

Magellan Global Fund (Closed Class)



TICKER: MGF | ARSN: 126 366 961

AS AT 31 JANUARY 2024

PORTFOLIO MANAGERS

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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 \$2,901.0 million	\$2.0947 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
\$2.010 per unit	\$531.4 million	26.1%	3.9%

PERFORMANCE⁴

	1 MONTH (%)	3 MONTHS (%)	6 MONTHS (%)	1 YEAR (%)	3 YEARS (% p.a.)	Since Inception (% p.a.)
MGF	6.4	11.9	10.5	27.1	10.4	8.3
MSCI World NTR Index (AUD)*	4.5	11.2	7.4	24.7	13.6	12.4
Excess	1.9	0.7	3.1	2.4	-3.2	-4.1

CALENDAR YEAR RETURNS	CYTD (%)	2023 (%)	2022 (%)	2021 (%)	2020 (% part year)
MGF	6.4	23.0	-14.8	19.8	-3.6
MSCI World NTR Index (AUD)*	4.5	23.0	-12.2	29.3	-0.8
Excess	1.9	0.0	-2.6	-9.5	-2.8

Past performance is not a reliable indicator of future performance.

PERFORMANCE CHART GROWTH OF AUD \$10,000⁴



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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 2023 against the closing market price as at 31 December 2023.

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
ASML Holding NV	Information Technology
Chipotle Mexican Grill Inc	Restaurants
Intercontinental Exchange Inc	Financials
Intuit Inc	Information Technology
MasterCard Inc	Payments
Microsoft Corporation	Information Technology
SAP SE	Information Technology
UnitedHealth Group Inc	Health Care
Visa Inc	Payments

TOP CONTRIBUTORS/DETRACTORS 1 YEAR⁶

TOP 3 CONTRIBUTORS	CONTRIBUTION TO RETURN (%)
Microsoft Corporation	3.6
Amazon.com Inc	2.7
SAP SE	2.2

TOP 3 DETRACTORS	CONTRIBUTION TO RETURN (%)
US Bancorp	-1.1
AIA Group Ltd	-0.6
Eversource Energy	-0.3

MONTHLY SUMMARY

The portfolio rose in January. Our biggest contributors in the month, before currency effects, were ASML, SAP, Netflix, Microsoft and HCA Healthcare. The first three rose by over 15% in the month, while Microsoft gained 6% and HCA 13%. All of these, as well as several other holdings, reported final-quarter results for 2023 during January and these were pleasing with strong results, ahead of expectations and with confident outlooks.

The largest detractor was AIA with a 10.5% share price fall (and 0.2% deduction for the portfolio) while Apple, Lowe's and WEC Energy each dipped by ~4% in the month and so were immaterial to portfolio performance. AIA has been caught up in the sustained bearish sentiment towards China, which has seen the Hong Kong market hit 19-year lows. On fundamentals, AIA looks extremely mispriced unless there is a significant deterioration in its growth prospects in coming years. We believe this is a highly unlikely outlook given AIA should be a beneficiary of wealthier Chinese consumers seeking safety and savings and has a strong growth potential in the remaining ASEAN markets (over 50% of the group) in which it operates. It continues to buy back its own shares on market.

Stock contributors/detractors are based in local currency terms unless stated otherwise.

⁵Sectors 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.

⁶Shows 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.

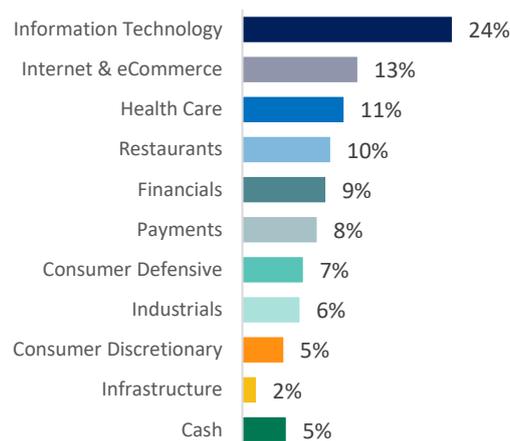
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SECTOR EXPOSURE BY SOURCE OF REVENUE⁵



GEOGRAPHICAL EXPOSURE BY SOURCE OF REVENUE⁵

