

Magellan Global Fund (Closed Class)



TICKER: MGF | ARSN: 126 366 961

AS AT 29 FEBRUARY 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 \$3,277.8 million	\$2.2288 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
\$2.090 per unit	\$531.4 million	26.1%	3.9%

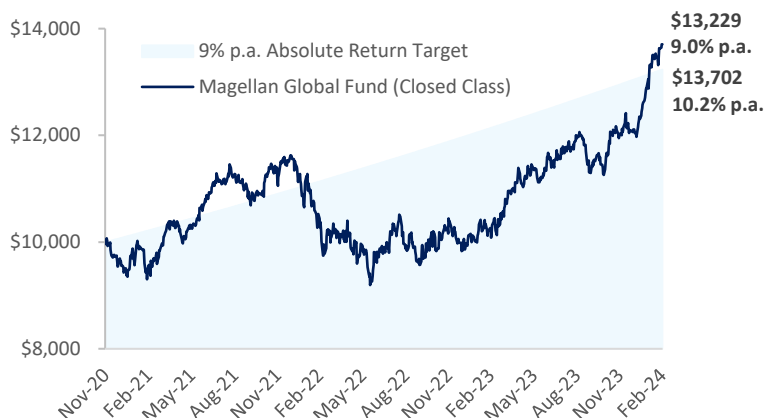
PERFORMANCE⁴

	1 MONTH (%)	3 MONTHS (%)	6 MONTHS (%)	1 YEAR (%)	3 YEARS (% p.a.)	Since Inception (% p.a.)
MGF	6.4	14.2	14.8	34.5	13.0	10.2
MSCI World NTR Index (AUD)*	5.8	12.7	11.9	29.4	15.1	14.0
Excess	0.6	1.5	2.9	5.1	-2.1	-3.8

CALENDAR YEAR RETURNS	CYTD (%)	2023 (%)	2022 (%)	2021 (%)	2020 (% part year)
MGF	13.2	23.0	-14.8	19.8	-3.6
MSCI World NTR Index (AUD)*	10.5	23.0	-12.2	29.3	-0.8
Excess	2.7	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.

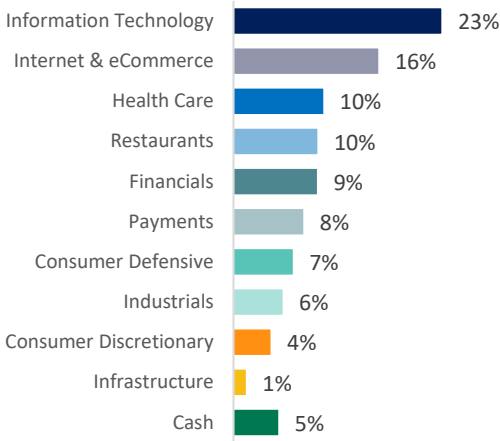
⁴ Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax, member fees and entry fees (if applicable). Returns denoted in AUD.

*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

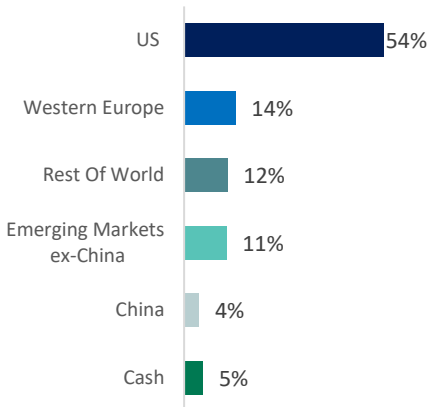
SECTOR EXPOSURE BY SOURCE OF REVENUE⁵



TOP CONTRIBUTORS/DETRACTORS 1 YEAR⁶

TOP 3 CONTRIBUTORS	CONTRIBUTION TO RETURN (%)
Amazon.com Inc	4.1
Microsoft Corporation	3.9
Chipotle Mexican Grill Inc	2.9
TOP 3 DETRACTORS	CONTRIBUTION TO RETURN (%)
US Bancorp	-1.1
AIA Group Ltd	-0.5
Diageo Plc	-0.3

GEOGRAPHICAL EXPOSURE BY SOURCE OF REVENUE⁵



MONTHLY SUMMARY

The MSCI World Index gained 4.6% in February, led by Consumer Discretionary (+8.0%), Information Technology (+6.3%) and Industrials (6.3%). Only Utilities fell (-0.8%). In local currencies, the US S&P 500 rose 5.2% and the Nasdaq Composite climbed 6.1%, Japan’s Nikkei 225 added 7.9%, Europe’s STOXX Europe 600 rose 1.8%, Australia’s ASX 200 gained 0.8% and China’s CSI 300 index rose 9.4%.

Widespread company results reported for the December quarter resulted in strong and broad upgrades to forward earnings expectations, especially amongst cyclical sectors. December quarter US GDP grew at a 3.2% annualised rate, while US unemployment remained low at 3.7%. US inflation picked up slightly, though January data is often distorted by seasonality. The yield on 10-year US government debt rose by 36bp to 4.25% as investors reduced Fed rate cut expectations. Europe and Japan’s economic growth were comparatively weak, and it remains likely the ECB will also cut policy rates during 2024. The German 10-year bond yields rose 26bp to 2.38%. In China, the property bubble unwind is continuing, deflation is evident, confidence is weak and government stimulus, thus far, is insufficient to boost economic growth.

The fund performed well in February, with the lower AUD a 1.3% tailwind. Amazon, Lowe’s, Trane Technologies, Chipotle Mexican Grill and Safran all gained 10% to 15% as they each reported strong results for the fourth quarter and 2023 year and gave good outlooks, except for Lowe’s (which will report in March). The top contributors to portfolio returns in February were Amazon, Chipotle, Intercontinental Exchange, ASML and Trane Technologies. Lowe’s and Intercontinental Exchange are both benefiting from expectations of mortgage rates having peaked. The fund did not have any significant negative contributors, though Nestlé and UnitedHealth Group shares declined slightly.

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

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