

Magellan Sustainable Fund (Managed Fund)



TICKER: MSUF | APIR: MGE4669AU | ARSN: 645 516 187

AS AT 30 JUNE 2023

PORTFOLIO MANAGER

ALAN PULLEN

INVESTMENT PHILOSOPHY

To invest in outstanding companies at attractive prices within a framework that considers environmental, social and governance risks and delivers very low carbon exposure, 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. This incorporates consideration of environmental, social and governance risks and the application of a proprietary low carbon framework.

PORTFOLIO CONSTRUCTION

High conviction (20 - 50 securities), with high quality focus. Integration of ESG screens and risk assessment together with a proprietary low carbon framework overlay. 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.

ENVIRONMENTAL, SOCIAL, GOVERNANCE AND LOW CARBON

The fund excludes companies whose activities, as assessed by Magellan, may have wide-ranging detrimental impacts on society. These exclusions encompass companies with material exposures to the production of tobacco products, gambling, as well as companies involved in the production of alcohol, adult entertainment and handguns. Materiality is normally assessed as greater than 10% of a company's revenues exposed to the exclusionary activity. Revenues are sourced from MSCI ESG Manager.

Companies are reviewed for the materiality of their exposures to environmental, social and governance issues, with assessments incorporated into our perspectives on business risks.

We overlay our proprietary low carbon framework to deliver a portfolio with meaningfully lower carbon intensity than broader equity markets.

MAGELLAN SUSTAINABLE FUND (MANAGED FUND): KEY PORTFOLIO INFORMATION

TICKER	FUND SIZE	BUY/SELL SPREAD ¹	MANAGEMENT AND PERFORMANCE FEES ²	INCEPTION DATE
MSUF	AUD \$7.6 million	0.07% / 0.07%	1.37% p.a. and performance fee of 10% of dual hurdle excess return [^]	11 December 2020

[^] 10.0% of the excess return of the units of the Fund above the higher of the Index Relative Hurdle (MSCI World NTR Index (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 (%)	6 MONTHS (%)	1 YEAR (%)	2 YEARS (% p.a.)	Since Inception (% p.a.)
MSUF	0.7	7.9	21.5	22.7	4.9	8.0
MSCI World NTR Index (AUD)*	3.1	7.5	17.2	22.4	7.0	11.7
Excess	-2.4	0.4	4.3	0.3	-2.1	-3.7

CALENDAR YEAR RETURNS	CYTD (%)	2022 (%)	2021 (%)	2020 (part year)
MSUF	21.5	-17.1	22.3	-1.2
MSCI World NTR Index (AUD)*	17.2	-12.2	29.3	-0.3
Excess	4.3	-4.9	-7.0	-0.9

Past performance is not a reliable indicator of future performance.

PERFORMANCE CHART GROWTH OF AUD \$10,000³



30 June 2023 [#]	FUND	INDEX*
CARBON INTENSITY (CO ₂ T/US\$1M REVENUE)	23	118

[#] Carbon intensity data available on a quarterly basis. Certain information ©2023 MSCI ESG Research LLC. Reproduced by permission.

Past performance is not a reliable indicator of future performance.

¹ Only applicable to investors who apply for units directly with the Responsible Entity.

² Transaction costs may also apply – refer to the Product Disclosure Statement. All fees are inclusive of the net effect of GST.

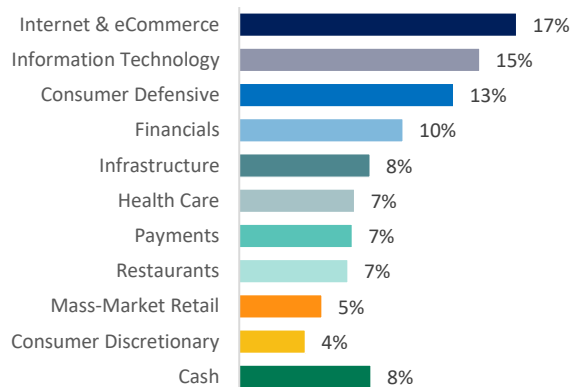
³ Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax, member fees and entry fees (if applicable). Returns denoted in AUD.

* MSCI World Net Total Return Index (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

STOCK	SECTOR ⁴	%
Microsoft Corporation	Information Technology	7.6
Alphabet Inc	Internet & eCommerce	7.0
Amazon.com Inc	Internet & eCommerce	5.1
Nestlé SA	Consumer Defensive	4.9
Yum! Brands Inc	Restaurants	4.8
Meta Platforms Inc	Internet & eCommerce	4.7
SAP SE	Information Technology	4.2
Novartis AG	Health Care	4.0
Dollar General Corporation	Mass-Market Retail	4.0
Booking Holdings Inc	Consumer Discretionary	4.0
TOTAL:		50.4

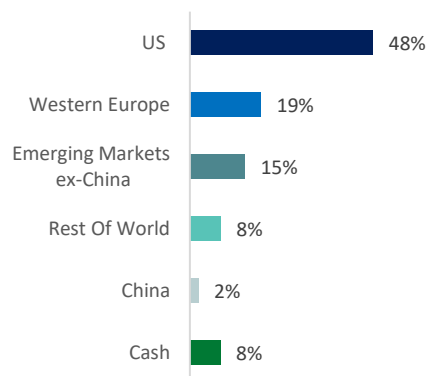
SECTOR EXPOSURE BY SOURCE OF REVENUE⁴



TOP CONTRIBUTORS/DETRACTORS - 1 YEAR⁵

TOP CONTRIBUTORS	CONTRIBUTION TO RETURN (%)
Meta Platforms Inc	4.1
Microsoft Corporation	2.6
SAP SE	2.3
TOP DETRACTORS	CONTRIBUTION TO RETURN (%)
US Bancorp	-1.1
Dollar General Corporation	-0.7
American Tower Corporation	-0.6

GEOGRAPHICAL EXPOSURE BY SOURCE OF REVENUE⁴



⁴ 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.

⁵ 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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