

Magellan Global Fund (Hedged)



APIR: MGE0007AU | ARSN: 164 285 661

AS AT 31 JULY 2023

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. Typical 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.

MAGELLAN GLOBAL FUND (HEDGED): KEY PORTFOLIO INFORMATION

TICKER	FUND SIZE	BUY/SELL SPREAD	MANAGEMENT AND PERFORMANCE FEES ¹	INCEPTION DATE
-	AUD \$496.7 million	0.07% / 0.07%	1.35% p.a. and performance fee of 10% of dual hurdle excess return [^]	1 July 2013

[^] 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.

PERFORMANCE²

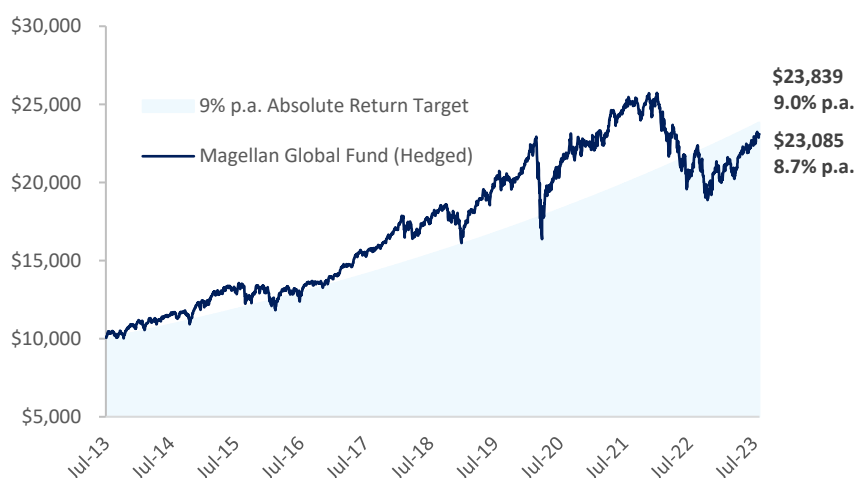
	1 MONTH (%)	3 MONTHS (%)	1 YEAR (%)	3 YEARS (% p.a.)	5 YEARS (% p.a.)	7 YEARS (% p.a.)	10 YEARS (% p.a.)	Since Inception (% p.a.)	OUTPERFORMANCE CONSISTENCY ⁺
MGFH	0.6	3.6	5.8	2.3	5.3	8.0	8.4	8.7	50%
MSCI World NTR Index (A\$ Hedged)*	2.8	8.2	11.1	11.3	8.2	10.2	10.3	10.7	
Excess	-2.2	-4.6	-5.3	-9.0	-2.9	-2.2	-1.9	-2.0	

CALENDAR YEAR RETURNS

	CYTD (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (% part year)
MGFH	15.1	-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)*	17.7	-17.7	23.7	10.3	26.7	-7.4	19.8	10.4	3.8	12.3	16.7
Excess	-2.6	-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 \$10,000²



Past performance is not a reliable indicator of future performance.

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

² 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.

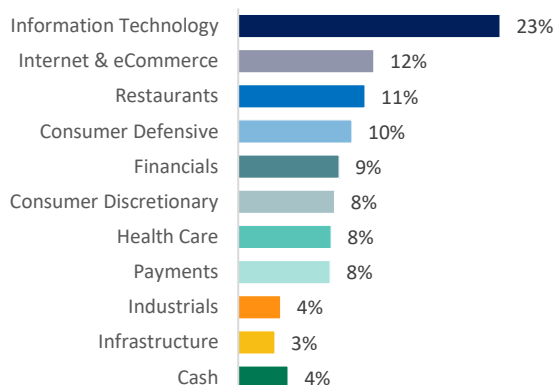
⁺ Outperformance consistency indicates the percentage of positive excess returns for rolling 3 year returns since inception.

* 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/

TOP 10 HOLDINGS (ALPHABETICAL ORDER)

STOCK	SECTOR ³
Amazon.com Inc	Internet & eCommerce
Apple Inc	Information Technology
ASML Holding NV	Information Technology
Intercontinental Exchange Inc	Financials
Intuit Inc	Information Technology
Lowe's Co Inc	Consumer Discretionary
LVMH	Consumer Discretionary
Microsoft Corporation	Information Technology
SAP SE	Information Technology
Visa Inc	Payments

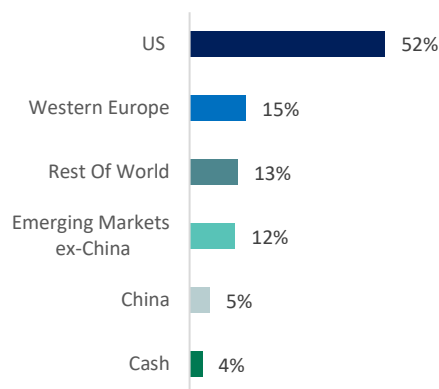
SECTOR EXPOSURE BY SOURCE OF REVENUE³



TOP CONTRIBUTORS/DETRACTORS 1 YEAR⁴

TOP 3 CONTRIBUTORS	CONTRIBUTION TO RETURN (%)
SAP SE	1.7
ASML Holding NV	1.3
LVMH	1.3
TOP 3 DETRACTORS	CONTRIBUTION TO RETURN (%)
US Bancorp	-0.8
Crown Castle Inc	-0.6
Eversource Energy	-0.3

GEOGRAPHICAL EXPOSURE BY SOURCE OF REVENUE³



MONTHLY SUMMARY

The portfolio was relatively flat for the month and up 8.4% or the six months to end July. Chipotle Mexican Grill and HCA Healthcare fell back during July, while Intuit and Alphabet were up over 10% to lead the positive contributions. Alphabet reported reassuring results, pointing to strong investments in Generative AI and cost improvements.

Over the past six months, markets have been strong as economic data shows resilience, inflation decreases, and net zero and Generative AI investments provide new opportunities. The US is central to this strength, while other developed markets are experiencing greater economic pain. The MSCI World Index (USD) is up 11.1%, the Nasdaq up 23.8%, Japan's Nikkei up 21.4%, and China's CSI 300 down 3.4%.

Challenges to the consensus view of a mild or no US recession, while inflation falls sufficiently for central banks to pause rate increases, may come from growth or inflation data. If growth is too good (or inflation data not good enough), investors will worry about inflation reaccelerating and thus renewed rate increases. If growth falls more rapidly or suddenly, inflation concerns will dissipate and rates will likely stay on pause. We do not anticipate rate cuts in 2023 unless a large, disruptive event occurs. These risks are balanced through our portfolio construction process and staying focused on our long-term absolute return objective.

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

³ 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.

⁴ 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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