

Magellan Global Fund (Open Class) (Managed Fund)



TICKER: MGOC | APIR: MGE0001AU | ARSN: 126 366 961

AS AT 31 OCTOBER 2023

PORTFOLIO MANAGERS

NIKKI THOMAS, CFA AND ARVID STREIMANN, CFA

INVESTMENT PHILOSOPHY	OBJECTIVES	PORTFOLIO CONSTRUCTION	INVESTMENT RISKS
To invest in outstanding companies at attractive prices, while exercising a deep understanding of the macroeconomic environment to manage investment risk.	To achieve attractive risk-adjusted returns over the medium to long term; while reducing the risk of permanent capital loss. Aims to deliver 9% p.a. net of fees over the economic cycle.	A relatively concentrated portfolio of 20-40 high quality securities constructed with strict risk discipline and macroeconomic insight seeking to achieve strong risk-adjusted, not benchmark-relative returns. Cash and cash equivalents exposure between 0 - 20%.	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 .

MAGELLAN GLOBAL FUND (OPEN CLASS) (MANAGED FUND): KEY PORTFOLIO INFORMATION

TICKER	FUND SIZE	BUY/SELL SPREAD ¹	MANAGEMENT AND PERFORMANCE FEES ²	INCEPTION DATE
MGOC	AUD \$6,119.7 million	0.07% / 0.07%	1.35% p.a. and performance fee of 10% of dual hurdle excess return [^]	1 July 2007

[^] 10.0% of the excess return of the Open Class 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.

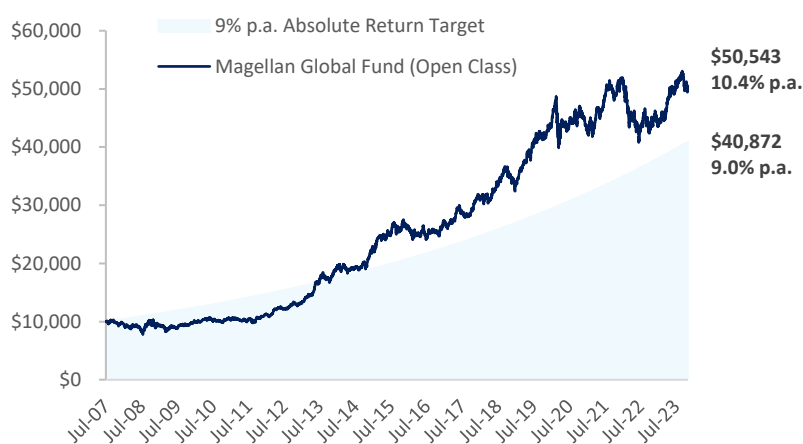
PERFORMANCE³

	1 MONTH (%)	3 MONTHS (%)	1 YEAR (%)	3 YEARS (% p.a.)	5 YEARS (% p.a.)	7 YEARS (% p.a.)	10 YEARS (% p.a.)	Since Inception (% p.a.)	OUTPERFORMANCE CONSISTENCY ⁺
MGOC	1.8	-1.6	12.5	3.7	7.4	10.4	11.1	10.4	73%
MSCI World NTR Index (AUD)*	-1.0	-3.5	11.6	11.9	10.7	12.1	11.9	7.3	-
Excess	2.8	1.9	0.9	-8.2	-3.3	-1.7	-0.8	3.1	-

CALENDAR YEAR RETURNS	CYTD (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)
MGOC	16.1	-15.7	19.3	0.0	28.1	9.8	14.2	3.7	15.3	14.5	48.7	18.3	9.8	2.4	6.6	-2.7
MSCI World NTR Index (AUD)*	15.5	-12.2	29.3	5.6	27.9	1.4	13.3	8.0	11.5	14.7	47.0	14.4	-5.6	-1.9	0.8	-25.3
Excess	0.6	-3.5	-10.0	-5.6	0.2	8.4	0.9	-4.3	3.8	-0.2	1.7	3.9	15.4	4.3	5.8	22.6

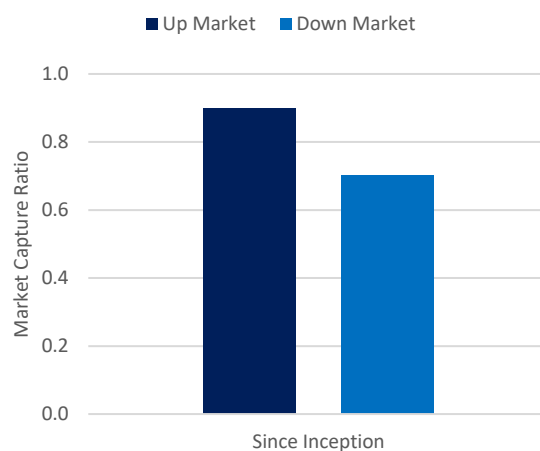
Past performance is not a reliable indicator of future performance.

PERFORMANCE CHART GROWTH OF AUD \$10,000³



Past performance is not a reliable indicator of future performance.

MARKET CAPTURE⁴



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 Market capture is calculated after fees measured against the monthly returns of the MSCI World Net Total Return Index (AUD)*. Up market capture shows how the fund performed relative to the index while the market is rising. Down market capture shows how the fund performed relative to the index while the market is falling.

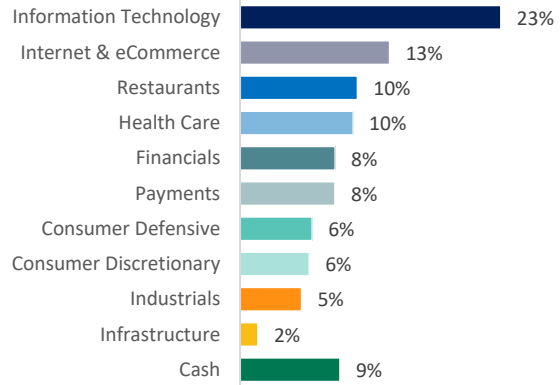
* Outperformance consistency indicates the percentage of positive excess returns for rolling 3 year returns since inception.

* 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 (ALPHABETICAL ORDER)

STOCK	SECTOR ⁵
Amazon.com Inc	Internet & eCommerce
ASML Holding NV	Information Technology
Chipotle Mexican Grill Inc	Restaurants
Intercontinental Exchange Inc	Financials
Intuit Inc	Information Technology
MasterCard Inc	Payments
Microsoft Corporation	Information Technology
SAP SE	Information Technology
UnitedHealth Group Inc	Health Care
Visa Inc	Payments

SECTOR EXPOSURE BY SOURCE OF REVENUE⁵

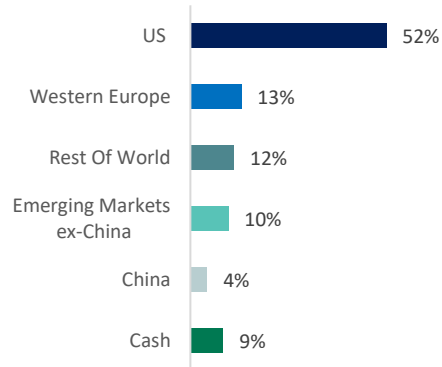


TOP CONTRIBUTORS/DETRACTORS 1 YEAR⁶

TOP 3 CONTRIBUTORS	CONTRIBUTION TO RETURN (%)
Microsoft Corporation	2.0
SAP SE	1.4
Amazon.com Inc	1.4

TOP 3 DETRACTORS	CONTRIBUTION TO RETURN (%)
US Bancorp	-0.7
Brookfield Corporation	-0.3
AIA Group Ltd	-0.3

GEOGRAPHICAL EXPOSURE BY SOURCE OF REVENUE⁵



MONTHLY SUMMARY

During October the major market influences were the Hamas/Israeli war, ongoing increases in 10-year bonds, an incredibly strong US 3Q GDP growth number (Over 8% nominal) and the bulk of quarterly company result releases. Investors are oscillating between the risks of tighter financial conditions with sustained high interest rates and the possibilities of resilient, albeit slower, economic growth while inflation falls sufficiently to allow an easing of financial conditions. We continue to see evidence of slowing discretionary spending and slowing inflation while results revealed the early evidence of the surge in spend and usage associated with AI. Away from our portfolio evidence of poor returns on many of the investments behind renewables (solar, wind, grid projects) was a reminder that large new addressable markets do not necessarily mean good investment opportunities and careful analysis of competitive activity and economic models is required. Internally, we updated our long-term rate analyses and revised our risk-free rate assumptions, mostly upwards, given the case for long term rates remaining at somewhat higher levels looking forward. It seems quite plausible that long term rates are more volatile in coming years relative to the past one to two decades.

In October, the portfolio was flat in USD, rose in AUD as the AUD depreciated while global markets fell. We held a higher level of cash during the period given risks were elevated into October. Price gains were led by Netflix, Microsoft, AIA Group, United Health and Chipotle Mexican Grill, all up over 5% in the month, due to excellent quarterly results, and AIA recouped weakness from last month. Our top two holdings, Microsoft and Amazon were also the largest contributors. Microsoft delivered excellent 1Q24 results to end September and continues to execute superbly against the large opportunity it is creating around AI. We are seeing evidence that IT spending patterns are stable to improving, with increasing demand for AI cloud services, and improving global PC demand. Amazon's quarter results resoundingly beat market expectations as all businesses saw materially higher margins and its guidance came in well ahead of expectations. We continue to see significant opportunity for Amazon.

In a weak market, a few holdings retraced in October. The largest, albeit relatively small detractors to the portfolio in the month, were Lowe's and Mastercard. Lowe's reports later in November and we expect short term weakness in sales trends given the recent sharp rise in mortgage rates to over 8% is likely to weigh on home renovation project spending, which was likely reflected in the short-term price fall. While Mastercard dipped on a little disappointment in the guided 4Q growth rate, it reported continued excellent results (sales up 14% and EPS up 26%) and there were no material changes to the compelling growth outlook for the business.

Index movements and stock contributors/detractors are based in local currency terms unless stated otherwise.

⁵Sectors 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.

⁶Shows 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

Units in the fund referred to herein are issued by Magellan Asset Management Limited ABN 31 120 593 946, AFS License 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 fund, 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.