



MAGELLAN
FINANCIAL GROUP

Magellan Financial Group Ltd

Interim Report

For the half year ended 31 December 2024

ABN 59 108 437 592

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The interim financial report has been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001* (Cth) and does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with Magellan Financial Group Ltd's ("MFG") most recent annual financial report available at www.magellangroup.com.au. MFG has also released information to the Australian Securities Exchange ("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).

Executive Chairman's Interim Letter

For the half year ended 31 December 2024

Dear Shareholder,

I am pleased to present you with an overview on MFG's financial performance for the half-year ended 31 December 2024 ("**1H25**"), and to provide an update on our leadership and business priorities. This period has been marked by significant progress and strategic developments that position us well for future growth.

In the time that I have been Executive Chairman, I have remained focused on continued delivery of excellence for our clients. We know that our success is dependent on the trust placed in us by our clients, a trust we do not take lightly. We will continue to pursue excellence in all aspects of our business and maintain our high focus on investment performance.

I have been pleased with the success we have had in restoring stability after a period of disruption, and I am delighted to confirm that the Board has appointed Ms Sophia Rahmani as Chief Executive Officer and Managing Director ("**CEO**") of MFG, effective 3 March 2025. This appointment completes the leadership transition arrangement that has been in place since May last year. It has been a personally rewarding experience to be your Executive Chairman and the Board and I thank you for the trust you have placed in me and the business.

As I hand over executive leadership to our CEO-elect, Ms Rahmani, the Board remains confident that we have the right elements in place to build a successful business and deliver strong shareholder returns. We are fortunate to have a team with a steadfast commitment to our clients and I would like to thank all our people for their ongoing dedication to the business and each other during my period as Executive Chairman. I would also like to thank you, our shareholders, for your continued support of MFG.

PEOPLE AND LEADERSHIP

This time last year we announced the appointment of Ms Rahmani to the role of Managing Director of MFG's main operating subsidiary, Magellan Asset Management Limited ("**MAM**"), with the intention of a transitional leadership arrangement. Ms Rahmani subsequently joined MFG in May 2024, bringing her deep expertise and understanding of the asset management industry. Since that time Ms Rahmani has continued to restore stability to the business and build trust with our clients and people. Ms Rahmani was also instrumental in establishing our strategic partnership with Vinva Investment Management ("**Vinva**") which we announced in August last year, and in setting our strategic direction for the next phase of our growth.

Ms Rahmani's appointment as CEO brings to an end the transitional leadership arrangement, and from 3 March 2025 I am stepping back into the role of Non-Executive Chairman of MFG. Ms Rahmani will continue as Managing Director of MAM.

We have also been pleased to appoint a number of senior executives who will support Ms Rahmani and the business in delivering its strategic growth ambitions. We were pleased to welcome Jen Driscoll to MFG in January 2025 as Chief Operating Officer. Ms Driscoll spent 20 years at AllianceBernstein, where she was CEO, Australia and NZ for the last decade, and has valuable experience in the UK and US. We were also pleased to announce that Sam Mosse will join in April 2025 as Chief Risk Officer. Ms Mosse has over 30 years of experience in risk and compliance in financial services, most recently as Chief Risk Officer at Perpetual, and prior to that at Janus Henderson Investors and Macquarie Group.

During the half year Ms Kirsten Morton resigned as Chief Operating Officer and Chief Financial Officer after 11 years with the Group. The Board is grateful to Ms Morton for her immeasurable contribution to MFG over many years and she departed in January with our best wishes. We are pleased to announce that Mr Dean McGuire has been appointed as Chief Financial Officer ("**CFO**"), effective 3 March 2025. Mr McGuire joins us from GPT where he has held roles since 2011, most recently as Interim CFO and prior to that as Deputy CFO.

With the appointment of Ms Driscoll, Ms Mosse and Mr McGuire the Board is pleased to have attracted professionals of such high calibre and looks forward to working with Ms Rahmani and her leadership team.

Over recent months we have also announced changes to our investment teams. Following a review of our Global Equity products, we appointed Alan Pullen to the portfolio manager team for the Magellan Global Fund and associated portfolios in September 2024. The Global Equities Strategy is well positioned under the leadership of Arvid Streimann and Alan Pullen, who will continue as joint portfolio managers, whilst Nikki Thomas will now focus exclusively on the Magellan High Conviction Strategy which has seen strong performance under Nikki's stewardship over the last two years. We expect to add further portfolio management capabilities to our Global Equity Team in the foreseeable future.

We also advised that Gerald Stack announced his intention to step down from his role as Head of Investments. Mr Stack has led the Listed Infrastructure team since 2007 alongside a highly capable and long-tenured team of portfolio managers and analysts. Mr Stack has been Head of Investments for more than a decade and built a world-class global listed infrastructure strategy which he leaves in

Executive Chairman's Interim Letter

For the half year ended 31 December 2024

the hands of a highly experienced and established team. With each of our largest investment strategies having a portfolio manager team approach we are confident that we have the right structure in place to deliver strong investment performance for our clients.

Our people remain our competitive advantage and, having been through a period of instability, we are steadfastly focused on delivering a positive employee experience. Employee engagement, which we regularly monitor through staff surveys, has had a 12 percentage point improvement from 52 percent in 1H24 to 64 percent in 1H25. Of particular note was the large increase of 17 percentage points, up to 73 percent, in the employees who rate MFG a great place to work. Whilst we are pleased this is moving in the right direction, we also know that an engaged workforce is critical to the successful delivery of our strategy and we have some further way to go. It is a critical performance metric for the leadership team.

STRATEGIC UPDATE

The last six months has seen MFG continue to foster strong client relationships and innovate our product offering. Our distribution platform is a competitive strength, and we have bolstered our global capacity with our presence in the US and now the UK covering EMEA.

Closer to home, in October we were delighted to be on the road again with the Airlie team, presenting to over 600 clients nationwide during our Advisor Roadshow. These events provide a wonderful opportunity for our clients to engage directly with our portfolio managers and gain valuable insights. Next month we commence our Global Equity roadshow which has received an extremely positive response to date. Additionally, we will be hosting an exclusive launch event for the Magellan Global Opportunities Fund, tailored specifically for researchers and consultants, and are hosting a national series of boardroom lunches with our Infrastructure team.

Following the strategic partnership with Vinva that was announced in August, during the half we launched three new systematic equity funds for the Australian market. The first two are the Vinva Australian Equity Fund and the Vinva Global Equity Fund, both of which are long-only systematic equity strategies. The third fund, the Vinva Australian Alpha Extension Fund, is a 130:30 long-short strategy. The transition of a fourth fund, the Vinva Global Alpha Extension Fund (a 120:20 long-short strategy), is expected to be completed in 2H25. The funds complement our existing suite of active equity funds, and provide retail and wholesale investors access to Vinva's investment capabilities together with client service from MFG. A broader review of product strategy also led to the closure of three funds that were not providing the necessary scale to operate in the best interests of investors. These were the Magellan Core Global Fund, the Magellan Core ESG Fund and the Magellan Sustainable Fund.

Today, we provided a strategy update in our 1H25 Investor Presentation. We reiterated our focus on continuing our evolution from a traditional asset manager to a trusted financial group and valued partner, building on our legacy of providing differentiated high-quality investment opportunities to our clients. Our evolution will maintain a focus on enhancing our client servicing capabilities, demonstrated in the recent partnership with Vinva. We intend to continue to pursue strategic growth opportunities that add value to MFG, its clients and its shareholders. MFG remains an appealing partner for investment managers due to our deep client relationships, strong balance sheet and innovative culture. Our current focus is on adjacent areas that serve existing clients and position us for future growth and generate attractive returns. We will assess potential partners against a number of criteria and remain open to various ownership structures which foster alignment. Our approach allows established investment managers to maintain their unique corporate ethos and culture, which is crucial for ongoing success.

Our 1H25 Investor Presentation which we presented to the market today also outlined our go-forward capital management strategy. MFG's strong balance sheet has been a source of resilience for the Group in recent years and we intend to recycle current cash and fund investments to support the business and our strategic growth initiatives. As such, we do not intend to make further purchases under the on-market share buy-back program and will complete a review of our balance sheet management in the coming months under our new CFO.

1H25 FINANCIAL PERFORMANCE

Group

Adjusted net profit after tax for 1H25 was \$84.1 million, down 10% on the prior corresponding period (1H FY24, "PCP").

Total revenue and other income was \$178.6 million for 1H25, representing a 5% increase on PCP. Net performance fees for the Group were \$6.1 million for the half (an increase of \$6.0 million on PCP), mainly due to crystallised fees from the High Conviction Strategy, whilst Group management fees were \$121.0 million for the half, down 7% on PCP. Other income of \$50.9 million was largely driven by dividends from fund investments.

Executive Chairman's Interim Letter

For the half year ended 31 December 2024

Our strategic partnerships continue to contribute to our Group profit, with MFG's share of after-tax profit at \$11.4 for 1H25, compared to \$3.1 million PCP. We were pleased to receive an unfranked dividend of \$4 million from Barrenjoey Capital Partners during the half in respect of the financial year ended 30 June 2024.

Adjusted expenses for 1H25 were \$53.4 million, largely in line with the same period last year (\$53.9 million PCP). The majority of the expense sits within the Investment Management business, with total expenses of \$51.6m, and is tracking in line with our 2025 financial year guidance of \$105 million to \$110 million.

Investment management

At 31 December 2024, MFG had Assets under Management ("**AUM**") of \$38.6 billion, up from \$35.8 billion at the same time last year. This number reflects the continued stability we have achieved in our business and for our clients.

Growth in AUM over the last six months has been modest (up from \$36.6 billion at 30 June 2024) and can be attributed to investment performance and favourable movement in foreign exchange rather than new fund flows. AUM from our institutional client base represents 58% (\$22.5 billion) of total AUM, with the remaining 42% (\$16.1 billion) from our retail clients.

MFG continues to be a profitable business with a strong balance sheet and cash flows. For the six months to 31 December 2024, the Board has declared an **Interim Dividend** of 26.4 cents per share, franked at 85%. Our policy of paying 90% to 95% of the profits from our Investment Management business as dividends remains in place, and we will continue to prudently invest in our business for growth.

CONCLUDING REMARKS

Looking ahead, we are confident in our continued ability to rebuild and grow. With a new executive leadership structure in place and a clear focus on our strategic priorities, we are well-positioned to capitalise on opportunities and deliver sustainable growth. Thank you for your continued support.

Yours sincerely,



Andrew Formica
Executive Chairman
Sydney
20 February 2025

Performance overview

For the half year ended 31 December 2024

Overview of results

Magellan Financial Group Ltd ("**MFG**" or the "**Group**") is a financial services group spanning investment management and specialist financial services.

The Group's Investment Management business includes investment teams across Global Equities, Listed Infrastructure Equities, Australian Equities (via Airlie Investment Management) and Systematic Equities (via the Group's strategic partnership with Vinva Investment Management). Assets are managed on behalf of retail investors in Australia and New Zealand and institutional investors globally.

The Group has strategic investments in specialist financial services businesses, which include Barrenjoey Capital Partners Group Holdings Pty Limited ("**Barrenjoey**"), Vinva Holdings Limited ("**Vinva**") and FinClear Holdings Limited ("**FinClear**").

The Group's Investment Management business is the main driver of the Group's revenues, profitability and therefore, dividends paid to shareholders. Assets under management ("**AUM**") is the primary driver of the Group's revenues as it determines the level of management fees earned by the Group. The Group also recognises profits from its investments and receives its share in any distributions that are paid.

The Group's financial performance for the half year ended 31 December 2024 reflects the progress the business has made in restoring stability and establishing the foundations for future growth, and the growing contribution made from its strategic partners.

AUM was \$38.6 billion as at 31 December 2024, representing a slowing of quarterly outflows across both retail and institutional clients and strong investment returns. **Average AUM** for the half year was up 3% to \$38.1 billion (1H24: \$36.9 billion).

The Group's **statutory net profit after tax** for 1H25 was \$94.0 million (1H24: \$104.1 million).

The Group believes adjusted net profit after tax provides meaningful information about the performance of the business, particularly in comparative analysis.

The Group's **adjusted net profit after tax** for 1H25 was \$84.1 million (1H24: \$93.5 million). **Adjusted diluted earnings per share** was 46.8 cents per share (1H24: 51.6 cents per share). Adjusted financial measures for the period exclude:

- net unrealised gain from the Fund Investments segment of \$18.2 million (net of tax: \$12.7 million);
- non-cash amortisation expense of \$0.7 million;
- non-cash employee share option expense of \$0.6 million;
- loss on dilutions of associates of \$1.7 million (net of tax: \$1.2 million); and
- transaction costs related to strategic initiatives of \$0.4 million (net of tax: \$0.3 million).

Profit before tax and performance fees from the Group's Investment Management business was \$72.1 million (1H24: \$79.9 million).

Fund Investments made a gain of \$43.5 million before tax. This primarily comprised dividend and distribution income of \$23.2 million, realised capital gains of \$2.2 million and net unrealised capital gains of \$18.2 million. Earnings from dividends and distributions and realised capital gains/losses are included in other revenue and income in the table on the next page.

The Group's share of the **after-tax profits of associate investments** was \$11.4 million (1H24: after-tax profits of \$3.1 million). During the period we received an unfranked dividend of \$4 million from Barrenjoey in respect of the financial year ended 30 June 2024.

The Directors have declared an Interim Dividend of 26.4 cents per share in respect of the half year ended 31 December 2024, 85% franked. The Interim Dividend will be paid on 12 March 2025.

The Group's policy is to pay Interim and Final Dividends of 90% to 95% of the net profit after tax of the Group's Investment Management business excluding performance fees. This remained unchanged for the half year ended 31 December 2024. Net profit after tax of the Investment Management business excludes amortisation of intangibles, expenses/benefits related to strategic initiatives and gains/losses from non-cash remeasurements.

In addition to the Interim and Final Dividends, the Group will pay an annual Performance Fee Dividend of 90% to 95% of the net crystallised performance fees after tax. Any Performance Fee Dividend will be paid annually alongside the Final Dividend.

Performance overview

For the half year ended 31 December 2024

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 85% to the Interim Dividend has been determined having regard to the franking credits that are expected to be available to the Group. The increase in the franking rate for the Interim Dividend reflects a return to normal levels following the temporary impact of the on-market purchase of MGF Options by the Group in the previous financial year ended 30 June 2024.

The payment of dividends by the Group will be subject to corporate, legal and regulatory considerations.

The following table summarises the Group's profitability over the December half year periods¹:

	31 Dec 2024 \$'000	31 Dec 2023 \$'000	Change %
Management and services fees	121,648	130,303	(7%)
Performance fees	6,109	90	nm
Other revenue and income	32,186	52,368	(39%)
Adjusted revenue and other income	159,943	182,761	(12%)
Adjusted expenses	(53,374)	(53,864)	(1%)
Adjusted net profit before tax	106,569	128,897	(17%)
Adjusted tax expense	(33,851)	(38,431)	(12%)
Adjusted net profit after tax and before associates	72,718	90,466	(20%)
Share of after tax profit/(loss) of associates ¹	11,365	3,061	271%
Adjusted net profit after tax	84,083	93,527	(10%)
Net benefit/(expense) related to Magellan Global Fund options ²	-	22,099	nm
Transaction costs related to strategic initiatives	(299)	(81)	nm
Amortisation of intangible assets	(698)	(707)	nm
Net non-cash remeasurement of share purchase loans	(43)	1,749	nm
Non-cash employee share option expense	(570)	(1,475)	nm
Net unrealised change in fair value of financial assets and liabilities	12,727	(11,108)	nm
Net gain/(loss) on dilutions and disposals of associates	(1,194)	54	nm
Total non-IFRS adjustments after tax	9,923	10,531	
Statutory net profit after tax	94,006	104,058	(10%)
Key statistics			
Diluted earnings per share (cents per share)	52.3	57.4	(9%)
Adjusted diluted earnings per share (cents per share)	46.8	51.6	(9%)
Interim dividend (cents per share)	26.4	29.4	(10%)

¹ Share of after-tax profit of associates of \$12.3 million adjusted for the Group's tax on undistributed associate profit of \$0.9 million. A reconciliation to the reported statutory net profit is outlined in section 3.1 of the Directors' Report.

² 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 as well as the cost of the on-market purchase of MGF Options ("MGFO") by the Group.

Investment Management business

As at 31 December 2024, the Group's Investment Management business had AUM of \$38.6 billion. This business is the primary driver of the Group's revenues, profitability, and therefore, dividends paid to shareholders.

For the six months ended 31 December 2024, the Investment Management business profit before tax was \$78.2 million (1H24: \$79.9 million). Excluding performance fees, profit before tax was \$72.1 million (1H24: \$79.9 million). The Investment Management

¹ Adjusted financial measures are adjusted for strategic, non-recurring, non-cash or unrealised items to provide additional meaningful information (refer to section 3.1 of the Directors' Report and note 2 in the financial statements for the breakdown of these items).

Performance overview

For the half year ended 31 December 2024

business profit excludes amortisation of intangibles, expenses/benefits related to strategic initiatives, gains/losses from non-cash remeasurements and non-cash expenses related to the employee share option plan.

The following table summarises the profitability of the Investment Management business for the six months ended 31 December 2024 compared with the prior corresponding period:

	31 Dec 2024 \$'000	31 Dec 2023 \$'000	Change %
Revenue			
Management fees	121,048	129,703	(7%)
Performance fees	6,109	90	nm
Services fees	600	600	0%
Interest and other revenue	2,071	850	144%
	129,828	131,243	(1%)
Expenses			
Employee expenses	34,510	34,067	1%
Fund administration and operational costs	6,591	6,969	(5%)
Information technology and data	4,776	4,702	2%
Marketing	796	863	(8%)
Other expenses	4,908	4,694	5%
	51,581	51,295	1%
Net profit before tax	78,247	79,948	(2%)
Net profit before tax and performance fees¹	72,138	79,858	(10%)
Key statistics			
Average assets under management (\$ million)	38,081	36,885	3%
Average AUD/USD exchange rate	0.6612	0.6536	1%
Average number of employees	103	111	(7%)
Employee expenses / total expenses	66.9%	66.4%	
Cost / income	39.7%	39.1%	
Cost / income, excl. performance fees ¹	41.7%	39.1%	

¹ Adjusted for the current period performance fee impact on revenue and expenses for the six month period.

Revenues

The primary component of the Group's revenues is management fees, which are based on AUM.

Revenues for the half year decreased by 1% to \$129.8 million. This was driven by a 7% decrease in total management fee revenue, as a result of a decrease in the average base management fee to 63bps per annum (1H24: 70bps) offset by a 3% increase in average AUM over the period. Performance fees before tax of \$6.1 million were earned for the half year (1H24: \$0.1 million). Performance fees were primarily driven by the Group's Global Equities strategy which exhibited strong absolute investment performance in the six months to 31 December 2024. Performance fees can, and very often do, vary significantly from period to period.

Expenses

Investment Management business expenses increased by 1% from the prior corresponding period to \$51.6 million and are tracking in line with our 2025 full year guidance of \$105 million to \$110 million.

Employee expenses were largely flat at \$34.5 million and made up 67% of the operating expenses of the Investment Management business in the year. The average number of employees across the business declined due to staff turnover with replacement hires already made or expected to be made in the six months ended 30 June 2025. The Group's Investment Management business is heavily reliant on human capital and we continue to invest in our people to deliver excellence for our clients, which in turn will drive shareholder outcomes.

The Investment Management business cost to income ratio (excluding performance fees) was 41.7% (1H24: 39.1%). The increase to Magellan's cost to income ratio primarily reflects the decrease in total management fee revenue.

Performance overview

For the half year ended 31 December 2024

The Group continues to maintain a disciplined approach to costs.

The following table sets out total employee numbers:

	31 Dec 2024	30 Jun 2024
Investment¹		
Portfolio Managers/Analysts	30	30
Dealers	3	3
	33	33
Distribution & Marketing¹	21	22
Other (including Finance, Risk & Compliance, Admin)	43	49
Frontier	3	5
Total	100	109
Average number of employees	103	111

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

Assets Under Management

The following table sets out the composition of MFG's AUM:

	31 Dec 2024	30 Jun 2024
Retail	16.1	17.2
Institutional	22.5	19.4
Total AUM (\$ billion)	38.6	36.6
Retail (%)	42%	47%
Institutional (%)	58%	53%
AUM subject to performance fees (%)	41%	44%
Breakdown of AUM		
Global equities	14.5	15.8
Infrastructure equities	16.6	15.5
Australian equities	7.5	5.4
Total AUM (\$ billion)	38.6	36.6
Average base management fee (bps) per annum excluding performance fees ¹	63	70

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.

As at 31 December 2024, the Group had AUM of \$38.6 billion, split between:

- Global Equities (38%);
- Infrastructure Equities (43%); and
- Australian Equities (19%).

This compares with AUM of \$36.6 billion as at 30 June 2024. The increase in AUM was driven by:

- net outflows of \$2.1 billion;
- cash distributions paid (net of reinvestment) of approximately \$0.2 billion; offset by
- positive investment returns of approximately \$4.3 billion.

Performance overview

For the half year ended 31 December 2024

The following table sets out the drivers of AUM changes for each investment strategy:

AUM by strategy (\$ billions)	30 Jun 2024	1H25 Net Flows	Investment Performance	Distributions	31 Dec 2024 ¹
Global Equities	15.8	(2.8)	1.7	(0.2)	14.5
Infrastructure Equities	15.5	(1.0)	2.2	(0.1)	16.6
Australian Equities	5.4	1.7	0.4	(0.0)	7.5
Total¹	36.6	(2.1)	4.3	(0.2)	38.6

¹ May not add due to rounding

Net outflows across the business continued to reduce materially in the six months to 31 December 2024, despite the one-off impacts connected with the Magellan Global Fund conversion in the quarter ended 30 September 2024.

Set out in the table below is the investment performance since inception of key funds across Global Equities, Infrastructure and Airlie.

Investment Performance for the Period to 31 December 2024 ¹	1 Year	3 Years	5 Years	Since Inception
	%	% p.a.	% p.a.	% p.a. ²
Magellan Global Fund³	29.6	10.1	9.7	11.7
MSCI World NTR Index (\$A)	30.8	12.2	14.0	8.9
Magellan Global Opportunities Fund	30.7	13.5	-	13.5
MSCI World NTR Index (\$A)	30.8	12.2	-	12.2
Magellan High Conviction Trust	28.3	7.7	8.3	9.6
Magellan Infrastructure Fund	6.6	1.2	1.1	6.8
Infrastructure Benchmark (\$A) ⁴	17.6	7.2	4.3	5.7
Airlie Australian Share Fund	7.1	5.4	10.3	10.3
S&P/ASX 200 Accum. Index	11.4	7.4	8.1	8.9
Airlie Small Companies Fund	14.2	-	-	15.2
S&P/ASX Small Ords Accum. Index	8.4	-	-	7.8

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 Magellan Global Opportunities Fund is 1 January 2022. Inception date for Magellan High Conviction Trust is 11 October 2019. Inception date for Airlie Australian Share Fund is 1 June 2018. Inception date for Airlie Small Companies Fund is 4 April 2023.

³ Performance for the Magellan Global Fund Open Class.

⁴ 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).

Magellan-branded funds

Magellan's investment philosophy remains unchanged, and Magellan continues to believe that investing in the world's best global equities and global infrastructure companies is a path to creating and protecting long term wealth. While long-term investment performance is strong, with all flagship strategies outperforming their respective benchmarks since inception, improvement is needed in the medium-term investment performance of the Group's Global Equities and Listed Infrastructure strategies. Each of the Group's investment teams remain highly focused on delivering positive investment outcomes for clients.

The **Global Equities** strategy experienced the majority of outflows in the period with \$2.8 billion of net outflows, of which \$0.4 billion were from the institutional channel and \$1.2 billion from the conversion of the closed class to the open class fund. Investment performance in the strategy has been mixed, with the Magellan Global Fund and the High Conviction strategies remaining soft against the benchmark in recent months and over the medium-term. Given the strategy's defensive risk-adjusted positioning, the recent relative performance is consistent with portfolio expectations during a period of very strong equity market returns. Investment returns added \$1.7 billion in AUM over the period. The Global Opportunities strategy, launched in January 2022, has performed strongly since inception and now has an enviable three-year track record.

Magellan's **Infrastructure** equities strategy remains a highly regarded offering giving clients exposure to listed infrastructure as a diversifier to their broader global equity allocations. The team has solid long-term performance track record since inception. The strategy experienced \$1.0 billion in outflows over the period, which was offset by \$2.2 billion in investment returns. Medium-term

Performance overview

For the half year ended 31 December 2024

performance within the strategy has been soft given the investment universe deployed by the strategy and the high beta nature of broader equity market returns. The reasons for this underperformance are well understood by our clients. Magellan's approach to infrastructure investing is built on a strict definition of infrastructure which intentionally differs from broader market definitions to exclude companies whose earnings are exposed to certain significant external risks, such as commodity price movements, competitive pressures or sovereign risks. Using this disciplined approach, the strategy invests in monopoly-like assets that provide essential services, face reliable demand and generate predictable cash flows, and as a result, can lead to periods where the strategy underperforms the common infrastructure index. Despite the recent performance challenges, Magellan remains confident that the strategy is well-placed to deliver strong uncorrelated investment returns over the long-term.

Airlie-branded funds

Magellan's Australian Equities business, **Airlie Funds Management**, continues to maintain strong performance in the Airlie Australian Share Fund (ASX: AASF / APIR: MGE9705AU), which has outperformed its benchmark over 5 years and since inception, as at 31 December 2024. During the half, investment returns added \$0.4 billion, and net inflows added \$1.7 billion of AUM, with consistent retail inflows in each month and institutional inflows of \$1.4 billion, demonstrating client recognition of the team's exceptional investment approach and strong performance.

Strategic update

The Group will continue to focus on delivering new initiatives within our existing Investment Management business and strategic investments in high-quality businesses that complement our core capabilities. With AUM of \$38.6 billion at 31 December 2024, the business remains a profitable fund manager of scale. The business continues to generate strong operating cash flows supporting attractive dividends, and the business' financial strength positions it well to execute on its strategic growth agenda into the future.

Strategic partners

As at 31 December 2024, Magellan held three investments in associates on the balance sheet:

- 36% economic interest in Barrenjoey Capital Partners;
- 16% interest in FinClear, a provider of technology, infrastructure and ASX market-access services;
- 29% interest in Vinva, a global investment management firm founded in Australia.

Associate investments delivered a post-tax contribution of \$11.4 million during the half year ended 31 December 2024 (1H24: \$3.1 million).

Barrenjoey delivered an improved profit in the half year ended 31 December 2024 with net profit after tax of \$25.2 million following record revenues. With all key businesses now established, Barrenjoey saw revenue growth across all business lines, particularly Fixed Income. Revenue increases coupled with cost control delivered a 138% increase in net profit after tax over the prior corresponding period. Barrenjoey maintained a strong capital position, well above the minimum required, and saw strong cash generation. During the period the Group received an unfranked dividend of \$4 million from Barrenjoey in respect of the financial year ended 30 June 2024.

FinClear saw strong growth in key metrics and is continuing to develop its business. New products in FX and cash are on track to launch in coming months and are expected to generate material revenue for the business. Its private market business, FCX, is in the final stages of satisfying regulatory licence requirements and is soon expected to offer a unique and innovative solution to corporates and private equity and fund administration partners.

The Group entered into a strategic partnership with Vinva in August 2024 under which it will distribute Vinva's systematic equity products globally and to certain retail and wholesale clients in Australia. Vinva has experienced solid investment performance since August 2024, with strong client interest in its capabilities. The Group's Investment Management business has launched three new Vinva funds during the half year, with work on the transition of a fourth fund well progressed, and is in the process of making these funds widely available to the Australian retail market.

The Group continues to be a supportive shareholder and will manage these investments in line with its strategic objectives and maximising shareholder value.

Capital management

As at 31 December 2024, the Group's financial position included:

- investment assets (cash and cash equivalents, financial assets and investments in associates) of \$919.0 million (June 2024: \$889.0 million);

Performance overview

For the half year ended 31 December 2024

- net tangible assets of \$926.8 million (June 2024: \$912.2 million) equating to \$5.17 per share (June 2024: \$5.05);
- total liabilities of \$70.9 million (June 2024: \$69.7 million) which include payables, employee benefits, income tax payable and lease liabilities; and
- shareholders' funds of \$1,035.7 million (June 2024: \$1,019.5 million).

The Group has no debt.

As at 31 December 2024, MFG had bought back 6,933,587 shares, at an average price of \$10.19 per share, since the inception of its on-market share buy-back program of up to 10 million ordinary fully paid shares (representing 5.4% of shares on issue at announcement). Of this, 1,963,916 shares were bought back during the six months to 31 December 2024, at an average price of \$9.23 per share.

The Group's strong balance sheet has benefited clients and shareholders in recent periods by protecting the business from challenges at the corporate level. MFG's strong capital position continues to provide the business strategic optionality and flexibility, with the Group assessing that it holds approximately \$407 million of capital available for strategic purposes.

The Group announced today that cash and fund investments will continue to be recycled to support the business and its strategic growth initiatives. As such, the Group does not intend to make further purchases under the on-market share buy-back program and is undertaking a review of its balance sheet management, including the fund investments portfolio, and its dividend policy having regard to the increasing contribution from its strategic investments.

Investments in funds and strategic partners

Fund Investments is a sub-set of the Group's balance sheet and comprises investments in MFG funds and seed portfolios for new strategies and initiatives. The Group believes that maintaining a strong balance sheet is important for MFG's clients and shareholders. In addition to providing strategic flexibility and optionality, the Group's Fund Investments ensure the Group holds a meaningful level of liquid assets for operational risk purposes and allows MFG to seed new investment strategies and co-invest with clients.

At the end of the half, the Group had net Fund Investments of \$393.0 million, compared with \$371.1 million at 30 June 2024. On a per share basis, net Fund Investments were \$2.19 per share (based on 179.1 million shares at 31 December 2024).

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 343% to \$12.3 million (\$11.4 million after tax on undistributed profit). Barrenjoey's contribution increased to reflect a strong 1H FY25 result, whilst FinClear saw a marginal reduction in its loss. Vinva's contribution was recognised for part of the first half and reflected a strong result with a significant contribution from performance fees.

\$million	31 Dec 2024	30 Jun 2024
Net Fund Investments¹	393.0	371.1
Net Fund Investments per share (\$)²	2.19	2.05
Carrying value of investments in strategic partners	305.5	160.0
	31 Dec 2024	31 Dec 2023
Share of strategic partners' after-tax profits³	12.3	2.8

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

² Based on 179,111,184 ordinary shares on issue at 31 December 2024 (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 satisfactory returns on its Fund Investments portfolio over time while maintaining capital strength to underpin the Group's business. MFG has established a pre-tax return hurdle of 10% per annum over the business cycle for the Fund Investments portfolio.

The Group's Fund Investments portfolio has returned pre-tax 25.1%, 8.7% and 8.8% per annum over the last 1, 3 and 5 years to 31 December 2024 respectively. Excluding the effect of the Group's previous investment in MFF Capital Investments Limited, disposed of by way of an in-specie distribution to shareholders in February 2013, the portfolio returned pre-tax 11.1% per annum since inception from 1 July 2007. The inception date of 1 July 2007 has been chosen to reflect the first purchase date of the investments in the Magellan Global Fund and the Magellan Infrastructure Fund.

Directors' Report

For the half year ended 31 December 2024

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 half year ended 31 December 2024.

1. Directors

		Appointed	Resigned
Andrew Formica	Executive Chairman	26 July 2023	-
Deborah Page AM	Deputy Chairman, Independent Non-Executive Director ¹	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	-
Hamish McLennan	Deputy Chairman, Independent Non-Executive Director ¹	1 March 2016	22 October 2024

¹ During the period ended 31 December 2024, the Group's Deputy Chairman was Mr McLennan from 1 July 2024 through 22 October 2024 and Mrs Page from 23 October 2024 through 31 December 2024.

2. Dividends

The Directors have declared an interim dividend of 26.4 cents per ordinary share (85% franked) in respect of the half year ended 31 December 2024 (December 2023: 29.4 cents per ordinary share, 50% franked). The amount of the interim dividend (which is not recognised as a liability as at 31 December 2024) is approximately \$47,285,000 (December 2023: \$53,225,000) and is expected to be paid on 12 March 2025.

The Company's policy is to pay Interim and Final Dividends of 90% to 95% of the net profit after tax of the Group's investment management business excluding performance fees. Net profit after tax of the investment management business excludes amortisation of intangibles, expenses/benefits related to strategic initiatives and gains/losses from non-cash remeasurements. In addition to the Interim and Final Dividends, the Directors will pay an annual Performance Fee Dividend of 90% to 95% of net crystallised performance fees after tax. Any Performance Fee Dividend will be paid annually alongside the Final Dividend. The payment of dividends by the Group will be subject to corporate, legal and regulatory considerations.

3. Review of Financial Results and Operations

Information relating to the Group's operations, the results of those operations and the Group's financial position is included in the Performance Overview on page 6 of this report and in this section. Information relating to the Group's business strategies, prospects for future financial years and likely developments in its operations is included in the Executive Chairman's Interim Letter on page 3 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.

3.1. Reconciliation of Net Profit After Tax to Adjusted Net Profit After Tax

The Group's net profit after tax ("Statutory net profit") and earnings per share are prepared in accordance with Australian Accounting Standards. The Group also reports a number of non-International Financial Reporting Standards ("non-IFRS") financial measures including "adjusted revenue and other income", "adjusted net profit before associates", "adjusted net profit after tax" and "adjusted basic and diluted EPS" which are shown on the next page. Refer to section 3.2 for further details on non-IFRS financial measures.

The Group's statutory net profit after tax for the half year ended 31 December 2024 was \$94,006,000, down \$10,052,000 from the prior corresponding half year. The Group's adjusted net profit after tax was \$84,083,000 (December 2023: \$93,527,000) which takes into account various non-IFRS adjustments as shown on the following page.

Directors' Report

For the half year ended 31 December 2024

3.1 Reconciliation of Net Profit After Tax to Adjusted Net Profit After Tax (continued)

	31 Dec 2024		31 Dec 2023	
	Statutory \$'000	Non-IFRS \$'000	Statutory \$'000	Non-IFRS \$'000
Management and services fees	121,648	121,648	130,303	130,303
Performance fees	6,109	6,109	90	90
Other revenue and income	50,856	50,856	38,917	38,917
Total revenue and other income	178,613	178,613	169,310	169,310
Adjust for: net unrealised change in fair value of financial assets and liabilities		(18,182)		15,868
Adjust for: non-cash interest related to share purchase loans		(488)		(2,417)
Adjusted revenue and other income		159,943		182,761
Total expenses	(55,601)	(55,601)	(25,260)	(25,260)
Adjust for: net (benefit)/expense related to MGF options ¹		-		(31,569)
Adjust for: transaction costs related to strategic initiatives		428		115
Adjust for: amortisation of intangible assets		698		707
Adjust for: non-cash expenses related to share purchase loans		531		668
Adjust for: non-cash employee share option expense		570		1,475
Adjusted expenses		(53,374)		(53,864)
Income tax	(39,613)	(39,613)	(42,846)	(42,846)
Adjust for: tax on above adjustments		5,326		4,676
Adjust for: tax on undistributed associate profit		948		(284)
Adjust for: tax on loss from associate dilutions and disposals		(512)		23
Adjusted income tax		(33,851)		(38,431)
Adjusted net profit before associates		72,718		90,466
Share of after-tax profit/(loss) of associates	12,313	12,313	2,777	2,777
Adjust for: tax on undistributed associate profit		(948)		284
Net gain/(loss) on dilutions and disposals of associates	(1,706)	(1,706)	77	77
Adjust for: net loss on dilutions and disposals of associates		1,706		(77)
Net profit after tax	94,006		104,058	
Adjusted net profit after tax		84,083		93,527
Diluted earnings per share	52.3		57.4	
Adjusted diluted earnings per share		46.8		51.6

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 as well as the cost of the on-market purchase of MGF Options ("MGFO") by the Group.

3.2. Non-IFRS Financial Measures

Non-IFRS financial measures are measures that are not defined or specified under IFRS. The Directors believe non-IFRS financial measures assist in providing additional meaningful information about the performance of the business and period-to-period comparability by adjusting for strategic, non-recurring, non-cash or unrealised items which affect the Group's statutory financial results.

Non-IFRS financial measures should be viewed in addition to, and not as a substitute for, the Group's statutory results. These measures may also differ from non-IFRS measures used by other companies.

The Group's non-IFRS financial measures are presented with reference to the Australian Securities & Investments Commission ("ASIC") Regulatory Guide 230 *Disclosing non-IFRS financial information*, issued in December 2011. Non-IFRS financial measures are not subject to audit or review.

Directors' Report

For the half year ended 31 December 2024

3.3. Statement of Financial Position

The Group is in a strong financial position and at 31 December 2024 reported:

- investment assets (cash and cash equivalents, financial assets and investments in associates) of \$919,019,000 (June 2024: \$889,016,000);
- shareholders' funds of \$1,035,748,000 (June 2024: \$1,019,529,000); and
- net tangible assets per share of \$5.17 (June 2024: \$5.05).

4. Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Group during the half year ended 31 December 2024 other than as disclosed in this report or the financial statements.

5. Events Subsequent to the End of the Half Year

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 result of those operations or the state of affairs of the Group in subsequent financial periods.

Interim Dividend

Refer to section 2 for details of the dividend declared in respect of the six months ended 31 December 2024.

Assets Under Management

On 6 February 2025, the Group announced on the ASX announcements platform that its assets under management was \$39.1 billion as at 31 January 2025.

6. Auditor

Ernst & Young continues in the office and a copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* (Cth) is set out on page 16.

7. Rounding of Amounts

The Company is of a kind referred to in the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and amounts in the Directors' Report have been rounded to the nearest thousand dollars in accordance with that Legislative Instrument, or in certain cases, the nearest dollar.

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



Andrew Formica
Executive Chairman

Sydney
20 February 2025



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working world**

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Auditor's Independence Declaration to the Directors of Magellan Financial Group Ltd

As lead auditor for the review of the interim financial report of Magellan Financial Group Ltd for the six-month period ended 31 December 2024, 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 review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

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

Ernst & Young

Ernst & Young

Stacey Hooper
Partner
20 February 2025

Consolidated Statement of Profit or Loss and Comprehensive Income

for the half year ended 31 December

	Note	2024 \$'000	2023 \$'000
Revenue			
Management fees	5	121,048	129,703
Performance fees	5	6,109	90
Services fees		600	600
Advisory fees		411	663
Dividend and distribution income		23,171	6,029
Interest income		5,701	10,600
Net change in the fair value of financial assets and liabilities:			
Realised		2,186	37,826
Unrealised		18,182	(15,868)
Net foreign exchange gain/(loss)		1,205	(333)
Total revenue and other income		178,613	169,310
Expenses			
Employee expenses		35,538	36,009
Non-Executive Director fees		671	742
Fund administration and operational costs		6,626	7,011
Information, technology and data		4,776	4,702
Marketing		796	863
Professional services fees		2,556	2,359
Travel and entertainment		572	617
Depreciation and amortisation		1,870	1,922
Net (benefit)/expense related to Magellan Global Fund options	2	-	(31,569)
Transaction costs related to strategic initiatives	2	428	115
Finance costs		147	725
Other expenses		1,621	1,764
Total expenses		55,601	25,260
Share of after tax profit/(loss) of associates		12,313	2,777
Net gain/(loss) on dilution of interests in associates		(1,706)	77
Net profit before tax		133,619	146,904
Income tax expense	4	(39,613)	(42,846)
Net profit after tax		94,006	104,058
Other comprehensive income for the period			
Exchange differences on translation of foreign operations		2,653	(889)
Other comprehensive income for the period, net of tax		2,653	(889)
Total comprehensive income for the period		96,659	103,169
Basic earnings per share (cents per share)	3	52.3	57.4
Diluted earnings per share (cents per share)	3	52.3	57.4

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

	Note	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Current assets			
Cash and cash equivalents		188,542	322,567
Loans and receivables		50,096	58,775
Financial assets	6	1,707	1,666
Prepayments		1,730	993
Other assets		1,529	902
Total current assets		243,604	384,903
Non-current assets			
Loans and receivables		18,020	23,101
Financial assets	6	423,259	404,825
Associates	8	305,511	159,958
Property, plant and equipment		441	455
Right-of-use assets		4,710	5,431
Intangible assets		108,994	107,291
Other assets		2,075	3,280
Total non-current assets		863,010	704,341
Total assets		1,106,614	1,089,244
Current liabilities			
Payables		10,135	10,966
Employee benefits		19,308	31,148
Income tax payable		17,455	8,832
Lease liabilities		2,954	2,775
Total current liabilities		49,852	53,721
Non-current liabilities			
Net deferred tax liability		14,876	7,750
Employee benefits		2,260	3,169
Provisions		259	244
Lease liabilities		3,619	4,831
Total non-current liabilities		21,014	15,994
Total liabilities		70,866	69,715
Net assets		1,035,748	1,019,529
Equity			
Contributed equity	9	609,362	627,188
Reserves		426,386	392,210
Retained earnings		-	131
Total equity		1,035,748	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 half year ended 31 December

	Contributed equity	Profits reserve	Share-based payments reserve	Foreign currency translation reserve	Retained earnings	Total equity	
	Note	\$'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 period		-	-	-	-	94,006	94,006
Other comprehensive income for the period		-	-	-	2,653	-	2,653
Total comprehensive income for the period		-	-	-	2,653	94,006	96,659
Issue of shares:							
Under employee equity matching program	9	298	-	-	-	-	298
Shares bought back on-market and cancelled	9	(18,118)	-	-	-	-	(18,118)
Transaction costs, net of tax	9	(13)	-	-	-	-	(13)
Dividends paid	10	-	(64,526)	-	-	-	(64,526)
Share purchase agreements ("SPA") expense	9	7	-	-	-	-	7
Share-based payment expense		-	-	1,912	-	-	1,912
Transfer (from retained earnings)/to profits reserve		-	94,137	-	-	(94,137)	-
Closing balance at 31 December 2024		609,362	408,894	10,373	7,119	-	1,035,748
Opening balance at 1 July 2023		632,323	321,037	5,129	4,531	(518)	962,502
Net profit after tax for the period		-	-	-	-	104,058	104,058
Other comprehensive income for the period		-	-	-	(889)	-	(889)
Total comprehensive income for the period		-	-	-	(889)	104,058	103,169
Shares bought back on-market and cancelled		(2,780)	-	-	-	-	(2,780)
Transaction costs, net of tax		(2)	-	-	-	-	(2)
Dividends paid	10	-	(126,639)	-	-	-	(126,639)
SPA expense		47	-	-	-	-	47
Share-based payment expense		-	-	1,475	-	-	1,475
Transfer (from retained earnings)/to profits reserve		-	103,540	-	-	(103,540)	-
Closing balance at 31 December 2023		629,588	297,938	6,604	3,642	-	937,772

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 half year ended 31 December

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Management and services fees received		130,283	146,840
Performance fees received		20,759	12,582
Advisory fees received		819	886
Dividends and distributions received		7,226	8,829
Interest received		5,130	8,139
Finance cost payments		(147)	(729)
Tax payments		(23,749)	(32,765)
Payments to suppliers and employees		(76,849)	(81,968)
Payments of transaction costs related to Magellan Global Fund options		-	(66,481)
Payments of transaction costs related to strategic initiatives		(62)	(50)
Net cash from/(used in) operating activities		63,410	(4,717)
Cash flows from investing activities			
Proceeds from the sale of financial assets and liabilities		39,911	83,800
Purchases of financial assets and liabilities		(22,766)	(961)
Purchases of associates	8	(138,943)	-
Dividends from associates	8	4,000	-
Purchases of property, plant and equipment		(99)	(125)
Net placements of cash on term deposits		(41)	-
Net cash from/(used in) investing activities		(117,938)	82,714
Cash flows from financing activities			
Proceeds from share issuances, net of transaction costs		298	-
Proceeds from repayment of share purchase plan loans		2,530	5,051
Dividend payments	10	(64,221)	(125,780)
Lease payments		(1,360)	(1,293)
Shares bought back on-market	9	(18,118)	(2,782)
Net cash from/(used in) financing activities		(80,871)	(124,804)
Net increase/(decrease) in cash and cash equivalents		(135,399)	(46,807)
Effects of exchange rate changes on cash and cash equivalents		1,374	(445)
Cash and cash equivalents at the beginning of the period		322,567	373,445
Cash and cash equivalents at the end of the period		188,542	326,193

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 half year ended 31 December 2024

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 (ticker code: MFG).

This condensed interim financial report comprises the consolidated financial report of MFG and its subsidiaries ("the Group"). This financial report was authorised for issue in accordance with a resolution of the Directors on 20 February 2025 and the Directors have the power to amend and reissue this financial report.

1. Basis of Preparation

This condensed interim financial report for the six month period ended 31 December 2024 is a general purpose financial report and has been prepared in accordance with AASB 134 *Interim Financial Reporting*, the *Corporations Act 2001* (Cth) and other mandatory professional reporting requirements. It also complies with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

All amounts in this financial report are presented in Australian dollars (\$) and rounded to the nearest thousand dollars (\$'000) in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless stated otherwise.

This condensed interim financial report does not include all the information and disclosures normally included in the Group's annual financial report. Accordingly, this report should be read in conjunction with the 30 June 2024 Annual Report and any public announcements made in respect of the Group during the half year ended 31 December 2024 in accordance with the continuous disclosure requirements of the *Corporations Act 2001* (Cth).

1.1. Accounting Policies

The accounting policies adopted in the preparation of this financial report are consistent with those of the previous financial year and corresponding interim reporting period.

The Group has not early adopted any accounting standard, interpretation or amendment that has been issued but is not yet effective at reporting date.

AASB 18 *Presentation and Disclosure in Financial Statements* will first apply to the Group in the financial year ending 30 June 2028. The Directors are currently assessing 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 significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those described in the 30 June 2024 Annual Report.

Notes to the Financial Statements

For the half year ended 31 December 2024

2. Segment Information

The Group's business activities are organised into the reportable operating segments listed below for internal management purposes.

Investment Management

The Investment Management segment provides investment management services to high net worth 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 Global Equity Fund ²	✓
Magellan Global Wholesale Fund	✓	✓	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 Core Infrastructure Fund	✓	✓		
Magellan High Conviction Fund	✓	✓		
Magellan High Conviction Trust	✓	✓		
Airlie Australian Share Fund ³	✓	✓		
Airlie Concentrated Share Fund ³	✓	✓		
Airlie Small Companies Fund ³	✓	✓		
Vinva Australian Alpha Extension Fund ⁴	✓	✓		
Vinva Australian Equity Fund ⁴	✓	✓		
Vinva Global Equity Fund ⁴	✓	✓		

¹ Funds authorised under the European Commission (Undertakings for Collective Investment in Transferable Securities ("UCITS")).

² Collectively, the Frontier MFG Funds.

³ Collectively, the Airlie Funds.

⁴ Collectively, the Vinva Systematic Equity Funds.

Fund Investments

The Fund Investments segment comprises the Group's direct investment in certain Magellan Funds and a select portfolio of listed Australian and international equities.

Associate Investments

The Associate Investments segment comprises a portfolio of selective investments in businesses in which the Group has a strategic interest.

Corporate

The Corporate segment principally comprises the Group's treasury management activities, corporate development and strategy activities and the costs associated with governance and corporate management. The combined income tax consequences 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 relevant 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 half year ended 31 December 2024

Segment Financial Results

31 December 2024	Investment Management \$'000 ¹	Fund Investments \$'000	Associate Investments \$'000	Corporate \$'000	Total \$'000
Segment revenue					
Management fees	121,048	-	-	-	121,048
Performance fees	6,109	-	-	-	6,109
Services and advisory fees	1,011	-	-	-	1,011
Dividend and distribution income	-	23,171	-	-	23,171
Interest income	402	5	70	4,736	5,213
Net change in the fair value of financial assets and liabilities:	-	-	-	-	-
Realised	-	2,186	-	-	2,186
Unrealised	-	18,182	-	-	18,182
Net foreign exchange gain	1,258	(54)	-	1	1,205
Total segment revenue and other income	129,828	43,490	70	4,737	178,125
Segment expenses					
Employee expenses	34,510	-	-	33	34,543
Non-Executive Director fees	261	-	-	410	671
Other expenses	16,810	34	-	1,316	18,160
Total segment expenses	51,581	34	-	1,759	53,374
Share of after tax profit/(loss) of associates	-	-	12,313	-	12,313
Total segment operating profit before tax	78,247	43,456	12,383	2,978	137,064
Other comprehensive income					
Exchange differences on translation of foreign operations	2,653	-	-	-	2,653
Other comprehensive income, before tax	2,653	-	-	-	2,653
Total comprehensive income, before tax	80,900	43,456	12,383	2,978	139,717

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 Before Tax to Statutory Net Profit After Tax

	Note	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Total segment operating profit before tax		137,064	115,806
<i>Add back:</i>			
Amortisation of intangible assets ¹		(698)	(707)
Net non-cash remeasurement of SPA loans		(43)	1,749
Non-cash employee share option expense		(570)	(1,475)
Net benefit/(expense) related to Magellan Global Fund options		-	31,569
Net gain/(loss) on dilution of interests in associates		(1,706)	77
Transaction costs related to strategic initiatives:			
Vinva distribution partnership		(428)	-
Closed class conversion of Magellan Global Fund		-	(115)
Total expenses related to strategic initiatives		(428)	(115)
Statutory net profit before tax for the period		133,619	146,904
Income tax expense		(39,613)	(42,846)
Statutory net profit after tax for the period		94,006	104,058

¹ Amortisation expense relates to intangible assets recorded on acquisition Frontier Partners Inc, Frontegra Strategies LLC and Frontegra Asset Management Inc (collectively, the "Frontier Group").

Notes to the Financial Statements

For the half year ended 31 December 2024

Segment Financial Results (continued)

31 December 2023	Investment Management \$'000 ¹	Fund Investments \$'000	Associate Investments \$'000	Corporate \$'000	Total \$'000
Segment revenue					
Management fees	129,703	-	-	-	129,703
Performance fees	90	-	-	-	90
Services and advisory fees	1,263	-	-	-	1,263
Dividend and distribution income	-	6,029	-	-	6,029
Interest income	527	3	69	7,584	8,183
Net change in the fair value of financial assets and liabilities:					
Realised	-	37,826	-	-	37,826
Unrealised	-	(15,868)	-	-	(15,868)
Net foreign exchange gain	(340)	-	-	7	(333)
Total segment revenue and other income	131,243	27,990	69	7,591	166,893
Segment expenses					
Employee expenses	34,067	-	-	45	34,112
Non-Executive Director fees	251	-	-	491	742
Other expenses	16,977	39	-	1,994	19,010
Total segment expenses	51,295	39	-	2,530	53,864
Share of after tax profit/(loss) of associates	-	-	2,777	-	2,777
Total segment operating profit before tax	79,948	27,951	2,846	5,061	115,806
Other comprehensive income					
Exchange differences on translation of foreign operations	(889)	-	-	-	(889)
Other comprehensive income, before tax	(889)	-	-	-	(889)
Total comprehensive income, before tax	79,059	27,951	2,846	5,061	114,917

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

Segment Assets and Liabilities

31 December 2024	Investment Management \$'000	Fund Investments \$'000	Associate Investments \$'000	Corporate \$'000	Total \$'000
Financial assets	1,707	422,564	695	-	424,966
Associates	-	-	305,511	-	305,511
Other assets	186,788	941	70	188,338	376,137
Total liabilities	(37,733)	(30,539)	(619)	(1,975)	(70,866)
Net assets	150,762	392,966	305,657	186,363	1,035,748
30 June 2024					
Financial assets	1,666	404,128	695	-	406,489
Associates	-	-	159,958	-	159,958
Other assets	214,566	544	-	307,687	522,797
Total liabilities	(52,659)	(33,557)	(183)	16,684 ¹	(69,715)
Net assets	163,573	371,115	160,470	324,371	1,019,529

¹ Reflects tax assets within the Group's net deferred tax liability.

Notes to the Financial Statements

For the half year ended 31 December 2024

3. Earnings Per Share

	31 Dec 2024	31 Dec 2023
Basic EPS		
Net profit attributable to shareholders (\$'000)	94,006	104,058
Weighted average number of shares on issue - basic ('000)	179,619	181,326
Basic EPS (cents)	52.3	57.4
Diluted EPS		
Net profit attributable to shareholders (\$'000)	94,006	104,058
Weighted average number of shares on issue - diluted ('000) ¹	179,759	181,326
Diluted EPS (cents)	52.3	57.4

¹ Reflects the weighted average number of shares on issue during the year adjusted to include the number of shares that would be issued if outstanding share awards were to be exercised.

The outstanding MFG 2027 Options and the outstanding options issued to certain employees under the MFG Employee Share Option Plan are not included in the calculation of diluted earnings per share because they are antidilutive for the half year ended 31 December 2024. However, these options could potentially dilute basic earnings per share in the future.

4. Taxation

For the half year ended 31 December 2024, the Company's estimated effective tax rate was 29.6% (December 2023: 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 as a result of the share of after tax profit recognised by the Group in respect of its associates. Associate profit recognised during the period is not subject to taxation until such time as it is distributed to the Group by the associates.

5. Revenue

Management Fees

	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Magellan Global Fund	56,886	62,440
Magellan Global Fund (Hedged)	2,574	3,004
Magellan Infrastructure Fund	8,239	9,866
Magellan Infrastructure Fund (Unhedged)	3,252	4,036
Magellan Infrastructure Fund (Currency Hedged)	3,333	3,575
Magellan High Conviction Fund	1,419	1,467
Magellan High Conviction Trust	3,403	3,315
Frontier MFG Funds	1,494	2,116
Airlie Australian Share Fund	2,762	1,538
Other funds and mandates	37,686	38,346
Total management fees	121,048	129,703

	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Global equities	77,614	86,898
Infrastructure equities	33,041	35,716
Australian equities	10,391	7,089
Systematic equities	2	-
Total management fees	121,048	129,703

Notes to the Financial Statements

For the half year ended 31 December 2024

Performance Fees

	High watermark unit price (\$) ¹	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Based on performance relative to both market index and absolute return hurdle			
Magellan Infrastructure Fund	1.2300	121	-
Magellan Infrastructure Fund (Unhedged)	1.7504	94	7
Magellan Infrastructure Fund (Currency Hedged)	2.7075	45	-
Magellan Global Fund (Open/Closed Class)	2.8025	61	11
Magellan Global Fund (Hedged)	1.8332	4	-
Based on performance relative to absolute return hurdle			
Magellan High Conviction Fund (Class A/B)	2.5171/1.5703	1,868	-
Magellan High Conviction Trust	1.9911	3,863	-
Based on performance relative to a market index and/or absolute return hurdle			
Other funds and mandates	various	53	72
Total performance fees		6,109	90

¹ The high watermark as at 31 December 2024 and adjusted for distributions. The high watermark is the Net Asset Value ("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

	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Management and services fees		
Retail	91,880	99,318
Institutional	29,768	30,985
Performance fees		
Retail	6,109	90
Institutional	-	-
Total management, services and performance fees	127,757	130,393
Total Retail	97,989	99,408
Total Institutional	29,768	30,985
Total management, services and performance fees	127,757	130,393

Management, Services and Performance Fees by Geographic Location

	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Australia & New Zealand	108,222	107,951
United Kingdom & Europe	2,985	5,200
North America	6,318	6,596
Asia	10,232	10,646
Total management, services and performance fees	127,757	130,393

Notes to the Financial Statements

For the half year ended 31 December 2024

6. Financial Assets

	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Term deposits - at amortised cost¹	1,707	1,666
Total current financial assets	1,707	1,666
Investments - fair value through profit or loss		
Magellan Funds²		
Magellan Global Equities Fund (Currency Hedged)	25,640	24,686
Magellan Global Fund - Open Class ³	233,867	100,178
Magellan Global Fund - Closed Class ³	-	112,613
Magellan Global Fund (Hedged)	1,051	1,042
Magellan Global Wholesale Fund	1,367	1,230
Magellan High Conviction Fund	13,344	12,307
Magellan High Conviction Trust	53,392	48,856
Magellan Infrastructure Fund (Currency Hedged)	11,945	11,356
Magellan Wholesale Plus Global Fund	8,686	9,152
Magellan Wholesale Plus Infrastructure Fund	6,605	6,227
Airlie Small Companies Fund	22,795	2,310
Frontier MFG Core Infrastructure Fund	9,913	8,567
Frontier MFG Global Sustainable Fund	25,975	22,891
Vinva Australian Alpha Extension Fund	487	-
Vinva Australian Equity Fund	502	-
Vinva Global Equity Fund	535	-
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
MFG Global Sustainable Fund ⁴	-	2,513
Total investments in Magellan Funds	416,104	398,525
Seed investments²		
Magellan Global Opportunities Fund (previously MC Fund)	1,433	1,239
Portfolios - securities by domicile of primary stock exchange:		
United States	5,027	4,366
Total seed investments	6,460	5,605
Unlisted entities	695	695
Total non-current financial assets	423,259	404,825

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

² At 31 December 2024, MFG held the following investments: Magellan Global Equities Fund (Currency Hedged) 23.1% (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 8.1% (June 2024: 7.2%), Magellan High Conviction Trust 11.2% (June 2024: 10.7%), Magellan Infrastructure Fund (Currency Hedged) 2.0% (June 2024: 1.8%), Magellan Wholesale Plus Global Fund 2.6% (June 2024: 2.6%), Magellan Wholesale Plus Infrastructure Fund 9.3% (June 2024: 7.9%), Airlie Small Companies Fund 90.3% (June 2024: 61.2%), Frontier MFG Core Infrastructure Fund 4.2% (June 2024: 1.4%), Frontier MFG Global Sustainable Fund 57.7% (June 2024: 54.0%), Vinva Australian Alpha Extension Fund 100%, Vinva Australian Equity Fund 100%, Vinva Global Equity Fund 91.6% and Magellan Global Opportunities Fund 90.9% (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 half year ended 31 December 2024

Reconciliation of Financial Assets Carrying Value

	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Current		
Opening balance at 1 July	1,666	1,666
Cash placed on term deposit	41	1,666
Matured term deposits	-	(1,666)
Closing balance: current financial assets	1,707	1,666
Non-current		
Opening balance at 1 July	404,825	420,643
Acquisitions	26,116	2,309
Disposals	(39,959)	(84,549)
Changes in value of accrued distributions	11,909	(1,605)
Net change in fair value:		
Realised	2,186	38,071
Unrealised	18,182	29,956
Closing balance: non-current financial assets	423,259	404,825

7. 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:

- 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
31 December 2024				
Magellan Fund investments	324,844	91,260 ¹	-	416,104
Seed portfolios	5,027	1,433	-	6,460
Unlisted entities	-	-	695 ²	695
Total financial assets and liabilities at fair value	329,871	92,693	695	423,259
30 June 2024				
Magellan Fund investments	330,605	67,920 ¹	-	398,525
Seed portfolios	4,366	1,239	-	5,605
Unlisted entities	-	-	695 ²	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 for which management has assessed the investment cost is a reasonable approximation of fair value at reporting date.

There were no transfers between any fair value hierarchy levels during the six month periods ended 31 December 2024 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.

Notes to the Financial Statements

For the half year ended 31 December 2024

8. Associates

Associate	Industry	Ownership interest		Investment carrying value	
		31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024
		%	%	\$'000	\$'000
Barrenjoey Capital Partners Group Holdings Pty Ltd ("Barrenjoey") ¹	Financial services	36	36	141,516	136,363
FinClear Holdings Ltd ("FinClear") ²	Financial services	16	16	22,945	23,595
Vinva Holdings Ltd ("Vinva") ³	Financial services	29	-	141,050	-
				305,511	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. 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%.

During the half year ended 31 December 2024, the Group received an unfranked dividend of \$4,000,000 from Barrenjoey.

Transactions with Associates

The Group provides Barrenjoey with up to \$25,000,000 of unsecured working capital finance. During the half year ended 31 December 2024, no amounts were drawn under the facility (December 2023: nil aggregate drawings). Commitment fees earned in respect of the facility for the half year ended 31 December 2024 amounted to \$70,000 (December 2023: \$69,000). The facility was entirely undrawn at 31 December 2024.

During the half year ended 31 December 2024, the Group received brokering services from Barrenjoey in respect of the Company's on-market MFG share buy-back programme and its on-market purchases of Magellan Global Fund options. The Group paid Barrenjoey \$18,000 in brokerage fees during the period ended 31 December 2024 (December 2023: \$68,000).

Barrenjoey also provides brokerage services in respect of equity and foreign exchange trades entered into on behalf of the Magellan Funds and mandates. The fees for such services are not included in these financial statements as they are not incurred by the Group.

Notes to the Financial Statements

For the half year ended 31 December 2024

9. Contributed Equity

	31 December 2024		30 June 2024	
	Number of securities '000	Contributed equity \$'000	Number of securities '000	Contributed equity \$'000
Ordinary shares				
Opening balance	180,746	627,733	181,432	632,868
Shares issued:				
Under employee equity matching plan	33	298	-	-
Under MD Forfeited Award Bonus	296	-	-	-
Shares bought back on-market and cancelled	(1,964)	(18,118)	(686)	(5,186)
Transaction costs, net of tax	-	(13)	-	(3)
SPA expense	-	7	-	54
Total ordinary shares^{1,2}	179,111	609,907	180,746	627,733
Options				
Opening balance	23,216	(545)	23,216	(545)
Shares issued from exercise of options during period	-	-	-	-
Total options	23,216	(545)	23,216	(545)
Total contributed equity	202,327	609,362	203,962	627,188

¹ Includes 835,412 ordinary shares held by SPA participants (June 2024: 856,546).

² Includes 529,100 ordinary shares subject to voluntary escrow which expires in respect of 98,438 shares on 2 October 2025 and in respect of 430,662 shares 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.

MFG 2027 Options

Each MFG 2027 Option 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.

The MFG 2027 Options are listed on the ASX (ASX Code: MFGO).

Share Buy-back

The Company has an approved on-market share buy-back program to purchase up to 10 million ordinary shares. During the six months to 31 December 2024, the Group bought back and cancelled 1,963,916 shares at a cost of \$18,118,000 (December 2023: 397,398 shares at a cost of \$2,780,000). The shares were acquired at an average price (inclusive of transaction costs) of \$9.23 per share, with prices ranging from \$8.84 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 3 April 2025.

Notes to the Financial Statements

For the half year ended 31 December 2024

10. Dividends

	Cents per share	Franking % ¹	Total \$'000	Date Paid
During the half year ended 31 December 2024				
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 dividends declared and paid during the half year²	35.7		64,526	
During the half year ended 31 December 2023				
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 dividends declared and paid during the half year²	69.8		126,639	

¹ At the corporate tax rate of 30%.

² Includes dividends of \$305,000 which were not paid in cash but rather applied directly against the balances of SPA loans (December 2023: \$859,000).

Dividend Declared

On 20 February 2025, the Directors declared an interim dividend of 26.4 cents per ordinary share (85% franked at the corporate tax rate of 30%) in respect of the six months to 31 December 2024 (December 2023: 29.4 cents per ordinary share 50% franked).

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 half year, but not paid at reporting date. Accordingly, the interim dividend totalling approximately \$47,285,000 is not recognised as a liability as at 31 December 2024. The interim dividend is expected to be paid on 12 March 2025.

Imputation Credits

The Group has a total of \$22,586,000 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 half year. The dividend declared by the Directors on 20 February 2025 will be partially franked out of existing franking credits, or out of franking credits arising from the payment of income tax.

Notes to the Financial Statements

For the half year ended 31 December 2024

11. Commitments and Contingent Assets and Liabilities

Commitments

The Group has extended loan commitments to certain related parties which remain undrawn at reporting date (refer to note 8). All other commitments relate to non-cancellable payments under short-term and low-value lease agreements.

Contingent Assets and Liabilities

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

- *Deferred conditional bonuses:* The unrecognised portion of annual bonuses payable to employees by the Group in the future is a contingent liability. At 31 December 2024, the contingent liability is \$3,417,000 (June 2024: \$8,126,000). Of this amount, \$683,000 is payable during the year ending 30 June 2025 and \$2,734,000 is payable during the years ending 30 June 2026 and 30 June 2027, subject to the vesting conditions being met.
- *Cash retention incentives:* The unrecognised portion of retention incentives payable in cash for services provided by employees in future periods is a contingent liability. At 31 December 2024, the contingent liability is \$3,446,000 (June 2024: \$6,065,000). Of this amount, \$83,000 is payable during the year ending 30 June 2025 and \$3,363,000 is payable during the years ending 30 June 2026 through 30 June 2028, subject to the vesting conditions being met.
- *Deferred proceeds in respect of GYG divestment:* 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 \$40.57, the Group would receive the maximum entitlement.

12. 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.

Interim Dividend

Refer to note 10 for details of the dividend declared in respect of the six months ended 31 December 2024.

Assets Under Management

On 6 February 2025, the Group announced on the ASX announcements platform that its assets under management was \$39.1 billion as at 31 January 2025.

Directors' Declaration

For the half year ended 31 December 2024

In the Directors' opinion,

- a. the financial statements and notes set out on pages 17 to 32 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 31 December 2024 and of its performance, as represented by the results of its operations and its cash flows, for the half year ended on that date; and
 - ii. complying with Australian Accounting Standards, the *Corporations Regulations 2001* (Cth) and other mandatory professional reporting requirements; and
- b. 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 declarations from the Chief Executive Officer and Chief Financial Officer which mirror section 295A of the *Corporations Act 2001* (Cth) and are recommended by the ASX Corporate Governance Principles and Recommendations.

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



Andrew Formica
Executive Chairman

Sydney
20 February 2025



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working world**

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Independent Auditor's Review Report to the members of Magellan Financial Group Ltd

Conclusion

We have reviewed the accompanying interim 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 31 December 2024, the consolidated statement of profit or loss and comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the interim 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) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the interim financial report

The directors of the Company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the interim financial report

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Ernst & Young

A handwritten signature in black ink, appearing to read 'S. Hooper', is shown within a light grey rectangular box.

Stacey Hooper
Partner
Sydney
20 February 2025

Corporate Information

As at 20 February 2025

Directors

Andrew Formica – Executive Chairman
Deborah Page AM – Deputy Chairman
David Dixon – Deputy Chairman of MAM
John Eales AM
Cathy Kovacs

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.magellangroup.com.au

Securities Exchange Listing

Magellan Financial Group Ltd shares and options are listed on the Australian Securities Exchange (ASX: MFG and MFGO)

Corporate Governance Statement

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

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
- 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 CHESS holding statements and notifications

The ASX has now launched the ASX CHESS 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 CHESS holding statements and notifications by mail. Once an investor has opted in, investor statements and notifications will be available through the ASX CHESS Statements Portal and they will no longer receive paper statements.