

# Magellan Global Fund (Closed Class)

ARSN: 126 366 961

Ticker: MGF

## Fund Facts

Portfolio Manager	Lead Portfolio Manager: Hamish Douglass Co-Portfolio Manager: Arvid Streimann		
Structure	Global Equity Fund (Closed Class Units) \$A Unhedged		
Inception Date	30 November 2020		
Management Fee <sup>1</sup>	1.35% per annum		
Fund Size / NAV Price	AUD \$3,327.0 million / \$2.025 per unit		
Distribution Frequency	Semi-annually		
Performance Fee <sup>1</sup>	10.0% of the excess return of the units of the Fund above the higher of the Index Relative Hurdle (MSCI World NTR Index) and the Absolute Return Hurdle (the yield of 10-year Australian Government Bonds). Additionally, the Performance Fees are subject to a high water mark.		
iNAV tickers	Bloomberg Thomson Reuters IRESS	MGF AU Equity MGF.AX MGF.ASX	MGFIV Index MGFAUiv.P MGFAUDINAV.ETF

<sup>1</sup>All fees are inclusive of the net effect of GST

## Fund Features

- 'Closed-ended' unit class of the Magellan Global Fund (Ticker: MGF)
- A specialised and focused long-only global equity portfolio
- Relatively concentrated portfolio of typically 20 to 40 high-quality securities
- Benchmark unaware
- Target cash distribution of 4% per annum, paid semi annually
- Typical cash exposure between 0% - 20%
- Investors can buy or sell units on ASX like any other listed security
- An attractive distribution reinvestment plan with a 7.5% discount to the NAV per Closed Class Unit. The discount will be paid by Magellan Financial Group

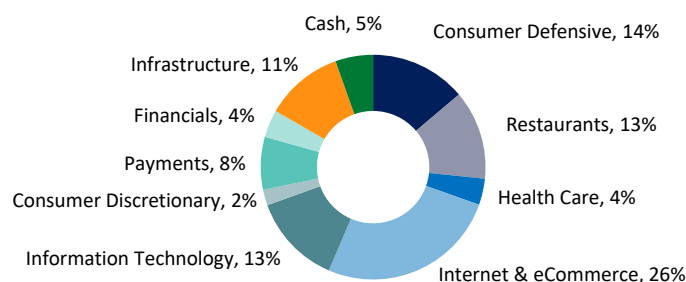
## Fund Performance<sup>^</sup>

	Fund (%)	Index (%) <sup>+</sup>	Excess (%)
1 Month	1.0	3.1	-2.1
3 Months	9.7	12.1	-2.4
6 Months	18.7	23.0	-4.3
Since Inception	12.8	23.6	-10.8

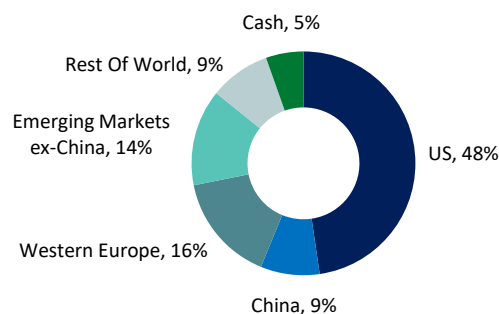
## Top 10 Holdings

In alphabetical order	Sector <sup>#</sup>
Alibaba Group Holding Ltd	Internet & eCommerce
Alphabet Inc	Internet & eCommerce
Facebook Inc	Internet & eCommerce
Microsoft Corporation	Information Technology
Netflix Inc	Internet & eCommerce
Pepsico Inc	Consumer Defensive
SAP SE	Information Technology
Starbucks Corporation	Restaurants
Visa Inc	Payments
Yum! Brands Inc	Restaurants

## Sector Exposure by Source of Revenue<sup>#</sup>



## Geographical Exposure by Source of Revenue<sup>#</sup>



## Performance Chart growth of AUD \$10,000<sup>^</sup>

<sup>^</sup> Calculations are based on the NAV prices with distributions reinvested, after ongoing fees and expenses but excluding individual tax, member fees and entry fees (if applicable).<sup>#</sup> 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.<sup>+</sup> MSCI World Net Total Return Index (AUD)

## Portfolio Commentary

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In August, the portfolio exited its position in Tencent Holdings.

Tencent owns numerous structurally advantaged businesses. However, we believe Tencent is operating in socially contentious areas including gaming, entertainment and social media that carry the risk of further, and potentially severe, regulatory intervention by the Chinese government. Given recent events we do not believe we can judge with any degree of certainty where the Chinese government's regulatory intervention will land and we cannot reasonably assess the impact on Tencent's future profitability. Given the potentially wide range of outcomes on the value of Tencent, we have sold the investment.

The portfolio has maintained a position in Alibaba Group. Though we recognise that Alibaba's regulatory risks have risen we do not consider that Alibaba's core businesses in ecommerce and cloud computing operate in socially contentious areas. We consider that regulatory actions taken by China's government – countering anti-competitive behaviour, improving data privacy and promoting platform interoperability – as being related to legitimate public policy and have been implemented in an even-handed manner so therefore not disadvantaging Alibaba versus its competitors. Importantly, Alibaba's share price contains a wide margin of safety to our assessed valuation, which incorporates further material costs for contributions to the government's common prosperity agenda and likely increased taxation, providing an attractive risk-reward equation.