

Magellan Global Fund (Open Class) (Managed Fund)

ARSN: 126 366 961

Ticker: MGOC

Fund Facts

Portfolio Manager	Lead Portfolio Manager: Hamish Douglass Co-Portfolio Manager: Arvid Streimann		
Structure	Global Equity Fund (Open Class Units), \$A Unhedged		
Inception Date	1 July 2007		
Management Fee ¹	1.35% per annum		
Buy/Sell Spread ^{1,2}	0.07%/0.07%		
Fund Size / NAV Price	AUD \$14,843.7 million / \$2.8183 per unit		
Distribution Frequency	Semi-annually		
Performance Fee ¹	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	MGOC AU Equity MGOC.AX MGOC.AXW	MGOCIV Index MGOCAUiv.P MGOC-AUINAV.NGIF

¹All fees are inclusive of the net effect of GST; ²Only applicable to investors who apply for units directly with the Responsible Entity

Fund Features

- 'Open-ended' unit class of the Magellan Global Fund (Ticker: MGOC)
- A specialised and focused long-only global equity fund
- Relatively concentrated portfolio of typically 20 to 40 high-quality securities
- Target cash distribution of 4% per annum, paid semi annually
- Benchmark unaware
- Typical cash exposure between 0% - 20%
- Investors can buy or sell units on ASX like any other listed security or apply and redeem directly with the Responsible Entity

3 Year Rolling Returns (measured monthly)[^]

Against MSCI World NTR Index	1 Year	3 Years	5 Years	Since Inception
No of observations	12	36	60	135
Average excess return (% p.a.)	0.7	2.3	1.6	4.1
Outperformance consistency	50%	78%	78%	87%

Fund Performance[^]

	Fund (%)	Index (%) ⁺	Excess (%)
1 Month	1.0	3.1	-2.1
3 Months	9.5	12.1	-2.6
1 Year	12.5	31.3	-18.8
3 Years (p.a.)	11.9	14.6	-2.7
5 Years (p.a.)	14.4	15.5	-1.1
10 Years (p.a.)	17.4	16.5	0.9
Since Inception (p.a.)	12.1	8.1	4.0

Capital Preservation Measures^{**}

Adverse Markets	36 Months	60 Months	Since Inception
No of observations	8	12	53
Outperformance consistency	100%	83%	77%
Down Market Capture	0.3	0.4	0.5

[^] 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). Fund Inception 1 July 2007. Returns denoted in AUD

⁺ 3-year returns are calculated and rolled monthly in AUD, with the outperformance consistency indicating the percentage of positive excess returns since inception.

^{**} MSCI World Net Total Return Index (AUD)

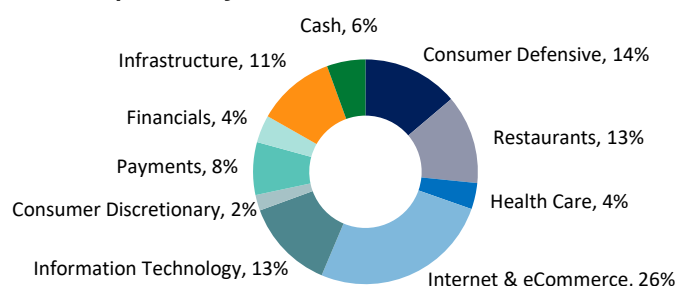
^{**} Risk measures are calculated after fees. An adverse market is defined as a negative three-month return rolled monthly for the MSCI World NTR Index (AUD). Down market capture shows if a fund has outperformed a benchmark during periods of market weakness, and if so, by how much.

[#] 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.

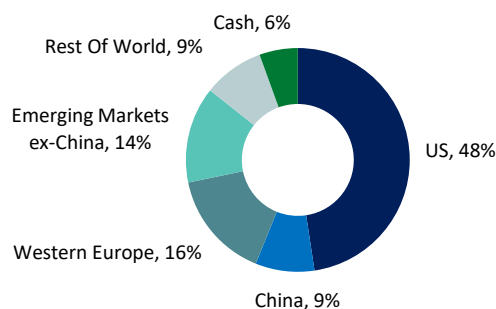
Top 10 Holdings

In alphabetical order	Sector [#]
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

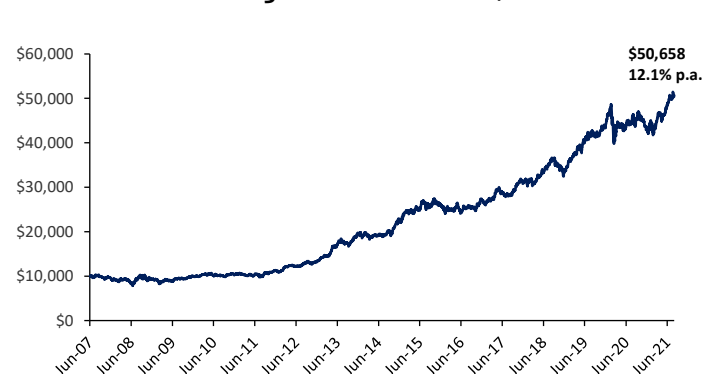
Sector Exposure by Source of Revenue[#]



Geographical Exposure by Source of Revenue[#]



Performance Chart growth of AUD \$10,000[^]



Portfolio Commentary

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.