

Maintaining High Conviction In An Uncertain World

April 2021



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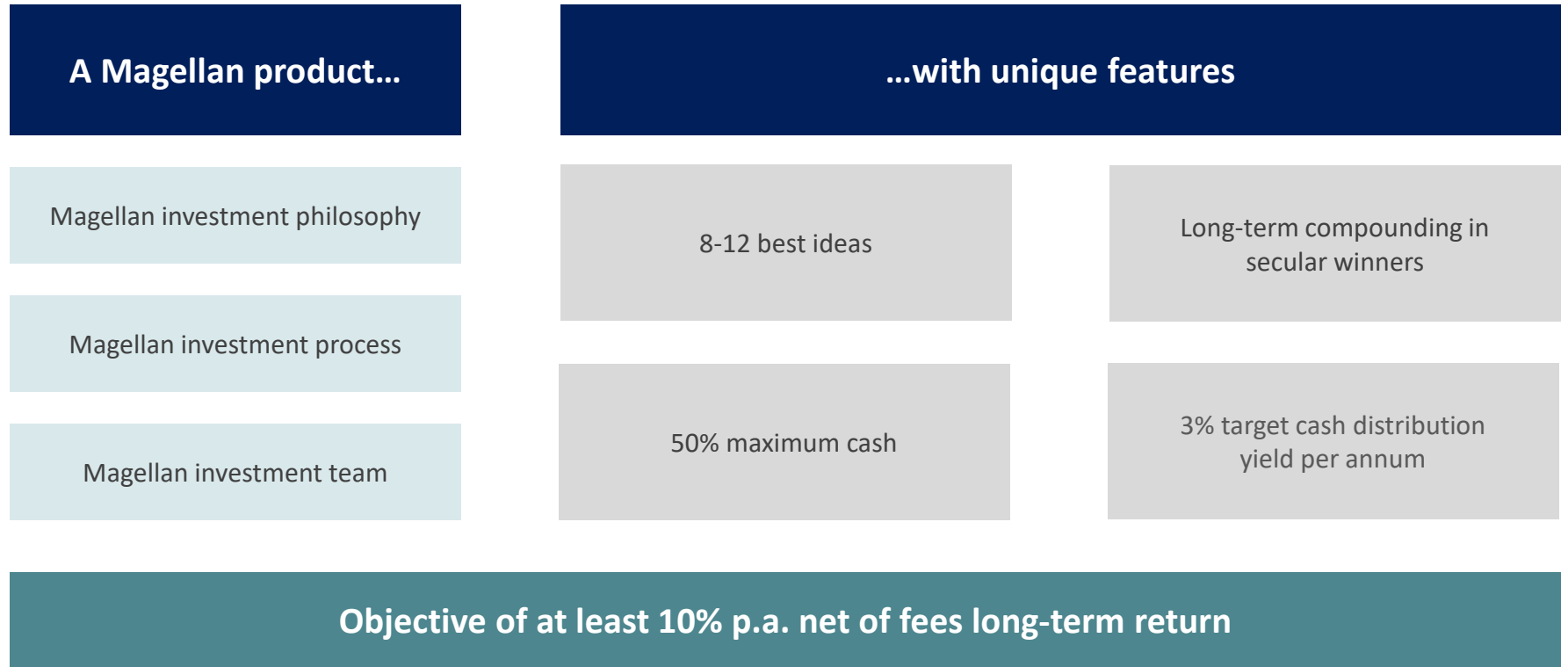
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Magellan High Conviction strategy

Compounding Machine



Portfolio of advantaged and undervalued companies

Cash 6%	Digital Payments	Cloud Computing	Digital Advertising	Mobile and E-Commerce	Digital Fin. Networks	Chinese Consumer	Digital Media
 Microsoft 15%		✓	✓				✓
Alphabet 15%	✓	✓	✓	✓			✓
facebook 11%	✓		✓	✓			✓
NETFLIX 11%							✓
Tencent 腾讯 9%	✓	✓	✓	✓		✓	✓
 Alibaba Group 9%	✓	✓	✓	✓		✓	✓
 Starbucks 7%	✓			✓		✓	
 Ice 6%					✓		
SAP 6%		✓					
VISA 5%	✓			✓			

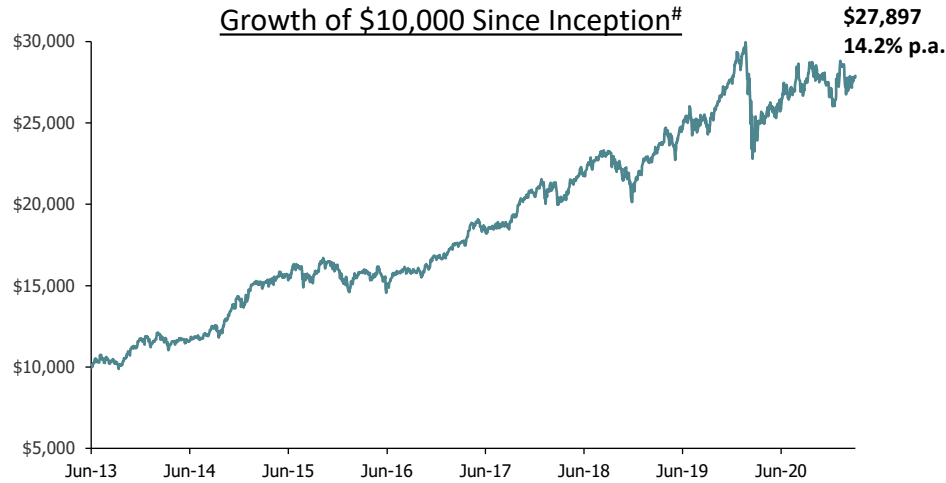
Long-term compounding in advantaged businesses

Returns from positions held >3 years

Holding	Month of Investment	Years Held	Annual Share Price Gain
	Jun 2016	4.8 +	26%
	Nov 2013	7.3 +	21%
	Nov 2015	3.9	21%
	Jun 2013	4.1	20%
	Feb 2017	4.1 +	17%
	Jun 2013	5.9	15%
	Jun 2013	3.1	12%
	Jun 2013	3.3	11%
	Oct 2015	3.6	8%
	Jun 2013	3.9	-14%
	Nov 2018	2.3 +	38%

Consistent outperformance > 10% p.a. objective

Strategy outperformed objective 93% of the time with avg. 3 year net return of 13.8% p.a.



3 Year Rolling Returns After Fees	Against Strategy's 10% p.a. Return Objective
Number of monthly observations	58
Monthly observations > objective	54
Outperformance consistency	93%
Average annualised return	13.8%
Average excess return (p.a.)	3.8%

Only 4 monthly observations below the 10% p.a. objective, with an average 3 year return of 9.3% p.a. after fees

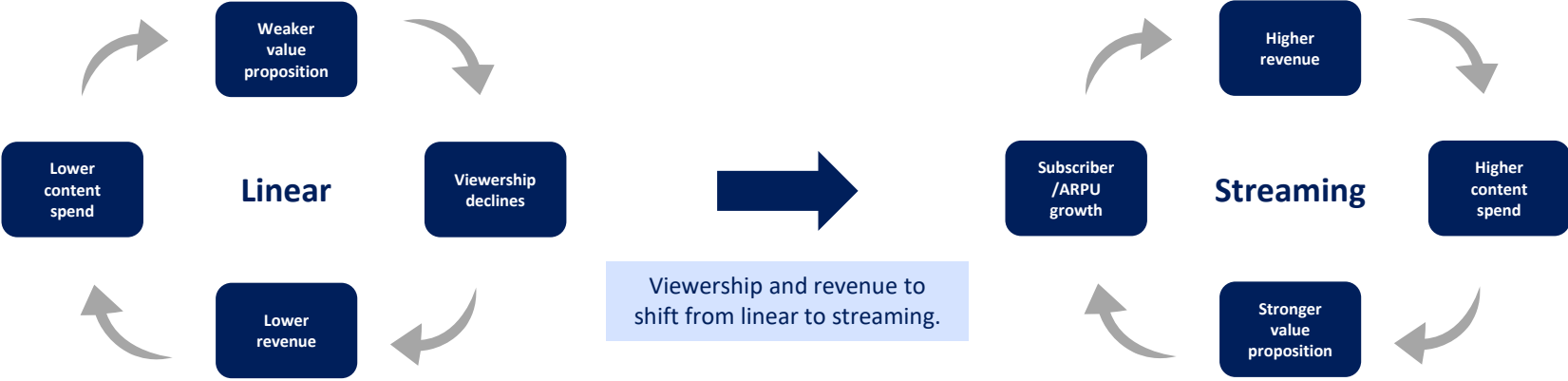
[#] The inception date is 1 July 2013 inclusive. Based on the Magellan High Conviction Fund Class A. Data as at 31 March 2021. Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax, member fees and entry fees (if applicable). Returns are denoted in AUD.



Netflix Case Study

Streaming a long-term winner with huge potential

- Superior user experience and value proposition.
- Streaming benefiting from virtuous cycle.
- Over US\$200b in global household spend on pay-tv up for grabs.
- Streaming household penetration likely to exceed pay-tv.
- Dominant form of distribution for next generation.

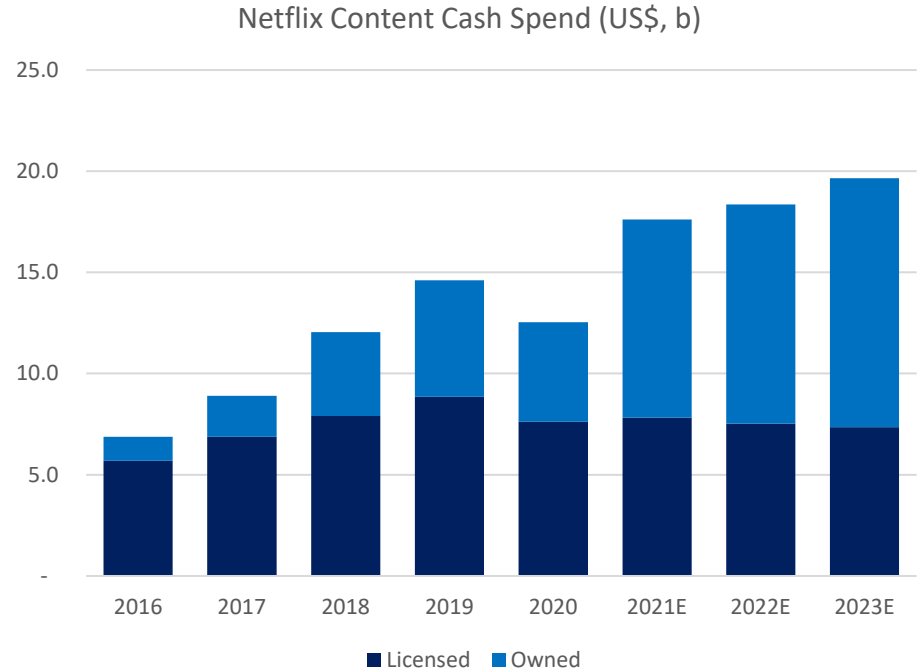


Source: S&P Global Market Intelligence

Netflix incredibly well positioned given its immense scale

Content is largest expense and hugely scalable

- >200m global subscribers.
- Best in class value proposition.
- Constant stream of new content.
- Proven ability to scale local content globally.
- Growing owned content library.

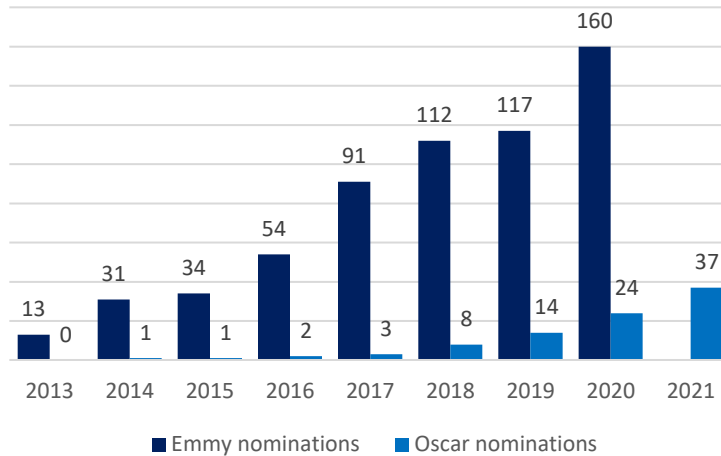


Netflix incredibly well positioned given its immense scale

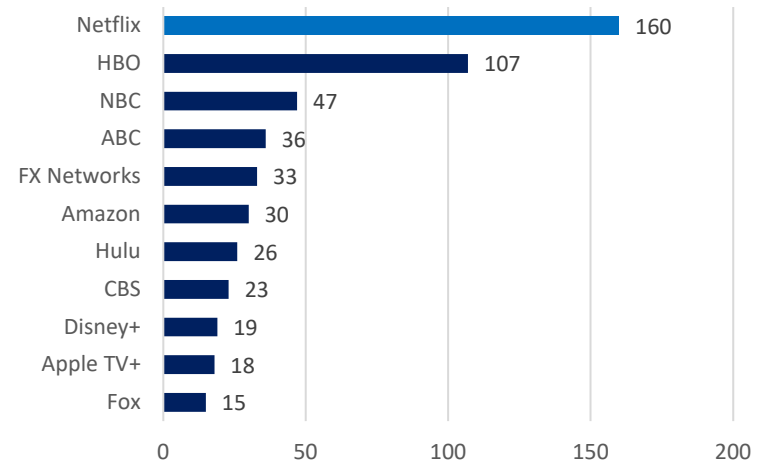
Content is largest expense and hugely scalable

- Industry leading 160 Emmy nominations in 2020: *Ozark*, *The Crown*, *The Queen's Gambit*, *Stranger Things*
- Industry leading 37 Oscar nominations in 2021, third highest by any studio ever.

Netflix award nominations



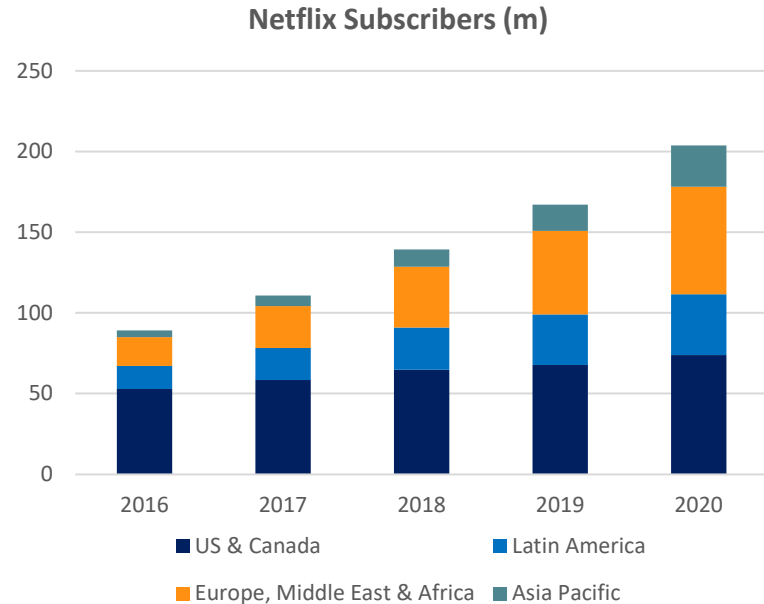
2020 Emmy nominations



and early mover status globally

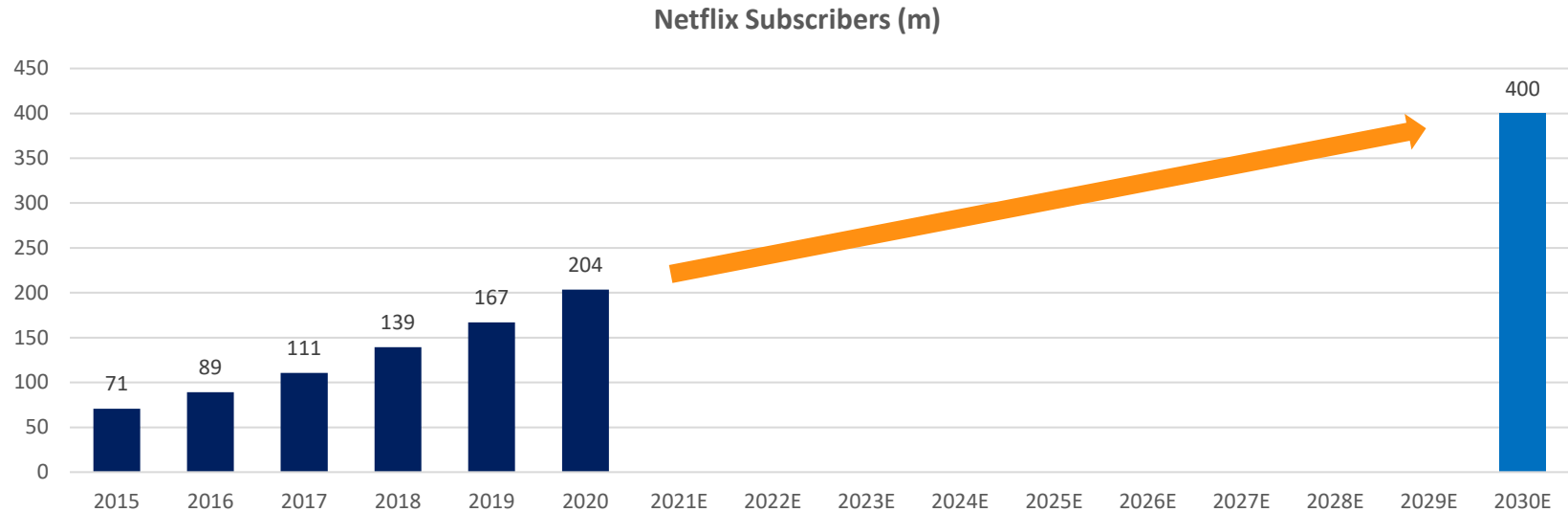
Netflix available globally ex-China by 2016, years ahead of peers

- US only ~1/3rd of subscribers as at Dec 31, 2020.
- Deep understanding of local consumer preferences.
- Significant pipeline of local original content.
- Established distribution and payment channels.



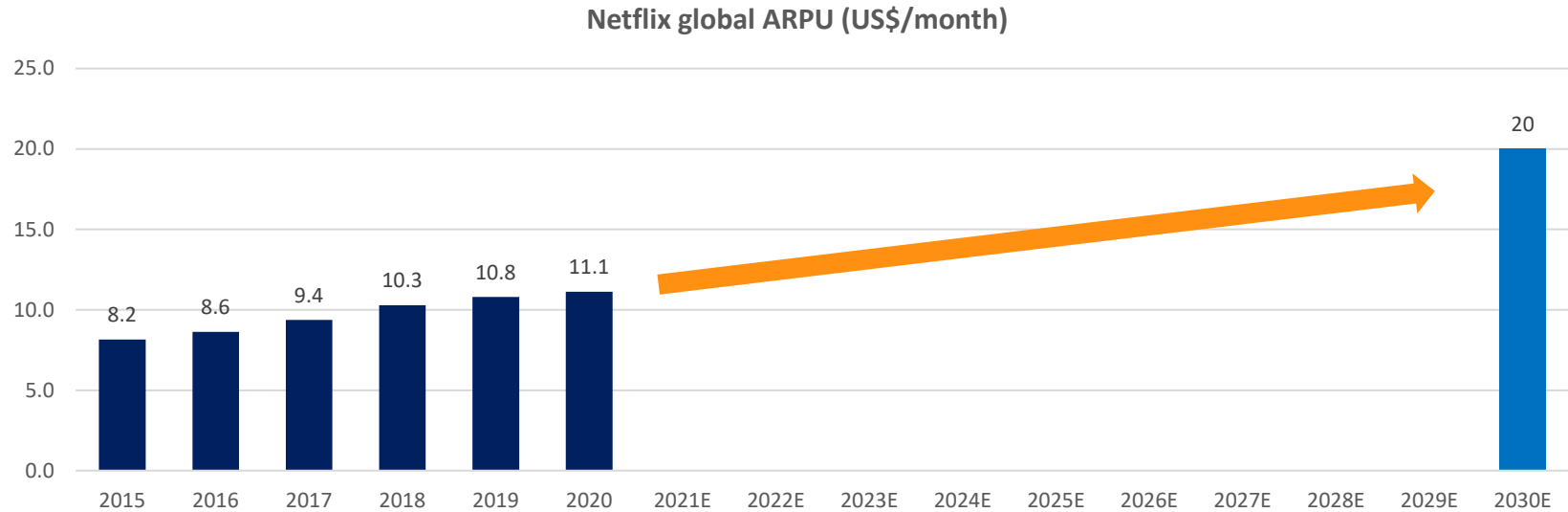
Large runway for Netflix subscriber growth

- Added ~25m subscribers a year from 2015-2020.
- Potential to reach 400m subscribers by 2030 with additional upside.



Netflix has significant latent pricing power

- Netflix service significantly under priced relative to the value it provides.
- Potential for subscription ARPU to nearly double by 2030.



Netflix represents a compelling long-term investment

- Potential ~US\$100b in revenue by 2030.
- Scalable model supports significant margin expansion.
- Highly defensive business model.
- Attractive long-term investment.



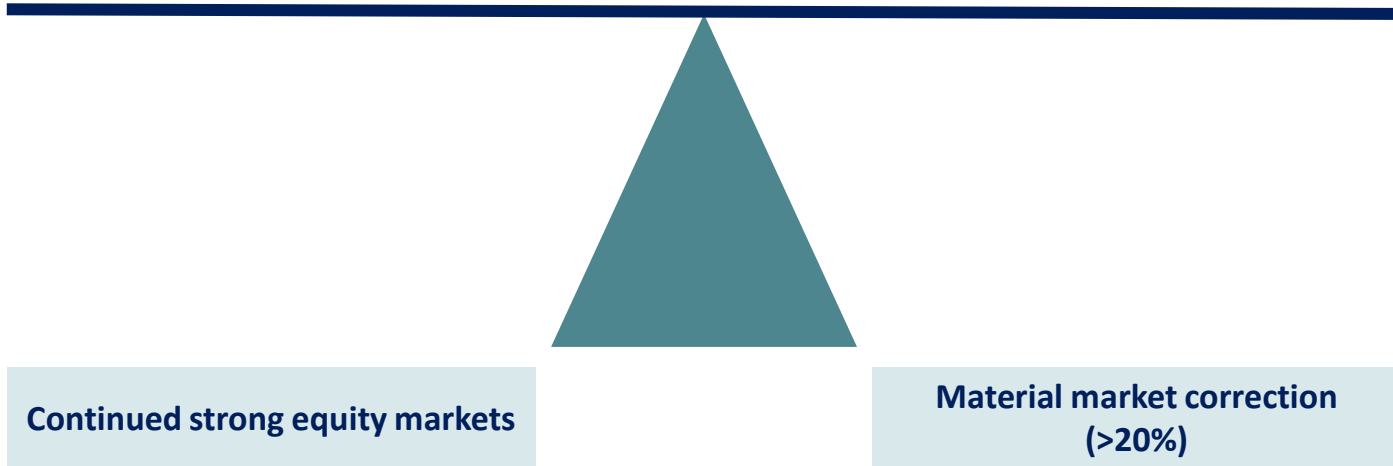


Macro & Market Views

Short term risks balanced

- Effective vaccine rollout
- Reopening of economies
- Record monetary and fiscal stimulus











- Vaccine escape mutation
- Bursting of speculative bubbles
- Inflation/reversal of monetary policy





Q&A

Portfolio of advantaged and undervalued companies

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 Starbucks 7%	✓			✓		✓	
 Ice 6%					✓		
 SAP 6%		✓					
 VISA 5%	✓			✓			



Increased Disclosure

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Increased disclosure

Magellan High Conviction Strategy's new disclosure policy

Quarter End	Detail	Location - Fund	Location - Trust
March	Alphabetical holdings after approx. 2 month lag	Magellan Website	ASX Website
June	Holdings and weights in Annual Letter	Magellan Website	ASX Website
September	Alphabetical holdings after approx. 2 month lag	Magellan Website	ASX Website
December	Holdings and weights after approx. 2 month lag	Magellan Website	ASX Website

Continue to provide monthly factsheets, including Top 5 Holdings alphabetically