

Magellan High Conviction Trust

ARSN 634 789 754

ASX code: MHH

Key benefits

- Access to the investment experience and expertise of Magellan
- Exposure to a concentrated portfolio of high quality global companies weighted towards Magellan's highest conviction ideas
- Aims to provide capital growth over the medium to long term
- An attractive Target Cash Distribution yield of 3% per annum paid semi annually
- An attractive DRP with a 5% discount to the NAV per Unit in respect of the Target Cash Distribution with the discount being paid by the Magellan Group
- A Pro Forma NAV per Unit equal to the Offer Price as the Magellan Group is paying for all costs associated with the Offer
- Transparency in relation to the value of the Trust
- For Applicants eligible to participate in the Priority Offer, a benefit in the form of additional units of 7.5% of the number of Units allotted to the Applicant under that offer¹, paid in full by the Magellan Group
- For Applicants under the Wholesale and General Public Offers, a benefit in the form of additional units of 2.5% of the number of Units allotted to the Applicant under the those offers¹, paid in full by the Magellan Group

¹ Subject to vesting conditions and other terms outlined in the Product Disclosure Statement ("PDS").

Important dates

Offer opens	21 August 2019
Offer closes	27 September 2019
Allotment of Units	8 October 2019
Trading of Units commences on ASX	11 October 2019
Loyalty Unit and IPO Foundation Unit Determination Date	31 December 2019
Loyalty Unit and IPO Foundation Unit Issue Date	15 January 2020

Dates are indicative and may be subject to change

Important Information: Units in the Magellan High Conviction Trust (Trust) are issued by Magellan Asset Management Limited (ABN 31 120 593 946, AFS Licence No 304 301). This material does not constitute an offer to sell, or solicitation of an offer to buy, any financial products. This material has been provided for general information purposes and must not be construed as investment advice. This material has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person. Investors should consider obtaining professional investment advice tailored to their specific circumstances and should read the relevant Product Disclosure Statement (PDS) prior to making any investment decisions. All investments carry risks. For the risks specific to the Trust please refer to the "Risks" section within the PDS. The PDS is available via www.magellanhighconvictiontrust.com.au or can be obtained by calling the Magellan High Conviction Trust Offer Information Line on 1800 222 722 (within Australia) or +61 2 9290 9699 (outside Australia) between 8:30am and 5:00pm (Sydney time) Monday to Friday. MHH43677

Trust characteristics

Trust name	Magellan High Conviction Trust
ARSN	634 789 754
ASX Ticker	MHH
Responsible Entity	Magellan Asset Management Limited
Portfolio Managers	Hamish Douglass and Chris Wheldon
Strategy	Concentrated portfolio of high quality global companies weighted towards Magellan's highest conviction ideas
Objectives	Achieve attractive risk adjusted returns over the medium to long term
Number of stocks	8-12
Currency exposure	Currency management
Cash	Up to 50% of portfolio
Distributions	Target cash distribution yield of 3% p.a. paid semi-annually
Fees	Management fee: 1.50% per annum Performance fee: 10% of excess returns above 10% per annum
NAV	Net Asset Value per unit will be published by 9.30am on each business day and reflects the value of the Trust on the previous day at the close of trading in each market in which the Trust invests
iNAV	An indicative NAV (iNAV) will be published through the trading day on Magellan's website (www.magellangroup.com.au). The iNAV will also be available on Bloomberg, Reuters and IRESS

Magellan High Conviction Strategy

Portfolio Holdings as at 30 June 2019

Alphabet Alphabet generated US\$137 billion in sales in 2018, the majority from Google Search, which represents about 90% of the global search market ex-China. Alphabet's Android is the dominant mobile operating system as it has more than two billion devices and over 80% global market share. The majority of Android devices are preloaded with Google's services. Eight of these – Search, Maps, YouTube, Chrome, Android, Google Play, Gmail and Drive – have more than one billion users a month.

 Apple's iOS makes the company one of the world's two major mobile-digital platforms. Apple generated US\$266 billion in revenue in fiscal 2018 through the sale of consumer hardware and associated services. We view Apple, with its powerful and enduring ecosystem, as a leading mobile platform and services company where sales of its devices are in essence a subscription payment to access its platform and services.

BERKSHIRE HATHAWAY Berkshire Hathaway, run by Warren Buffett, is the world's leading reinsurance company that has accumulated an extensive portfolio of high-quality businesses and listed investments. The company, which generated US\$248 billion in revenue in fiscal 2018, offers a 'defensive' economic profile thanks to the strength of its balance sheet, the diversity of its cash flows, and a proven ability to deploy capital wisely during market turbulence. Between 1965 and 2018, the compound annual gain in per-share book value of Berkshire Hathaway was 18.7% per annum.

 Facebook is the world's largest social platform as more than 2.7 billion users touch at least one of its services each month. Facebook's main property attracts more than 2.3 billion users each month, while the company's other properties – WhatsApp, Messenger and Instagram – attract 1.5 billion, 1.5 billion and 1.0 billion users each month respectively. Facebook generated more than US\$55 billion in revenue in 2018, the vast majority of which came from selling advertising, primarily on user 'Feeds'.

HCA HCA Healthcare is the largest for-profit hospital operator in the US. The company, which earned revenue of US\$47 billion in 2018, owns and operates 185 hospitals and about 1,800 sites of care including surgeries, emergency rooms and physician clinics in 21 states and the UK. The company's approach is to focus on delivering quality care, optimising sites of care and operational efficiency.

LVMH LVMH is the leading luxury goods group in the world. The French company, which generated revenue of 47 billion euros in fiscal 2018, has a portfolio of prestigious luxury brands across fashion, alcohol, watches, jewellery and cosmetics. The unique heritage, authenticity and allure of these brands position LVMH to benefit from the global growth in spending on luxury goods.

 Microsoft is the world's largest software company, recording more than US\$110 billion in annual sales. Business customers are Microsoft's largest source of sales. The company owns the Windows operating system, which runs on more than 90% of PCs globally. Microsoft Office has almost 90% market share. Microsoft's cloud businesses – Azure and Office 365 – have expanded quickly.

 SAP is a leading provider of enterprise application software with almost €25 billion in annual sales. SAP software is used to run the businesses of over 425,000 customers around the world, including more than 90% of the Forbes Global 2000. The company has been investing in the cloud, which contributes 20% of its revenue.

 Starbucks, in serving 100 million people a week across its 30,000 outlets in 78 countries, is the world's largest chain of specialty coffee houses. The company, which earned revenue of US\$25 billion in 2018, has built a strong brand. Starbucks remains focused on growth, having opened about 2,000 stores in fiscal 2018, including almost 600 in China. The company has an opportunity to grow its consumer-product- goods business through an alliance with Nestlé.

VISA Visa is the world's largest payment network – the total volume of payments over Visa's network in 2018 reached US\$11.4 trillion. Across the globe, Visa connects 3.3 billion cardholders with more than 54 million merchants and 14,600 banks. We estimate that 16% of global revenues are derived from developing markets.

BRANDS



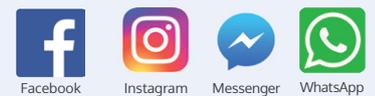
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