

Magellan Global Fund

Fund Update: 31 December 2011

Key Facts

Portfolio Manager

Hamish Douglass

Structure

Global Equity Fund, \$A unhedged

Inception date

1 July 2007

Performance Fee*

10.10% of excess return over the higher of the Index Relative hurdle and the Absolute Return Hurdle (Australian Government 10-year bond yield). Additionally, the Performance Fees are subject to a high water mark.

MER/ICR*

1.36%

Buy/Sell Spread*

0.25%/0.25%

Fund Size

\$A861.4 million

*All fees are inclusive of the net effect on GST

Portfolio Commentary

During the month of December, the global market appreciated slightly in local currency terms by 0.59%, whilst appreciation of the AUD against the Euro (4.89%), Swiss franc (3.63%), British pound (2.46%) and the US Dollar (2.34%) resulted in a return of 0.15% for the benchmark in Australian dollar terms.

The Fund delivered 2.92% for the month and 5.61% for the quarter, outperforming the benchmark over both periods by 2.77% and 3.62% respectively. During the month, the Fund benefitted from local currency gains in Google (7.76%), Wells Fargo (6.57%), Lowe's (5.71%), Nestle (5.57%), Yum! Brands (5.30%) and Unilever (5.04%).

Global markets remain volatile with continued focus on European sovereign debt issues. We remain confident in the quality of our investee companies and the ability of their underlying businesses to continue to perform during periods of global uncertainty.

Performance[†]

	Fund	Excess Return*
1 month	2.92%	2.77%
3 months	5.61%	3.62%
6 months	8.19%	14.50%
12 months	9.80%	15.36%
2 Years [% p.a.]	6.04%	9.81%
3 Years [% p.a.]	6.22%	8.50%
4 Years [% p.a.]	3.93%	12.56%
Since Inception [% p.a.]	2.54%	10.98%
Since Inception	11.96%	44.72%

*Over Index Relative Hurdle.

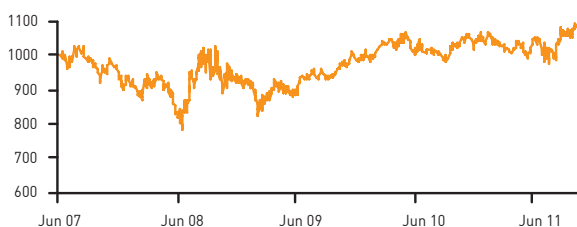
Top 10 Holdings

in Alphabetical Order	
Danone	Consumer Staples
eBay Inc	Information Technology
Google Inc	Information Technology
Lowe's	Consumer Discretionary
Nestlé SA	Consumer Staples
Novartis	Health Care
US Bancorp	Financials
Visa Inc	Information Technology
Wells Fargo	Financials
Yum! Brands Inc	Consumer Discretionary

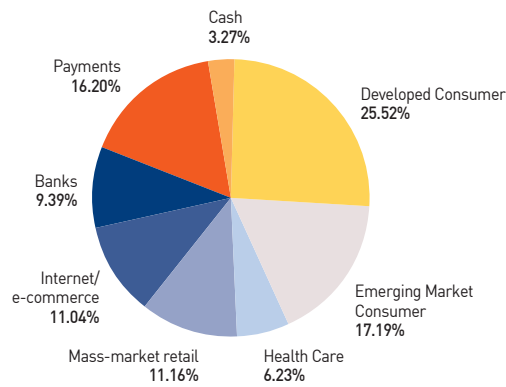
Regional Breakdown*

	% of Portfolio
Multinational*	65.14%
North America	30.81%
United Kingdom	0.78%
Australia	0.00%
Europe	0.00%
Japan	0.00%
Asia ex-Japan	0.00%
Cash	3.27%
TOTAL	100%

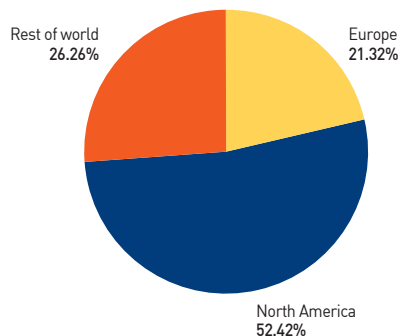
Performance Chart Growth of \$1,000



Industry Exposure by Source of Revenues**



Geographical Exposure by Source of Revenues**



*Multinational: Greater than 50% of revenues outside home country.
 **Calculated on a look through basis based on underlying revenue exposure of individual companies held within the portfolio.

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[†]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.
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