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Companies Announcements Office
Australian Securities Exchange Limited
Exchange Centre
Level 4, 20 Bridge Street,
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**MAGELLAN FINANCIAL GROUP LIMITED
TRADING POLICY**

Please find attached a copy of the Trading Policy of Magellan Financial Group Limited, provided in compliance with ASX Listing Rule 12.9 when it comes into effect on 1 January 2011.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Leo Quintana'.

Leo Quintana
Legal Counsel and Company Secretary



Trading Policy

Magellan Financial Group Limited

1. INTRODUCTION

1.1 Application

This Policy is authorised by the Board of Magellan Financial Group Limited (**'Magellan'**) and relates to trading in Magellan Securities.

This Policy applies to all directors, officers, employees, contractors and their Associates (collectively **'Designated Persons'**) of Magellan and its subsidiaries (collectively, the **'Group'**). Directors, officers, employees and contractors of the Group must take all reasonable steps to ensure that their Associates comply with this Policy.

1.2 Purpose

The Purpose of this Policy is to:

- set out the circumstances in which Designated Persons may trade in Magellan Securities;
- assist Designated Persons avoid conduct known as Insider Trading; and
- prevent actual or perceived conflicts of interest and protect the reputation of Magellan.

2. GENERAL RESTRICTION

If a Designated Person possesses Inside Information in relation to Magellan Securities, they must not:

- Trade in the Magellan Securities in any way;
- arrange or encourage another person to Trade (including on their behalf) in Magellan Securities; or
- directly or indirectly, give the Inside Information to another person if they know, or should know, that the other person would be likely to do any of the activities described above.

The concepts of **'Insider Trading'** and **'Inside Information'** are set out in **Annexure A**.

3. TRADING IN MAGELLAN SECURITIES

3.1 Trading Windows

Subject to clause 5, Designated Persons may only Trade in Magellan Securities during:

- the two (2) week period commencing on the first Trading Day after the date of Magellan's annual general meeting;
- the four (4) week period commencing on the first Trading Day after the release of a disclosure document offering securities in Magellan;
- the six (6) week period commencing on the first Trading Day after the release by Magellan of its half-year results announcement; or
- the six (6) week period commencing on the first Trading Day after the release by Magellan of its full-year results announcement; and

provided that the Designated Person is not in possession of any Inside Information relating to the Magellan Securities. The Company Secretary may determine, in relation to any trading window, that the window will not commence until the second Trading Day after the respective release.

The Magellan Board may at its discretion designate additional trading windows. Periods outside designated trading windows, along with the periods referred to in clause 3.2, are collectively classified as **'Closed Periods'**.

3.2 Blackout Periods

Throughout the year, certain Blackout Periods operate during which time Designated Persons must not Trade in Magellan Securities. Blackout Periods operate during:

- the period commencing the first Trading Day after the end of a financial reporting period and concluding on the first Trading Day after the release by Magellan of its half-year or full-year results announcements (as the case may be); and
- any other period as the Directors of Magellan decide.

3.3 **Short-Term Trading**

Designated Persons must not engage in short-term trading of any Magellan Securities. In general, the purchase of Magellan Securities with a view to resale within a 12 month period and the sale of Magellan Securities with a view to repurchase within a 12 month period would be considered to be transactions of a short-term nature. However, the sale of Magellan Securities immediately after they have been acquired through the conversion of a security (for example, the exercise of an option) will not be regarded as short-term trading.

3.4 **Other Trading Prohibitions**

Designated Persons are prohibited from entering into transactions:

- in products associated with Magellan Securities which operate to limit the economic risk of their holding in Magellan Securities (for example, hedging);
- which amount to 'short selling' of Magellan Securities;
- which amount to margin lending of Magellan Securities (conducted without the prior written consent of the Company Secretary, after consultation with the Chairman); or
- which otherwise enable a Designated Person to profit from a decrease in the market price of Magellan Securities. ..

3.5 **Trading in Magellan Securities under Exceptional Circumstances**

A Designated Person wishing to:

- Trade in Magellan Securities outside a trading window;
- Trade in Magellan Securities during a Blackout Period; or
- engage in the matters covered by clauses 3.3 and 3.4,

may apply in writing to the Company Secretary for consent to do so. The Company Secretary will generally withhold prior written consent unless special circumstances exist (such as financial hardship or a court order requiring the sale of securities) and the Board of Magellan has agreed to the granting of consent. Any consent provided to an Officer or Representative of the Manager under this clause 3.5 will be provided in writing. In any event, consent will not be granted where it is reasonably believed that the Designated Person may be in possession of Inside Information relating to the proposed Trade.

4. EXEMPTIONS FROM THIS POLICY

4.1 This Policy does not apply to Designated Persons in the following circumstances:

- an investment in, or trading in any units of, a fund or any scheme (other than a scheme investing only in Magellan Securities) where the Designated Person is not in the position to influence the Trading activities of that fund or scheme;
- Trading in Magellan Securities under a dividend or distribution reinvestment plan, rights issue, security purchase plan or other securities offer that is broadly available to holders of securities of the same class;
- Trading in Magellan Securities under a bonus issue made to all holders of securities of the same class;
- transfers of Magellan Securities already held by Designated Person into a superannuation fund in which the Designated Person is a beneficiary;
- undertakings to accept, or the acceptance of, a takeover offer for Magellan Securities;
- a disposal of Magellan Securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement; and
- Trading in Magellan Securities under an employee share purchase plan in accordance with the rules of a Board approved share purchase plan.

4.2 Any Trading contemplated by this clause 4 is subject to the overriding prohibition on Insider Trading.

5. PROCESS FOR TRADING IN MAGELLAN SECURITIES

Subject to clauses 3.1 to 3.4 (inclusive), and provided that a Designated Person is not in possession of any Inside Information, a Designated Person who wishes to Trade in Magellan Securities must follow the procedure described below:

- Before Trading in Magellan Securities the Designated Person must complete an electronic version of the Trading Approval Request and email the Trading Approval Request to the Company Secretary. The Trading Approval Request can be obtained from Magellan's intranet or from the Company Secretary. The submitted Trading Approval Request includes a confirmation by the Designated Person that they are not in possession of any Inside Information;
- The Company Secretary will advise the Designated Person in writing on whether consent to the proposed Trade has been granted;
- The Company Secretary will withhold consent to the proposed Trade in circumstances where the Trade would be in breach of clauses 3.1, 3.2, 3.3 or 3.4, or where it is reasonably believed the Designated Person may be in possession of Inside Information relating to the proposed Trade;
- If written consent to the proposed Trade is provided by the Company Secretary, the Designated Person may only conduct the Trade within five (5) business days after receiving the consent (the **Consent Window**). The Designated Person will be notified by the Company Secretary if the consent to Trade is subsequently withdrawn during a Consent Window;
- Upon the execution of a Trade, the Designated Person must, as soon as is practicable, provide the Company Secretary with a copy of the broker's trade confirmation (or such similar document evidencing the Trade);
- In the event the proposed Trade has not taken place within the Consent Window, the Designated Person must either confirm this in writing to the Company Secretary or submit a new Trading Approval Request should the Designated Person still wish to proceed with the proposed Trade.

6. CONSEQUENCES FOR BREACHES OF THIS POLICY

- 6.1 Any breaches of this Policy will be treated seriously and may give rise to disciplinary action. Any Designated Person who becomes aware of a violation of this Policy should immediately report the violation to the Company Secretary.
- 6.2 Insider Trading is a crime and can result in imprisonment, fines, orders to pay compensation and other penalties against Magellan and Designated Persons.

7. EXPLANATION OF TERMS

For the purposes of this Policy:

'**Associate**' means a person over whom a director, officer, employee or contractor of the Group is able to, or is deemed to be able to, exercise investment control or influence. Examples include spouses, partners, family members, their nominee, a trust of which they are a trustee or member, a person in partnership with them and a company of which they or their family control.

'**Blackout Period**' has the meaning outlined in clause 3.2 of this Policy.

'**Consent Window**' has the meaning outlined in clause 5 of this Policy.

'**Designated Person**' means a director, officer, employee or contractor of the Group, or an Associate of that director, officer, employee or contractor.

'**Inside Information**' has the meaning outlined in Item 2 of Annexure A of this Policy.

'**Inside Trading**' has the meaning outlined in Item 1 of Annexure A of this Policy

'**Magellan**' means Magellan Financial Group Limited.

'**Magellan Securities**' means any shares, options and any other securities issued by Magellan, as well as any other financial products issued or created over Magellan Securities by third parties.

'**Trade**' includes subscribing for, purchasing, acquiring, selling or disposing of Magellan Securities or entering into an agreement to do any of those things, and '**Trading**' has a corresponding meaning.

'**Trading Day**' means a day on which shares are traded on the Australian Securities Exchange.

Annexure A

KEY CONCEPTS

1. 'Insider Trading'

In general terms, someone will commit Insider Trading if they:

- Deal in securities while they possess Inside Information; or
- communicate Inside Information to another person knowing (or where they should have reasonably known) that the other person would use, or would be likely to use, that information to Deal in, or procure a third person to Deal in, securities.

2. 'Inside Information'

Inside Information is information that is:

- not generally available; and
- if the information was generally available, a reasonable person would expect it to have a material effect on the price or value of securities.

3. 'Generally Available'

Information is generally available where the information:

- is readily observable;
- has been made known in a manner that would, or would be likely to, bring it to the attention of people who commonly invest in securities of a kind whose price may be affected by the information, and a reasonable period has elapsed to allow the information to be disseminated; or
- consists of deductions, conclusions or inferences made or drawn from those types of the information.

4. 'Material Effect on Price'

A reasonable person would be taken to expect information to have a material effect on the price or value of securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to Trade in the securities in any way.