

Magellan Global Fund (Closed Class)



TICKER: MGF | ARSN: 126 366 961

AS AT 31 AUGUST 2023

PORTFOLIO MANAGERS

NIKKI THOMAS, CFA AND ARVID STREIMANN, CFA

INVESTMENT PHILOSOPHY

To invest in outstanding companies at attractive prices, while exercising a deep understanding of the macroeconomic environment to manage investment risk.

OBJECTIVES

To achieve attractive risk-adjusted returns over the medium to long term; while reducing the risk of permanent capital loss.

Aims to deliver 9% p.a. net of fees over the economic cycle.

PORTFOLIO CONSTRUCTION

A relatively concentrated portfolio of 20-40 high quality securities constructed with strict risk discipline and macroeconomic insight seeking to achieve strong risk-adjusted, not benchmark-relative returns.

Cash and cash equivalents exposure between 0 - 20%.

MAGELLAN GLOBAL FUND (CLOSED CLASS): KEY PORTFOLIO INFORMATION

TICKER	FUND SIZE	NAV PER UNIT	MANAGEMENT AND PERFORMANCE FEES ¹	INCEPTION DATE
MGF	AUD \$2,825.7 million	\$1.9786 per unit	1.35% p.a. and performance fee of 10% of dual hurdle excess return [^]	30 November 2020

[^] 10.0% of the excess return of the Closed Class units of the fund above the higher of the Index Relative Hurdle (MSCI World NTR Index (AUD)) and the Absolute Return Hurdle (the yield of 10-year Australian Government Bonds). Additionally, the Performance Fees are subject to a high water mark.

CLOSING MARKET PRICE	VALUE OF UNITS BOUGHT BACK SINCE INCEPTION ²	% UNITS BOUGHT BACK SINCE INCEPTION	DISTRIBUTION YIELD ³
\$1.745 per unit	\$446.0 million	22.2%	4.5%

PERFORMANCE⁴

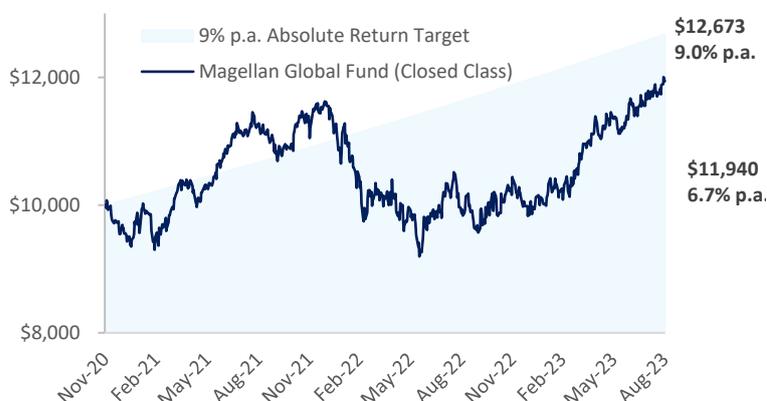
	1 MONTH (%)	3 MONTHS (%)	6 MONTHS (%)	1 YEAR (%)	2 YEARS (% p.a.)	Since Inception (% p.a.)
MGF	2.4	5.0	17.2	21.0	2.9	6.7
MSCI World NTR Index (AUD)*	1.6	6.9	15.7	22.4	5.3	12.1
Excess	0.8	-1.9	1.5	-1.4	-2.4	-5.4

CALENDAR YEAR RETURNS

	CYTD (%)	2022 (%)	2021 (%)	2020 (% part year)
MGF	21.3	-14.8	19.8	-3.6
MSCI World NTR Index (AUD)*	21.6	-12.2	29.3	-0.8
Excess	-0.3	-2.6	-9.5	-2.8

Past performance is not a reliable indicator of future performance.

PERFORMANCE CHART GROWTH OF AUD \$10,000⁴



Past performance is not a reliable indicator of future performance.

¹ Transaction costs may also apply. All fees are inclusive of the net effect of GST.

² The Fund has been exercising its ability to buy back units on market since 11 January 2021.

³ Distribution Yield calculated by applying the aggregate distribution per unit paid over 12 months to 31 December 2022 against the closing market price as at 31 December 2022.

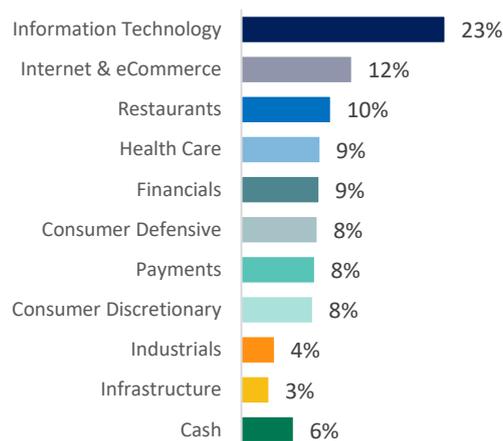
⁴ Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax, member fees and entry fees (if applicable). Returns denoted in AUD.

*MSCI World Net Total Return Index (AUD). All MSCI data used is the property of MSCI. No use or distribution without written consent. Data provided "as is" without any warranties. MSCI and its affiliates assume no liability for or in connection with the data. Please see complete disclaimer in www.magellangroup.com.au/funds/benchmark-information/

TOP 10 HOLDINGS (ALPHABETICAL ORDER)

STOCK	SECTOR ⁵
Amazon.com Inc	Internet & eCommerce
Apple Inc	Information Technology
Intercontinental Exchange Inc	Financials
Intuit Inc	Information Technology
Lowe's Co Inc	Consumer Discretionary
MasterCard Inc	Payments
Microsoft Corporation	Information Technology
SAP SE	Information Technology
UnitedHealth Group Inc	Health Care
Visa Inc	Payments

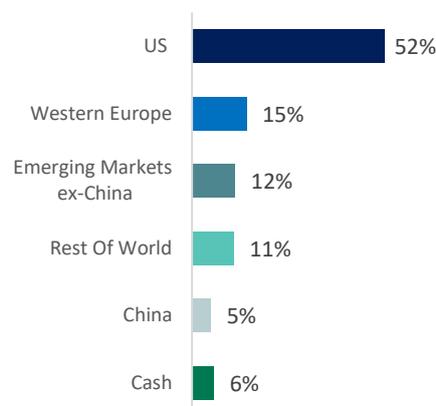
SECTOR EXPOSURE BY SOURCE OF REVENUE⁵



TOP CONTRIBUTORS/DETRACTORS 1 YEAR⁶

TOP 3 CONTRIBUTORS	CONTRIBUTION TO RETURN (%)
SAP SE	2.2
ASML Holding NV	1.7
Visa Inc	1.4
TOP 3 DETRACTORS	CONTRIBUTION TO RETURN (%)
US Bancorp	-0.7
Crown Castle Inc	-0.5
Eversource Energy	-0.4

GEOGRAPHICAL EXPOSURE BY SOURCE OF REVENUE⁵



MONTHLY SUMMARY

During August the major market influences were the last of earnings results, weak China economic data and the uptick in the 10-year bonds; most notably, the US 10 Year Bond moving above 4% again and spiking as high as 4.34%. Participants seem, even more than usual, unsure of the path for economic growth given the lagged effects of higher policy interest rates juxtaposed with ongoing levels of inflation above target and resilient consumption trends. Energy stocks benefitted from strength in the oil price while utilities struggled as expectations for real interest rates moved higher. We see increasing evidence of more difficult conditions for consumers (and thus discretionary spending) while the opportunities being created by enabling and commercialising AI as well as addressing the capital investment needs of transitioning to a net zero carbon world suggest longer-term support for economic growth, especially in the US.

In August, the portfolio fell in USD but rose in AUD as the AUD depreciated. Price gains were led by Intuit, Amazon, Alphabet, Mastercard and Visa, all up over 5% in the month, mainly due to follow-on from strong results and positive outlooks. Companies with price falls of 5% or more during August included Eversource Energy, LVMH, ASML, UnitedHealth and Yum! Brands. Generally, anxiety about China's economic outlook played out in the pricing of companies with exposure to China. The largest detractors to the portfolio were LVMH and ASML as worries about a slowing in revenue growth in the very short term were priced. Both, in our view, remain superbly positioned for long-term success and strong returns. We exited our small position in PepsiCo as the growth outlook becomes more challenged and the stock looks fully priced.

Index movements and stock contributors/detractors are based in local currency terms unless stated otherwise.

⁵ Sectors are internally defined. Geographical exposure is calculated on a look through basis based on underlying revenue exposure of individual companies held within the portfolio. Exposures may not sum to 100% due to rounding.

⁶ Shows how much the stock has contributed to the fund's gross return for the period in AUD. Excludes non-disclosed positions established in the latest quarter.

IMPORTANT INFORMATION

Units in the fund referred to herein are issued by Magellan Asset Management Limited ABN 31 120 593 946, AFS Licence No. 304 301 ('Magellan'). This material is issued by Magellan and has been prepared for general information purposes only and must not be construed as investment advice or as an investment recommendation. This material does not take into account your investment objectives, financial situation or particular needs. This material does not constitute an offer or inducement to engage in an investment activity nor does it form part of any offer documentation, offer or invitation to purchase, sell or subscribe for interests in any type of investment product or service. You should consider obtaining professional investment advice tailored to your specific circumstances before making a decision about whether to acquire, or continue to hold, units in the fund.

Past performance is not necessarily indicative of future results and no person guarantees the future performance of the fund, the amount or timing of any return from it, that asset allocations will be met, that it will be able to implement its investment strategy or that its investment objectives will be achieved. Statements contained in this material that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of Magellan. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. This material may contain 'forward-looking statements'. Actual events or results or the actual performance of a Magellan financial product or service may differ materially from those reflected or contemplated in such forward-looking statements. This material may include data, research and other information from third-party sources. Magellan makes no guarantee that such information is accurate, complete or timely and does not provide any warranties regarding results obtained from its use. No representation or warranty is made with respect to the accuracy or completeness of any of the information contained in this material. Magellan will not be responsible or liable for any losses arising from your use or reliance on any part of the information contained in this material.

Further information regarding any benchmark referred to herein can be found at www.magellangroup.com.au/funds/benchmark-information. Any third-party trademarks contained herein are used for information purposes only and are the property of their respective owners. Magellan claims no ownership in, nor any affiliation with, such trademarks. This material and the information contained within it may not be reproduced, or disclosed, in whole or in part, without the prior written consent of Magellan.