatives.

Our year at a glance

FY25 has been a period focused on positioning MFG for growth in our existing businesses and setting the strategy for the future. Included in this has been the focus on continuing to diversify the solutions we provide to our clients, operational efficiency and targeted recruitment to add to the experience and skills of our team. Supporting this, we have implemented a new remuneration framework for our employees during the year that is firmly aligned with shareholders. Whilst FY25 continued to present challenges for the active asset management industry, we are pleased with the progress that we are making and confident that it will continue to benefit the Group, our shareholders and our people.

Over the course of the year, we have addressed the following:

- **Appointment of CEO.** Following the period of interim leadership under Mr Andrew Formica, Ms Sophia Rahmani formally transitioned into the role of CEO and Managing Director ("CEO") on 3 March 2025. As outlined in the 2024 Remuneration Report, the intention was that Ms Rahmani's appointment as Managing Director – Magellan Asset Management in May 2024 would be followed by transition to the CEO role within 12 months. The Board was very pleased with the respective and collective leadership provided by Mr Formica and Ms Rahmani over the 10 months and determined that March was an appropriate time for Ms Rahmani to formally step into the CEO role and for Mr Formica to revert to Non-Executive Chairman of MFG.
- **Renewed Leadership.** A key focus area for Ms Rahmani since commencing has been reviewing the most optimal operating structure for the business and the leadership team required to support the future plans of the business. Ms Rahmani has refocused the leadership team and made a number of key hires to strengthen the leadership team with the addition of Mr Dean McGuire as Chief Financial Officer, Ms Jen Driscoll as Chief Operating Officer and Ms Sam Mosse as Chief Risk Officer.
- **Revised remuneration structure.** Following a detailed review of our remuneration framework, the following changes were implemented this year:
 - **a long-term incentive plan ("LTI") for Executive KMP and other key executives.** The LTI is in the form of performance rights and will be tested over a three-year period against a relative total shareholder return ("rTSR") measure based on a comparator group of asset and funds management companies that are listed on the ASX;
 - **revised deferral arrangements under the Short-Term Incentive Plan ("STI").** A revised deferral plan has been established for Executive Committee Members with 50% of STI awards above \$100,000 being deferred over two years for FY25. These deferrals will be delivered in equity or a combination of equity and exposure to funds issued by the Group. The intention is to increase the deferral period to three years from the 2026 financial year ("FY26").
- **Introduction of equity plans.** During the financial year, two additional equity plans were introduced.
 - **Grant of equity rights to employees (other than Executive Committee):** these equity rights vest after two years provided continuous service of the employee.
 - **Equity matching plan:** employees may purchase MFG shares and receive a bonus match of MFG shares at the end of two years, provided continuous service and continuous ownership of the shares purchased during the period. The Board was pleased to have almost 40% participation of this plan in the first year.
 - Both of these plans support the Board objective to ensure employees are aligned to shareholders by being owners of the business.
- **Improved metrics in respect of our STI measures.** Specific financial (50%) and non-financial (50%) measures including people and culture, clients, growth and risk, regulatory management and ESG were introduced for this financial year's STI for Executive KMP. All measures are aligned with our strategy and values and disclosed in this Remuneration Report.
- **Addressing historical SPP remuneration arrangements.** The majority of loans in place for staff under the previous retention arrangements have now been resolved, with 27% of staff having an outstanding SPP loan balance as at 30 June 2025. Following the retention payments due in September 2025, only 6% of staff will have an SPP loan balance outstanding.
- **Focus on culture and engagement.** Following a challenging few years for our people, we have been pleased to see the continued improvement in our engagement score over the last 12 months. While the engagement score is not where we would like it to be, we continue to invest in our people. This financial year we have focused on providing an environment that enables our people to develop, innovate and succeed. We strongly believe we are fostering a culture that values the contribution that our people make and recognises them and their contributions both formally and informally.

Directors' Report

For the year ended 30 June 2025

2025 performance and remuneration outcomes

With a period of continued change and the importance of stability for our clients and shareholders, the Board has focused on recognising the efforts of our employees and is able to provide greater detail on these outcomes and the link to business performance.

Fixed remuneration

As foreshadowed in the 2024 Remuneration Report, the Board reviewed Ms Rahmani's remuneration package when she was appointed as CEO of Magellan Financial Group. There has been no further movement to her remuneration as part of the annual review of remuneration and no changes to the remuneration of any other Executive KMP.

Variable remuneration

For the year ended 30 June 2025, Ms Rahmani was awarded a performance-based variable incentive of 91.7% of her eligible fixed remuneration (amount adjusted for the appointment to CEO in March 2025) and Mr McGuire was awarded a performance-based variable incentive of 80% of his fixed remuneration for the period since commencement with the Group. The Board believes that these variable remuneration outcomes reflect their impact and business performance. More details can be found in section 3.3 of the Remuneration Report.

Supporting the Group's strategy

The Board remains committed to ensuring the remuneration strategy reflects good governance and supports both the Group's strategic priorities and shareholder alignment in the short, medium and long-term. Shareholder approval at the MFG AGM in October 2024 of the Employee Equity Plan Rules has supported the Board's ability to create shareholder alignment, with 60% of staff being shareholders. We believe the changes in the remuneration framework will enhance our performance assessment approach through clarity and appropriate alignment of targets whilst strengthening variable remuneration linkage in-line with individual and collective performance across the Group.

On behalf of the Board, we invite you to read the Remuneration Report and welcome your feedback.

Yours faithfully,



John Eales, Chair
Remuneration & Nominations Committee

Directors' Report

For the year ended 30 June 2025

3.1. Key Management Personnel

This Remuneration Report outlines the remuneration arrangements for the KMP of the Group for the year ended 30 June 2025. KMP are defined as those persons and corporate entities having authority and responsibility for planning, directing and controlling activities of the Group, directly or indirectly.

In the 2025 financial year, the KMP for the Group included the Non-Executive Directors and other Group Executives as set out below.

		Term as KMP
Non-Executive Directors¹		
Andrew Formica ²	Chairman, Non-Executive Director	Full year
Deborah Page AM	Lead Independent Director	Full year
David Dixon	Independent Non-Executive Director	Full year
John Eales AM	Independent Non-Executive Director	Full year
Cathy Kovacs	Independent Non-Executive Director	Full year
Executive KMP^{1,3}		
Sophia Rahmani ⁴	Chief Executive Officer and Managing Director	Full year
Dean McGuire	Chief Financial Officer	From 3 March 2025
Former KMP - Directors and Executives		
Hamish McLennan ⁵	Independent Non-Executive Director	Until 22 October 2024
Kirsten Morton	Chief Financial Officer and Chief Operating Officer	Until 24 January 2025

¹ All functional titles are as at 30 June 2025.

² Upon Ms Rahmani's appointment to CEO on 3 March 2025, Mr Formica ceased his role as Executive Chairman and reverted to Non-Executive Chairman. Mr Formica also rejoined the Audit & Risk Committee and the Remuneration & Nominations Committee from 3 March 2025.

³ The Interim CFO appointment, covering the period from 24 January 2025 to 3 March 2025, was not determined to convey the level of continuity or oversight expected of permanent KMP roles.

⁴ Ms Rahmani was appointed to the Board on 3 March 2025. Prior to her appointment to the Board she was Managing Director of Magellan Asset Management Limited.

⁵ Mr McLennan continues to sit on the Board of Magellan Asset Management Limited.

The Remuneration Report has been prepared and audited against the disclosure requirements of the *Corporations Act 2001* (Cth).

Directors' Report

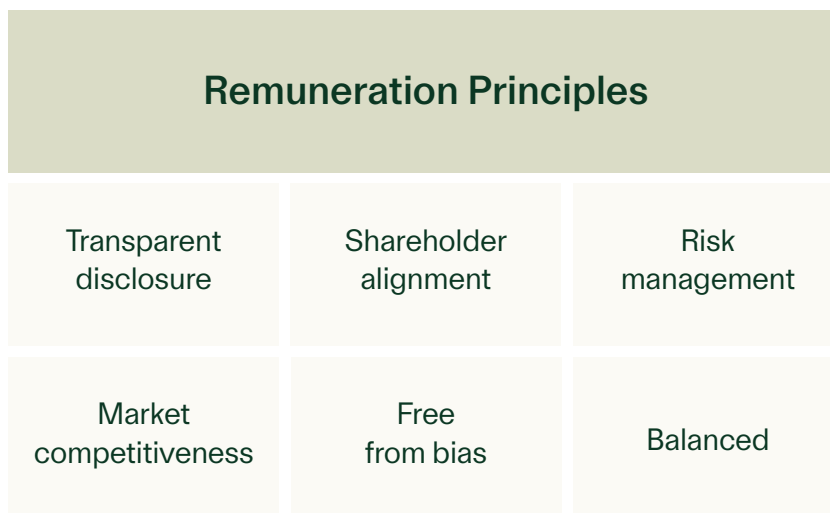
For the year ended 30 June 2025

3.2. Remuneration strategy and framework

The Group recognises the importance of its people and the critical role that they play in the success of the Group.

Remuneration principles

The Groups remuneration framework is based on the following principles:



Executive remuneration is intended to support the Group's strategic objectives and encourage behaviour that is aligned with our values. The key drivers of the Group's remuneration philosophy and principles are:



Directors' Report

For the year ended 30 June 2025

Remuneration structure

Following a review of the Group's remuneration structure, MFG introduced a long-term incentive plan in the 2025 financial year. The Group's remuneration arrangements for Executive KMP comprise the following:

Fixed remuneration	<ul style="list-style-type: none">• Fixed remuneration is structured as a total employment cost package and inclusive of superannuation• May be received as a combination of cash and non-cash benefits• Generally reviewed annually to ensure that it is competitive and reasonable
Short-term incentive	<ul style="list-style-type: none">• Short-term variable remuneration rewards performance of the Group and the individual when assessed against key performance indicators, determined annually• The first \$100,000 and 50% of amounts awarded above \$100,000 are paid in cash in September following the award• The remaining component is deferred over the period of two years in MFG restricted equity or a combination of MFG restricted equity and exposure to Magellan funds and released in tranches subject to continued employment• From FY26, the deferral period will be three years, with deferral released in three equal tranches subject to continued employment
Long-term incentive	<ul style="list-style-type: none">• Long-term incentive rewards for sustainable longer term performance• Assessed against Relative Total Shareholder Return (rTSR)• Will be delivered in performance rights vesting in 3 years from the grant date subject to the performance hurdle being achieved and continued employment

Note that the Chairman was not eligible for participation in either Short Term or Long Term variable remuneration for the period he was Executive Chairman.

The Group may require Executive KMP to act as a Director of a subsidiary or associate of the Group for no additional remuneration.

STI and LTI opportunity

The below table outlines the target and maximum STI and maximum LTI as a percentage of base.

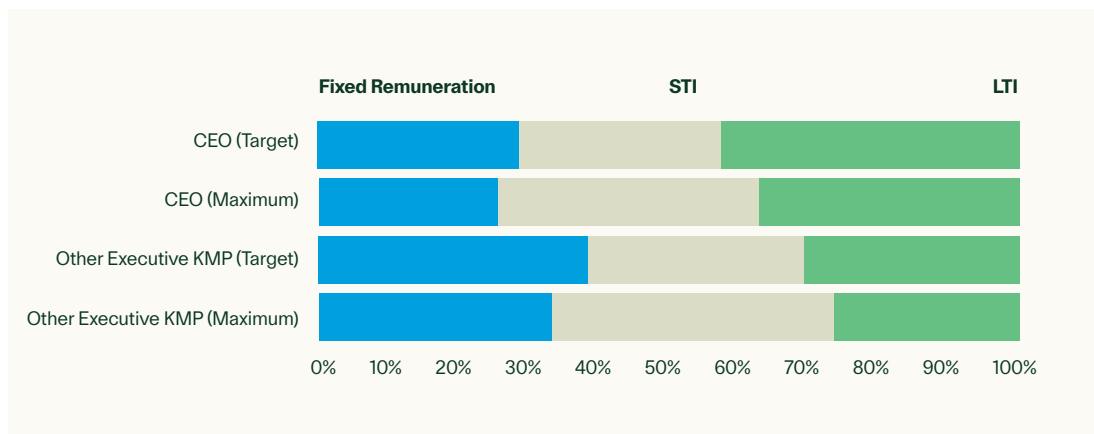
	Target STI as a % of base	Maximum STI as a % of base	Maximum LTI as a % of base
CEO	100%	150%	150%
Other Executive KMP	80%	120%	80%

Directors' Report

For the year ended 30 June 2025

Maximum remuneration mix

Executive KMP remuneration is heavily weighted towards variable remuneration. For the CEO, at target, performance-based remuneration contributes to 71% of total pay mix and at maximum 75% of total pay mix. For other Executive KMP, at target performance-based remuneration contributes 62%, and at maximum 67%, of total pay mix.



CEO remuneration - when is it earned and received at target

	Current Year FY25	Year One FY26	Year Two FY27	Year Three FY28
Fixed Remuneration	100% of fixed remuneration paid in year			
Variable Remuneration	Performance period 1 July 2024 to 30 June 2025			
	55% awarded in cash on grant*	45% deferred in either restricted equity or restricted equity and exposure to fund units		
STI		50% of deferred released (subject to continued employment)	50% of deferred released (subject to continued employment)	
	Performance period (3 years) – Performance Rights issued in FY25 are subject to performance measures (rTSR). Testing period is 16 September 2024 to 15 September 2027.			
LTI				100% vested at end of testing period if performance measures are achieved (subject to continued employment)

* Due to the deferral-free amount of \$100,000, the percentage amount awarded in cash is above 50%.

3.3. Performance and remuneration outcomes

As outlined in the 2024 Remuneration Report, this year the Board implemented specific financial (50% weighting) and non-financial (50% weighting) measures when setting KPIs for Executive KMP for the financial year.

In setting these KPIs for this year, the Board considered the following areas to be essential and aligned to delivering the Group's strategic priorities:

- Financial
- People and culture
- Clients
- Growth
- Risk, regulatory management and ESG

The specific KPIs and the weighting attached to those KPIs may evolve annually to reflect the priorities of the business, however these core areas remain constant.

Directors' Report

For the year ended 30 June 2025

For the 2025 financial year, the Board determined that a mix of quantitative and qualitative measures would be appropriate. With 70% of the measures having a quantitative measure and the remaining 30% requiring a qualitative assessment by the Board for this financial year.

The outcomes of each of the KPIs are included in the following table.

CEO Scorecard

Metric	Weighting	Outcome			Commentary	Result
		Threshold	Target	Maximum		
Financial						
Budget operating profit	15%				Operating profit \$159.7m KPI exceeded	22.5%
Operating EPS	11%				Operating EPS 89.8c per share KPI exceeded	16.5%
Fund performance						
AUM retention and growth	12%				KPI partially achieved	8.2%
% of mandates beating 1 year benchmark	12%				KPI partially achieved	2.9%
People & Culture						
Engagement score	5%				Engagement score increased by 12 points KPI exceeded	6.6%
Voluntary turnover	5%				Within target range KPI achieved	5%
Delivery of initiatives	5%				KPI achieved	5%
Clients						
Net Promoter Score	10%				KPI not achieved	0%
Feedback from clients	5%				KPI achieved	5%
Growth						
Delivery of projects	10%				KPI achieved	10%
Risk, regulation & ESG						
Delivery against objectives	10%				KPI achieved	10%
					100%	91.7%

Investment performance over one year was selected for the CEO for FY25. For FY26, this will increase to performance over two years and from FY27, will be assessed on performance over three years.

STI outcomes

STI outcomes for Executive KMP are set out below

		Target STI outcome \$'000	Maximum STI outcome \$'000	Awarded STI \$'000	Cash component \$'000	Deferred component \$'000	Achieved STI as a % of target STI
Executive KMP							
Sophia Rahmani ¹	2025	900	1,067	825	463	363	91.7%
Dean McGuire ²	2025	145	218	145	123	23	100.0%

¹ Ms Rahmani's STI for the 2025 financial year reflects her tenure as Managing Director of Magellan Asset Management Limited from 1 July 2024 to 2 March 2025, and her subsequent appointment to CEO effective 3 March 2025.

² Mr McGuire's STI for the 2025 year reflects the period from 3 March 2025 to 30 June 2025.

Directors' Report

For the year ended 30 June 2025

LTI

Magellan introduced an LTI in this financial year to ensure that the Executive KMP and other select senior employees in the business have a key component of their remuneration tied to the long-term performance of the Company and are aligned with shareholder returns.

The LTI was issued in the form of performance rights each of which is a conditional right to be allocated one fully paid MFG ordinary share for no consideration, subject to the satisfaction of an employment condition and a performance hurdle on the following terms:

- Performance period - three years
- Performance measure - relative Total Shareholder Return (rTSR) measured against a defined comparator group of companies which the Board considers compete with MFG for the same investment capital, operate in a similar industry to MFG and which by the nature of their business, face external factors similar to those that impact MFG.
- Vesting profile - as outlined in the table below

	Threshold	Target	Stretch
Vesting	0%	Pro-rata between 50% and 100%	100%
rTSR rank	Below 50 th percentile	Between 50 th and 75 th percentile	At or above the 75 th percentile

The Board retains discretion to determine that while the metrics have been met, the payment of some or all of the LTI would not be in the interests of shareholders.

As the testing period for the LTI is three years, there was no LTI to test in FY25. The LTI issued in FY25 will be tested in September 2027.

2025 actual remuneration received

The table below has been provided to disclose the actual value of remuneration received by the Executive KMP in the year ended 30 June 2025. It is not measured in accordance with Australian Accounting Standards and therefore will differ from the Details of Remuneration table in section 3.5, primarily due to share based accounting.

For the performance year ended 30 June 2025, the table includes:

- fixed remuneration (including superannuation)
- any other cash awards made (including sign on bonuses)
- any restricted equity or fund units that vested
- any performance rights that vested

For completeness, LTI awards tested and forfeited will be included in this table from the financial year ended 30 June 2028.

		Fixed remuneration (incl. super) \$'000	Cash STI \$'000 ¹	Deferred amounts vested \$'000 ²	Other awards \$'000	Total remuneration received \$'000	LTI tested and forfeited \$'000
Executive Director							
Andrew Formica	2025	902	-	-	-	902	-
	2024	925	-	-	-	925	-
Executive KMP							
Sophia Rahmani ³	2025	900	463	-	350	1,713	-
	2024	117	-	-	350	467	-
Dean McGuire ⁴	2025	183	123	-	-	306	-
Total KMP	2025	1,985	586	-	350	2,921	-
	2024	1,042	-	-	350	1,392	-

¹ Represents the portion of awarded variable remuneration that will be delivered in cash post the release of the Group's Annual Report.

² Represents the portion of previously awarded variable remuneration that has vested during the year.

³ Ms Rahmani's fixed remuneration for the 2025 financial year reflects her tenure as Managing Director of Magellan Asset Management Limited from 1 July 2024 to 2 March 2025, and her subsequent appointment to CEO effective 3 March 2025. Her fixed remuneration for the 2024 financial year reflects the period from 13 May 2024 to 30 June 2024.

⁴ Mr McGuire's fixed remuneration for the 2025 financial year reflects the period from 3 March 2025 to 30 June 2025.

Equity issued to CEO

As approved at the 2024 AGM, 296,053 restricted MFG shares were issued to Ms Rahmani which vest on 31 December 2026 and are conditional on Ms Rahmani:

- not having ceased to be employed on or before 31 December 2025 due to her resignation; and
- not having ceased to be employed on or before 31 December 2025 in circumstances where she has been terminated for cause.

Directors' Report

For the year ended 30 June 2025

3.4. Remuneration of Non-Executive Directors

The Board sets the fees for its Non-Executive Directors in line with the key objectives of the Group's Non-Executive Director remuneration approach set out below.

The Board periodically reviews, and determines, the remuneration of Non-Executive Directors. The Remuneration and Nomination Committee makes recommendations to the Board regarding the remuneration of the Non-Executive Directors. The Group does not make sign-on payments to new Non-Executive Directors, does not provide retirement benefits to Non-Executive Directors (other than superannuation) and remuneration is not linked to the performance or earnings of the Group, which ensures that the Non-Executive Directors are able to independently and objectively assess both executive and Group performance.

Element	Details
Market competitive	<ul style="list-style-type: none"> The Board's policy is to pay Non-Executive Directors at market competitive rates to attract and retain high calibre Directors with the necessary skills, expertise and experience for the Group's Board. In setting fees, the Board has considered fees payable by comparable companies (based on external benchmarking data) as well as the time commitment and workloads of Non-Executive Directors.
Independence and impartiality	<ul style="list-style-type: none"> No element of Non-Executive Director remuneration is 'at risk' (i.e. subject to performance conditions) in order to preserve the Directors' independence and impartiality. A current Non-Executive Directors participated in the now suspended SPP. The Board continues to hold the view that providing full recourse financial assistance to that Non-Executive Director under the SPP did not hinder their independence from management and, as an equity interest, promotes independent thought and engagement that will be in the long-term interests of the Group's shareholders. It is not intended to grant equity to Non-Executive Directors in the future.
Shareholder alignment	<ul style="list-style-type: none"> Non-Executive Directors are encouraged to have equity ownership in line with their personal circumstances, to ensure alignment with shareholders.

Fee pool

Non-Executive Directors are paid from an aggregate annual fee pool which is \$1,750,000 (June 2024: \$1,750,000), as approved by the shareholders in December 2022.

Fee schedule

The table below sets out the fees (inclusive of superannuation) of the Non-Executive Directors of the Group as at 30 June 2025 and 30 June 2024.

	Position	30 June 2025 \$'000	30 June 2024 \$'000
MFG Board (Group)	Chair	290	290
	Deputy Chair ¹	160	160
	Member	120	120
MFG Audit & Risk Committee	Chair	40	40
	Member	20	20
MFG Remunerations & Nominations Committee	Chair	40	40
	Member	20	20
MAM Board	Chair	220	220
	Member	60	60

¹ Deputy Chair fee applied only while Mr Formica served as Executive Chairman given this role was the lead Independent Non-Executive Director. No separate fee is payable to the Lead Independent Director, since Mr Formica resumed the role of Chairman.

In addition to the above fees, the Board determined Mr Formica would remain as MFG's nominee director on the Board's of two of MFG's strategic investments. In recognition of the additional responsibilities and time commitment in serving as MFG's nominee director on these Boards for the period from 3 March 2025 to 3 March 2026, Mr Formica would receive an additional fee of \$150,000.

The Group has reimbursed or borne expenses incurred by the Non-Executive Directors in the discharge of their duties of \$11,000 (June 2024: \$2,000).

Directors' Report

For the year ended 30 June 2025

3.5. Details of remuneration

The total amount paid or payable to KMP of the Group is detailed below:

		Short-term benefits			Long-term benefits					Total statutory remuneration \$'000
		Base salary	Cash-based awards	Other	Post-employment benefits	Leave accrual	Cash-based awards	Share-based payments	Non-monetary benefits	
		\$'000	\$'000 ¹	\$'000	\$'000 ²	\$'000 ³	\$'000	\$'000	\$'000 ⁴	
Non-Executive Directors										
David Dixon	2025	197	-	-	23	-	-	-	-	220
	2024	200	-	-	22	-	-	-	-	222
John Eales AM	2025	215	-	-	25	-	-	-	26	266
	2024	216	-	-	24	-	-	-	19	259
Andrew Formica ⁵	2025	155	-	-	12	-	-	-	-	167
	2024	70	-	-	9	-	-	-	-	79
Cathy Kovacs	2025	218	-	-	2	-	-	-	-	220
	2024	130	-	-	14	-	-	-	-	144
Deborah Page AM	2025	254	-	-	-	-	-	-	-	254
	2024	162	-	-	18	-	-	-	-	180
Executive Director										
Andrew Formica ⁵	2025	880	-	-	22	-	569	3 ⁶	-	1,474
	2024	905	-	-	20	-	1,190	-	13 ⁷	2,128
Executive KMP										
Sophia Rahmani	2025	870	463	-	30	28	-	2,370 ⁸	-	3,761
	2024	113	-	700 ⁹	4	10	-	195	-	1,022
Dean McGuire	2025	171	123	-	12	-	-	8 ¹⁰	-	314
Former KMP										
Hamish	2025	73	-	-	8	-	-	-	-	81
McLennan	2024	238	-	-	26	-	-	-	64	328
Kirsten Morton	2025	292	32	-	20	26	(6)	8 ¹¹	31	403
	2024	499	553	-	27	4	132	47	13	1,275
Total KMP	2025	3,325	618	-	154	54	563	2,389	57	7,160
	2024	2,533	553	700	164	14	1,322	242	109	5,637

¹ Represents the portion of awarded variable remuneration that is paid in cash post the release of the Group's Annual Report. This amount also includes any deferred cash components of prior period bonuses to which an Executive KMP became entitled during the financial year.

² Reflects superannuation.

³ Comprises the movement in leave provisions over the reporting period. A negative movement indicates that leave taken during the year exceeded leave accrued during that year.

⁴ Unless otherwise noted, represents the non-cash cost of providing interest-free loans to Participants in the SPP.

⁵ In the 2025 financial year, Mr Formica was an Executive Director from 1 July 2024 to 3 March 2025 and a Non-Executive Director for the duration of the financial year. In the 2024 financial year, Mr Formica was a Non-Executive Director from 18 July 2023 to 24 October 2023 and an Executive Director for the duration of the financial year.

⁶ Reflects the cost recognised during the reporting period in respect of matching share rights. Refer to note 17 of the financial statements for further information.

⁷ Reflects non-monetary benefits provided in the form of external legal advice.

⁸ Reflects the cost recognised during the reporting period in respect of matching share rights, STI deferred in the form of shares, LTIP performance rights and LTIP restricted shares. Refer to note 17 of the financial statements for further information.

⁹ Reflects Ms Rahmani's cash signing bonus.

¹⁰ Reflects the cost recognised during the reporting period in respect of STI deferred in the form of shares. Refer to note 17 of the financial statements for further information.

¹¹ Reflects the accounting cost of options issued under the Employee Share Option Plan. Refer to note 17 of the financial statements for further information.

Directors' Report

For the year ended 30 June 2025

3.6. Governance

Remuneration oversight

Magellan Financial Group Board

- Overall responsibility for the remuneration strategy and outcomes for Executives and Non-Executive Directors
- Reviews and approves recommendations from the Remuneration & Nominations Committee
- Approves the appointment of Non-Executive Directors and CEO



Remuneration & Nominations Committee

The Remuneration & Nominations Committee ("the Committee") supports the Board by overseeing the Group's remuneration policies and practices. Including its Chairman, the Committee has five members, all of whom are independent Non-Executive Directors. The key responsibilities of the Committee are as follows:

- Review the composition, functions, responsibilities and size of the Board and Directors' tenure;
- Lead the process for the appointment of Directors and CEO;
- Develop and implement a process for the evaluation of the performance of Non-Executive Directors;
- Provide oversight over the Company's strategic human resources initiatives including diversity, culture and leadership;
- Review and recommend significant changes in remuneration policy and structure including employee incentive plans and awards;
- Equitably, consistently and responsibly rewarding executives – including performance-based variable remuneration targets and the achievement of remuneration outcomes; and
- Take appropriate action to ensure the Committee, Board and senior management have available to them sufficient information and external advice to ensure informed decision-making regarding remuneration and make recommendations to the Board in relation to employee remuneration.



CEO and senior management

Provides relevant data and information for the Committee to recommend:

- Variable remuneration targets and outcomes
- Remuneration policy
- Individual remuneration and contractual arrangements
- Culture and people matters

Information and exchange with other Board committees

Notably the Audit & Risk Committee, to ensure that all relevant matters are considered before the Remuneration and Nominations Committee makes remuneration recommendations and decisions.

Independent remuneration advisors

The Committee appoints an external independent advisor to assist it with market and governance issues, benchmarking, best practice observations and general advice.

Use of remuneration consultants

The Committee engages external remuneration advisers from time to time to conduct benchmarking and advise on regulatory and market developments. To ensure independence and avoid conflicts of interest, a remuneration adviser is directly engaged by the Committee's Chair or upon their instruction and reports must be delivered directly to the Committee's Chair.

The recommendations that the Committee makes to the Board are based on its own independent assessment of the advice and information received from various sources, using its experience and having careful regard to the principles and objectives of the remuneration framework, Group performance, shareholder and community expectation and good governance.

The Committee generally seeks information rather than specific remuneration recommendations from external remuneration advisers within the definition of the *Corporations Act 2001* (Cth). During the year, no external adviser provided any remuneration recommendations as defined by the *Corporation Act 2001* (Cth)

Directors' Report

For the year ended 30 June 2025

Executive KMP employment contracts

Remuneration and other terms of employment for the Executive KMP are formalised in employment agreements with MAM, a controlled entity of the Group. The key contractual details for current Executive KMP who were employed at 30 June 2025 are summarised below.

Element	Further detail
Duration	Ongoing
Periods of notice required to terminate	<p>Executive KMP may terminate the contract by giving the following notice:</p> <ul style="list-style-type: none">Ms Rahmani: 6 months' written noticeMr McGuire: 6 months' written notice <p>For the Executive KMP, the Group may terminate the employment agreement immediately without notice in certain circumstances, including (but not limited to) where the relevant Executive KMP engages in a serious breach of agreement or serious misconduct.</p>
Termination payments	<p>Executive KMP may be entitled to termination payments in limited circumstances and subject to local legislative requirements and practices (but not when the termination occurs for cause). A payment may be made in lieu of notice at the discretion of the Board where termination occurs other than for cause.</p> <p>In the event of termination, any termination payment made to an Executive KMP would comprise any accrued fixed compensation, including superannuation, after set-off of any loss suffered by the Group from the acts of the Executive KMP which led to their termination, and any amounts of accrued annual and long service leave.</p>
Restraints	<p>Executive KMP are subject to appropriate post-employment restraints as follows:</p> <ul style="list-style-type: none">Ms Rahmani: 12 months non-compete and non-solicitationMr McGuire: 12 months non-solicitation

Executive Chair remuneration structure for the period 1 July 2024 to 3 March 2025

As noted above, Mr Formica was Executive Chairman from 1 July 2024 to 3 March 2025. The table below outlines Mr Formica's remuneration arrangements during that period.

Component	Detail
Fixed remuneration (including superannuation)	For the 2025 financial year until 3 March 2025, Mr Formica's fixed remuneration (inclusive of superannuation) was \$1,350,000 per annum. Mr Formica was not paid the Chairman fee whilst Executive Chair.
Variable remuneration	Mr Formica was not eligible for any variable remuneration as Executive Chairman.
One-off payment for incentives foregone	<p>As advised in the FY24 Remuneration Report, the Group has confirmed that Mr Formica's incentives from his previous employer lapsed, therefore a one-off payment for incentives foregone (as outlined in the ASX announcement) was made this financial year with a further payment due in March 2026 as set out below:</p> <ul style="list-style-type: none">\$574,470 was paid on 15 March 2025; and\$666,254 will be paid in March 2026. <p>The March 2026 payment is subject to Mr Formica not having resigned, given notice of resignation or been summarily dismissed at the relevant payment date.</p>

Directors' Report

For the year ended 30 June 2025

3.7. Other disclosures

Shareholdings

The number of ordinary shares and options over ordinary shares held by each director (and their related parties) other than through an employee share plan is set out in the table below:

	Opening balance 30 June 2024	Purchase of shares	Disposal of shares	Vesting of rights	Other changes	Closing balance 30 June 2025
Non-Executive Directors						
David Dixon						
Ordinary shares	-	3,000	-	-	-	3,000
John Eales AM						
Ordinary shares	80,854	-	-	-	-	80,854
MFG 2027 Options	10,112	-	-	-	-	10,112
Andrew Formica						
Ordinary shares	40,000	11,780 ¹	-	-	-	51,780
Cathy Kovacs						
Ordinary shares	12,400	-	-	-	-	12,400
Deborah Page AM						
Ordinary shares	6,200	-	-	-	-	6,200
Executive KMP						
Sophia Rahmani						
Ordinary shares	-	1,030 ¹	-	-	-	1,030
Former Directors						
Hamish McLennan ²						
Ordinary shares	41,300	-	-	-	-	41,300
MFG 2027 Options	13,157	-	-	-	-	13,157

¹ Includes shares acquired as part of the Matching Share Plan.

² The 30 June 2025 balance represents the number of ordinary shares and options held by Mr McLennan and his associates as at 22 October 2024.

Shares and rights granted

The number of restricted ordinary shares, share rights and performance rights held by each KMP under an employee share plan is set out in the table below:

	Opening balance 30 June 2024	Granted	Vested and exercised	Forfeited	Closing balance 30 June 2025 ¹	Value yet to vest \$'000 ²	Future vesting schedule
Non-Executive Directors							
Andrew Formica							
Matching share rights ³	-	1,030	-	-	1,030	6	FY26-FY27
Executive KMP							
Sophia Rahmani							
LTIP restricted shares ⁴	-	296,053	-	-	296,053	1,006	FY26
LTIP performance rights ⁵	-	93,389	-	-	93,389	484	FY26-FY28
Matching share rights ³	-	1,030	-	-	1,030	6	FY26-FY27

¹ No holdings were vested and exercisable at 30 June 2025.

² The maximum value of holdings yet to vest reflects the grant date fair value that is yet to be expensed. The minimum value of holdings yet to vest is nil as they will be forfeited if vesting conditions are not met.

³ Share rights were granted on 8 November 2024 at a fair value of \$9.49 per right. They have a nil exercise price and will vest on 8 November 2026 subject to satisfactory achievement of the vesting conditions.

⁴ Restricted shares were granted on 22 October 2024 at a fair value of \$11.08 per share. They have a nil exercise price. The shares vest on 31 December 2025 subject to satisfactory achievement of the vesting conditions, but are not exercisable until 31 December 2026.

⁵ Performance rights were granted on 22 October 2024 at a fair value of \$6.81 per right. They have a nil exercise price and will vest on 15 September 2027 subject to satisfactory achievement of the vesting conditions.

Unless specified in the tables above, no other KMP held ordinary shares or rights and options over ordinary shares in the Company.

Directors' Report

For the year ended 30 June 2025

Relevant interests in Magellan Funds

Details of each director's relevant interests in registered schemes made available by the Group, are set out below:

	Opening balance 30 June 2024	Purchase of units	Disposal of units	Other changes	Closing balance 30 June 2025
Non-Executive Directors					
John Eales AM					
Airlie Australian Share Fund	16,685	-	-	-	16,685
Magellan Global Fund - Closed Class Units	396,396	-	-	(396,396) ¹	-
Magellan Global Fund - Open Class Units	-	-	(165,067)	291,763 ²	126,696
MGF Options expiring 1 March 2024	-	-	-	-	-
Magellan High Conviction Trust	243,658	-	(243,658)	-	-
Vinva Global Alpha Extension Fund - Class A	-	-	-	159,451 ³	159,451
Deborah Page AM					
Magellan Global Fund - Closed Class Units	32,031	-	-	(32,031) ¹	-
Magellan Global Fund - Open Class Units	-	-	-	23,576 ²	23,576
Magellan Global Fund (Hedged)	12,711	-	-	-	12,711
Former Directors					
Hamish McLennan					
Magellan Global Fund - Closed Class Units	118,026	-	-	(118,026) ¹	-
Magellan Global Fund - Open Class Units	-	-	(86,872)	86,872 ²	-
Magellan High Conviction Trust	41,116	672	-	-	41,788

¹ Reflects the redemption of units on conversion of Magellan Global Fund's Closed Class Units to Open Class Units.

² Reflects the issuance of units on conversion of Magellan Global Fund's Closed Class Units to Open Class Units.

³ Mr Eales held units in the fund prior to the change in Responsible Entity to Magellan Asset Management Limited in April 2025.

Unless specified above, no other KMP held units in Magellan Funds.

Loans to KMP

The Group has made full recourse interest-free loans to Non-Executive Directors and Executive KMP in connection with shares acquired under the Group's SPP. As at 30 June 2025, one KMP held SPP loans totalling \$396,000 (June 2024: two KMP with SPP loans totalling \$526,000). The terms and conditions of the SPP loans, including repayment terms, are disclosed in note 10 to the financial statements. No loans were written down during the period. There are no other related party transactions with KMP other than those disclosed.

	SPP shares acquired during year	Opening loan balance	Loans made	Loans (repaid)	Closing loan balance		
	number	\$'000	\$'000	\$'000	Face value ¹	Carrying value ²	
Non-Executive Directors							
John Eales	2025	-	429	-	(33)	396	342
	2024	-	481	-	(52)	429	353
Former KMP - Directors and Executives							
Hamish McLennan	2025	-	-	-	-	-	-
	2024	-	324	-	(324)	-	-
Kirsten Morton	2025	-	97	-	(97)	-	-
	2024	-	304	-	(207)	97	95

¹ The face value represents the loan balance due to be repaid to the Company.

² The carrying value represents the loan balance as required by the accounting standards (for further detail, refer to note 10 of the financial statements).

Directors' Report

For the year ended 30 June 2025

Link between performance and remuneration paid by the Group

		2025	2024	2023	2022	2021
Group results						
Total revenue and other income	\$'000	318,948	378,626	431,650	553,530	715,012
Net profit after tax	\$'000	165,022	238,759	182,655	383,011	265,156
Operating profit after tax	\$'000	159,710	151,496	181,234	385,688	398,416
Investment Management business						
Net client revenue	\$'000	245,725	278,349	343,001	605,642	667,113
Operating profit after tax	\$'000	96,618	123,960	165,803	370,188	431,096
Partnerships & Investments business						
Partnerships income	\$'000	31,333	10,399	(11,298)	9,120	(41,494)
Fund investments income	\$'000	42,197	13,606	34,724	17,655	14,841
Shareholder value						
Statutory earnings per share	cps	92.7	131.8	100.0	206.9	144.6
Operating earnings per share ¹	cps	89.8	83.7	99.3	208.3	217.3
Total dividends paid	cps	73.3	65.1	116.7	179.0	211.2
Closing MFG share price at 30 June ²	\$	8.56	8.42	9.49	12.92	53.86
KMP remuneration						
Total KMP remuneration: ³						
Fixed compensation ⁴	\$'000	3,533	4,371	4,628	6,165	6,197
Variable compensation ⁵	\$'000	3,627	3,912	5,838	7,358	4,772
		7,160	8,283	10,466	13,523	10,969
Number of KMP for the year		9	13	11	11	11
Growth rates						
Net profit after tax	%	(31)	31	(52)	44	(33)
Operating profit after tax	%	5	(16)	(53)	(3)	(9)
Investment Management net client revenue	%	(12)	(19)	(43)	(9)	(1)
Investment Management operating profit after tax	%	(22)	(25)	(55)	(14)	0
Statutory EPS	%	(30)	32	(52)	43	(34)
Operating EPS	%	7	(16)	(52)	(4)	(10)
Total KMP remuneration	%	(14)	(21)	(23)	23	(2)
Dividends paid	%	13	(44)	(35)	(15)	(2)
Total KMP remuneration as % of net profit after tax	%	4	3	6	4	4

¹ Adjustments are made for strategic, non-recurring, non-cash and unrealised items to provide additional meaningful information (refer to note 2 of the financial statements for the breakdown of these items).

² The opening share price for FY21 was \$58.01.

³ As reported in historical Annual Reports and has not been adjusted for changes to KMP.

⁴ Fixed compensation comprises salary, superannuation and leave benefits outlined in section 3.5.

⁵ Variable compensation comprises cash bonuses, retention incentives, termination benefits and other benefits outlined in section 3.5.

This report is made in accordance with a resolution of the Directors.



Andrew Formica
Chairman

Sydney
20 August 2025



**Shape the future
with confidence**

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Auditor's independence declaration to the Directors of Magellan Financial Group Ltd

As lead auditor for the audit of the financial report of Magellan Financial Group Ltd for the financial year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Magellan Financial Group Ltd and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Stacey Hooper
Partner
20 August 2025

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Liability limited by a scheme approved under Professional Standards Legislation

Consolidated Statement of Profit or Loss and Comprehensive Income

For the year ended 30 June

	Note	2025 \$'000	2024 \$'000
Revenue			
Management fees	4	234,595	256,748
Performance fees	4	11,107	19,206
Services fees	4	1,200	1,200
Advisory fees		422	1,195
Dividend and distribution income		42,230	13,628
Interest income		10,595	18,540
Net change in the fair value of financial assets and liabilities		18,558	68,027
Net foreign exchange gains		241	82
Total revenue and other income		318,948	378,626
Expenses			
Employee expenses		74,381	72,774
Non-Executive Director fees		1,441	1,442
Fund administration and operational costs		14,181	13,335
Information, technology and data costs		9,075	8,647
Marketing expenses		1,752	1,830
Professional services fees		5,406	4,497
Travel and entertainment costs		1,128	1,233
Depreciation and amortisation expenses		4,126	3,958
Net expense/(benefit) related to Magellan Global Fund options	2	-	(61,063)
Transaction costs related to strategic initiatives	2	1,352	-
Finance costs		271	1,035
Other expenses		3,331	3,959
Total expenses		116,444	51,647
Share of after tax profit of associates	8	31,139	10,295
Net gain/(loss) on dilution of interests in associates		(1,590)	77
Net profit before tax		232,053	337,351
Income tax expense	5	(67,031)	(98,592)
Net profit after tax		165,022	238,759
Other comprehensive income for the year			
Exchange differences on translation of foreign operations		716	(65)
Other comprehensive income for the year, net of tax		716	(65)
Total comprehensive income for the year		165,738	238,694
Basic earnings per share (cents per share)	3	92.7	131.8
Diluted earnings per share (cents per share)	3	92.7	131.8

The Consolidated Statement of Profit or Loss and Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

Consolidated Statement of Financial Position

As at 30 June

	Note	2025 \$'000	2024 \$'000
Current assets			
Cash and cash equivalents		168,529	322,567
Loans and receivables	10	46,811	58,775
Financial assets	7	1,625	1,666
Prepayments		1,190	993
Other assets		611	902
Total current assets		218,766	384,903
Non-current assets			
Loans and receivables	10	17,590	23,101
Financial assets	7	419,534	404,825
Associates	8	324,450	159,958
Intangible assets	9	106,819	107,291
Right-of-use assets	11	3,521	5,431
Property, plant and equipment		525	455
Other assets		2,551	3,280
Total non-current assets		874,990	704,341
Total assets		1,093,756	1,089,244
Current liabilities			
Payables	12	12,288	10,966
Employee benefits	13	30,451	31,148
Income tax payable		27,551	8,832
Lease liabilities	11	3,088	2,775
Total current liabilities		73,378	53,721
Non-current liabilities			
Employee benefits	13	2,147	3,169
Provisions		654	244
Net deferred tax liability	5	12,301	7,750
Lease liabilities	11	2,022	4,831
Total non-current liabilities		17,124	15,994
Total liabilities		90,502	69,715
Net assets		1,003,254	1,019,529
Equity			
Contributed equity	15	552,594	627,188
Reserves	16	450,660	392,210
Retained earnings		-	131
Total equity		1,003,254	1,019,529

The Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June

		Contributed equity	Profits reserve	Share- based payments reserve	Foreign currency translation reserve	Retained earnings	Total equity
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 July 2024		627,188	379,283	8,461	4,466	131	1,019,529
Net profit after tax for the year		-	-	-	-	165,022	165,022
Other comprehensive income for the year		-	-	-	716	-	716
Total comprehensive income for the year		-	-	-	716	165,022	165,738
Issue of shares:							
Under employee equity matching program	15	298	-	-	-	-	298
Shares purchased on-market and cancelled	15	(74,234)	-	-	-	-	(74,234)
Treasury shares purchased on-market	15	(620)	-	-	-	-	(620)
Transaction costs, net of tax	15	(53)	-	-	-	-	(53)
SPA expense	15	15	-	-	-	-	15
Share-based payment expense	18	-	-	4,393	-	-	4,393
Dividends paid	17	-	(111,812)	-	-	-	(111,812)
Transfer to profits reserve	16	-	165,153	-	-	(165,153)	-
Closing balance at 30 June 2025		552,594	432,624	12,854	5,182	-	1,003,254
Opening balance at 1 July 2023		632,323	321,037	5,129	4,531	(518)	962,502
Net profit after tax for the year		-	-	-	-	238,759	238,759
Other comprehensive income for the year		-	-	-	(65)	-	(65)
Total comprehensive income for the year		-	-	-	(65)	238,759	238,694
Shares purchased on-market and cancelled	15	(5,186)	-	-	-	-	(5,186)
Transaction costs, net of tax	15	(3)	-	-	-	-	(3)
SPA expense	15	54	-	-	-	-	54
Share-based payment expense	18	-	-	3,332	-	-	3,332
Dividends paid	17	-	(179,864)	-	-	-	(179,864)
Transfer to profits reserve	23	-	238,110	-	-	(238,110)	-
Closing balance at 30 June 2024		627,188	379,283	8,461	4,466	131	1,019,529

The Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

Consolidated Statement of Cash Flows

For the year ended 30 June

	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Management and services fees received		256,794	284,211
Performance fees received		27,479	12,983
Advisory fees received		1,529	1,256
Dividends and distributions received from financial assets		26,974	14,356
Dividends received from associates	8	4,000	-
Interest received		9,574	15,589
Finance cost payments		(271)	(1,141)
Tax payments		(43,212)	(48,735)
Payments to suppliers and employees		(128,749)	(132,519)
Payments of transaction costs related to Magellan Global Fund options		-	(98,616)
Payments of transaction costs related to strategic initiatives		(722)	-
Net cash from/(used in) operating activities	6	153,396	47,384
Cash flows from investing activities			
Proceeds from the sale of financial assets and liabilities		60,205	84,662
Purchases of financial assets and liabilities		(43,108)	(2,970)
Purchases of associates	8	(138,943)	-
Purchases of property, plant and equipment		(324)	(458)
Net placements of cash on term deposits		41	-
Net cash from/(used in) investing activities		(122,129)	81,234
Cash flows from financing activities			
Proceeds from share issuances, net of transaction costs		298	-
Proceeds from repayment of share purchase plan loans		3,257	6,990
Dividend payments	17	(111,286)	(178,729)
Lease payments		(2,810)	(2,616)
Purchase of shares on-market (buy back)	15	(74,316)	(5,189)
Purchase of shares on-market (treasury shares)	15	(619)	-
Net cash from/(used in) financing activities		(185,476)	(179,544)
Net increase/(decrease) in cash and cash equivalents		(154,209)	(50,926)
Effects of exchange rate changes on cash and cash equivalents		171	48
Cash and cash equivalents at the beginning of the year		322,567	373,445
Cash and cash equivalents at the end of the year		168,529	322,567

The Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements.

Notes to the Financial Statements

For the year ended 30 June 2025

Overview

Magellan Financial Group Ltd (the “Company” or “MFG”) is a for-profit entity that is incorporated and domiciled in Australia. The Company is listed on the Australian Securities Exchange (ASX code: MFG).

The principal activities of the Company and its subsidiaries (the “Group”) are described in the segment information in note 2. This financial report was authorised for issue in accordance with a resolution of the Directors on 20 August 2025 and the Directors have the power to amend and reissue this financial report.

1. Basis of preparation

This general purpose financial report is presented in Australian dollars and has been prepared in accordance with the *Corporations Act 2007* (Cth), Australian Accounting Standards (“AASB”) and Interpretations issued by the Australian Accounting Standards Board and other mandatory professional reporting requirements. It also complies with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

This financial report has been prepared on a going concern basis and under the historical cost convention except for the measurement of financial assets and liabilities at fair value through profit or loss. All amounts in this financial report are rounded to the nearest thousand dollars (\$’000) in accordance with *ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191*, unless stated otherwise.

1.1. Material accounting policies

The accounting policies adopted in the preparation of this financial report are contained within the notes to which they relate. The policies adopted in the preparation of this financial report are consistent with those of the previous financial year.

The Group has not early adopted any accounting standard, interpretation or amendment that has been issued but is not yet effective at the reporting date. *AASB 18 Presentation and Disclosure in Financial Statements*, issued on 14 June 2024, will first apply to the Group in the financial year ending 30 June 2028. The Directors have yet to assess the impact of this new standard on the Group’s financial statements. No other accounting standards, interpretations or amendments that have been issued are expected to have a material impact on the Group’s financial statements.

1.2. Critical accounting estimates and judgements

In applying the Group’s accounting policies, a number of estimates and assumptions have been made concerning the future. The Directors base their judgements and estimates on historical experience and various other factors they believe to be reasonable under the circumstances, but which are inherently uncertain and unpredictable. As a result, actual results could differ from those estimates.

The main areas where a higher degree of judgement or complexity arises, or where assumptions and estimates are significant to the financial statements are:

- Determination of significant influence over associates for which the Group holds less than a 20 percent voting interest (refer to note 8);
- Assessment of the carrying value of goodwill (refer to note 9); and
- Classification of interests held in funds for which the Group provides investment management services (refer to note 19).

1.3. Foreign currency translation

Both the functional and presentation currency of the Group is Australian dollars. Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Australian dollars at the Reuters London 4pm exchange rates at the reporting date. The fair values of financial assets where denominated in a foreign currency are translated to Australian dollars using the Reuters London 4pm exchange rates at reporting date. Foreign currency exchange differences relating to financial assets are included in net changes in fair value in the Consolidated Statement of Profit or Loss and Comprehensive Income. All other foreign currency exchange differences are presented separately in the Consolidated Statement of Profit or Loss and Comprehensive Income as net foreign exchange gains/(losses).

1.4. Goods and services tax (“GST”)

Revenue, expenses and assets (with the exception of receivables) are recognised net of the amount of GST, except when GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of that purchase or as an expense. Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included in the Consolidated Statement of Financial Position as a receivable or payable. Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST component of cash flows arising from financing activities which are recoverable from, or payable to the taxation authority, is presented as operating cash flows.

Notes to the Financial Statements

For the year ended 30 June 2025

1.5. Expenses

Expenses are recognised in the Consolidated Statement of Profit or Loss and Comprehensive Income on an accruals basis at the fair value of the consideration paid or payable for services rendered. Certain costs, such as depreciation of property, plant and equipment and amortisation of intangible assets, are charged evenly over the useful life of the asset.

Employee expenses include salaries, wages, allowances and annual and long service leave, together with the cost of other benefits provided to employees such as cash bonuses, share purchase loans and equity incentives. The Group makes some performance awards to employees that are deferred over a specified vesting period. The cost of such awards is charged to the Consolidated Statement of Profit or Loss and Comprehensive Income over the vesting period.

Information regarding the Directors' remuneration is included in the Remuneration Report commencing on page 22.

1.6. Impairment of non-financial assets

All non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where an indicator or objective evidence of impairment exists, an estimate of the asset's recoverable amount is made. An impairment loss is recognised in the Consolidated Statement of Profit or Loss and Comprehensive Income for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

1.7. Structured entities

Structured entities are those entities that have been designed so that voting or similar rights are not the dominant factor in deciding who has control, such as when any voting rights relate to administrative tasks only, or when the relevant activities are directed by means of contractual arrangements.

The Group has determined that the funds for which it acts as Responsible Entity or Investment Manager (as set out in note 2) and the funds in which it invests (as set out in note 7) are not structured entities. In making this assessment the decision-making rights of the Group, as Responsible Entity or Investment Manager, as well as the various rights afforded to investors in the funds, including the right to remove the Investment Manager and redeem holdings, have been taken into consideration.

Notes to the Financial Statements

For the year ended 30 June 2025

2. Segment information

The Group's business activities are organised into the reportable operating segments listed below for internal management purposes. During the year, the Group revised its segment reporting structure and operating profit basis to better reflect the financial performance of its core business activities. This change aligns with the way the Chief Executive Officer, as the Group's Chief Operating Decision Maker, now reviews and manages the business. Comparative segment information has been restated to reflect the updated structure.

Investment Management

The Investment Management segment provides investment management services to wholesale and retail investors in Australia and New Zealand, and to institutional investors globally. Investment Management activities include:

- Providing investment research and administrative services to certain clients;
- Providing investment management and sub-advisory services under client mandates; and
- Acting as Responsible Entity/Trustee ("RE") and/or Investment Manager ("IM") for the following funds (collectively the "Magellan Funds"):

Australian funds	RE	IM	International funds	IM
Magellan Global Fund	✓	✓	MFG Global Fund ¹	✓
Magellan Global Fund (Hedged)	✓	✓	MFG Select Infrastructure Fund ¹	✓
Magellan Global Equities Fund (Currency Hedged)	✓	✓	Frontier MFG Core Infrastructure Fund ²	✓
Magellan Infrastructure Fund	✓	✓	Frontier MFG Global Sustainable Fund ²	✓
Magellan Infrastructure Fund (Unhedged)	✓	✓		✓
Magellan Infrastructure Fund (Currency Hedged)	✓	✓		
Magellan High Conviction Fund	✓	✓		
Magellan High Conviction Trust	✓	✓		
Magellan Core Infrastructure Fund	✓	✓		
Magellan Global Opportunities Fund	✓	✓		
Magellan Global Wholesale Fund	✓	✓		
Airlie Australian Share Fund ³	✓	✓		
Airlie Small Companies Fund ³	✓	✓		
Vinva Australian Alpha Extension Fund ⁴	✓	✓		
Vinva Australian Equity Fund ⁴	✓	✓		
Vinva Global Alpha Extension Fund ⁴	✓	✓		
Vinva Global Equity Fund ⁴	✓	✓		

¹ Sub-funds of MFG Investment Fund plc, an open-ended umbrella investment company authorised under the European Communities (Undertakings for Collective Investment in Transferable Securities ("UCITS") Regulations).

² Collectively, the Frontier MFG Funds.

³ Collectively, the Airlie Funds.

⁴ Collectively, the Vinva Funds.

Partnerships & Investments

The Partnerships & Investments segment comprises the Group's direct investment in certain Magellan Funds, a portfolio of listed Australian and international equities and selective investments in unlisted Australian businesses in which the Group has a strategic interest.

Corporate

The Corporate segment principally comprises the Group's treasury management and corporate development activities and the costs associated with governance and corporate management. The combined tax assets and liabilities of the Group are reported in the Corporate segment, with the exception of deferred income tax arising from changes in the value of financial assets and associates, which are reported in the Partnerships & Investments segment.

No operating segments have been aggregated to form the above reportable operating segments and inter-segment revenues and expenses (where applicable) have been eliminated on consolidation.

Notes to the Financial Statements

For the year ended 30 June 2025

Segment financial results

30 June 2025	Investment Management \$'000 ¹	Partnerships & Investments \$'000	Corporate \$'000	Total \$'000
Segment revenue				
Management fees	234,595	-	-	234,595
Performance fees	11,107	-	-	11,107
Services and advisory fees	1,622	-	-	1,622
Client revenue	247,324	-	-	247,324
Less: sub-advisory and distribution fees	(1,599)	-	-	(1,599)
Net client revenue	245,725	-	-	245,725
Share of associate profit	-	31,139	-	31,139
Dividends and distributions	-	42,230	-	42,230
Interest income	1,133	202	8,226	9,561
FX gain/(loss)	282	(41)	-	241
Employee expenses	(73,028)	-	(70)	(73,098)
Other operating expenses	(32,919)	(69)	(4,381)	(37,369)
Operating profit before tax	141,193	73,461	3,775	218,429
Income tax expense	(44,575)	(13,158)	(986)	(58,719)
Operating profit after tax	96,618	60,303	2,789	159,710

¹ Includes elimination of income and expense under the transfer pricing agreements between MFG's wholly-owned subsidiary, Magellan Asset Management Limited ("MAM"), and US controlled entities, within the Investment Management segment.

Reconciliation of segment operating profit to statutory net profit after tax

	30 June 2025 \$'000	30 June 2024 \$'000 ¹
Segment operating profit after tax	159,710	151,496
<i>Add back:</i>		
Net change in fair value of financial assets and liabilities	18,558	68,027
Amortisation of intangible assets ²	(1,073)	(1,408)
Asset impairment	(307)	-
Net non-cash remeasurement of SPA loans	(42)	1,672
Non-cash employee share option expense	(570)	(3,137)
Deferred tax on undistributed associate profit	(3,150)	663
Net gain/(loss) on dilutions and disposals of associates	(1,590)	77
Net benefit/(expense) related to Magellan Global Fund options	-	61,063
Transaction costs related to strategic initiatives ³	(1,352)	-
Income tax on above items	(5,162)	(39,694)
Statutory net profit after tax for the year	165,022	238,759

¹ Amounts have been restated to align with current period revisions to the operating profit basis.

² Amortisation expense relates to intangible assets recorded on acquisition of Airlie Funds Management ("Airlie") and US controlled entities.

³ Legal and other professional services fees incurred to establish the Vinva distribution partnership.

Notes to the Financial Statements

For the year ended 30 June 2025

Segment financial results (continued)

30 June 2024 ¹	Investment Management \$'000 ²	Partnerships & Investments \$'000	Corporate \$'000	Total \$'000
Management fees	256,748	-	-	256,748
Performance fees	19,206	-	-	19,206
Services and advisory fees	2,395	-	-	2,395
Client revenue	278,349	-	-	278,349
Less: sub-advisory and distribution fees	-	-	-	-
Net client revenue	278,349	-	-	278,349
Share of associate profit	-	10,295	-	10,295
Dividends and distributions	36	13,592	-	13,628
Interest income	1,466	113	13,975	15,554
FX gain/(loss)	79	5	(2)	82
Employee expenses	(68,656)	-	(85)	(68,741)
Other operating expenses	(33,754)	(73)	(4,283)	(38,110)
Operating profit before tax	177,520	23,932	9,605	211,057
Income tax expense	(53,560)	(4,090)	(1,911)	(59,561)
Operating profit after tax	123,960	19,842	7,694	151,496

¹ Amounts have been restated to align with current period revisions to the segment reporting structure and operating profit basis.

² Includes elimination of income and expense under the transfer pricing agreements between MFG's wholly-owned subsidiary, Magellan Asset Management Limited ("MAM"), and US controlled entities, within the Investment Management segment.

Segment assets and liabilities

	Investment Management \$'000	Partnerships & Investments \$'000	Corporate \$'000	Total \$'000
30 June 2025				
Financial assets	1,625	419,534	-	421,159
Associates	-	324,450	-	324,450
Other assets	187,612	1,812	158,723	348,147
Total liabilities	(49,881)	(28,823)	(11,798)	(90,502)
Net assets	139,356	716,973	146,925	1,003,254
30 June 2024¹				
Financial assets	1,666	404,823	-	406,489
Associates	-	159,958	-	159,958
Other assets	214,566	544	307,687	522,797
Total liabilities	(52,659)	(33,740)	16,684 ²	(69,715)
Net assets	163,573	531,585	324,371	1,019,529

¹ Amounts have been restated to align with current period revisions to the segment reporting structure.

² Reflects tax assets within the Group's net deferred tax liability.

Notes to the Financial Statements

For the year ended 30 June 2025

3. Earnings per share

Basic earnings per share ("EPS") is calculated as net profit/(loss) after income tax expense for the year divided by the weighted average number of ordinary shares on issue. Diluted EPS is calculated by adjusting the basic EPS to take into account the effect of any costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	30 June 2025	30 June 2024
Net profit attributable to shareholders (\$'000)	165,022	238,759
Weighted average number of shares for basic EPS ('000) ¹	177,932	181,088
Basic EPS (cents)	92.7	131.8
Net profit attributable to shareholders (\$'000)	165,022	238,759
Weighted average number of shares for diluted EPS ('000) ²	177,998	181,088
Diluted EPS (cents)	92.7	131.8

¹ The basic EPS calculation uses the weighted average number of shares on issue during the year excluding treasury shares held.

² For purposes of calculating diluted EPS, the weighted average number of ordinary shares used for basic EPS is adjusted to reflect the number of shares that would be issued upon the exercise of outstanding share rights (2025: 66,481; 2024: nil). It is also adjusted to include the number of shares that would be issued if outstanding performance rights were to vest, but for the passage of time, if tested at reporting date (2025: nil; 2024: nil).

The outstanding MFG 2027 Options and the outstanding options issued to certain employees under the MFG Employee Share Option Plan (refer to notes 15 and 18) are not included in the calculation of diluted earnings per share because they are antidilutive for the year ended 30 June 2025. However, these options could potentially dilute basic earnings per share in the future.

4. Revenue

The Group's primary source of revenue is fee income from investment management activities. Fee income includes management, services and performance fees.

Management fees

Management fees are based on an agreed percentage of the value of assets under management. Management fee revenue, determined in accordance with Investment Management Agreements for mandates and constitutions for managed funds, is recognised as the service is provided and at the amount the Group is entitled to receive.

	30 June 2025 \$'000	30 June 2024 \$'000
Magellan Global Fund	106,575	126,279
Magellan Global Fund (Hedged)	4,906	5,798
Magellan Infrastructure Fund	15,816	18,483
Magellan Infrastructure Fund (Unhedged)	6,370	7,538
Magellan Infrastructure Fund (Currency Hedged)	6,295	6,971
Magellan High Conviction Fund	2,699	2,950
Magellan High Conviction Trust	6,649	6,758
Frontier MFG Funds	2,134	3,988
Airlie Australian Share Fund	5,924	3,505
Vinva Funds	1,840	-
Other funds and mandates	75,387	74,478
Total management fees	234,595	256,748

Services fees

Services fees arise from providing administrative services to MFF Capital Investments Limited as well as research and advisory services under other mandates. Services fees are recognised when the relevant service is provided and it is probable that the fee will be collected.

Performance fees

Performance fees may be earned from certain funds and mandates. The Group's entitlement to a performance fee is dependent on outperformance of certain hurdles over an agreed performance measurement period. These hurdles may be index relative, absolute return or both absolute return and index relative. In addition, performance fees are generally subject to either a high-water mark arrangement or a deficit clause, which ensures that fees are not earned more than once on the same performance. The high-water mark is the Net Asset Value ("NAV") per unit at the end of the most recent measurement period for which the Group was entitled to a performance fee, less any intervening income (including capital distributions). Performance measurement periods vary across funds

Notes to the Financial Statements

For the year ended 30 June 2025

and mandates and are typically six or 12 month periods. The measurement period for all Magellan Funds is six months ending 30 June and 31 December each year.

Performance fee arrangements give rise to variable consideration and fees are only recognised where it is highly probable that a significant reversal of such revenue will not occur in future periods, being when any uncertainty related to outperformance is resolved. Performance fees are therefore typically recognised at the end of the performance period.

	High watermark unit price (\$)¹	30 June 2025 \$'000	30 June 2024 \$'000
Based on performance relative to both market index and absolute return hurdle			
Magellan Global Fund	2.6400	157	12,374
Magellan Global Fund (Hedged)	1.7682	13	197
Magellan Global Equities Fund (Currency Hedged)	3.6457	2	51
Magellan Infrastructure Fund	1.3886	1,550	-
Magellan Infrastructure Fund (Unhedged)	2.1976	2,813	61
Magellan Infrastructure Fund (Currency Hedged)	3.0657	684	-
Magellan Sustainable Fund	-	-	14
Based on performance relative to absolute return hurdle			
Magellan High Conviction Fund (Class A/B)	2.3571/1.4703	1,875	2,026
Magellan High Conviction Trust	1.8686	3,868	4,089
Based on performance relative to a market index and/or absolute return hurdle			
Other funds and mandates	various	145	394
Total performance fees		11,107	19,206

¹ The high watermark as at 30 June 2025 and adjusted for distributions. The high watermark is the NAV per unit at the end of the most recent calculation period for which the Group was entitled to a performance fee, less any intervening income (including capital distributions).

Management, services and performance fees by investor type

	30 June 2025 \$'000	30 June 2024 \$'000
Management and services fees		
Retail	176,766	198,775
Institutional	59,029	59,173
Performance fees		
Retail	11,107	19,206
Total management, services and performance fees	246,902	277,154
Total Retail	187,873	217,981
Total Institutional	59,029	59,173
Total management, services and performance fees	246,902	277,154

Management, services and performance fees by geographic location

	30 June 2025 \$'000	30 June 2024 \$'000
Australia & New Zealand	208,262	235,425
United Kingdom & Europe	6,097	8,172
North America	12,084	12,996
Asia	20,459	20,561
Total management, services and performance fees	246,902	277,154

Dividend and distribution income

Dividend and distribution income is recognised when it is declared and the Group's right to receive payment is established.

Interest income

Interest income is calculated using the effective interest rate method and recognised on an accrual basis.

Notes to the Financial Statements

For the year ended 30 June 2025

5. Taxation

Reconciliation of income tax expense

	30 June 2025 \$'000	30 June 2024 \$'000
Net profit before tax	232,053	337,351
Prima facie income tax expense at 30%	(69,616)	(101,205)
Effect of amounts which are non-deductible/(assessable) in calculating taxable income:		
Share of profit/(losses) of associates	6,162	3,752
Unfranked dividends from associates	(1,200)	-
Franked dividends and distributions received	150	-
Non-assessable/deductible items related to employee share-based incentives	(1,144)	(497)
Other non-assessable income and non-deductible expenses	(867)	(404)
Differences in overseas tax rates	(390)	(294)
Overseas state and local taxes (net of tax credits)	5	25
(Under)/over provision of prior year income tax	(131)	31
Income tax expense	(67,031)	(98,592)

Components of income tax expense

	30 June 2025 \$'000	30 June 2024 \$'000
Current income tax expense	(62,326)	(45,028)
Deferred income tax expense	(4,574)	(53,595)
(Under)/over provision of prior year income tax	(131)	31
Income tax expense	(67,031)	(98,592)

Effective tax rate

For the year ended 30 June 2025, the Company's effective tax rate was 28.9% (June 2024: 29.2%), which includes tax paid (net of tax credits in relation to dividends, distributions and income from foreign jurisdictions). This rate is below the Australian company tax rate of 30% primarily due to the tax treatment applied by the Group in respect of its share of profit from associates. Profit from associates recognised during the period does not give rise to a current tax liability until it is distributed to the Group. However, to the extent that cumulative profits from associates exceed the Group's initial investment, a deferred tax obligation is recognised.

Reconciliation of net deferred tax asset/(liability)

	30 June 2025 \$'000	Charged to		30 June 2024 \$'000
		Equity \$'000	Profit \$'000	
Financial assets held at fair value	(25,967)	-	7,590	(33,557)
Accruals and provisions	12,007	-	(834)	12,841
Investment in associates	(2,856)	-	(2,672)	(184)
Business-related costs deductible over 5 years	4,515	23	(5,271)	9,763
Unused tax losses related to Magellan Global Fund options	-	-	(3,387)	3,387
Net deferred tax asset/(liability)	(12,301)	23	(4,574)	(7,750)

At 30 June 2025, deferred tax assets of \$1,093,000 (June 2024: \$5,950,000) relating to the Group's share of post-tax losses from associates and \$3,149,000 (June 2024: \$2,193,000) relating to non-Australian revenue losses have not been recognised in the Consolidated Statement of Financial Position.

Tax consolidation

MFG and its wholly owned Australian subsidiaries have formed a tax consolidated group for income tax purposes. The entities in the tax consolidated group are party to a tax sharing agreement, which limits the joint and several liability of the subsidiaries in the case of a default of MFG. These entities are also party to a tax funding agreement under which each subsidiary has agreed to compensate MFG for the amount of tax calculated as though the subsidiary were a tax paying entity. MFG, as head entity, and the subsidiaries in the tax consolidated group continue to account for their own current and deferred tax amounts. The amounts are measured as if each entity in the tax consolidated group were a stand-alone taxpayer in its own right. The subsidiary tax balances are transferred to MFG via inter-company transactions and recognised as related party tax payables or receivables.

Notes to the Financial Statements

For the year ended 30 June 2025

During the financial year, income tax liabilities of \$44,436,000 (June 2024: \$51,078,000) were assumed by MFG of which \$4,152,000 remained receivable from other entities under the tax funding agreement as at the reporting date (June 2024: \$9,534,000).

There is also a US tax consolidated group for income tax purposes which includes several US based entities.

Income tax

Income tax expense/benefit is the tax payable/receivable on the current year's taxable income adjusted by changes in deferred tax assets and liabilities. Taxable profit differs from net profit reported in the Consolidated Statement of Profit or Loss and Comprehensive Income as some items of income or expense are assessable or deductible in years other than the current year and some items are never assessable or deductible.

Current and deferred tax is recognised in the profit or loss, except to the extent that it relates to items recognised in comprehensive income or directly in equity. In this case, the tax is recognised in comprehensive income or equity respectively.

Current tax

Current tax assets or liabilities are amounts receivable or payable in relation to income taxes attributable to taxable profits of the current or prior financial years, less income tax instalments paid. The tax rates and laws used to calculate current taxes are those that are enacted or substantively enacted as at the reporting date.

Deferred tax

Deferred tax balances represent amounts that will become payable or recoverable in future accounting periods. They arise when there are temporary differences between the tax bases of the Group's assets and liabilities and the related accounting values. Deferred tax is not recognised if it arises from the initial recognition of goodwill, from an asset or liability in a transaction other than a business combination which affects neither taxable income nor accounting profit or from investments in subsidiaries, associates and foreign operations when the timing of reversal can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise the temporary differences and losses. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that the tax benefit will be realised.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority and for which the tax consolidated group intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax legislation that has been enacted or substantively enacted at the reporting date.

Notes to the Financial Statements

For the year ended 30 June 2025

6. Reconciliation of operating cash flows

The below table reconciles net profit after tax, as prepared on an accruals basis, to net cash from operating activities.

	30 June 2025 \$'000	30 June 2024 \$'000
Net profit after tax	165,022	238,759
<i>Adjustments for non-cash items of profit or loss:</i>		
Net change in the fair value of financial assets and liabilities:		
Unrealised	(7,829)	(29,956)
Recorded as dividend and distribution income	(9,728)	1,626
Share of (profit)/loss of associates	(31,139)	(10,295)
Dividends from associates	4,000	-
Net (gain)/loss on dilution of interest in associates	1,590	(77)
Depreciation and amortisation expense	4,126	3,958
Net foreign exchange (gain)/loss	(241)	(82)
Non-cash remeasurement of SPA loans	42	(1,672)
Share-based payment expense	4,393	3,332
<i>Adjustments for which cash effects are investing activities:</i>		
Realised changes in the fair value of financial assets and liabilities	(10,729)	(38,071)
Dividends and distributions reinvested	(3,783)	(585)
<i>Adjustments for operating asset and liability movements:</i>		
(Increase)/decrease in receivables	14,589	(1,263)
(Increase)/decrease in prepayments	(197)	(11)
Increase/(decrease) in net deferred tax liability	4,574	53,595
Increase/(decrease) in payables and provisions	(22)	(168,012)
Increase/(decrease) in income tax payable	18,732	(3,879)
Effects of exchange rates on cash and cash equivalents	(4)	17
Net cash from operating activities	153,396	47,384

Cash and cash equivalents comprise cash at bank and short term deposits with a maturity of 90 days or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. Term deposits with maturities greater than 90 days from inception date are classified as financial assets (refer to note 7).

Notes to the Financial Statements

For the year ended 30 June 2025

7. Financial assets

	30 June 2025 \$'000	30 June 2024 \$'000
Term deposits - at amortised cost¹	1,625	1,666
Total current financial assets	1,625	1,666
Investments - fair value through profit or loss		
Magellan Funds²		
Magellan Global Equities Fund (Currency Hedged)	26,085	24,686
Magellan Global Fund - Open Class ³	204,665	100,178
Magellan Global Fund - Closed Class ³	-	112,613
Magellan Global Fund (Hedged)	1,083	1,042
Magellan Global Wholesale Fund	1,374	1,230
Magellan High Conviction Fund	12,839	12,307
Magellan High Conviction Trust	52,873	48,856
Magellan Infrastructure Fund (Currency Hedged)	13,039	11,356
Magellan Wholesale Plus Global Fund	8,954	9,152
Magellan Wholesale Plus Infrastructure Fund	7,301	6,227
MFG Global Fund, plc	3,913	2,513
Airlie Small Companies Fund	24,023	2,310
Frontier MFG Core Infrastructure Fund	25,938	8,567
Frontier MFG Global Sustainable Fund	28,239	22,891
Vinva Australian Alpha Extension Fund	524	-
Vinva Australian Equity Fund	540	-
Vinva Global Equity Fund	570	-
Magellan Core ESG Fund ⁴	-	13,200
Magellan Core Global Fund ⁴	-	13,136
Magellan Energy Transition Fund ⁴	-	1,681
Magellan Sustainable Fund ⁴	-	6,580
Total investments in Magellan Funds	411,960	398,525
Seed investments²		
Magellan Global Opportunities Fund (previously MC Fund)	1,525	1,239
Portfolios - securities by domicile of primary stock exchange:		
United States	5,255	4,366
Total seed investments	6,780	5,605
Unlisted entities	794	695
Total non-current financial assets	419,534	404,825

¹ Held with major Australian banks and pledged against bank guarantees in respect of the Group's lease obligations. Should the Group fail to make its lease payments, the banks can apply the deposits in settlement of the amount paid to the lessor under the guarantees.

² At 30 June 2025, MFG held the following investments: Magellan Global Equities Fund (Currency Hedged) 23.9% (June 2024: 22.6%), Magellan Global Fund - Open Class 2.8% (June 2024: 1.6%), Magellan Global Fund (Hedged) 0.3% (June 2024: 0.3%), Magellan Global Wholesale Fund 99.9% (June 2024: 12.6%), Magellan High Conviction Fund 8.7% (June 2024: 7.2%), Magellan High Conviction Trust 11.7% (June 2024: 10.7%), Magellan Infrastructure Fund (Currency Hedged) 2.4% (June 2024: 1.8%), Magellan Wholesale Plus Global Fund 2.9% (June 2024: 2.6%), Magellan Wholesale Plus Infrastructure Fund 11.0% (June 2024: 7.9%), MFG Global Fund, plc 2.2% (June 2024: 0.8%); Airlie Small Companies Fund 89.7% (June 2024: 61.2%), Frontier MFG Core Infrastructure Fund 19.5% (June 2024: 1.4%), Frontier MFG Global Sustainable Fund 58.2% (June 2024: 54.0%), Vinva Australian Alpha Extension Fund 4.7%, Vinva Australian Equity Fund 91.0%, Vinva Global Equity Fund 42.4% and Magellan Global Opportunities Fund 83.3% (June 2024: 90.9%).

³ On 22 July 2024, conversion of the Closed Class Units of MGF to Open Class Units was implemented. The Group received 0.736 Open Class Units for every Closed Class Unit held on the conversion record date.

⁴ All units held by the Group were redeemed during the period upon termination of the fund.

Notes to the Financial Statements

For the year ended 30 June 2025

Reconciliation of financial assets carrying value

	30 June 2025 \$'000	30 June 2024 \$'000
Current		
Opening balance at 1 July	1,666	1,666
Cash placed on term deposit	1,625	1,666
Matured term deposits	(1,666)	(1,666)
Closing balance	1,625	1,666
Non-current		
Opening balance at 1 July	404,825	420,643
Acquisitions	46,888	2,309
Disposals	(60,201)	(84,549)
Changes in value of accrued distributions	9,464	(1,605)
Net change in fair value	18,558	68,027
Closing balance	419,534	404,825

Classification and measurement

Financial assets are recognised initially at fair value on the date at which the Group becomes a party to the contractual provisions of the instrument.

Financial assets are measured at amortised cost when their contractual cash flows represent solely payments of principal and interest and they are held within a business model designed to collect cash flows. This classification typically applies to the Group's receivables, loans and term deposits. The carrying value of financial assets at amortised cost is adjusted for impairment under an expected credit loss model (refer to note 21).

All other financial assets are measured at fair value through profit or loss with future changes in the value of such assets recognised in the Consolidated Statement of Profit or Loss and Comprehensive Income. The change in fair value of financial assets does not include dividend and distribution income.

Financial assets are classified as non-current assets unless management intends to dispose of the assets within 12 months of reporting date.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group no longer holds substantially all the risks and rewards of ownership.

Notes to the Financial Statements

For the year ended 30 June 2025

8. Associates

Associates are entities in which the Group has an investment and over which it has significant influence, but not control, through participation in financial and operating policy decisions. The Group accounts for associates using the equity method.

Under the equity method, investments are initially recognised in the Consolidated Statement of Financial Position at cost and adjusted thereafter to recognise the Group's share of the associate's profit or loss and other comprehensive income. The Group's share of the associate's profit or loss and other comprehensive income is included in the Consolidated Statement of Profit or Loss and Comprehensive Income. Dividends received from an associate are accounted for as a reduction to the carrying value of the investment.

At each reporting date, the Group applies judgement to determine whether there is any indication that the carrying value of associates may be impaired. If an associate is deemed to be impaired, the carrying value is reduced to the investment's recoverable amount. This reduction is recognised as an impairment charge in the Consolidated Statement of Profit or Loss and Comprehensive Income.

Associate	Industry	Ownership interest		Investment carrying value	
		2025 %	2024 %	30 June 2025 \$'000	30 June 2024 \$'000
Barrenjoey Capital Partners Group Holdings Pty Ltd ("Barrenjoey") ¹	Financial services	36	36	153,946	136,363
FinClear Holdings Ltd ("FinClear") ²	Financial services	16	16	22,042	23,595
Vinva Holdings Ltd ("Vinva") ³	Financial services	29	-	148,462	-
				324,450	159,958

¹ Barrenjoey is an Australian-based financial services firm providing corporate and strategic advisory, capital market underwriting, research, prime brokerage and fixed income services. The Group's voting interest in Barrenjoey is 4.99%.

² FinClear is an Australian-based provider of technology, trading infrastructure and exchange market-access services to wealth, stockbroking, platform and fintech customers. The Group's voting interest in FinClear is equal to its ownership interest, being the Group's current entitlement excluding the impact of any potential dilution arising from unexercised options issued by FinClear.

³ Vinva is an Australian-based global investment management firm specialising in managing active systematic equity strategies. On 15 August 2024, the Group acquired a 29.5% shareholding for cash consideration of \$138,946,000, including transaction costs. The Group's economic interest was subsequently diluted to 29.1% following an issuance of shares under the Vinva Employee Incentive Plan. Under the Shareholders' Agreement, Vinva are permitted to issue a limited amount of additional shares. The Group is able to exercise its voting rights proportionally within a subset of shareholders up to a maximum of 25% of voting power in aggregate. At reporting date, the Group's proportional voting interest in Vinva was 18%.

Key judgement

Through representation on the board of directors of each associate, the Group participates in financial and operating policy decisions. As a result, the Group is deemed to have significant influence despite holding less than 20% of the voting rights of the entities.

Transactions with associates

Barrenjoey

The Group provides Barrenjoey with up to \$25,000,000 of unsecured working capital finance. During the year ended 30 June 2025, no amounts were drawn under the facility (June 2024: nil drawings). During the financial year, the Group earned \$194,000 in commitment fees from the facility (June 2024: \$104,000). The facility was undrawn at 30 June 2025.

During the year ended 30 June 2025, the Group received brokering services in respect of the Company's on-market MFG share buy-back programme. The Group paid Barrenjoey \$57,000 in brokerage fees for the year ended 30 June 2025 (June 2024: \$80,000 which also included brokerage on the Group's on-market purchase of Magellan Global Fund options).

During the 2022 financial year, the Group sold its shares in Guzman y Gomez (Holdings) Limited ("GYG") to an investment trust managed by Barrenjoey. As part of the transaction, the Group executed an agreement with Barrenjoey which would see the Group receive further consideration of up to \$6,117,000, net of \$125,000 in related arranging fees, subject to the performance of GYG and the realisation of the investment by the managed trust. On 20 June 2024, GYG listed on the Australian Securities Exchange. At the time of the initial public offering, Barrenjoey committed to a voluntary escrow of the GYG shares held in the managed trust through to the release of the GYG FY25 results. Whilst the Group's receipt of further proceeds is still subject to the future performance of GYG and realisation of the investment by the managed trust, at the reporting date GYG share price of \$28.29, the Group would receive the maximum entitlement.

Notes to the Financial Statements

For the year ended 30 June 2025

Vinva

The Group incurs sub-advisory services from Vinva in respect of the Vinva funds. During the year ended 30 June 2025, these sub-advisory fees amounted to \$1,429,000, of which \$1,361,000 was recorded within trade payables and accruals at reporting date.

Under the distribution partnership with Vinva both parties have agreed to share certain costs related to the establishment and operational administration of the Group's Vinva funds. During the year ended 30 June 2025, Vinva's portion of these costs amounted to \$73,000 all of which is recorded within other receivables at reporting date.

Associates' financial information

The tables below provide summarised financial information about the Group's associates. The information reflects the amounts presented in the financial statements of the associates and not the Group's share of those amounts (except where indicated). As required by the equity method of accounting, amounts have been amended to reflect adjustments made by the Group, including fair value adjustments and modifications for differences in accounting policies.

Summarised statement of financial position

	30 June 2025 \$'000	30 June 2024 \$'000
Current assets	9,846,928	7,686,697
Non-current assets	163,514	185,361
Current liabilities	(8,666,682)	(6,876,461)
Non-current liabilities	(1,003,574)	(752,604)
Net assets	340,186	242,993
Group's interest in net assets	106,653	73,066
Goodwill and transaction costs	217,797	86,892
Investment carrying amount	324,450	159,958

Summarised statement of profit or loss and comprehensive income

	30 June 2025 \$'000	30 June 2024 \$'000
Revenue	560,696	394,025
Profit or loss from continuing operations	87,950	18,994
Other comprehensive income	-	-
Total comprehensive income	87,950	18,994
Group's share of associates' after tax profit/(loss)	31,139	10,295
Dividends received from associates	4,000	-

Notes to the Financial Statements

For the year ended 30 June 2025

9. Intangibles

Intangible assets comprise goodwill and customer relationships resulting from the acquisition of Airlie and the Frontier Group.

	30 June 2025			30 June 2024		
	Customer relationships	Goodwill	Total	Customer relationships	Goodwill	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At cost	25,900	106,724	132,624	25,871	106,152	132,023
less: accumulated amortisation and impairment	(25,805)	-	(25,805)	(24,732)	-	(24,732)
Total intangible assets	95	106,724	106,819	1,139	106,152	107,291
Movements:						
Opening balance at 1 July	1,139	106,152	107,291	2,529	106,251	108,780
Amortisation expense	(1,073)	-	(1,073)	(1,408)	-	(1,408)
Net foreign exchange differences	29	572	601	18	(99)	(81)
Closing balance	95	106,724	106,819	1,139	106,152	107,291

Customer relationships

Customer relationships reflect agreements with clients, and unitholders in the case of the Magellan Funds, that were recognised at fair value on acquisition of the Frontier Group and are being amortised to profit or loss on a straight line basis over a 7 year period.

Goodwill

Goodwill arises when consideration paid for a business exceeds the fair value of the identifiable net assets acquired or liabilities assumed at the date of acquisition. The Group's goodwill represents the value of expected synergies from the acquisitions of Airlie and the Frontier Group, as well as the value of their respective workforces. Goodwill has an indefinite life. It is initially recognised at cost at the date of a business acquisition and subsequently measured at cost less any accumulated impairment.

Impairment

Goodwill is tested for impairment annually or when circumstances indicate the carrying value may not be recoverable. In addition, impairment tests for all assets are performed when there is an indication of impairment. All of the Group's goodwill is allocated to one cash generating unit ("CGU"), being the Investment Management segment ("IM CGU"). The recoverable amount of the IM CGU has been determined by taking a value-in-use approach which calculates the net present value of the CGU's estimated future pre-tax cash flows.

Key estimates and judgements

Judgement is applied to assess the estimated useful life of intangible assets, the presence of indicators of impairment and the recoverable amount of goodwill. Determination of the recoverable amount of goodwill requires the application of significant judgement when making assumptions about the future cash flows of the IM CGU, including the reasonableness of applied growth and discount rates.

In the Group's goodwill impairment testing, estimated future cash flows are based on financial budgets approved by the Directors for a period of one year. Cash flows for the years beyond the approved budget period have been extrapolated assuming AUM flows, net of fund performance, at an average annual growth rate of 3.0% (June 2024: 3.0%). In estimating net AUM flows, management have considered external forecasts of long-term global equity market returns. A perpetuity growth rate of 3.0% (June 2024: 3.0%) was used to derive a terminal value and a pre-tax discount rate of 14.7% (June 2024: 15.2%) was applied to net cash flows.

In forecasting cash flows over the assessment period, the current economic conditions and the IM CGU performance were considered. Management is of the view that no reasonably possible change to a key assumption would cause the recoverable amount of goodwill to fall short of the carrying amount. As such there is no impairment of goodwill at 30 June 2025.

Notes to the Financial Statements

For the year ended 30 June 2025

10. Loans and receivables

	30 June 2025 \$'000	30 June 2024 \$'000
Current		
Fees receivable	38,453	54,367
Distributions receivable from Magellan Funds	1,556	336
Other receivables	957	1,072
Loans issued under share purchase agreements:		
Current employees	2,120	2,478
Other parties ¹	3,725	522
	46,811	58,775
Non-current		
Other receivables	1,341	1,217
Loans issued under share purchase agreements:		
Current employees	1,925	3,651
Other parties ¹	14,324	18,233
Total loans and receivables	64,401	81,876

¹ Other parties include current and former Non-Executive Directors, employees of associates and former employees of the Group.

Fees receivable

Fees receivable comprise uncollected management, performance and services fees. These amounts are initially recognised at the fair value of the amounts to be collected. An impairment analysis is performed at each balance date to determine whether a loss allowance should be recognised for expected credit losses. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The Group applies the simplified approach for trade receivables whereby the loss allowance is based on lifetime expected credit losses at each balance date.

Receivables of \$3,782,000 were past due at 30 June 2025 (June 2024: \$3,588,000). Based on the credit quality of the Group's clients (including Magellan Funds) and no historical credit losses, there were no provisions for expected credit losses recognised during the year (June 2024: nil).

Share purchase agreements

The Group has entered into arrangements with certain of its employees, Non-Executive Directors and employees of associates ("participants") under which participants were offered financial assistance, in the form of a full recourse interest free loan ("SPA loan"), to purchase MFG shares (referred to as "Share Purchase Agreements" or "SPA"). The arrangements were entered into with the intention of aligning the interest of SPA participants more closely with those of MFG shareholders.

Each SPA loan is generally secured by the MFG shares that were issued to the relevant participant under the SPA. Any outstanding balance at the end of the SPA loan term must be repaid by the participant and an employee participant who ceases to be employed by the Group must repay the total amount owing under the SPA loan within three months of the cessation of their employment, or within such longer period as determined by the Board.

Shares issued under each SPA were issued at the fair market value of those shares, which was calculated as the volume weighted average price of traded shares on the five business days prior to the relevant offer date.

Shares issued under an SPA have the same rights as all other MFG ordinary shares except that they are subject to a holding lock which remains in place for as long as the relevant SPA loan remains outstanding. Following full repayment of an SPA loan, the holding lock and any security over the shares issued under the SPA are released and the participant has unrestricted access to their shares.

SPA loans to employees and Non-Executive Directors are subject to the Group's Share Purchase Plan ("SPP") Rules. The SPP was suspended in February 2022 and there have been no new SPA loans entered into since that time.

At 30 June 2025, the weighted average duration of the SPA loans was 4.7 years, with individual terms ranging from 0.1 years to 11.4 years (June 2024: weighted average duration of 5.0 years, with individual terms ranging from 1.3 years to 12.4 years). The five largest individual loans represent 65% of the closing loan balance (June 2024: 57%), and are all held with other parties.

Notes to the Financial Statements

For the year ended 30 June 2025

Reconciliation of SPA loans

	30 June 2025		30 June 2024	
	Number of shares	SPA loans \$'000	Number of shares	SPA loans \$'000
Opening balance at 1 July	856,546	24,884	1,237,382	30,118
Imputed interest income/(expense)	-	1,034	-	2,986
Repayments - cash	-	(3,001)	-	(4,091)
Repayments - dividends (refer to note 17)	-	(526)	-	(1,135)
Repayments - from share disposals	-	(257)	(255,791)	(2,899)
Expected credit losses ¹	-	(40)	-	(95)
Shares released on loan termination	(52,406)	-	(125,045)	-
Closing balance	804,140	22,094	856,546	24,884

¹ Reflects an allowance for potential loan defaults recognised in accordance with the measurement requirements of AASB 9 Financial Instruments (refer to note 21 for further discussion).

Classification and measurement

SPA loans are initially recognised at fair value, which is determined by discounting loans to their net present value using an interest rate reflective of the risk of the underlying asset at the time the loan is granted and an estimated repayment schedule. Subsequently, the loans are carried at amortised cost using the effective interest rate method and adjusted for changes in the projected repayment schedule. Changes in the carrying value of the SPA loans are recognised within interest income in the Consolidated Statement of Profit or Loss and Comprehensive Income.

The cost of providing the interest free loans to SPA participants is capitalised at inception of the loan and subsequently expensed on a straight-line basis over the expected life of the SPA loan. This cost, which reflects the foregone interest income of the Group, is recorded within employee expenses in the Consolidated Statement of Profit or Loss and Comprehensive Income. During the year ended 30 June 2025, \$1,036,000 was recognised within employee expenses (June 2024: \$1,219,000).

Both the change in the carrying value of the SPA loans recorded in interest income and the cost of providing the interest free loan to participants recorded as employee expenses are non-cash items and therefore not included in the Group's Consolidated Statement of Cash Flows. Over the life of the SPA loans, the amounts credited to interest income and the amounts recognised within employee expenses will exactly offset each other.

The total value of MFG ordinary shares securing the SPA loans to SPA participants applying MFG's closing share price at 30 June 2025 of \$8.56 was \$6,883,000 (June 2024: \$7,212,000 at a share price of \$8.42). An impairment analysis is performed at each reporting date to determine whether to recognise a loss allowance for potential loan defaults. During the year ended 30 June 2025, additional expected credit losses of \$40,000 (June 2024: \$95,000) have been recognised within other expenses in the Consolidated Statement of Profit or Loss and Comprehensive Income (refer to note 21 for further discussion).

11. Leases

The Group's lease arrangements primarily comprise operating leases of office space typically for fixed periods of up to 10 years.

At commencement of a lease, the Group records a lease liability in the Consolidated Statement of Financial Position reflecting the present value of future contractual payments to be made over the lease term, discounted at the Group's incremental borrowing rate, unless an interest rate is stated within the lease. A right-of-use ("ROU") asset is also recorded at the value of the lease liability plus any initial direct costs incurred to obtain the leased asset.

Interest is accrued on the lease liability, and recognised within finance costs in the Consolidated Statement of Profit or Loss and Comprehensive Income, whilst the liability balance is reduced as lease payments are made. The ROU asset is depreciated on a straight-line basis over the shorter of the leased asset's useful life or the lease term.

The liability is remeasured upon the occurrence of certain events, such as a change in the lease term or the lease payments. The amount of any liability remeasurement is adjusted against the value of the ROU asset.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases have a term of 12 months or less and low-value assets comprise small items of technology and office equipment.

Notes to the Financial Statements

For the year ended 30 June 2025

	30 June 2025		30 June 2024	
	ROU assets \$'000	Lease liabilities \$'000	ROU assets \$'000	Lease liabilities \$'000
Opening balance at 1 July	5,431	7,606	7,507	10,172
Additions and remeasurements	309	309	52	49
ROU asset impairment	(139)	-	-	-
Lease payments	-	(3,081)	-	(2,980)
Depreciation expense	(2,083)	-	(2,129)	-
Interest expense	-	271	-	365
Net foreign exchange differences	3	5	1	-
Closing balance	3,521	5,110	5,431	7,606

The Group's undiscounted lease payments are contractually due in the following time periods:

	30 June 2025				30 June 2024			
	Within 1 year \$'000	Within 2 to 5 years \$'000	Beyond 5 years \$'000	Total \$'000	Within 1 year \$'000	Within 2 to 5 years \$'000	Beyond 5 years \$'000	Total \$'000
Lease liabilities	3,245	2,071	-	5,316	3,034	4,996	-	8,030

12. Payables

Payables represent liabilities for goods and services received prior to the end of the year which remain unpaid at the reporting date.

	30 June 2025 \$'000	30 June 2024 \$'000
Trade payables and accruals	11,191	9,490
GST and fringe benefits tax payable	1,097	1,476
Total payables	12,288	10,966

Trade payables are unsecured and are recognised at the amounts due to suppliers. Accruals represent amounts due for supplies and services received but not invoiced at reporting date.

13. Employee benefits

Employee benefits comprise wages, salaries, annual and long service leave obligations, bonuses and cash retention incentives.

	30 June 2025 \$'000	30 June 2024 \$'000
Accrued employee entitlements	26,750	27,534
Leave obligations	3,701	3,614
Total current employee benefits	30,451	31,148
Accrued employee entitlements	1,086	1,920
Leave obligations	1,061	1,249
Total non-current employee benefits	2,147	3,169

Wages, salaries and annual leave

Liabilities for wages and salaries and annual leave are measured at the amounts expected to be paid when the liabilities are settled and include related on-costs, for example payroll tax.

Long service leave

Liabilities for long service leave are recognised when employees reach a qualifying period of continuous service. Current liabilities are measured at the amount expected to be settled within 12 months of the reporting date. Non-current liabilities are measured as the present value of expected future payments and are expected to be paid beyond 12 months of the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service and discounted using high quality corporate bond rates at reporting date, with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Notes to the Financial Statements

For the year ended 30 June 2025

Bonuses

Bonuses are recognised in respect of employee services received up to the end of the reporting period where the Group is contractually obliged or where there is past practice that has created a constructive obligation to pay the bonus under the employee bonus plan. A current liability is recorded for accrued bonuses to be paid within 12 months of reporting date. A non-current liability is recorded for accrued bonuses to be paid beyond 12 months of the reporting date.

For Executive KMP and certain other senior executives, a portion of the annual cash bonus has historically been deferred and paid in equal instalments for a period of up to 36 months conditional on the employee being employed at the time of payment. During the year ended 30 June 2025, a revised deferral plan was established such that deferred amounts will now be delivered in a combination of restricted equity and units in Magellan Funds. Bonus deferrals in respect of the 2025 financial year will vest annually over a two-year period. The portion of annual bonuses delivered in the form of restricted equity is accounted for as a share-based payment (refer to note 18 for further information).

The unrecognised portion of annual bonuses to be delivered to employees in the future (in either cash or units) is a contingent liability. At 30 June 2025, the contingent liability is \$3,999,000 (June 2024: \$8,126,000). Of this amount, \$2,133,000 is payable during the year ending 30 June 2026 and \$1,866,000 is payable during the years ending 30 June 2027 and 30 June 2028, subject to the vesting conditions being met.

Cash retention incentives

During the year ended 30 June 2024, the Group offered retention incentives to certain employees with outstanding SPA loans. Subject to satisfactory performance and continued employment, these retention incentives will be directed to repayment of outstanding loan balances in September 2025, September 2026 and September 2027.

Additionally, during the year ended 30 June 2024, the Group offered Mr Andrew Formica cash incentives to replace termination benefits from his previous employer that were forfeited when he accepted the role of Executive Chairman of the Group. The incentives are payable in March 2024, March 2025 and March 2026 subject to his continued association with the Group.

Retention incentives payable in cash are recognised in respect of employee services received up to the end of the reporting period. A current liability is recorded for accrued incentives to be paid within 12 months of the reporting date. A non-current liability is recorded for accrued incentives to be paid beyond 12 months of the reporting date.

The unrecognised portion of retention incentives payable in cash for services provided by employees in future periods is a contingent liability. At 30 June 2025, the contingent liability is \$1,510,000 (June 2024: \$6,065,000). Of this amount, \$554,000 is payable during the year ending 30 June 2026 and \$956,000 is payable during the years ending 30 June 2027 through 30 June 2029, subject to the vesting conditions being met.

14. Capital management

The Board of Directors is committed to prudent capital management and a conservative approach to protect shareholder value. The Board's objectives when managing capital are to ensure that the Group continues as a going concern, has sufficient liquidity to meet its operating requirements, is able to support the payment of dividends to shareholders in accordance with the Company's dividend policy, and maintains the flexibility to retain capital if required for future business expansion.

The Group's capital consists of contributed equity and reserves, including a profits reserve which preserves the Company's capacity to pay future dividends.

The Board regularly reviews the Group's free cash flow generation, cash and cash equivalents, investments, tax and other financial factors. In order to maintain an optimal capital structure, the Board may:

- vary the amount of dividends paid to shareholders;
- issue new shares;
- utilise a dividend reinvestment plan;
- increase or decrease borrowings; or
- redeem and/or sell investments.

The Group is also subject to regulatory capital requirements by virtue of an Australian Financial Services Licence ("AFSL") held by MAM. Under the AFSL, MAM must hold a minimum level of net tangible assets and cash and cash equivalents. During the 2025 financial year MAM complied with these requirements at all times.

Notes to the Financial Statements

For the year ended 30 June 2025

15. Contributed equity

	30 June 2025		30 June 2024	
	Number of securities '000	Contributed equity \$'000	Number of securities '000	Contributed equity \$'000
Ordinary share capital				
Opening balance	180,746	627,733	181,432	632,868
Shares issued:				
Under the Magellan Financial Group Matching Plan	33	298	-	-
Under the Magellan Financial Group Equity Plan	305	-	-	-
Shares bought back on-market and cancelled	(9,105)	(74,234)	(686)	(5,186)
Transaction costs, net of tax	-	(53)	-	(3)
SPA expense	-	15	-	54
Total ordinary shares^{1,2}	171,979	553,759	180,746	627,733
Treasury shares				
Opening balance	-	-	-	-
Shares purchased on-market	(73)	(620)	-	-
Utilisation of shares on vesting of employee share schemes	-	-	-	-
Total treasury shares	(73)	(620)	-	-
MFG 2027 Options				
Opening balance	23,216	(545)	23,216	(545)
Shares issued from exercise of options during period	-	-	-	-
Total MFG 2027 Options	23,216	(545)	23,216	(545)
Total contributed equity	195,122	552,594	203,962	627,188

¹ Includes 804,140 ordinary shares held by SPA participants (June 2024: 856,546). Refer to note 10 for further details.

² Includes 430,662 ordinary shares subject to voluntary escrow which expires on 23 November 2031 (or such other date determined under the terms governing the issuance of those shares).

Ordinary shares

Ordinary shares in the capital of the Company are fully paid and entitle the holder to receive declared dividends and proceeds on winding up of the Company in proportion to the number of shares held. An ordinary share entitles the holder to one vote on a show of hands, and to one vote for each share held on a poll, either in person, or by proxy, at a meeting of the Company shareholders.

Treasury shares

Where the Group or other members of the Group purchase shares in the Company, the consideration paid is deducted from the total shareholders' equity and the shares are treated as treasury shares until they are subsequently sold, reissued or cancelled. Treasury shares are purchased primarily for use on vesting of employee share schemes. Shares are accounted for at a weighted average cost.

MFG 2027 Options

Each MFG 2027 Option (ASX code: MGFO) entitles the holder to acquire one ordinary share in the Company at an exercise price of \$35.00 at any time prior to 5pm (Sydney time) on 16 April 2027. The MFG 2027 Options do not confer a right to dividends. Ordinary shares issued on exercise of the options rank equally with all other ordinary shares from the date of issue and are only entitled to a dividend if such shares have been issued on or prior to the applicable record date for determining entitlements.

Share buy-back

The Company has an active on-market share buy-back program to purchase up to 10 million ordinary shares. During the year ended 30 June 2025, the Group bought back and cancelled 9,105,489 shares at a cost of \$74,287,000 (June 2024: 685,571 shares a total cost of \$5,190,000). The shares were acquired at an average price (inclusive of transaction costs) of \$8.16 per share, with prices ranging from \$6.46 to \$9.70. The total acquisition cost, inclusive of after-tax transaction costs, was deducted from contributed equity. The on-market buy-back program has a proposed end date of 2 April 2026.

Employee options

Information relating to the MFG Employee Share Option Plan, including details of the options issued under the Employee Share Option Plan, options that lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 18.

Notes to the Financial Statements

For the year ended 30 June 2025

16. Reserves

	30 June 2025 \$'000	30 June 2024 \$'000
Profits reserve		
Opening balance at 1 July	379,283	321,037
Transfer from retained earnings	165,153	238,110
Payment of dividends	(111,812)	(179,864)
Closing balance at 30 June	432,624	379,283
Share-based payments reserve		
Opening balance at 1 July	8,461	5,129
Recognised in employee expenses	4,393	3,332
Closing balance at 30 June	12,854	8,461
Foreign currency translation reserve		
Opening balance at 1 July	4,466	4,531
Recognised in other comprehensive income	716	(65)
Closing balance at 30 June	5,182	4,466
Total reserves	450,660	392,210

Profits reserve

The profits reserve consists of profits transferred from MFG's accumulated retained profits that are preserved for future dividend payments. The profits reserve will reduce when dividends are paid from this reserve.

Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options and other share-based awards granted to employees over the award vesting period (refer to note 18).

Foreign currency translation reserve

The foreign currency translation reserve comprises foreign exchange differences arising from translation of the financial statements of the Group's US-based operations to Australian dollars.

17. Dividends

	Cents per share	Franking % ¹	Total \$'000	Date Paid
During the year ended 30 June 2025				
Prior year final dividend paid	28.6	50%	51,693	4 September 2024
Prior year performance fee dividend paid	7.1	50%	12,833	4 September 2024
Total prior year final and performance fee dividend paid	35.7		64,526	
Interim dividend paid	26.4	85%	47,286	12 March 2025
Total dividends declared and paid during the year²	62.1		111,812	
During the year ended 30 June 2024				
Prior year final dividend paid	35.6	85%	64,590	7 September 2023
Prior year performance fee dividend paid	4.2	85%	7,620	7 September 2023
Prior year special dividend paid	30.0	85%	54,429	7 September 2023
Total prior year final and performance fee dividend paid	69.8		126,639	
Interim dividend paid	29.4	50%	53,225	6 March 2024
Total dividends declared and paid during the year²	99.2		179,864	

¹ At the corporate tax rate of 30%.

² Includes dividends of \$526,000 which were not paid in cash but rather applied directly against the balances of SPA loans (June 2024: \$1,135,000) (refer to note 10).

Notes to the Financial Statements

For the year ended 30 June 2025

Dividend declared

On 20 August 2025, the Directors determined a final dividend of 25.9 cents per ordinary share and a special dividend of 21.0 cents per ordinary share (both 100% franked at the corporate tax rate of 30%) in respect of the six months to 30 June 2025 (June 2024: 35.7 cents per ordinary share 50% franked). The final dividend includes an annual performance fee dividend of 4.3 cents per ordinary share (June 2024: the final dividend included an annual performance fee dividend of 7.1 cents per ordinary share).

A dividend payable to shareholders of the Company is only recognised for the amount of any dividend declared by the Directors on or before the end of the financial year, but not paid at reporting date. Accordingly, the final dividend for the six months to 30 June 2025 and the special dividend, together amounting to approximately \$80,624,000 is not recognised as a liability in the 2025 financial year. The final and special dividends are expected to be paid on 9 September 2025.

Imputation credits

The Group has a total of \$23,934,000 imputation credits available for subsequent reporting periods based on a tax rate of 30% (June 2024: \$14,889,000 at a 30% tax rate). The amount comprises the balance of the imputation account at the end of the reporting period, adjusted for franking credits that will arise from the payment of income tax liabilities after the end of the year. The dividend declared by the Directors on 20 August 2025 will be fully franked out of existing franking credits, or out of franking credits arising from the payment of income tax.

18. Share-based payments

The Company grants equity awards to employees under a number of plans and programs. The costs of these share-based payments are recognised within employee expenses over the relevant award vesting periods.

	30 June 2025 \$'000	30 June 2024 \$'000
Equity Plan:		
Sign-on and retention incentives	2,282	195
Short-term incentives	684	-
Long-term incentives	619	-
Employee Equity Grant	137	-
Matching Share Plan	101	-
Employee Share Option Plan	570	3,137
Total share-based payment expense	4,393	3,332

Equity Plan

The MFG Equity Plan, approved at the Company's Annual General Meeting in October 2024, enables the Board to issue equity awards to eligible employees. Equity awards are granted in the form of restricted shares, share rights or performance rights. Only restricted shares carry dividend and voting entitlements.

i. Sign-on and retention incentives

Sign-on and retention incentives are awards of restricted shares, which are subject to trading restrictions for a set period of time (generally up to three years), after which they become unrestricted provided the employee remains employed with satisfactory performance at each of the vesting dates.

The fair value of restricted shares, measured by reference to the MFG share price at grant date, is recognised as an employee expense over the related service period, with a corresponding increase to the share-based payment reserve within equity. If the service condition is not met, restricted shares are forfeited and the cumulative employee expense recognised in previous periods is reversed.

ii. Short-term incentives

For Executive KMP and certain other senior executives, a portion of the annual cash bonus is deferred and delivered in a combination of restricted MFG shares and units in Magellan Funds that become unrestricted annually over a the nominated vesting period (generally up to three years) provided the employee remains employed with satisfactory performance at each of the vesting dates.

The fair value of restricted shares, measured by reference to the MFG share price at grant date, is recognised as an employee expense over the related service period, with a corresponding increase to the share-based payment reserve within equity. If the service condition is not met, restricted shares are forfeited and the cumulative employee expense recognised in previous periods is reversed.

As at the date of this financial report, the allocation of deferred bonus amounts between MFG shares and fund units has not been elected by employees. Management have estimated current period share-based payment expense assuming 100% of the deferred amounts are delivered in restricted shares. This estimate will be adjusted in the subsequent financial year when settlement allocation elections

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For the year ended 30 June 2025

have been made. On adjustment, amounts previously recognised in the share-based payment reserve within equity will be reallocated within employee benefits liabilities.

iii. Long-term incentives

Long-term incentives ("LTI") are awards of performance rights, which vest at the end of a three-year performance period subject to a market hurdle, being MFG's relative Total Shareholder Return ("TSR") benchmarked against a comparator group over the same period.

Vesting of LTI awards only occurs if MFG's relative TSR over the performance period ranks at or above the 50th percentile of the reference group. Half of the performance rights vest if that condition is satisfied. All of the performance rights vest if MFG ranks at or above the 75th percentile of the reference group. Straight-line pro-rata vesting applies in between these two points.

Performance rights are automatically exercised upon vesting and there is no exercise price. Upon exercise, a vested award is converted into one fully paid ordinary share.

The fair value of LTI awards is recognised as an employee expense over the vesting period, with a corresponding increase to the share-based payment reserve within equity. Fair value is measured at grant date using a Monte Carlo simulation model that takes into account the exercise price, share price at grant date, price volatility, dividend yield, risk-free interest rate for the term of the security and the likelihood of meeting the TSR market condition. The amount recognised as an expense is adjusted to reflect the actual number of awards that vest except where due to non-achievement of the TSR market condition.

iv. Employee Equity Grant

Under the Employee Equity Grant, all employees (excluding Executive KMP and certain other senior executives) were awarded \$5,000 worth of share rights that vest at the end of a two-year qualifying period provided the employee remains employed with satisfactory performance. Share rights are automatically exercised upon vesting and there is no exercise price. Upon exercise, a vested award is converted into one fully paid ordinary share.

The fair value of share rights is measured at grant date by reference to the MFG share price adjusted to reflect the value of dividends foregone over the vesting period. Fair value is recognised as an employee expense over the related service period, with a corresponding increase to the share-based payment reserve within equity. If the service condition is not met, share rights are forfeited and the cumulative employee expense recognised in previous periods is reversed.

v. Matching Share Plan

Under the Matching Share Plan, eligible employees may purchase up to \$10,000 of MFG shares (either directly or through a salary sacrifice of their annual cash bonus) and receive a matching award for each MFG share acquired. The awards are in the form of share rights that vest at the end of a two-year qualifying period, provided the employee remain employed and still holds the purchased shares.

The fair value of share rights is measured at grant date by reference to the MFG share price adjusted to reflect the value of dividends foregone over the vesting period. Fair value is recognised as an employee expense over the related service period, with a corresponding increase to the share-based payment reserve within equity. If the service condition is not met, share rights are forfeited and the cumulative employee expense recognised in previous periods is reversed.

Outstanding awards

The following table provides a summary of the movement in outstanding Equity Plan awards over the reporting period.

	Performance rights	Share rights	Restricted shares
Outstanding at 1 July 2024	-	-	-
Granted	524,063	81,993	377,519
Lapsed	-	(5,490)	-
Outstanding at 30 June 2025	524,063	76,503	377,519
Exercisable at 30 June 2025	-	-	-

On vesting, the intention is to settle the performance rights and share rights with available treasury shares or via the issuance of new shares. At vesting date, a fair value adjustment between contributed equity and treasury shares will be recognised to revalue the recycled shares to the fair value of the rights.

Valuation assumptions

Set out below is a summary of the assumptions applied in determining the fair value of share rights and performance rights granted during the reporting period.

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For the year ended 30 June 2025

	Share rights	Share rights	Performance rights	Performance rights
Equity plan award	Matching	Employee equity	LTI	LTI
Grant date	13 Sep 2024	8 Nov 2024	22 Oct 2024	8 Nov 2024
Grant date share price	\$9.29	\$10.68	\$11.15	\$10.68
Exercise price	-	-	-	-
Volatility ¹	-	-	45%	45%
Dividend yield	6.8%	5.9%	5.7%	5.9%
Risk-free interest rate	3.5%	4.1%	3.9%	4.1%
Grant date fair value (per award)	\$8.09	\$9.49	\$6.81	\$6.14

¹ Expected share price volatility is based on historic volatility over a period commensurate with the remaining life of the instrument, adjusted for the impacts of extraordinary periods of volatility not expected to occur in the future.

Employee Share Option Plan

The MFG Employee Share Option Plan ("ESOP") was established in April 2022 as part of a broader employee engagement and retention program. Under the ESOP, participants were granted options ("employee options") that vested on 1 September 2024.

The employee options may be exercised until 16 April 2027 provided the participant remains employed with satisfactory performance. Options were granted for no consideration and carry no dividend or voting rights. If exercised, each employee option is converted into one MFG ordinary share at an exercise price of \$35.00 per option.

Upon exercise of an employee option, participants can pay the exercise price in cash and be issued an equivalent number of ordinary shares or, alternatively, can elect to set off the total applicable exercise price against the market value of the equivalent number of shares that they are entitled to receive upon exercise ("cashless exercise"). Under a cashless exercise, the market value of the ordinary shares is calculated as the volume weighted average MFG share price in respect of the 10 trading days ending on the day before the exercise date. The number of ordinary shares issued to a participant who elects the cashless exercise alternative will be equivalent in value to the number of employee options exercised, multiplied by the excess of the market value of the shares over the \$35.00 option exercise price.

The following table provides a summary of the movement in outstanding employee options over the reporting period.

	2025	2024
Outstanding at 1 July	6,017,500	6,927,500
Granted	-	-
Lapsed	(1,035,000)	(910,000)
Outstanding at 30 June¹	4,982,500	6,017,500
Exercisable at 30 June	4,982,500	-

¹ Options outstanding at 30 June 2025 have a contractual life of 1.8 years and a weighted average exercise price of \$35.00.

Fair value

There were no options granted over the reporting period, however the fair value of options granted in previous reporting periods continues to be recognised as the vesting conditions are satisfied. The fair value of each grant was determined at measurement date using a binomial tree model under the Black-Scholes-Merton framework taking into account the exercise price, share price at grant date, price volatility of the underlying share, expected option life, dividend yield and the risk-free interest rate for the term of the option.

Classification and measurement

The fair value of employee options is recognised as an employee expense over the vesting period, with a corresponding increase to the share-based payments reserve within equity. Where an option holder ceases to be an employee before their options have vested, the cumulative employee expense recognised in previous periods is reversed. There is no reversal of employee expense for vested options that subsequently lapse or expire unexercised.

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For the year ended 30 June 2025

19. Subsidiaries

	Country of incorporation/ Principal place of business	Ownership interest per cent	
		30 June 2025	30 June 2024
Magellan Asset Management Limited	Australia	100	100
Magellan Capital Partners Pty Limited	Australia	100	100
Magellan Capital Partners No. 2 Pty Limited	Australia	100	100
Magellan Capital Partners No. 3 Pty Limited	Australia	100	-
Magellan Capital Partners No. 4 Pty Limited	Australia	100	100
Magellan Financial Group Ltd Employee Share Trust	Australia	100	-
Magellan Investment Partners (UK) Limited	United Kingdom	100	-
MFG Services LLC ¹	United States of America	-	100
Frontier North American Holdings Inc. ²	United States of America	100	100
Frontier Partners Inc.	United States of America	100	100
Frontegra Strategies LLC	United States of America	100	100
Frontegra Asset Management Inc.	United States of America	100	100

¹ Deregistered in the current period.

² Frontier North American Holdings Inc. ("FNAH") is the US holding company of the Frontier Group. During the year ended 30 June 2024, MFG exercised its call option to purchase the 20% non-controlling interest in FNAH for US\$1.

Inset names in the above table indicate that shares are held by the company listed immediately above it in the table. All material subsidiaries have a 30 June reporting date. Transactions between MAM and foreign entities are subject to transfer pricing arrangements.

The Group's investments in other entities are set out in notes 7 and 8.

Key judgement

Certain subsidiaries of the Group provide fiduciary and/or investment management services to funds in which the Group holds an economic interest. Such interests are not considered to be interests in controlled entities and consequently have been recognised in the Consolidated Statement of Financial Position as financial assets held at fair value through profit or loss. This classification involves the use of judgement in assessing whether the Group controls each relevant fund, including consideration of the nature and significance of various factors such as the exposure of the Group to variability of returns, compensation to which Group entities are entitled, the scope of the Group entities' decision-making authority and the rights held by third parties to remove the Group entities as Responsible Entity/Trustee or Investment Manager.

Principles of consolidation

The consolidated financial report of the Group comprises the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has the power to govern the financial and operating policies, is exposed to variable returns from its involvement in the entity and has the ability to affect those returns. Assets, liabilities, income and expenses of a subsidiary are included from the date the Group gains control until the date control ceases. All inter-entity assets, liabilities, equity, income, expenses and cash flows relating to transactions within the Group are eliminated in full on consolidation. When necessary, adjustments are made to the results of subsidiaries to bring them into line with the Group's accounting policies.

Foreign subsidiaries

On consolidation, the assets and liabilities of foreign subsidiaries whose functional currency differs from the presentation currency are translated into Australian dollars at the rate of exchange at the reporting date. Exchange differences arising on translation are recognised in comprehensive income and accumulate in the foreign currency translation reserve within equity. On disposal of a foreign subsidiary, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the Consolidated Statement of Profit or Loss and Comprehensive Income.

Notes to the Financial Statements

For the year ended 30 June 2025

20. Related parties

MFG is the ultimate parent entity of the Group. The related parties of the Group include its subsidiaries, associates, key management personnel ("KMP"), close family members of KMP and any entity controlled by those entities.

Transactions with related parties

Management and performance fees from investment funds managed by subsidiaries of the Group are set out in note 4. Income tax liabilities assumed by MFG and settled by subsidiaries of the Group under a tax sharing agreement are set out in note 5. Transactions with associates are set out in note 8.

Other transactions that occurred between entities in the Group are fully eliminated on consolidation of the Group and include:

	30 June 2025 \$'000	30 June 2024 \$'000
<i>Revenue recognised by parent entity</i>		
Dividends ¹	122,800	130,357
Reimbursed expenses	316	725
<i>Expenses recognised by parent entity</i>		
Expense reimbursements	68	97
<i>Equity contributions to/(returns from) subsidiaries</i>		
Cash	138,943	(15,775)
<i>Transactions between subsidiaries at international transfer prices</i>		
Service fees and recharged expenses	1,525	5,658

¹ Comprising dividends of \$120,000,000 from MAM and \$2,800,000 from Magellan Capital Partners No. 2 Pty Ltd (June 2024: \$130,000,000 from MAM and \$357,000 from MFG Services LLC).

All transactions with related parties are conducted on standard commercial terms and conditions. Receivable and payable balances at year end are unsecured and will be settled in cash. No guarantees have been given or received between entities in the Group.

KMP remuneration

	30 June 2025 \$'000	30 June 2024 \$'000
Short-term benefits	3,943	5,054
Post-employment benefits	154	219
Termination benefits	-	820
Long-term benefits	570	1,069
Share-based payments	2,389	119
Other benefits	104	1,002
Total KMP remuneration	7,160	8,283

The KMP of the Group are listed in section 3.1 of the Remuneration Report and the remuneration of each KMP is included in section 3.5 of the Remuneration Report.

Notes to the Financial Statements

For the year ended 30 June 2025

21. Financial instrument risk management

The Group's operating and investing activities expose it to various forms of financial instrument risk including:

- the risk that money owed to the Group will not be received (*credit risk*);
- the risk that the Group may not have sufficient cash available to pay its creditors as they fall due (*liquidity risk*); and
- the risk that the value of financial assets and liabilities will fluctuate as a result of movements in factors such as market prices, interest rates and foreign exchange rates (*market risk*).

The Board has an approved risk management framework including policies, procedures and limits and uses different methods to measure and manage these risks that are discussed in detail throughout this note.

The Group's primary exposure to financial instrument risk is derived from the financial instruments that it holds as principal. In addition, due to the nature of the business, the Group's exposure extends to the impact on investment management and other fees that are determined as a percentage of assets under management and are therefore impacted by the financial instrument risk exposures of the Group's clients. This note deals only with the primary exposure of the risks from the Group's holding of financial instruments and not the secondary exposure impacting the Group's revenue.

The investment portfolios of the Magellan Funds managed by MAM are monitored on a daily basis in accordance with the investment objectives and mandates of those funds. Further details of the risk management objectives and policies applied in respect of the Magellan Funds can be found in their product disclosure statements ("PDS") and in the case of the Frontier MFG Funds, in their prospectuses.

Credit risk

Credit risk refers to the risk that a counterparty will fail to meet its contractual obligations resulting in financial loss to the Group. Market prices generally take counterparty credit into account and therefore the risk of loss is implicitly provided for in the carrying value of financial assets and liabilities held at fair value.

The Group's maximum exposure to credit risk is the carrying amount of all cash and cash equivalents, financial assets, receivables and SPA loans recognised in the Consolidated Statement of Financial Position as well as the value of any undrawn loan commitments which are accessible to counterparties at the reporting date.

Additionally, MAM in its capacity as Trustee and Responsible Entity of the Magellan Funds (as set out in note 2) has appointed The Northern Trust Company ("NT") as custodian. NT is required to comply with the relevant provisions of the *Corporations Act 2001* (Cth), applicable ASIC regulatory guides and Regulatory Instruments relating to registered managed investment scheme property arrangements with custodians. As at 30 June 2025, the credit quality of NT's senior debt is rated by Standard and Poor's as A+ and by Moody's as A2 (June 2024: A+ and A2 respectively).

Cash and cash equivalents

The Group minimises its credit risk by ensuring cash and term deposits are held with high credit quality financial institutions as determined by a recognised rating agency. As at 30 June 2025, the Group's cash and term deposits were held with major Australian and international banks rated no lower than AA- by Standard & Poor's or Aa2 by Moody's (June 2024: AA- and Aa2, respectively).

Financial assets

The Group mitigates its credit risk by ensuring the majority of its financial assets are held with Magellan Funds for which MAM is the Trustee or Responsible Entity.

MFG has entered into an International Prime Brokerage Agreement ("IPBA") with Merrill Lynch International ("MLI"), a subsidiary of Bank of America. The services provided by MLI under the IPBA include clearing and settlement of transactions, securities lending and acting as custodian for MFG's investment assets. The IPBA with MLI is in a form that is typical of prime brokerage arrangements. MFG has granted MLI a fixed charge over the Company's right, title and interest in the assets held in custody with MLI, as security for the performance of its obligations under the IPBA. In the event of MLI becoming insolvent, MFG would rank as an unsecured creditor and, to the extent MLI has exercised a right-of-use over MFG's securities, MFG may not be able to recover such equivalent securities in full. In addition, cash which MLI holds or receives on behalf of MFG is not segregated from MLI's own cash and may be used by MLI in the course of its business. In the event of MLI becoming insolvent, MFG would rank as an unsecured creditor and may not be able to recover the cash in full. At 30 June 2025 and 30 June 2024, MFG held a negligible cash balance with MLI.

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Loans and receivables

The Group manages credit risk by regularly monitoring receivables and SPA loan balances.

Fee receivables arise as a result of the Group's investment management activities and are typically paid between 15 and 45 days of being invoiced. These counterparties generally do not have an independent credit rating and the Group assesses credit quality taking into account each debtor's financial position, past experience and other available credit risk information. Historically, default levels have been insignificant and unless a client has withdrawn its funds, there is an ongoing relationship between the Group and the client.

SPA loans are secured by the MFG shares that were issued to participants under the SPA and by the MFG 2027 Options that were issued to SPA participants in respect of those shares. Additionally, whilst the SPA loan is outstanding, the Group is entitled to both the dividends received from the secured shares and 100% of the after-tax cash retention bonuses paid to employees in September 2023 and September 2024 in repayment of the relevant participant's outstanding SPA loan amount.

The Group's credit exposure in relation to SPA loans is therefore limited to any shortfall represented by the difference between the face value of SPA loans and the aggregate value of the MFG shares, MFG 2027 Options, dividends and after-tax cash retention bonuses securing those loans for each SPA participant. At 30 June 2025, the total SPA loan shortfall was \$14,983,000 (June 2024: \$14,786,000). As the SPA loans are full recourse, the Group is entitled to recover any shortfall from the SPA participant.

Expected credit losses ("ECL") are estimates of the shortfalls expected to result from defaults over the relevant timeframe. Given the long-term nature of the SPA loans, the Group estimates ECLs over the life of the financial instruments. For an SPA loan, the ECL is calculated by multiplying the shortfall amount to which the Group is exposed by the assessed probability of default. As historically there has never been a default of an SPA loan, the Group determines the default probabilities to apply to SPA loans having regard to the default probabilities published by the major Australian banks in respect of retail lending.

At 30 June 2025, the Group applied probabilities of default to its SPA loans ranging from 4% to 5% (June 2024: 4% to 5%) resulting in an aggregate recognised allowance for ECLs of \$695,000 (June 2024: \$655,000). For each 1% increase in the applied probability of default, the Group's total allowance for ECLs would increase by \$150,000.

Undrawn loan commitments

The Group has provided Barrenjoey with up to \$25,000,000 of working capital finance under an unsecured revolving facility that matures in September 2025.

Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its financial obligations in a timely manner or may be forced to sell financial assets at a value which is less than their worth.

The Group manages liquidity risk by monitoring rolling cash flow forecasts in order to maintain sufficient cash reserves to meet future obligations and regulatory capital requirements. Additionally, the Group has access to an undrawn credit facility (discussed below) and liquid equity investments held in the Fund Investments portfolio.

As at 30 June 2025, the Group had an obligation to settle trade creditors and other payables of \$12,288,000 (June 2024: \$10,966,000) within 30 days (refer to note 12). A further obligation of \$27,551,000 (June 2024: \$8,832,000) is payable between 30-150 days for the Group's tax instalment and final income tax payment. On 9 September 2025, \$80,624,000 is expected to be paid in respect of the Final and Performance Fee dividends (refer to note 17). The Group had cash of \$168,529,000 (June 2024: \$322,567,000) and a further \$40,966,000 (June 2024: \$55,775,000) of receivables to cover these liabilities.

The Group's reported current assets of \$218,766,000 and current liabilities of \$73,378,000 result in a net current asset surplus of \$145,388,000. Accordingly, the Group has sufficient liquid funds and current assets to meet its current liabilities.

Market risk

The value of the Group's financial assets and liabilities is exposed to movements in market prices, foreign exchange rates and interest rates.

Price sensitivity

The value of investments held in the Fund Investments portfolio (refer to note 7) changes as a result of movements in equity prices in local currency (caused by factors specific to the individual stock or the market as a whole), exchange rate movements, or a combination of both. Additionally, certain financial liabilities held by the Group change as a result of movements in the estimated unit prices of the funds to which they relate.

Over the past 10 financial years, the annual performance of the MSCI World Net Total Return Index has ranged between -14% and +39% (in USD) and between -6% and +28% (in AUD). The past performance of markets is not always a reliable guide to future performance, and MFG's Fund Investments portfolio does not attempt to mirror the global indices, however this wide range of historic movements in the indices provides an indication of the magnitude of equity price movements that could occur within the portfolio.

Notes to the Financial Statements

For the year ended 30 June 2025

For illustrative purposes, an increase of 10% in market prices, with all other variables held constant, would have had the following impact on the recorded value of the Group's financial instruments:

	30 June 2025 \$'000	30 June 2024 \$'000
Financial assets at fair value through profit or loss	29,367	28,338
Total impact on net profit after tax equity	29,367	28,338

A decrease of 10% in market prices would have an equal but opposite impact on net profit, comprehensive income and equity.

Foreign exchange sensitivity

The Group holds the following types of financial assets and liabilities for which fair value changes arise as a result of movements in foreign exchange rates:

- Cash and term deposits denominated in a foreign currency;
- Financial assets denominated in a foreign currency (refer to note 7) as well as related dividend/distribution receivables and outstanding settlements for sales/purchases;
- Management and performance fees receivable denominated in a foreign currency; and
- Payables denominated in a foreign currency.

The Group's foreign currency transactions are primarily conducted in the following currencies: United States dollars, British pounds, Euros and New Zealand dollars.

For illustrative purposes, if the Australian dollar strengthened by 10% relative to each currency to which the Group had an exposure, with all other variables held constant, the impact on net profit after tax and equity would have been:

	30 June 2025			30 June 2024		
	Increase/(decrease)			Increase/(decrease)		
	USD \$'000	GBP \$'000	Other \$'000	USD \$'000	GBP \$'000	Other \$'000
Cash and cash equivalents	(681)	(96)	-	(576)	(3)	-
Financial assets	(3,888)	-	-	(2,462)	-	-
Receivables	(817)	(67)	(1)	(800)	(50)	(1)
Payables	89	3	24	98	3	23
Employee benefits	73	-	-	14	-	-
Lease liabilities	9	-	1	14	-	3
Total impact on net profit after tax and equity	(5,215)	(160)	24	(3,712)	(50)	25

A decrease of 10% in the Australian dollar relative to each currency would have an equal but opposite impact on net profit after tax and equity.

The Group has indirect exposure to foreign currency via its investment in funds that are denominated in both Australian dollars, such as the Group's Australian funds, and US dollars, such as the Group's international funds (refer to note 2). This is because the underlying investment portfolios of these funds comprise equities predominantly denominated in foreign currencies and with operating exposure to global currencies. As a result, the fair values of these funds are influenced by currency movements. The sensitivity analysis disclosed above disregards the indirect impact of the foreign currency movement on the underlying fund portfolios.

Interest rate sensitivity

The Group's primary exposure to interest rate movements relates to its cash and term deposits. Term deposits are of relatively short duration and their fair value would not be materially affected by changes in interest rates.

Cash and cash equivalents held by the Group are predominantly held with Australian financial institutions and the value of cash balances is sensitive to the RBA cash rate. The Group does not hold any financial assets or liabilities for which a change in value as a result of interest rate movements would impact on the Group's recorded net profit or equity.

Fair value disclosures

The Group classifies financial assets and liabilities that are measured at fair value into the following three levels, as prescribed under the accounting standards, to provide an indication about the reliability of the inputs used in determining fair value:

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For the year ended 30 June 2025

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities. Fair value is based on the closing price of the security as quoted on the relevant exchange.
- Level 2: valuation techniques using market observable inputs either directly or indirectly. The Group invests in unlisted funds which in turn invest in liquid securities quoted on major stock exchanges. Fair value is estimated using the redemption price provided by the unlisted fund.
- Level 3: valuation techniques using unobservable inputs such as is required where the Group invests in unlisted entities or unlisted funds which in turn invest in unlisted entities.

The table below presents the Group's financial assets and liabilities measured at fair value according to the fair value hierarchy:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
30 June 2025				
Magellan Fund investments	296,662	115,298 ¹	-	411,960
Seed portfolios	5,255	1,525	-	6,780
Unlisted entities	-	-	794 ²	794
Total financial assets and liabilities at fair value	301,917	116,823	794	419,534
30 June 2024				
Magellan Fund investments	330,605	67,920 ¹	-	398,525
Seed portfolios	4,366	1,239	-	5,605
Unlisted entities	-	-	695	695
Total financial assets and liabilities at fair value	334,971	69,159	695	404,825

¹ Fair value is determined by reference to the fund's redemption unit price at reporting date and is categorised in level 2 given inputs into the redemption unit price are directly observable from published price quotations.

² Comprises a shareholding in an unlisted company that was sold shortly after period end. Fair value at reporting date reflects the consideration subsequently received by the Group.

There were no transfers between any fair value hierarchy levels during the years ended 30 June 2025 and 30 June 2024. The Group's policy is to recognise transfers into and out of hierarchy levels as at the end of the reporting period.

The fair values of all other financial assets and liabilities approximate their carrying values in the Consolidated Statement of Financial Position.

22. Commitments, contingent assets and contingent liabilities

Commitments

The Group has extended loan commitments to certain related parties, which remain undrawn at the reporting date (refer to note 21).

All other commitments relate to non-cancellable payments under short term and low value lease agreements as set out below:

	30 June 2025 \$'000	30 June 2024 \$'000
Within one year	80	18
Later than one year but no later than five years	21	35
More than five years	-	-
Total	101	53

Contingent assets and liabilities

The Group has contingent assets and liabilities in respect of the following items:

- *Additional proceeds in respect of GYG divestment*: refer to note 8.
- *Deferred conditional bonuses and cash retention incentives*: refer to note 13.

Notes to the Financial Statements

For the year ended 30 June 2025

23. Parent entity information

	30 June 2025 \$'000	30 June 2024 \$'000
Assets		
Current assets	116,893	263,556
Non-current assets	933,387	781,872
Total assets	1,050,280	1,045,428
Liabilities		
Current liabilities	28,269	9,308
Non-current liabilities	21,390	20,815
Total liabilities	49,659	30,123
Net assets	1,000,621	1,015,305
Equity		
Contributed equity	552,966	627,560
Reserves	445,481	387,745
Retained earnings	2,174	-
Total equity	1,000,621	1,015,305
Net profit after income tax expense for the year	167,328	238,110
Total comprehensive income for the year	167,328	238,110

The financial information for the parent entity, MFG, has been prepared on the same basis as the Group's consolidated financial statements, except for investments in subsidiaries. Investments in subsidiaries are accounted for at cost less impairment expense, in the financial statements of the parent entity. Dividends received from subsidiaries are recognised in the parent entity's profit or loss rather than being deducted from the carrying amount of the investment.

Notes to the Financial Statements

For the year ended 30 June 2025

24. Auditor remuneration and independence

	30 June 2025 \$'000	30 June 2024 \$'000
Australia - Ernst & Young		
Fees for audit and review of statutory financial reports of:		
MFG Group and controlled entities	236	223
Magellan Funds in Australia	434	347
	670	570
Fees for regulatory audits required to be performed by the auditor	13	12
Fees for other audit related assurance services ¹	124	116
Fees for other services:		
Taxation compliance services ²	157	139
Taxation advisory services ³	190	-
	347	139
Total Australia	1,154	837
Overseas - Ernst & Young, Plante Moran		
Fees for audit of statutory financial report of:		
Frontegra Strategies LLC	28	26
Magellan Funds in Ireland	92	77
	120	103
Fees for other services:		
Taxation advisory services ⁴	57	85
	57	85
Total overseas	177	188
Total auditor remuneration	1,331	1,025

Percentage of total auditor remuneration paid as non-audit fees to the Group's auditors	39.7%	33.2%
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¹ Comprises various assurance services (compliance plan review, GS007 controls review) required under legislation, regulation or contractual arrangements which the Board determines are best provided by the auditor of the Group's statutory financial reports.

² Comprises reviews of the income tax returns of both the Group and the Magellan Funds and reviews of the annual unitholder distributions of the Magellan Funds.

³ Comprises transfer pricing reviews and assistance with reviews of the Group undertaken by the Australian Taxation Office.

⁴ Comprises assistance with the UK and German tax calculations and lodgements for MFG Investment Fund plc.

Independence and non-audit services

The Group's external auditors are Ernst & Young and Plante Moran, for the US entities. The Audit & Risk Committee ("the Committee") has responsibility for monitoring the independence and objectivity of the external auditors. All auditors confirmed their independence during 2025 and prior to issuing their opinions on financial reports. In addition, no Committee member has a connection with the external auditors.

A key factor in ensuring auditor independence is the Committee's consideration of the non-audit services performed by the auditors. The Committee preserves independence and objectivity by maintaining a policy on the engagement of non-audit services provided by an auditor and restricts the auditor to providing services that are closely related to the audit. Every audit and non-audit service is considered and approved in writing by the Committee, or the Committee's Chairman acting as a delegate, based on a recommendation from management. Particular consideration is given to where the Group's auditor also performs services for the Group's associates and/or key third-party providers, for example fund administrators and custodians, and should this occur, the Group ensures the signing audit partner is not common to both parties.

Non-audit services provided by Ernst & Young include routine tax services, namely the review of the income tax returns of the Group and the Magellan Funds and the annual distributions of the Magellan Funds, ad hoc assistance with lodging foreign withholding tax registrations and routine tax surveillance reviews. Other non-audit services not required by regulation mainly comprise assurance services in respect of a review of controls and compliance plan and an audit of the indirect cost ratios for the Magellan Funds. The Committee considered these services were most appropriately performed by Ernst & Young as they support the statutory audits and Ernst & Young's appointment offers greater risk management by providing a higher level of detection of risks or errors given their holistic and detailed understanding of the Group.

Notes to the Financial Statements

For the year ended 30 June 2025

25. Subsequent events

Other than the items noted below, the Directors are not aware of any other matter or circumstance not otherwise dealt with in this report that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

Dividend

Refer to note 17 for details of the dividends declared in respect of the six months ended 30 June 2025.

Consolidated Entity Disclosure Statement

As at 30 June 2025

Entity name	Entity type	Body corporates		
		Place incorporated	% of share capital held	Tax residency
Magellan Asset Management Limited	Body corporate	Australia	100	Australia
Magellan Capital Partners Pty Limited	Body corporate	Australia	100	Australia
Magellan Capital Partners No. 2 Pty Limited	Body corporate	Australia	100	Australia
Magellan Capital Partners No. 3 Pty Limited	Body corporate	Australia	100	Australia
Magellan Capital Partners No. 4 Pty Limited	Body corporate	Australia	100	Australia
Magellan Financial Group Ltd Employee Share Trust	Trust	N/A	N/A	Australia
Magellan Global Wholesale Fund	Trust	N/A	N/A	Australia
Magellan Investment Partners (UK) Limited	Body corporate	United Kingdom	100	United Kingdom
Frontier North American Holdings Inc.	Body corporate	United States	100	United States
Frontier Partners Inc.	Body corporate	United States	100	United States
Frontegra Strategies LLC	Body corporate	United States	100	United States
Frontegra Asset Management Inc.	Body corporate	United States	100	United States

Basis of preparation

This consolidated entity disclosure statement ("CEDS") has been prepared in accordance with the *Corporations Act 2001* (Cth) and includes information for each entity that was part of the Group as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of tax residency

Section 295 (3A) of the *Corporations Act 2001* (Cth) defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted and which could give rise to a different conclusion on residency.

In determining tax residency, the Group has applied the following interpretations:

Australian tax residency

The Group has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

The Group has applied current legislation and where available, judicial precedent, in the determination of foreign tax residency. Where necessary, the Group has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Trusts

Australian tax law does not contain corresponding residency tests for trusts. Generally, these entities are taxed on a flow-through basis. Additional disclosures on the tax status of trusts have been provided where relevant.

Directors' Declaration

For the year ended 30 June 2025

In the Directors' opinion,

- a. the financial statements and notes set out on pages 38 to 74 are in accordance with the *Corporations Act 2001* (Cth), including:
 - i. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the year ended on that date; and
 - ii. complying with Accounting Standards, the *Corporations Regulations 2001* (Cth), International Financial Reporting Standards as disclosed in note 1 and other mandatory professional reporting requirements;
- b. the consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act 2001* (Cth), set out on page 75, is true and correct as at 30 June 2025; and
- c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* (Cth) for the year ended 30 June 2025.

This declaration is made in accordance with a resolution of the Directors.



Andrew Formica
Executive Chairman

Sydney
20 August 2025



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Independent auditor's report to the members of Magellan Financial Group Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of Magellan Financial Group Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2025 and the consolidated statement of profit or loss and comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2025 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) together with the ethical requirements that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures

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performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Management and performance fee revenue

Why significant

For the year ended 30 June 2025, management and performance fees were \$234,595,000 and \$11,107,000 respectively which equates to 73.55% and 3.48% of total revenue and other income respectively as disclosed in Note 4.

The Group's key revenue streams are management and performance fees earned by Magellan Asset Management Limited (MAM), a consolidated subsidiary, through the investment management agreements in place with third parties and Magellan, Airlie and Vinva Funds.

Revenue from management and performance fees is earned and calculated in accordance with the Investment Management Agreements and Constitutions of the funds. Performance fees are dependent on the portfolio outperforming certain metrics and are only recognised in the statement of profit or loss and comprehensive income when MAM's entitlement to the fee is highly probable, which is at the end or towards the end of the relevant performance period.

Due to the quantum of these revenue streams and the impact that the variability of market-based returns can have on the recognition and earning of performance fees, this was considered a key audit matter.

How our audit addressed the key audit matter

Our audit procedures included:

- ▶ Recalculating management fees, on a sample basis, in accordance with contractual arrangements;
- ▶ Assessing the performance fees recognised for the year from funds and mandates, on a sample basis, and assessing whether they met the relevant recognition criteria per the requirements of the Australian Accounting Standards. This included assessing the inputs into the calculation model, its clerical accuracy and assessing the methodology applied in accordance with contractual arrangements; and
- ▶ Assessing the adequacy and appropriateness of the disclosures included in Note 4 to the financial report.



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2. Investments in associates

Why significant

As at 30 June 2025, the Group's associates were valued at \$324,450,000 which accounts for 29.66% of the total assets. The equity accounted share of profit from associates was \$31,139,000.

The Group classifies investments in entities over which it has determined to have significant influence as associates in the statement of financial position and applies equity method accounting in accordance with the requirements of AASB 128 *Investments in Associates and Joint Ventures*.

Due to the quantitative impact on the Group's financial statements accounting for its associates, including the determination that the Group has significant influence over the entities, equity method accounting and impairment assessments, was considered a key audit matter.

How our audit addressed the key audit matter

Our audit procedures included:

- ▶ Evaluating the Group's assessment of significant influence over the investments, and the relevant accounting treatment and presentation thereon;
- ▶ Assessing the purchase price accounting with reference to the signed purchase price accounting and tested management's calculations for the new investment in associates;
- ▶ Testing the appropriateness of the equity accounting for the Group's investments in associates. We issued audit instructions to the auditors of the associates (components) where required, covering matters significant to the Magellan audit. We assessed the auditor's final report and confirmed the procedures were performed in accordance with our instructions and the conclusion reached was appropriate for the purposes of our audit;
- ▶ Evaluating the Group's assessment of impairment indicators for their investments in associates; and
- ▶ Assessing the adequacy and appropriateness of the disclosures included in Note 8 and Note 20 to the financial report.

3. Investment in listed equities and Magellan Funds

Why significant

The Group has a significant investment portfolio consisting of listed equities and investments in Magellan Funds. As at 30 June 2025, the value of these non-current financial assets totalled \$419,534,000 which equates to 38.36% of the total assets held by the Group. Note 7 to the financial report discloses that the Group's investments are classified as 'financial assets at fair value through profit or loss' ("FVTPL") in accordance with the requirements of AASB 9 *Financial Instruments*.

How our audit addressed the key audit matter

Our audit procedures included:

- ▶ Obtaining and assessing the assurance reports on the controls of the funds' administrator in relation to investment management services and evaluating the auditor's opinion, their competence, objectivity and the results of their procedures;
- ▶ Agreeing all investment holdings to third party sources at 30 June 2025;



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Pricing, exchange rates and other market drivers can have a significant impact on the value of these financial assets and the financial report, therefore the valuation of the investment portfolio was a key audit matter.

- ▶ Agreeing the fair value of investments in the portfolio held at 30 June 2025 to independent pricing sources for listed securities/funds. For unlisted funds, on a sample basis, we agreed the investment prices to available redemption information; and
- ▶ Assessing the adequacy and appropriateness of the disclosures included in Note 7 and Note 21 to the financial report.

4. Goodwill impairment assessment

Why significant

The Group has goodwill of \$106,724,000 as at 30 June 2025.

Goodwill has been recognised as a result of the Group's historical acquisitions, representing the excess of the purchase consideration over the fair value of assets and liabilities acquired. On acquisition date, the goodwill has been allocated to the applicable Cash Generating Units ("CGUs").

Goodwill is required to be tested for impairment on at least an annual basis, or more frequently, if impairment indicators are present. The determination of recoverable amount requires judgement on the part of management in both identifying and then calculating the value of the relevant CGUs.

Recoverable amounts are based on management's view of variables and market conditions such as future price and assets under management growth rates, the timing of future operating expenditure, and the most appropriate discount and long-term growth rates. Accordingly, this was considered a key audit matter.

How our audit addressed the key audit matter

Our audit procedures included:

- ▶ Assessing the Group's determination of the CGUs to which goodwill is allocated;
- ▶ Assessing managements methodology used in the impairment model to calculate the recoverable amount of each CGU;
- ▶ Agreeing the projected cash flows used in the impairment models to the Board approved plan of the Group;
- ▶ Considering the accuracy of historical cash flow forecasts;
- ▶ Comparing the Group's implied growth rate assumption to comparable companies;
- ▶ Involving EY valuation specialists in assessing managements methodology and assumptions used in the determination of the discount rate;
- ▶ Testing the mathematical accuracy of the impairment model for each CGU;
- ▶ Assessing the Group's sensitivity analysis and evaluating whether any reasonable foreseeable change in assumptions could lead to a material impairment; and
- ▶ Assessing the adequacy and appropriateness of the disclosures included in Note 9 to the financial report.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's 2025 annual report, but does not include the financial report and our auditor's report thereon.



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Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The directors of the Company are responsible for the preparation of:

- a. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b. The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- i. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence

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- ▶ that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

For the matters communicated to the Directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 22 to 36 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Magellan Financial Group Ltd for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

A handwritten signature in black ink, appearing to read 'S. Hooper', is placed over a light grey rectangular background.

Stacey Hooper
Partner
Sydney
20 August 2025

Corporate Sustainability and Responsibility Report

For the year ended 30 June 2025

At MFG we recognise that strong financial outcomes and high standards of corporate responsibility go hand in hand. This Corporate Sustainability and Responsibility (CSR) Report outlines how we have embedded sustainability considerations across our two domains of influence, being our investment activities and our business operations. It also reflects the values that shape our decision-making – transparency, accountability and a long-term perspective – as we seek to deliver enduring value to our clients, employees, shareholders and society.

Our approach is anchored in the identification and management of material sustainability risks. We have overlaid our areas of sustainability risk with an assessment of where we can most effect sustainable change and identified the following priority focus areas.

Scope	MFG's own operations				Our funds and investments		
	Priority focus areas	Corporate governance	People and culture	Cybersecurity and privacy	Community	Modern slavery	Climate risk
Additional disclosure	Corporate Governance Statement				Modern Slavery Statement	Climate Report	Stewardship Report

This report summarises MFG's response to these focus areas and should be read in conjunction with our other important disclosures which are referenced throughout and outlined below.

- **Corporate Governance Statement** - outlines our approach to corporate governance
- **Modern Slavery Statement** - outlines our actions to assess and address modern slavery risks in our operations and supply chains
- **Climate Report** – provides details of our approach to climate risk management across MFG's corporate and investment activities
- **Stewardship Reports** - proxy voting and engagement reports for our investment strategies

Over FY25 we continued to advance sustainability initiatives in both our business operations and investment management and are pleased to present an account in this report.

Governance

Our governance framework has been designed to support transparent and accountable decision-making across all aspects of our business.

MFG is committed to best practice corporate governance standards. The Group's governance structures and practices support the Board in their oversight of the Group in delivering its corporate objectives. MFG views that achieving best practice corporate governance standards adds value to stakeholders and raises regulator and investor confidence in our business. To achieve this objective, MFG has in place a framework of Board and management committees, policies, processes and systems that facilitate decision making within a Board approved risk management framework. These systems, policies and processes apply to various aspects of our business, including, but not limited to, Board and management, risk management, corporate reporting, disclosures, remuneration, as well as policies and procedures specific to our core operations as a funds management business.

Governance highlights in the 2025 financial year include:

- Completion of the transitional leadership structure with Sophia Rahmani commencing as Managing Director and CEO and Andrew Formica reverting to Non-Executive Chair, effective 3 March 2025
- Appointment of Deborah Page as Lead Independent Director, effective 3 March 2025
- Board approval of an updated Remuneration Policy in June 2025
- Commencement of a governance review program to ensure we continue to embody the highest standards across our business
- Development and adoption of a new Risk Appetite Statement and associated tolerances and metrics across our key risk categories.

People and culture

Our people are integral to the success of MFG. Our people are motivated, passionate and skilled individuals who are focussed on delivering sustainable outcomes for our clients. MFG takes an active involvement in staff wellbeing, staff engagement and career development.

Our people are integral to the success of MFG. Our people are motivated, passionate and skilled individuals who are focussed on delivering sustainable outcomes for our clients. MFG takes an active involvement in staff wellbeing, staff engagement and career development.

Corporate Sustainability and Responsibility Report

For the year ended 30 June 2025

Remuneration

MFG's remuneration philosophy is centred on fair compensation for performance and contribution that achieves business outcomes. Detailed information on our remuneration framework is outlined in MFG's Remuneration Report included within MFG's Annual Report.

Engagement and retention

The continued engagement and retention of our people is critical to the success of MFG.

MFG conducts an annual Engagement Survey in December each year, with a Pulse Check in June each year. MFG continues to have a very high response rate from staff to these surveys, which enables us to understand what is important to our people and assists in formulating our people initiatives. We have seen a steady improvement in our engagement score which was 67% in the most recent Pulse Check. While this score is not where we would want it to be, we are encouraged to see a 12-point increase in 12 months, indicating that the initiatives that we have implemented following earlier feedback from our people is having a positive impact.

In addition to the formal surveys, our managers and leaders seek regular feedback from employees and engage with them to understand their thoughts and ideas.

On an annual basis, MFG undertakes performance reviews with all employees to discuss performance against a set of internal performance objectives and to identify development areas as well as any training requirements. As part of this process, we have a formal feedback process which enables staff to seek feedback from a wider group of stakeholders from across the business.

MFG strongly believes that staff engagement and satisfaction go well beyond direct financial compensation and that the range of initiatives that MFG provides our employees is critical to the culture that has been built across the organisation. These initiatives include:

- Additional annual leave and family leave
- Hybrid and flexible working
- A range of wellbeing initiatives
- Quarterly awards
- Service recognition
- Social connection
- Parental leave and return to work initiatives

Additional annual leave and family leave

To enable our people the opportunity to assist in managing their wellbeing, MFG provides a number of different leave approaches including our annual leave policy which encourages staff to take their full statutory requirement over each annual period by providing an additional week of leave if they do so. This additional week of leave is well utilised by our people.

MFG understands the importance of family and provides family leave for all permanent employees. Under family leave, if personal/sick leave has been used, employees can apply for family leave. Family leave is paid leave so employees can take time out to care for a family member or manage a family situation. The amount of family leave an employee can take will be reviewed by MFG management on a case-by-case basis.

Hybrid and flexible working

This year, MFG formalised our hybrid and flexible working policy as part of our commitment to providing a flexible and family friendly working environment, while balancing the ability to keep our people connected to allow them to collaborate and innovate. MFG's high-performance culture is dependent on our employees being able to work at their best, in order to deliver their best. To continue to evolve our culture for the long-term, our hybrid and flexible work model allows a mix of working from the office and working from another location.

Wellbeing initiatives

MFG provides a number of health and wellbeing initiatives available to our staff including annual flu vaccinations and annual skin checks. In addition, all staff over the age of 45 have access to an annual executive health check.

All employees have access to MFG's Employee Assistance Program, a free counselling service available for employees and their families.

Quarterly awards

Every quarter, MFG recognises those individuals within our team that go above and beyond in demonstrating the MFG values of Put Clients First, Take Ownership, Are Authentic and Succeed Together. Nominations for these awards come from all staff and are reviewed and discussed by MFG's Executive Committee before the awards are made each quarter.

Corporate Sustainability and Responsibility Report

For the year ended 30 June 2025

Service and other recognition

In the year where an employee achieves 10 years of service, MFG awards a \$25,000 service award to mark the significant milestone. At MFG, we also look to acknowledge our staff members' significant milestones such as birthdays and other life events.

Social connection

At MFG, teamwork is incredibly important to our success and ensuring that our teams feel connected to one another is critical. As such, in addition to the annual celebrations, MFG has a Social Committee that is focussed on facilitating our staff to connect with one another in a more informal way.

Initiatives run by our Social Committee include a series of 'lunch and learn' sessions that have enabled our staff to learn about a range of different topics – including having our charity partners through Hearts and Minds sharing the work that they have been able to do – through to MFG's support of various charities such as Cancer Council via Australia's Biggest Morning Tea, the Cerebral Palsy Alliance via Steptember, and Dress for Success.

Parental leave and return to work

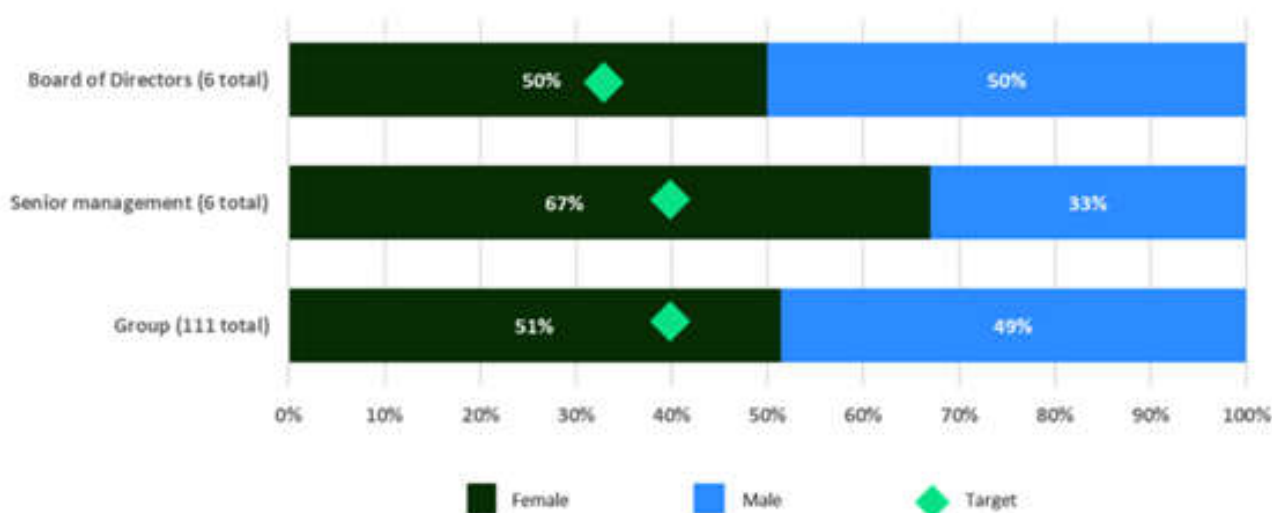
MFG's Paid Parental Leave Policy provides up to 15 to 18 weeks (depending on the length of employment), for any permanent employee to care of their child. Eligible employees receive superannuation payments on both their paid and any unpaid portion of parental leave for the first 12 months of parental leave. MFG offers a 'Keep in Touch' Program with employees who are on paid parental leave.

MFG also offers a childcare reimbursement of up to \$150 per day for primary carers for the first 26 weeks after returning to work, when returning to work within 12 months from the commencement of paid parental leave or the birth/adoption of their child. All parents returning to work are entitled to a 12-month subscription to Juggle Street to source local nanny or babysitting options for their families.

Diversity

MFG is committed to workplace diversity and recognises the value of attracting and retaining employees with different backgrounds, knowledge, experience and abilities. MFG maintains a Workplace Diversity and Inclusion Policy that outlines the Group's commitment to diversity and inclusion in the workplace and provides a framework to achieve the Group's diversity goals for the business. The Group's policy is to recruit and manage on the basis of competence and performance regardless of age, race, gender, nationality, religion, sexuality, physical ability or cultural background. The policy can be found on MFG's website.

The Board annually reviews the measurable objectives it sets to achieve improvement in the diversity of employees and has set objectives for female representation of 33% for the Board, 40% for senior management and 40% for the overall Group. The gender representation across the Group as at 30 June 2025 is shown below.



Corporate Sustainability and Responsibility Report

For the year ended 30 June 2025

MFG gender diversity FY21 – FY25

	30-Jun-21	30-Jun-22	30-Jun-23	30-Jun-24	30-Jun-25
Board of Directors¹					
Female	2	2	1	2	3
Male	4	3	4	4	3
Female representation	33%	40%	20%	33%	50%
Female representation target	33%	33%	33%	33%	33%
Executive Committee²					
Female	4	4	4	5	4
Male	7	6	5	4	2
Female representation	36%	40%	44%	56%	67%
Female representation target	40%	40%	40%	40%	40%
Group					
Female	63	62	55	56	57
Male	76	73	60	53	54
Female representation	45%	46%	48%	51%	51%
Female representation target	40%	40%	40%	40%	40%

¹ For years up to and including FY23 target was 33% of independent directors

² Previously 'Senior Management', defined as direct reports of the CEO

Gender pay gap equality and monitoring

MFG is focused on ensuring pay equality at the time of hire and ensuring pay equality through the employee lifecycle. MFG conducts an annual review of employee remuneration which includes comparing employees in like-for-like roles to ensure that there are no pay inequalities and adjusting compensation based on this review if required.

The Workplace Gender Equality Authority (WGEA) publishes the Gender Pay Gap for all Australian companies. MFG's gender pay gap is largely driven by more males in senior higher paid roles across the business. While we have a relatively even split of females to males across the business, there are a higher proportion of males in senior higher paid roles within the business, whereas a higher proportion of our females are in more junior or support roles which are generally paid at a lower rate. MFG is committed to maintaining pay equity for like roles and performance. We continue to monitor and review our people processes to ensure that there is no bias in how we select, promote and reward our people.

A copy of MFG's Gender Pay Gap report can be found under the Shareholder Centre on our website.

Investing in the future

MFG has continued to evolve and extend our Internship Program, which aims to promote, engage and attract more diverse talent into investing roles, with an initial focus being on women and candidates from diverse backgrounds. MFG's Internship Program has been designed to provide students with a range of experience across different teams within the business and to understand what working life at MFG looks like. The program involves a paid internship program over the university summer vacation break and has led to students continuing in a range of employment opportunities on graduation.

As part of our investment in future talent and ensuring that more students understand about investment management, MFG has also partnered with the University Network for Investing and Trading ('UNIT'). The goal of the partnership is to promote investment management as an engaging career choice and includes hosting a 'Stock Pitch' competition. This year the competition extended to include students from the University of New South Wales and the University of Sydney.

Health and Safety

The health and safety of the Group's employees is of utmost importance. As noted above, MFG operates a hybrid and flexible work environment where our employees have the opportunity to connect as teams whilst balancing their need for flexibility. When working from home the Group's employees stay connected via virtual communication platforms and MFG's commitment to maintaining its high level of client service and compliance obligations remains paramount.

MFG's Respectful, Safe and Inclusive Workplace Conduct Policy details the Group's approach in relation to harassment in the workplace, including bullying, discrimination, sexual harassment, workplace violence and vilification, and provides procedures for dealing with complaints. On an annual basis all employees and the Board undertake training to ensure that they clearly understand what is expected of them in terms of behaviour and conduct in the workplace. In addition, MFG maintains a Work Health and Safety Policy which outlines the obligations and responsibilities of MFG and its employees with respect to compliance with the Work Health and Safety regulation, and to ensure that the workplace remains a safe environment for all employees.

Corporate Sustainability and Responsibility Report

For the year ended 30 June 2025

Whistleblower Policy

MFG is committed to an environment where people can report issues in an environment free from victimisation. MFG maintains a Whistleblowing Policy which is designed to ensure that wrongdoing is uncovered and to give individuals the confidence to speak up.

We are committed to identifying and addressing wrongdoing as early as possible and protecting and supporting the dignity, wellbeing, career and good name of anyone reporting an issue. MFG's Whistleblowing Policy can be found on our website.

Cybersecurity and Privacy

In a constantly evolving cybersecurity threat environment, the management of cyber risk remains a key focus for MFG. In response, MFG implements cybersecurity solutions and maintains a formal information security governance framework to safeguard client information and corporate data.

MFG's Information Technology Risk Committee (ITRC) serves as a formal governance body dedicated to strengthening the oversight of the organisation's information technology risk management initiatives. The Committee, which consists of key MFG executives, convenes on a quarterly basis to review matters relating to cybersecurity risks, controls, policies, regulatory obligations, and potential environmental changes. Regular updates regarding the Group's overall cybersecurity status are provided to MFG's Board.

In recent years, MFG has increased its annual expenditure on cybersecurity as part of a strategic cybersecurity uplift program. Some of the key initiatives delivered include:

- upgrading the firm's network to 'secure access secure edge' (SASE) architecture which has further strengthened security and controls for data leakage protection (DLP), remote access and cloud hosted (SaaS) applications;
- implementation of a Security Operations Centre (SOC) to provide continuous monitoring of our environment; and
- conducting an annual 'tabletop' exercise for MFG's Board and Executive Committee members using scenario based cyber incident simulation exercises to validate the efficacy of cyber incident response plans and continuously improve our response capabilities.

MFG's cybersecurity defence framework is aligned to the Australian Cyber Security Centre's 'Essential Eight framework' and we have implemented all Essential Eight strategies. MFG has also mapped its approach to the National Institute of Standards and Technology (NIST) cyber security framework.

All employees are required to complete cybersecurity awareness training upon joining the firm as part of their induction process and on a quarterly basis thereafter. This ensures staff are aware of cyber-attack techniques and of the need to always follow security best practices. MFG also conducts periodic social engineering tests on employees using simulated email phishing campaigns.

MFG engages an external cybersecurity consulting firm to perform an independent assessment of the Group's cybersecurity protection that involves penetration tests for MFG's external and internal networks, and social engineering tests on employees using simulated email phishing and phone-based phishing ('vishing'), to test the efficacy of the Group's cyber-awareness training.

MFG applies the principle of role-based least privilege access to data and systems and privileges are regularly re-certified. MFG's server infrastructure is hosted in ISO27001 compliant primary and secondary datacentres with near real-time replication of mission critical systems and data between the primary and secondary sites. MFG maintains an IT Disaster Recovery Plan and Business Continuity Plan which is kept up to date and tested annually.

Third-party risk management is a key component of MFG's information security program. All material third-party relationships undergo a rigorous security risk assessment as part of the due diligence process before being engaged. This includes an assessment of their cybersecurity posture and data privacy/data access controls. The Group repeats the technology-focused due diligence process for all its critical third-party service providers on an annual basis.

Community

We recognise that meaningful engagement with the community is important. MFG is committed to fostering positive social impact through initiatives that reflect both our employees' and our clients' values. Our community engagement is shaped by a practical approach—focusing on areas where we can have a meaningful impact and where our people are genuinely motivated to get involved.

Future Generation Global

MFG is a foundation member and participating fund manager in the Future Generation Global Investment Company Limited ("FGG"). FGG is an ASX listed investment company that invests in global equities investment strategies managed by prominent Australian fund managers. Participating fund managers manage the capital entirely pro-bono so that 1.0% of net assets each year can be donated to 24 Australian non-profit organisations committed to supporting at-risk children and youth.

In FY25 MFG's contribution equated to approximately \$0.7 million, and totals more than \$7 million since FGG's inception in 2015.

Corporate Sustainability and Responsibility Report

For the year ended 30 June 2025

Future Generation Women

MFG also supports Future Generation Women, an investment fund advancing economic equality for women and their children in Australia. Two of MFG's Portfolio Managers, Emma Fisher and Nikki Thomas, provide pro-bono portfolio management for Future Generation Women, which in turn donates an amount equal to 1% of the Fund's average monthly net assets to non-profits advancing economic equality and security for women and their children in Australia.

Hearts & Minds Investments

Magellan Global Equities acts as a Core Fund Manager for Hearts & Minds Investments Limited ("HM1"), an ASX-listed investment company. As part of this role, we provide HM1 with our top three security recommendations each quarter. Rather than charging investment fees, HM1 donates an amount equal to 1.5% of its net assets annually to selected charities. This year MFG hosted one of the Hearts & Minds Investments' charity partners, St Vincent's Clinic Research Foundation, where our teams were able to learn more about the meaningful diabetes research that has been part-funded through a grant from this initiative.

Other community initiatives

Other charities supported during FY25 include **September**, raising funds for early detection and therapy for babies with cerebral palsy; **Dress for Success**, helping unemployed and underemployed women achieve economic independence; and **Australia's Biggest Morning Tea**, raising funds for Australians impacted by cancer.

Modern Slavery

MFG's Modern Slavery Statement can be found on MFG's website. All staff complete annual training on modern slavery.

The investment team continue to enhance the assessment of modern slavery for the portfolio companies through training with experts, company engagement, integration of external data on industry and country risk together with company specific controversies from external data providers. This is reported in the Modern Slavery statement.

Climate risk

This year MFG released an update to our Climate Report, which is published alongside our Annual Report. The report is aligned to the pillars of the IFRS S2 Climate-related Disclosures issued by the International Sustainability Standards Board (ISSB) and provides an important baseline as we prepare for mandatory reporting in accordance with the Australian Sustainability Reporting Standards (ASRS) made by the Australian Accounting Standards Board (AASB).

The Climate Report details our ongoing commitment to managing the impacts of climate change and outlines our management strategies for climate-related risks and opportunities in both our corporate operations and in our investment activity. We remain focused on assessing climate risk within our portfolios and monitoring the progress and credibility of our portfolio companies' climate strategy and targets. This forms part of our commitment to net zero, guided by the Net Zero Investment Framework (NZIF) within the MFG investment process.

The Climate Report, which can be found on our website, includes MFG's annual reporting on corporate Greenhouse Gas (GHG) emissions as well as the carbon footprint of our portfolios.

Responsible investment

MFG is committed to responsible investment across our internally managed investment strategies, which include the Magellan Global Equities, Magellan Global Listed Infrastructure and Airlie Australian Equities strategies, and supporting asset owner clients in the implementation of their own sustainable investment objectives. Our philosophy is to focus on financial materiality of environmental, social and governance (ESG) factors over the long term, considering both risks and opportunities that may influence cash flows and valuations of our investments within our investment time horizon. Our approach is guided by our suite of ESG policies which are available on our website.

We believe that successful investing is about identifying quality companies and investing for the long term. As long-term owners we look for unique attributes in our companies that enable them to protect and grow earnings into the future. This includes material ESG factors that may impact the sustainability of future cash flows. As a result, we integrate ESG factors into our investment process, exercise our proxy voting rights and engage with portfolio companies on a broad range of issues to manage risk for our investors and identify opportunities. MFG's integrated ESG team within the investment team allows us to undertake deep analysis and prioritise engagement with companies on ESG factors that we identify as material to future cash flows. In addition, our Magellan Global Equities and Magellan Global Listed Infrastructure strategies ("Magellan branded strategies") continue to implement their ESG scoring framework and stewardship strategy.

MFG continue to invest in our ESG capability through resourcing, training and technology. We have dedicated ESG resources in our investment team which allows for continued enhancement in our processes and integration into investment decision making.

Corporate Sustainability and Responsibility Report

For the year ended 30 June 2025

Progress undertaken in FY25

In the last year we have continued to progress initiatives that advance responsible investment for our business, our clients, and the broader industry. A selection of highlights for the year are set out below.

- Being recognised as a Responsible Leader by the Responsible Investment Association of Australasia (RIAA). This places MFG in the top 20% of organisations assessed, demonstrating leading practice in our commitment to responsible investing; our explicit consideration of environmental, social and governance factors in investment decision making; our strong and collaborative stewardship; and our transparency in reporting activity.
- In our Magellan branded strategies, we have enhanced our [voting principles](#), prioritising board governance and remuneration, climate change, human rights, diversity and inclusion. We have prioritised these principles because we believe they align with best practices and have the potential to enhance long-term shareholder value creation. We recognise the varying expectations of stakeholders globally, particularly in the current environment. Despite potential short-term challenges, we remain committed to our long-term focus and view these principles as integral to supporting our clients.
- We continue to embed our [Climate Stewardship Strategy](#) and net zero alignment assessment across our internally managed investment strategies, using the analysis to assess company resilience and mitigation to transition risks including ambition of company targets and credibility of strategies to achieve them.
- We have published our second MFG Climate Report aligned to the pillars of governance, strategy, risk management, metrics and targets as we prepare for mandatory reporting in accordance with ASRS.
- We continue to broaden our research on topics such as climate, human rights and nature through our involvement in industry working groups and conferences through RIAA and the Investor Group on Climate change (IGCC).
- The ESG team continued to share insights and provide training to the broader investment team on themes such as climate change, modern slavery, executive remuneration, and emerging themes, to ensure consistency of analysis and continued enhancement. The investment team engages with industry experts to understand best practice and specific ESG risks across relevant industry sectors.

Stewardship

Stewardship is integral to our investment process and includes direct company engagement and proxy voting. We published detailed Stewardship Reports for each of our internally managed investment strategies which are available on our website. An overview of our approach is presented below.

Engagement

Across our internally managed investment strategies, we engage with companies on ESG risks and opportunities, with the aim of strengthening our conviction in portfolio risk management and improving investment outcomes.

Our long-term investment horizon gives us the opportunity to engage with companies over an extended period on issues that are important to protect and create shareholder value. We aim to engage with portfolio companies on a broad range of themes identified by the investment team that analysts assess as material to those companies within our proprietary ESG risk and opportunities assessment framework.

ESG factors are considered as part of our investment process, as gaining a robust understanding of these factors is a key part to assessing the outlook for future cash flow generation, the risks and opportunities facing investors.

Internally managed investment strategies

Our internally managed funds have an investment process that seeks to identify high quality companies and consider material risks that could impact future cashflows.

Engagement has two primary objectives, both of which are to support improved shareholder returns over time:

1. **Risk assessment, management and opportunities:** To better understand the risks and opportunities over time. As long-term investors, we build up knowledge and insight, which we discuss and challenge during engagements. These learnings often deepen our understanding within and across industries.
2. **Influence:** To encourage and support change to a company's approach or the setting of targets. As long-term investors, we build constructive relationships which better enable us to drive positive change at the company.

An example of our proactive research-based engagement in the last year has been the communication of the updated voting principles. We communicated these with many of our investee companies ahead of their AGMs. This allows us to encourage best practice, seek clarity on challenges or further disclosure where alignment is not clear. By engaging early, we aim to encourage positive change and transparency, ensuring that our portfolio remains aligned with our updated principles. To further support our implementation of these updated principles, we have developed screens to monitor our investee companies across the strategies in scope.

The success of engagement meetings is measured by defined milestones. An ESG objective is set prior to engagements, and the progress against the defined objective is tracked against milestones, 'acknowledgement', 'committed', 'addressed' and 'completed'.

Corporate Sustainability and Responsibility Report

For the year ended 30 June 2025

Proxy voting

At the Annual and Extraordinary General Meetings of portfolio companies in our internally managed investment strategies, as specified in our Proxy Voting Policies, we vote on all proxy resolutions for investments that we directly hold on behalf of our investors and have authority, other than in the exceptional circumstance.

For the Magellan branded strategies, we have a principles-based proprietary proxy voting policy that requires us to vote our investment securities in a timely manner and make voting decisions that are intended to maximise long-term investor value. The proxy voting process and implementation is conducted in line with our Proxy Voting Policy with consideration for our disclosed [Voting Principles](#).

Airlie recognises corporate governance is an important part of share ownership and that Airlie has a responsibility to act with the best interests of clients in mind. One way Airlie represents its clients in matters of corporate governance is through the proxy voting process.

Stewardship reports for internally managed investment strategies include a more detailed analysis of voting and engagement and are available on our website.

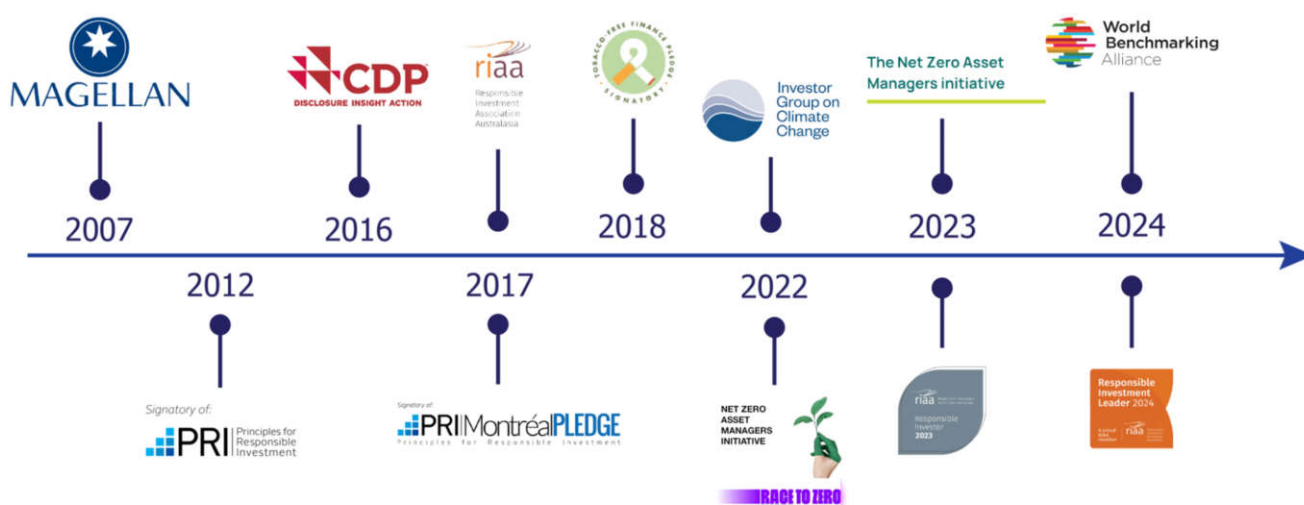
Industry participation and recognition

MFG is a signatory to several industry initiatives and associations that support our commitment to responsible investment, stakeholders' transparency and ability to elevate key company and industry issues such as human rights, climate change and nature.

In the last year we

- received improved RIAA recognition as a Responsible Leader
- achieved uplift in our CDP score to 'B', based on our most recent submission
- were an active member of the RIAA Human Rights Working Group, which informs and enhances the assessment of human rights, including modern slavery, across our internally managed investment strategies
- participated in RIAA's Nature Working Group, which has strengthened our assessment of nature related dependencies and impacts across high impact sectors and reinforces our priorities to further develop our nature and climate frameworks
- contributed to additional industry roundtables and working groups, providing feedback to peers, regulators and other key stakeholders on the mandatory reporting requirements related to financed emissions for asset managers
- remained a signatory to the Net Zero Investment Framework, which guides the implementation of our Climate Stewardship Strategy
- maintained our membership of the World Benchmarking Alliance (WBA) through the Collective Impact Coalition for Ethical Artificial Intelligence

By contributing to these industry initiatives, our company and industry research is enhanced, our clients benefit from broader stakeholder perspectives, and our voice is made louder by joining with others that have similar long-term objectives.



We continue to enhance our ESG integration, stewardship, and client communication, which was recognised by the Principles for Responsible Investment (PRI) in our [2023 assessment](#).

Corporate Sustainability and Responsibility Report

For the year ended 30 June 2025

PRI assessment summary scorecard

MFG has been a signatory of the PRI since 2012. In our most recent PRI assessment, we scored above the global median for each of our assessed modules. Our key asset class of listed equity received a score of 93 and was awarded the highest possible rating of five stars. The full 2023 PRI Assessment Report and Transparency Report can be found on our website.

Module Score and Star Score	
Policy Governance and Strategy	90 ★★☆☆☆
Direct - Listed Equity - Active Fundamental AUM Coverage > 50%	93 ★★★★★
Confidence Building Measures	89 ★★★★★

Looking ahead

As we enter FY26, MFG remains committed to embedding sustainability and responsibility across all aspects of our business and investment activities. We will continue to strengthen our governance, deepen our integration of ESG factors into investment decision-making, and build on our climate risk disclosures in line with evolving regulatory requirements and stakeholder expectations. Our focus will remain on initiatives where we can have the greatest impact—supporting our clients' long-term objectives, fostering an engaged and diverse workforce, and contributing positively to the communities in which we operate. By maintaining a disciplined approach and a long-term perspective, we aim to deliver enduring value for our clients, people and shareholders.

Corporate Information

As at 20 August 2025

Directors

Andrew Formica – Chairman
Sophia Rahmani – Chief Executive Officer and Managing Director
David Dixon
John Eales AM
Cathy Kovacs
Deborah Page AM

Company secretary

Emilie Cameron

Registered office

Level 36, 25 Martin Place, Sydney NSW 2000
Telephone: +61 2 9235 4888
Email: info@magellangroup.com.au

Website

www.magellanfinancialgroup.com

Securities exchange listing

Magellan Financial Group Ltd shares and the MFG 2027 Options are listed on the Australian Securities Exchange (ASX codes: MFG and MFGO, respectively)

Corporate Governance Statement

The Corporate Governance Statement for MFG can be found at the Shareholder Centre at www.magellanfinancialgroup.com

Auditor

Ernst & Young
200 George Street, Sydney NSW 2000

Share registry

Boardroom Pty Limited
Level 8, 210 George Street, Sydney NSW 2000
Telephone: +61 2 9290 9600
Email: enquiries@boardroomlimited.com.au

InvestorServe is Boardroom's free, self-service website where shareholders can manage their interests online. The website enables shareholders to view share balances, change address details, view payment and tax information, update payment instructions and update communication instructions. Shareholders and option holders can register their email address at www.boardroomlimited.com.au to receive shareholder communications electronically.

Electronic delivery of CHES holding statements and notifications

The ASX has now launched the ASX CHES Statements Portal, giving share and option holders the ability to receive electronic notifications about their holdings. This shift away from paper-based communications may make it easier for investors to manage their holdings, and benefit the environment by reducing waste.

To access the portal and electronic notifications, investors will need their broker to opt them in. Investors should contact their broker to see if they have this service enabled. If an investor has not opted in, they will continue to receive CHES holding statements and notifications by mail. Once an investor has opted in, investor statements and notifications will be available through the ASX CHES Statements Portal and they will no longer receive paper statements.

Shareholder Information

As at 14 August 2025

Substantial shareholders

Shareholder	Date notice received	Number of shares	% of capital in notice
State Street Corporation	14 August 2025	12,305,679	7.16
BlackRock Group	19 March 2024	11,006,898	6.05
Dimensional Fund Advisors LP	17 March 2025	10,741,332	6.04
Vanguard Group	27 December 2024	10,228,890	5.71

Voting rights

Under the Company's Constitution, the voting rights attaching to ordinary shares at a meeting of shareholders are:

1. each shareholder is entitled to vote in person, by proxy, by attorney or by representative;
2. on a show of hands, each shareholder present in person, by proxy, by attorney or by representative is entitled to one vote; and
3. on a poll, each shareholder present in person, by proxy, by attorney or by representative is entitled to one vote for every share held by the shareholder.

In the case of joint holdings, only one joint holder may vote.

Neither the MFG 2027 Options nor options issued to employees under the MFG ESOP confer on the holder a right to receive notices of general meetings (except as may be required by law), nor any right to attend, speak at or vote at general meetings of the Company.

Analysis of holdings

Fully paid ordinary shares			
Size of holding	Holders of shares	Number of shares	% of shares on issue
1-1,000	22,205	7,825,318	4.55
1,001-5,000	8,180	18,656,517	10.85
5,001-10,000	1,214	8,875,068	5.16
10,001-100,000	890	20,149,367	11.72
100,001 and over	60	116,472,129	67.72
Total	32,549	171,978,399	100.00
Number of holders with less than a marketable parcel of securities	2,633	65,372	

MFG 2027 Options			
Size of holding	Holders of options	Number of options	% of options on issue
1-1,000	41,785	4,258,399	18.34
1,001-5,000	956	1,942,372	8.37
5,001-10,000	151	1,070,027	4.61
10,001-100,000	249	7,747,363	33.37
100,001 and over	32	8,197,374	35.31
Total	43,173	23,215,535	100.00

Options and rights over ordinary shares						
Size of holding	Holders of options ¹	Number of options ¹	% of options on issue	Holders of share rights ¹	Number of share rights ¹	% of share rights on issue
1-1,000	-	-	-	42	23,825	4.72
1,001-5,000	2	10,000	0.21	26	37,374	7.40
5,001-10,000	3	30,000	0.63	-	-	-
10,001-100,000	47	2,292,500	47.94	17	443,782	87.88
100,001 and over	15	2,450,000	51.23	-	-	-
Total	67	4,782,500	100.00	85	504,981	100.00

¹ All options and share rights are allocated under the Company's incentive and share purchase programs to take up ordinary shares in the capital of the Company. These options and share rights are unquoted, non-transferable and subject to the rules of the relevant program.

Shareholder Information

As at 14 August 2025

Twenty largest holders

Fully paid ordinary shares		
Holder	Number of shares	% of shares on issue
HSBC Custody Nominees (Australia) Limited	43,895,309	25.52
Citicorp Nominees Pty Limited	28,201,843	16.40
JP Morgan Nominees Australia Pty Limited	19,205,177	11.17
Netwealth Investments Limited - Wrap Services	3,722,242	2.16
BNP Paribas Nominees Pty Ltd	2,135,557	1.24
National Nominees Limited	1,716,594	1.00
Mr David Doyle	1,500,000	0.87
BNP Paribas Nominees Pty Ltd - Agency Lending	1,262,589	0.73
ACE Property Holdings Pty Ltd	1,200,000	0.70
Aljamat Pty Ltd - C & D Baer Family	1,000,000	0.58
BNP Paribas Nominees Pty Ltd - Barclays	853,080	0.50
BNP Paribas Nominees Pty Ltd - Hub24 Custodial Serv Ltd	723,214	0.42
IOOF Investment Services Limited - IPS Superfund	702,941	0.41
Glenn Hargraves Investments Pty Ltd	650,000	0.38
Jash Pty Limited	591,030	0.34
BNP Paribas Nominees Pty Ltd - IB AU Noms Retailclient	465,066	0.27
Mr Frank Casarotti	450,000	0.26
UBS Nominees Pty Ltd	381,205	0.22
Alamdo Holdings Pty Limited	367,239	0.21
Solium Nominees (Australia) Pty Ltd - Allocated	338,522	0.20
Total shares held by the 20 largest shareholders	109,361,608	63.59

MFG 2027 Options		
Holder	Number of options	% of options on issue
HSBC Custody Nominees (Australia) Limited	765,446	3.30
HSBC Custody Nominees (Australia) Limited - A/C 2	626,028	2.70
Citicorp Nominees Pty Limited	582,438	2.51
Vagabond Ventures Pty Ltd - Vagabond Investments	500,000	2.15
Mr Brett Peter Irving	447,568	1.93
Nelle Rett 1D Pty Ltd	393,053	1.69
Orange Clogs Pty Ltd - Orange Clogs Superfund	370,628	1.60
JP Morgan Nominees Australia Pty Limited	355,136	1.53
Mr Ernst Kohler	305,627	1.32
Mrs Jolande Jantje Den Otter	283,294	1.22
Mr Dale Anthony Richardson & Mrs Pamela Jean Richardson - Richardson Super Fund	240,000	1.03
Mrs Anjana Nandha	236,500	1.02
Mrs Bhavna Rajeshkumar Soni	225,000	0.97
Mr Mohan Singh Nandha	221,000	0.95
Mr Kim Manh Lam	216,510	0.93
Ms Jie Chen	205,803	0.89
Mr James Lindesay Napier Aitken	200,000	0.86
Mr David Doyle	187,500	0.81
Marsev Pty Limited - Marsev Unit	183,729	0.79
Aljamat Pty Ltd - C & D Baer Family	163,750	0.71
Total MFG 2027 Options held by the 20 largest option holders	6,709,010	28.90