

# Magellan Global Fund (Hedged)



APIR: MGE0007AU | ARSN: 164 285 661

AS AT 31 JANUARY 2024

## 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%.

### INVESTMENT RISKS

All investments carry risk. While it is not possible to identify every risk relevant to an investment in the fund, we have provided details of risks in the Product Disclosure Statement. You can view the PDS for the fund on Magellan's website [www.magellangroup.com.au](http://www.magellangroup.com.au).

## MAGELLAN GLOBAL FUND (HEDGED): KEY PORTFOLIO INFORMATION

TICKER	FUND SIZE	BUY/SELL SPREAD	MANAGEMENT AND PERFORMANCE FEES <sup>1</sup>	INCEPTION DATE
-	AUD \$424.3 million	0.07% / 0.07%	1.35% p.a. and performance fee of 10% of dual hurdle excess return <sup>^</sup>	1 July 2013

<sup>^</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 (Hedged to 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.

### PERFORMANCE<sup>2</sup>

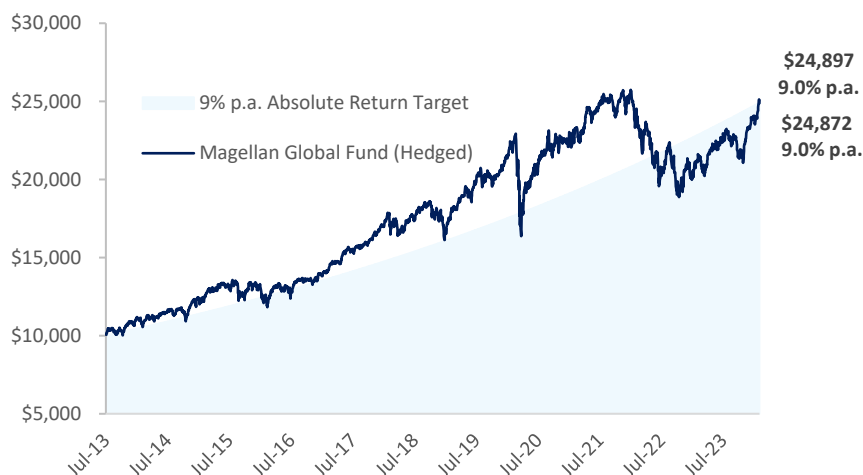
	1 MONTH (%)	3 MONTHS (%)	1 YEAR (%)	3 YEARS (% p.a.)	5 YEARS (% p.a.)	7 YEARS (% p.a.)	10 YEARS (% p.a.)	Since Inception (% p.a.)	OUTPERFORMANCE CONSISTENCY*
MGFH	3.4	15.5	16.8	3.7	6.9	8.5	8.8	9.0	47%
MSCI World NTR Index (A\$ Hedged)*	1.8	14.2	16.4	8.3	10.5	9.8	10.0	10.7	-
Excess	1.6	1.3	0.4	-4.6	-3.6	-1.3	-1.2	-1.7	-

### CALENDAR YEAR RETURNS

	CYTD (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (% part year)
MGFH	3.4	20.0	-21.8	13.4	5.9	26.9	-0.8	22.8	5.3	6.1	10.5	11.8
MSCI World NTR Index (A\$ Hedged)*	1.8	21.5	-17.7	23.7	10.3	26.7	-7.4	19.8	10.4	3.8	12.3	16.7
Excess	1.6	-1.5	-4.1	-10.3	-4.4	0.2	6.6	3.0	-5.1	2.3	-1.8	-4.9

Past performance is not a reliable indicator of future performance.

### PERFORMANCE CHART GROWTH OF AUD \$10,000<sup>2</sup>



Past performance is not a reliable indicator of future performance.

<sup>1</sup> Transaction costs may also apply – refer to the Product Disclosure Statement. All fees are inclusive of the net effect of GST.

<sup>2</sup> 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.

\* Outperformance consistency indicates the percentage of positive excess returns for rolling 3 year returns since inception.

\* MSCI World Net Total Return Index (Hedged to 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/](http://www.magellangroup.com.au/funds/benchmark-information/)

## TOP 10 HOLDINGS (ALPHABETICAL ORDER)

STOCK	SECTOR <sup>3</sup>
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 YEAR<sup>4</sup>

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	-1.0
AIA Group Ltd	-0.6
Eversource Energy	-0.3

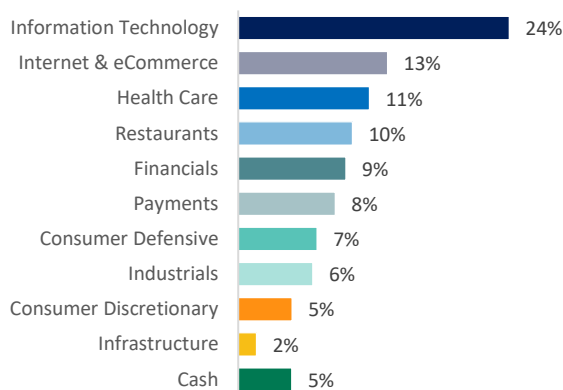
## MONTHLY SUMMARY

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.

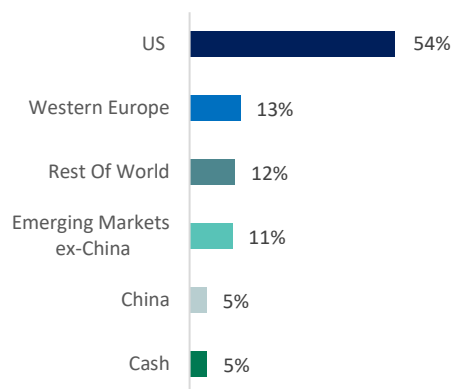
The largest detractor was AIA with a 10.5% share price fall (and 0.2% deduction for the portfolio) while Apple, Lowe's and WEC Energy each dipped by ~4% in the month and so were immaterial to portfolio performance. AIA has been caught up in the sustained bearish sentiment towards China, which has seen 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.*

## SECTOR EXPOSURE BY SOURCE OF REVENUE<sup>3</sup>



## GEOGRAPHICAL EXPOSURE BY SOURCE OF REVENUE<sup>3</sup>



<sup>3</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>4</sup> 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 obtain and consider the relevant Product Disclosure Statement ('PDS') and Target Market Determination ('TMD') and consider obtaining professional investment advice tailored to your specific circumstances before making a decision about whether to acquire, or continue to hold, the relevant financial product. A copy of the relevant PDS and TMD relating to the relevant Magellan financial product may be obtained by calling +61 2 9235 4888 or by visiting [www.magellangroup.com.au](http://www.magellangroup.com.au).

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 or the third party responsible for making those statements (as relevant). 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](http://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.