

Magellan Flagship Fund Limited
ABN 32 121 977 844

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Sydney NSW 2000 AUSTRALIA

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16 August 2012

ASX Market Announcements
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

**MAGELLAN FLAGSHIP FUND LIMITED (MFF)
LETTER TO SHAREHOLDERS**

In accordance with ASX Listing Rule 3.17, please find enclosed copies of letters sent today to MFF Shareholders regarding the provision of:

- EFT / Financial Institution details;
- Tax File Number details; and
- Dividend Reinvestment Plan election.

Yours faithfully,



Leo Quintana
Legal Counsel & Company Secretary

16 August 2012



16 August 2012

All correspondence to:
BoardRoom
Smart Business Solutions
ABN 14 003 209 836
GPO Box 3993
Sydney NSW 2001
Level 7, 207 Kent Street
Sydney NSW 2000
Tel: 1300 737 760 (within Aust)
Tel: +61 2 9290 9600 (outside Aust)
Fax: + 61 2 9279 0664
www.boardroomlimited.com.au
enquiries@boardroomlimited.com.au

Dear Shareholder,

PAYMENT OF DIVIDEND AND DIVIDEND REINVESTMENT PLAN

Magellan Flagship Fund Limited (**MFF**) recently announced to the Australian Securities Exchange (ASX) that it had recorded a net profit after tax \$45.89 million for the year ended 30 June 2012.

Payment of Dividend

I am pleased to advise that MFF has declared a partially franked dividend of 1 cent per share. The following dates apply to the dividend:

Ex-dividend date	15 October 2012
Record date	19 October 2012
Payment date	16 November 2012

Dividend payments to MFF shareholders will be made **via direct credit** into a nominated financial institution account.

Direct crediting is a more secure and convenient way for you to receive your dividend payments. The benefits include dividends credited to your account on the payment date as cleared funds, removal of risk associated with loss, fraud and theft of cheques, and cost savings for MFF, which benefits all shareholders. This payment methodology is consistent with the approach that other ASX-listed companies have taken.

Dividend Reinvestment Plan

MFF is also pleased to provide shareholders with the opportunity to participate in the Dividend Reinvestment Plan (**DRP**). Shareholders with a registered address in Australia and New Zealand are eligible to participate in the DRP. Participation is voluntary and subject to a minimum participation of 100 shares. All MFF shares issued under the DRP will rank equally with existing MFF shares.

Under the DRP you may elect to have dividends on some or all of your ordinary MFF shares automatically reinvested in additional MFF shares free of brokerage or other transaction costs. The dividend entitlement on MFF shares which you have decided will not participate in the DRP will be paid by direct credit to your nominated financial institution account. You may alter or cancel your participation in the DRP at any time.

MFF's Directors have resolved in respect of this dividend that no discount will be applied to the issue price of the DRP shares, and that the price of shares issued under the DRP will be the arithmetic average, rounded to four decimal places, of the daily volume weighted average market price of all MFF shares sold in the ordinary course of trading on the ASX during the 5 trading day period commencing from the day MFF's shares go ex-dividend, i.e. the period 15 October to 19 October 2012 inclusive.

The DRP Rules are available from MFF's website at www.magellangroup.com.au/mff
Please read these rules in full before deciding whether or not to participate in the DRP.

Actions Required by Shareholders before 19 October 2012

Payment of Dividends by EFT

Important: Your financial institution account details in our records are set out below. For security reasons only the last four digits of your account are shown.

["XXXX"] OR [No EFT details recorded]

Please check that the above financial institution account details are correct.

If we do not have your financial institution account details, or the details above are incorrect, please complete the enclosed Request for Direct Crediting of Payments form and return it to MFF's share registry, Boardroom Pty Limited.

If you do not provide your Australian financial institution account details and you are not a full DRP participant your dividend payment will be set aside and retained on your behalf* in a non-interest bearing account until your account details are received.

Tax File Number (TFN), Australian Business Number (ABN) or Exemption Code

Important: We do not have on file your TFN, ABN or Exemption Code.

You are not required to quote your TFN, ABN or Exemption Code; however, if you choose not to provide this information and you are an Australian resident for taxation purposes, we are required to deduct withholding tax, at 46.5% of the gross unfranked portion of the dividend.

For non-residents of Australia, non-resident withholding tax is deducted at up to 30% of the gross unfranked portion of the dividend. If you are a resident of a country which has entered into a double taxation agreement with Australia, a lower rate of withholding tax may apply (generally 15%).

Please complete the enclosed Notification of TFN, ABN or Exemption Code form and return it to Boardroom Pty Limited.

DRP

Important: If you wish to participate in the DRP you must complete the enclosed DRP election form enclosed with this letter and return it to Boardroom Pty Limited.

All these forms can either be faxed to +61 2 92790664, or returned in the enclosed reply paid envelope.

If you have any questions about your holding, please contact our share registry directly:

Boardroom Pty Limited

Australian investors	ph. 1300 737 760
International investors	ph. 61 2 9290 9600

Yours sincerely



**Leo Quintana
Company Secretary
Magellan Flagship Fund Limited**

* In Australia, this will be subject to the obligations in respect of unclaimed money.



MAGELLAN
FLAGSHIP FUND LIMITED

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Notification of TFN, ABN, or Exemption Code

Securityholders may provide Tax File Number (TFN) or, where appropriate, Exemption Code information in the spaces below. Alternatively, where the securities are held for business purposes an Australian Business Number (ABN) can be provided. There is no obligation to provide a TFN, ABN or Exemption Code. However if none is provided, tax at the highest marginal rate is required to be deducted from any interest payment or the unfranked portion of any dividend or distribution payment.

TFN of Individual (Securityholder 1)

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TFN of Individual (Securityholder 2)

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Name 1 (Full Name)

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Name 2 (Full Name)

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Securityholder 1 Exemption Details

Mark this box with an 'X' if exemption applied and write the Exemption Number in the space provided.

Exemption Number

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Securityholder 2 Exemption Details

Mark this box with an 'X' if exemption applied and write the Exemption Number in the space provided.

Exemption Number

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TFN of Company, Partnership, Trust or Super Fund

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

ABN of Company, Partnership, Trust or Super Fund

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Company

Partnership

Trust

Super Fund

FURTHER INFORMATION AND INSTRUCTIONS

For investments held jointly, details of only two holders are required. If possible, give details of those holders with a TFN rather than those who are exempt. For investments held in trusts, the TFN for the trust should be entered. If there is no TFN for the trust, the Trustee should enter their TFN or applicable Exemption Code. (Refer overleaf for these codes).

Exemption Codes

For details about who is exempt, please contact the Australian Taxation office. To claim your exemption, please consult the following list and enter in the space provided in the form, the Exemption code appropriate to the pension or benefit you receive.

DESCRIPTION	EXEMPTION CODE	DESCRIPTION	EXEMPTION CODE
Aged Pension	444444441	Carer's Pension	444444442
Invalid Pension	444444441	Non Profit Organisation	555555555
Rehabilitation Allowance	444444442	Service/Veteran's Pension	444444441
Sole Parent's Pension	444444442	Special Benefit	444444442
Widow's Pension	444444442	Wife's Pension	444444442

The instruction will be applied to all securities held in the holding identified above.

FOR MORE INFORMATION ABOUT TAX FILE NUMBERS, AUSTRALIAN BUSINESS NUMBERS AND EXEMPTION CODES PLEASE CONTACT THE AUSTRALIAN TAXATION OFFICE.

Privacy Statement:

The personal information provided in this form is collected by Boardroom Pty Limited, as registrar for the issuer of the securities you hold. Boardroom Pty Limited's privacy policy can be viewed on our website (www.boardroomlimited.com.au).

Your personal information is required for administration of the register of securityholdings. Should some or all of the requested information not be provided correct administration of your securityholding may not be possible. Your personal information may be disclosed to the issuer of the securities you hold, its or our related bodies corporate, external service companies such as print or mail service providers or otherwise as permitted by law. If, in accordance with the provisions of the Corporations Act the issuer of the securities you hold approves, you may be sent marketing material in addition to general corporate communications. You may elect not to receive marketing material by contacting Boardroom Pty Limited.



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