

17 August 2023

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MAGELLAN GLOBAL FUND (Closed Class) (ASX: MGF)

INVESTOR UPDATE

Dear Unitholders,

It has been a year since I joined Magellan Asset Management Limited ("**Magellan**") and I would like to take this opportunity to provide an update on the closed class units in the Magellan Global Fund (ASX: MGF) ("**Closed Class Units**").

A key focus of Magellan remains the trading price of the Closed Class Units and the discount to net asset value per unit ("**NAV per Unit**"). While it is pleasing that the discount has narrowed considerably since our update in November 2022, from 22.6% on 9 November 2022 to 12.0% on 17 August 2023, we believe there is more that can be done.

Magellan is focused on narrowing the discount to NAV per Unit by:

1. Driving value through sustained investment performance;
2. Engaging in an active on-market buy-back that is accretive to performance; and
3. Committing to unitholder communication and engagement.

Driving value through sustained investment performance

Our strategic focus has been to ensure that our investment strategies are delivering on their investment objectives. Of particular focus has been the Global Equities Strategy that underpins your investment in the Magellan Global Fund.

In October last year, we announced changes to our organisational structure that were aimed at facilitating improved collaboration and information flow and thus improving investment decisions by our Portfolio Managers. I am pleased to report that we are seeing early signs of improvement in investment performance, with the Closed Class Units returning 18.5% net of fees so far during the 2023 calendar year, outperforming the MSCI World NTR Index (\$A) benchmark over the six months to 30 June 2023.

First and foremost, we will continue to look to drive value by delivering sustained investment performance. If you have not already done so, I would encourage all unitholders to watch our recent Global Equities Strategy update and hear directly from your Portfolio Managers. This update is available at: <https://www.magellangroup.com.au/insights/what-really-matters-in-investing/>.

An active on-market buy-back that is accretive to performance

Additionally, Magellan continues to be active with the on-market buy-back, seeking to purchase Closed Class Units where there is a discount to NAV per Unit that presents an appropriate buying opportunity (which the Board believes is currently the case).

Since its commencement, the on-market buy-back has resulted in approximately 270 million Closed Class Units being bought back at an aggregate cost of around \$430 million. The buy-back continues to be accretive to the performance of the Closed Class Units, the NAV per Unit, and therefore, to the distributions you receive. It also contributes to available liquidity on the ASX. The pace of the on-market buy-back has stepped up in recent days.

Commitment to unitholder communication and engagement

We remain committed to regular unitholder engagement, with investor communications and reports that are specific and relevant to the Closed Class Units. Each day we publish an intraday NAV per Unit, each month we provide a portfolio and performance update and each quarter we disclose the full portfolio. These reports are available on the ASX announcements platform and on our website at: <https://www.magellangroup.com.au/funds/magellan-global-fund-closed-class-asx-mgf/reports-asx-releases/>.

We believe that delivering on our investment objectives, operating a meaningful buy-back programme and targeted fund disclosures and investor engagement will continue to benefit and add value to the Closed Class Units. The Magellan Board will continue to consider strategies that seek to reduce the discount to NAV per Unit over time and deliver improved outcomes for unitholders, appropriately considering all factors, market conditions and circumstances. We will continue to have regard to, as always, the best interests of all members in the Magellan Global Fund.

If you have any questions I encourage you to reach out to us on +9235 4888 or via info@magellangroup.com.au.

Finally, I would like to thank you, our investors, for your support of Magellan.

Yours sincerely



David George

CEO / CIO and Managing Director

**Authorised by the Magellan Board
as responsible entity for
Magellan Global Fund (Closed Class)**

About the Magellan Global Fund (Closed Class)

The Fund offers investors an opportunity to invest in a specialised and focused global equity fund that invests in the securities of companies listed on stock exchanges around the world. The Fund's portfolio will comprise between 20 to 40 stocks at any one time but will also have some exposure to cash. The primary objectives of the Fund are to achieve attractive risk-adjusted returns over the medium to long-term, while reducing the risk of permanent capital loss. It is not our intention to hedge the foreign currency exposure of the Fund arising from investments in overseas markets.