

MFG 2026 EGM or is the tail wagging the dog?

Company/ASX Code	MFG (MFG)
EGM time and date	Friday, 10 April 2026 at 11.00am AEDT
Location	Offices of Magellan Financial Group Ltd, Level 36, 25 Martin Place, Sydney
Registry	Boardroom
Type of meeting	Physical and Livestream can ask questions but not vote online. The completed Proxy Form must be received by MFG's Share Registry at least 48 hours before the EGM (i.e. by no later than 11.00am Sydney time on Wednesday 8 April 2026).
Monitor	Allan Goldin
Pre-AGM Meeting	Chair Andrew Formica, Debbie Page Leas Independent Director and Emma Pringle Head of Investor Relations

The individual (or their associates) who prepared this report have no shareholding in this company.

This document is intended to provide a summary of key considerations relating to the proposed transaction. It does not constitute a recommendation or advice on how shareholders should vote.

Approval to issue Consideration Shares to the Barrenjoey Parties and an affiliate of Barclays ("Resolution")

The basic problem that Magellan (now called MFG) has is one of perception. Simply it is now a smaller version of its former self and in its current incarnation is constantly being compared to the past glory days.

In its heyday MFG had Market capitalisation of approximately \$10Billion but on the day of the merger announcement, 2/03/2026, the market cap was \$1.5Billion. This huge variation came about because in the past with a star active manager it was valued at 20- 25 times earnings and now it was more like 8-10 times earnings.

So, the share price has fallen from \$71.53 on 17/02/2020 to \$8.13 on 17/02/2026.

The main comparison that the market and the media focused on was the Funds under Management (FUM) between the old Magellan and the new. At its peak this was \$114 Billion compare with today's \$40 Billion.

If the problem was only the comparison with its past things may have been OK. After all Magellan was still a sizeable and profitable company. With NPAT reported for last year of \$165M. However, the continuing problem was that this was the 4th consecutive year of a substantial lower profit. Even with FUM remaining constant the margins in that business were falling and are likely to continue to fall.

Therefore, even with an increase in FUM, because of reduced margins, revenue fell.

It appeared that there was not a bright future for the Magellan funds management business, but in their partnership business it was a different story with 31% of their 2026 first half operation profit coming from this investment, primarily Barrenjoey.

Late last year when for the first time Barrenjoey and its 36% owner and initial financier MFG realised that the two previously non competing business could soon start competing in the private credit market. At the same time Barrenjoey was reaching its 5-year anniversary and had to decide on its future direction.

After looking at various scenarios, it was decided that the best solution would be for MFG to buy out most (Barclays will hold 4.9%) of the Barrenjoey business and for the two companies to merge.

For the purpose of the merger, MFG was valued based on its prevailing share market price. Which it should be said most analysts considered, undervalued the Company. For Barrenjoey after examining the valuation of comparable international and domestic institutions 15 times P/E was slightly less than the medium.

The markets' immediate reaction was clear. MFG share price was \$8.46, after the announcement it jumped to \$10.31 and basically has stayed around there in what has been overall a very weak market.

So, to the purpose of this meeting.

APPROVING THE ISSUE OF 106,838,520 FULLY PAID ORDINARY SHARES BY MFG TO THE BARRENJOEY PARTIES AND AN AFFILIATE OF BARCLAYS.

The following summarises considerations identified by the ASA Monitor. It is provided for information purposes only and does not constitute a recommendation. Shareholders should form their own view based on their individual circumstances.

Arguments against the merger:

- As an existing shareholder your rights in the Company will be reduced by more than 46.5%
- The price being paid to Barrenjoey is too high.
- The Magellan assets and earnings are not being valued high enough.
- Want to continue as an investor in the unexciting steady funds management business that MGF has become and fear the roller coaster existence of an investment bank.
- It is a reverse takeover with Barrenjoey Chair and CEO getting the top spots in the new structure.

Arguments for the merger:

- MFG is just trading water if it were not for the Barrenjoey investment the Company's existing diminishing profitability would be worse.
- The merger provides an improved business diversification and resilience.
- The merger offers an enhanced client proposition across both businesses.
- The strong combined balance sheet providing opportunity for growth.

Shareholders are encouraged to read both the Notice of Meeting and don't skip the March 2 proposed Merger release:

<https://magellanfinancialgroup.com/sites/magellanfg/assets/MFG-NOM-10-April-2026.pdf>

ASA does not make voting recommendations on this resolution. Shareholders should consider their own circumstances when deciding how to vote.

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