

Magellan High Conviction Trust (Managed Fund)



TICKER: MHHT | APIR: MGE1055AU | ARSN: 634 789 754

AS AT 30 NOVEMBER 2023

PORTFOLIO MANAGERS

NIKKI THOMAS, CFA AND ALAN PULLEN

INVESTMENT OBJECTIVE AND PHILOSOPHY

Objectives: To achieve attractive risk-adjusted returns over the medium to long-term.

Aims to deliver 10% p.a. net of fees over the economic cycle.

Philosophy: To invest in outstanding companies at attractive prices, while exercising a deep understanding of the macroeconomic environment to manage investment risk.

PORTFOLIO CONSTRUCTION

A concentrated portfolio of 10-20 high quality companies meaningfully diversified in risk exposure and correlations seeking to achieve strong risk-adjusted, not benchmark-relative returns.

Cash and cash equivalents exposure between 0 - 50%.

The trust may, from time to time, hedge some or all of the capital component of the foreign currency exposure of the trust arising from investments in overseas markets back to Australian Dollars.

INVESTMENT RISKS

All investments carry risk. While it is not possible to identify every risk relevant to an investment in the trust, we have provided details of risks in the relevant Product Disclosure Statement or offer document. You can view the PDS for the trust on Magellan's website www.magellangroup.com.au

MAGELLAN HIGH CONVICTION TRUST (MANAGED FUND): KEY PORTFOLIO INFORMATION

| TICKER | TRUST SIZE | BUY/SELL SPREAD ¹ | MANAGEMENT AND PERFORMANCE FEES ² | INCEPTION DATE |
|--------|---------------------|------------------------------|---|-----------------|
| MHHT | AUD \$433.0 million | 0.07% / 0.07% | 1.50% p.a. and performance fee of 10% of excess return [^] | 11 October 2019 |

[^] 10.0% of the excess return of the Trust above the Absolute Return Performance Hurdle of 10% per annum. Additionally, Performance Fees are subject to a high water mark.

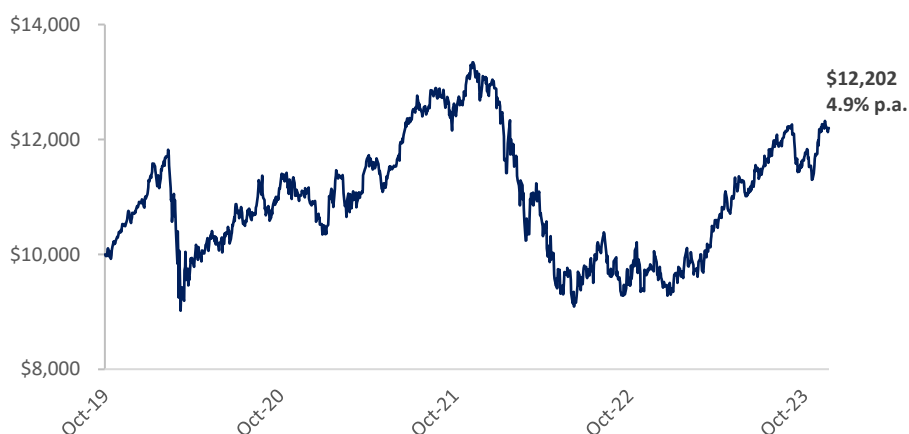
PERFORMANCE³

| | 1 MONTH (%) | 3 MONTHS (%) | 1 YEAR (%) | 3 YEARS (% p.a.) | Since Inception (% p.a.) |
|------|-------------|--------------|------------|------------------|--------------------------|
| MHHT | 5.7 | 0.7 | 21.4 | 3.5 | 4.9 |

| CALENDAR YEAR RETURNS | CYTD (%) | 2022 (%) | 2021 (%) | 2020 (%) | 2019 (part year) |
|-----------------------|----------|----------|----------|----------|------------------|
| MHHT | 30.9 | -27.7 | 21.2 | -1.6 | 8.2 |

Past performance is not a reliable indicator of future performance.

PERFORMANCE CHART GROWTH OF AUD \$10,000³



Past performance is not a reliable indicator of future performance.

TRUST CHARACTERISTICS⁴

| | 3-YEAR | AVERAGE | HIGH | LOW |
|------------------|--------|---------|-------|------|
| Cash Weight | | 5.4% | 18.7% | 1.1% |
| Number of Stocks | | 12 | 15 | 10 |
| Hedging Weight | | 0.3% | 10.1% | 0.0% |

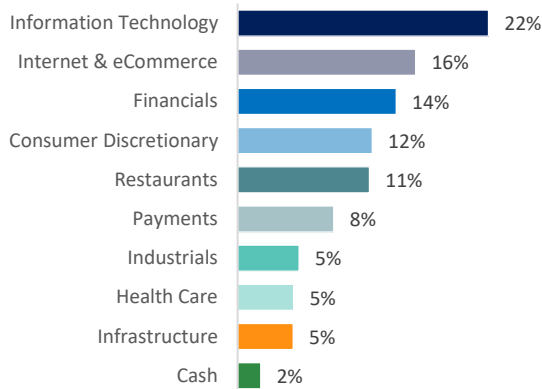
¹ Only applicable to investors applying for units and withdrawing units directly with the Responsible Entity.

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

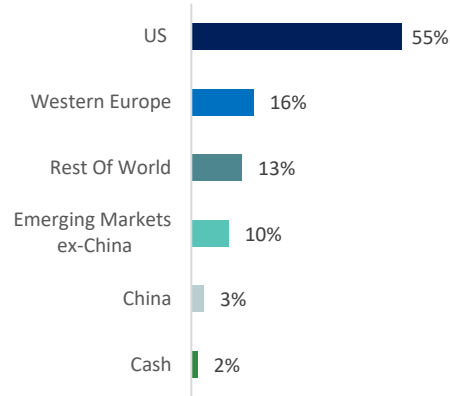
³ Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax, member fees and entry fees (if applicable). Returns denoted in AUD.

⁴ Trust characteristics averages are calculated using the last day of each month in the 3-year period.

SECTOR EXPOSURE BY SOURCE OF REVENUE⁵



GEOGRAPHIC EXPOSURE BY SOURCE OF REVENUE⁵



TOP 5 HOLDINGS (ALPHABETICAL ORDER)

| STOCK | SECTOR ⁵ |
|-------------------------------|------------------------|
| Amazon.com Inc | Internet & eCommerce |
| Booking Holdings Inc | Consumer Discretionary |
| Intercontinental Exchange Inc | Financials |
| Microsoft Corporation | Information Technology |
| Visa Inc | Payments |

TOP CONTRIBUTORS/DETRACTORS 1 YEAR⁶

| TOP 3 CONTRIBUTORS | CONTRIBUTION TO RETURN (%) |
|-----------------------|----------------------------|
| Microsoft Corporation | 4.8 |
| Booking Holdings Inc | 4.2 |
| Amazon.com Inc | 4.1 |
| TOP 3 DETRACTORS | CONTRIBUTION TO RETURN (%) |
| Diageo Plc | -0.7 |
| WEC Energy Group Inc | -0.6 |
| Alibaba | -0.6 |

MONTHLY SUMMARY

November was a great month for investors in both equities and bonds. With concerns about inflation increasingly moving into the rear-view mirror, and thus the need for central banks to continue lifting interest rates, asset prices have been buoyed. There is much to be positive about. Despite the known risks for commercial real estate, no new financial system stresses have emerged. The Hamas/Israel war and the Ukraine war are ongoing but neither have escalated and so the risks here have fallen too. China's outreach to Western countries, from Australia to Europe, Japan and the US, has also given investors some reassurance that these geopolitical situations are not deteriorating and it seems clear China must act to shore up its economic growth, including improving its export prospects. Growth is weak in China, Europe and Australia but proving resilient in the US, albeit softening in some segments.

The portfolio had a strong month of performance with large positive moves in most of our holdings and all holdings rising. The highest price rises were in Salesforce (after strong results and upgraded outlook), Brookfield Corp, Chipotle Mexican Grill and Microsoft. The largest contributors were Microsoft, Salesforce, Amazon, Brookfield and Visa while no holdings detracted in the month. We closed out a modest AUD/USD hedge after the AUD rallied, which also contributed to performance.

Stock contributors/detractors are based in local currency terms unless stated otherwise.

⁵ 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.

⁶ Shows how much the stock has contributed to the trust's gross return for the period in AUD. Excludes non-disclosed positions established in the latest quarter.

IMPORTANT INFORMATION

Units in the trust referred to herein are issued by Magellan Asset Management Limited ABN 31 120 593 946, AFS Licence No. 304 301 ('Magellan'). This material is issued by Magellan and has been prepared for general information purposes only and must not be construed as investment advice or as an investment recommendation. This material does not take into account your investment objectives, financial situation or particular needs. This material does not constitute an offer or inducement to engage in an investment activity nor does it form part of any offer documentation, offer or invitation to purchase, sell or subscribe for interests in any type of investment product or service. You should obtain and consider the relevant Product Disclosure Statement ('PDS') and Target Market Determination ('TMD') and consider obtaining professional investment advice tailored to your specific circumstances before making a decision about whether to acquire, or continue to hold, the relevant financial product. A copy of the relevant PDS and TMD relating to the relevant Magellan financial product may be obtained by calling +61 2 9235 4888 or by visiting www.magellangroup.com.au. Past performance is not necessarily indicative of future results and no person guarantees the future performance of the trust, the amount or timing of any return from it, that asset allocations will be met, that it will be able to implement its investment strategy or that its investment objectives will be achieved. Statements contained in this material that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of Magellan or the third party responsible for making those statements (as relevant). Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. This material may contain 'forward-looking statements'. Actual events or results or the actual performance of a Magellan financial product or service may differ materially from those reflected or contemplated in such forward-looking statements. This material may include data, research and other information from third-party sources. Magellan makes no guarantee that such information is accurate, complete or timely and does not provide any warranties regarding results obtained from its use. No representation or warranty is made with respect to the accuracy or completeness of any of the information contained in this material. Magellan will not be responsible or liable for any losses arising from your use or reliance on any part of the information contained in this material.

Further information regarding any benchmark referred to herein can be found at www.magellangroup.com.au/funds/benchmark-information. Any third-party trademarks contained herein are used for information purposes only and are the property of their respective owners. Magellan claims no ownership in, nor any affiliation with, such trademarks. This material and the information contained within it may not be reproduced, or disclosed, in whole or in part, without the prior written consent of Magellan.