



MAGELLAN
ASSET MANAGEMENT LIMITED

MLC Centre
Level 36, 19 Martin Place
Sydney NSW 2000 AUSTRALIA

General: +61 2 9235 4888
Facsimile: +61 2 9235 4800
Website: www.magellangroup.com.au
ABN: 31 120 593 946
AFSL: 304 301

27 February 2020

ASX Limited
ASX Market Announcement Office
Exchange Centre
20 Bridge Street
Sydney NSW 2000

**INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

Magellan Global Trust (**MGG**) hereby lodges:

1. Appendix 4D Statement for the half year ended 31 December 2019;
2. Interim Financial Report for the half year ended 31 December 2019, incorporating the Responsible Entity's Report and Interim Financial Statements.

Authorised by

Marcia Venegas - Company Secretary

Appendix 4D

Interim Financial Report

For The Half Year Ended 31 December 2019

Name Of Entity

Magellan Global Trust

ABN	Current Period	Previous Corresponding Period
44 740 925 809	1 July 2019 to 31 December 2019	1 July 2018 to 31 December 2018

Results For Announcement To The Market

	Change From The Previous Corresponding Period \$'000	31 Dec 2019 \$'000
Total Net Investment Income ("Revenue From Ordinary Activities")	Up by 208,904 or NM to	210,608
Net Profit ("Profit From Ordinary Activities After Tax Attributable To Members")	Up by 204,202 or NM to	191,461
Total Comprehensive Income ("Net Profit For The Period Attributable To Members")	Up by 204,202 or NM to	191,461
Total Unitholders' Equity	Up by 151,987 or 7% to	2,377,102

Commentary On Results

Refer to the attached Interim Financial Report including the Responsible Entity's Report.

Additional Appendix 4D disclosure requirements can be found in the notes to these financial statements.

Interim Distributions

	Cents per unit
Interim Distribution (paid 16 January 2020)	3.30
Previous corresponding period (paid 15 January 2019)	3.00

Interim distribution dates:

Ex-distribution date:	Thursday, 2 January 2020
Record date:	Friday, 3 January 2020
Payment date:	Thursday, January 16 2020

The final distribution for the year ended 30 June 2019 of 3.0 cents per unit was paid on Monday, 29 July 2019.

The Fund's Dividend Reinvestment Plan was available to eligible unitholders in relation to the interim and final distributions.

Net Asset Value (NAV) Per Unit

31 Dec 2018	\$1.5663
31 Dec 2019	\$1.9215

Earnings Per Unit	31 Dec 2018 cents per unit	31 Dec 2019 cents per unit
Basic earnings per unit	(1.21)	15.47
Diluted earnings per unit	(1.21)	15.47

Financial report

This report is based on the 31 December 2019 Interim Financial Report (which includes the financial statements) and has been reviewed by Ernst & Young.



INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

MAGELLAN GLOBAL TRUST
ABN 44 740 925 809

Contents

Chairman's Report	3
Responsible Entity's Report	4
Auditor's Independence Declaration	7
Statement Of Profit Or Loss And Comprehensive Income	8
Statement Of Financial Position	9
Statement Of Changes In Equity	10
Statement Of Cash Flows	11
Notes To The Financial Statements	12
Overview	12
1. Basis Of Preparation	12
2. Distributions To Unitholders	13
3. Investments And Derivatives	13
4. Unitholders' Equity	16
5. Earnings Per Unit	17
6. NAV Per Unit	17
7. Segment Information	17
8. Contingent Assets, Contingent Liabilities And Commitments	18
9. Subsequent Events	18
Directors' Declaration	19
Independent Auditor's Report	20
Corporate Information	21

MAGELLAN GLOBAL TRUST

Chairman's Report

for the half year ended 31 December 2019

Dear Unitholders,

We are pleased to present the Interim Financial Report for Magellan Global Trust (the "Fund"). The Fund is a closed end managed investment scheme for which Magellan Asset Management Limited ("MAM") acts as both Responsible Entity and Investment Manager.

The Fund is quoted on the Australian Securities Exchange (ticker code: MGG) and commenced trading on 18 October 2017, after raising \$1,575 million at \$1.50 per unit through an initial public offering. As at 31 December 2019, the Fund had net assets of \$2,377 million and a net asset value of \$1.92 per unit after providing for a distribution of 3.3 cents per unit for the six months ended 31 December 2019.

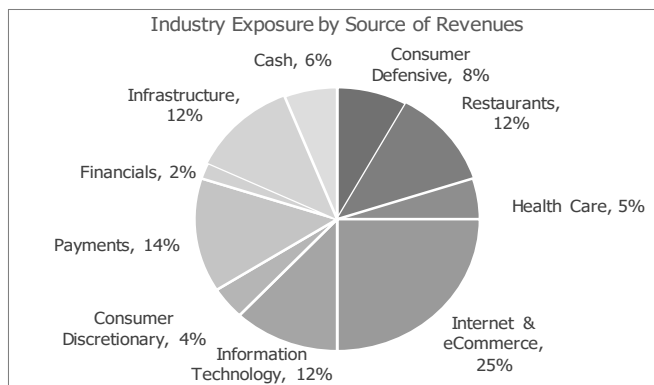
MAM aims to achieve attractive risk-adjusted returns over the medium to long term for unitholders, while reducing the risk of permanent capital loss. To achieve this, the Fund invests in a portfolio of between 15 and 35 high-quality global equity stocks, as assessed by MAM, and has the ability to manage equity market risk by holding up to 50% of its net assets in cash. The Fund may also manage its foreign currency exposure arising from investments in overseas markets and as at 31 December 2019 was 49% hedged to the Australian Dollar. Based on net asset value with distributions reinvested, the Fund returned 8.6% net of fees over the six months to 31 December 2019. This compares with the MSCI World Net Total Return Index (AUD) of 9.0% over the same time period.

The Fund also aims to deliver investors a Target Cash Distribution yield of 4% per annum, paid semi-annually. For investors wishing to reinvest distributions, a distribution reinvestment plan has been established with a 5% discount to the net asset value per unit. To ensure investors electing to receive cash are not disadvantaged due to dilution, Magellan Financial Group Limited will pay to the Fund a cash amount equal to the discount, to offset the dilutionary impact.

We would encourage you to read our monthly and quarterly Fund Reports which provide valuable insight into our investment strategies and portfolio managers' thoughts. These are released on ASX and can also be found on our website: www.magellangroup.com.au.

As at 31 December 2019, the Fund consisted of investments in 25 companies, with the top 10 investments (listed below) representing 58.1% of the Fund. The Fund's cash position was 6% which was predominantly held in US Dollars. The Fund's industry exposure by source of revenues is highlighted below.

Top 10 holdings (as at 31 December 2019)	% of Fund
Microsoft	8.3
Alphabet - class C shares	7.7
Facebook - class A shares	7.7
Alibaba Group Holding	6.4
Starbucks	5.6
Visa - class A shares	5.6
Mastercard	5.3
Yum! Brands	4.4
LVMH	3.6
Atmos Energy	3.5
Top 10 Total	58.1



The following report contains relevant financial statements and information which we encourage you to read carefully.

Robert Fraser
Chairman

Sydney, 27 February 2020

MAGELLAN GLOBAL TRUST

Responsible Entity's Report

for the half year ended 31 December 2019

The Directors of Magellan Asset Management Limited (ABN 31 120 593 946) ("MAM"), the Responsible Entity of Magellan Global Trust (the "Fund") present their half year report on the Fund for the period ended 31 December 2019.

1. Directors

The following persons were Directors of MAM during the period and up to the date of this report:

Name	Directorship	Appointed
Brett Cairns	Chief Executive Officer	22 January 2007
John Eales	Non-Executive Director	1 July 2017
Robert Fraser	Chairman	23 April 2014
Paul Lewis	Non-Executive Director	20 December 2006
Hamish McLennan	Non-Executive Director	1 March 2016
Kirsten Morton	Chief Financial Officer	5 October 2018
Karen Phin	Non-Executive Director	23 April 2014

2. Principal Activity

The Fund is a registered managed scheme structured as a closed-end unit trust that is domiciled in Australia and quoted on the Australian Securities Exchange ("ASX") (ticker code: MGG). It was registered on 11 August 2017.

The Fund invests in a portfolio of between 15 and 35 high quality global equity stocks. To achieve this MAM undertakes rigorous company research to identify what it assesses to be very high quality companies, with an evaluation of the macro-economic environment and a disciplined, risk controlled approach to portfolio construction.

The Fund's investment objective is to achieve attractive risk-adjusted returns over the medium to long term, while reducing the risk of permanent capital loss, in accordance with its investment strategy (as detailed in the Product Disclosure Statement ("PDS"), issued 21 August 2017).

MAM, as Responsible Entity, is responsible for overseeing the operations of the Fund. As the Investment Manager, MAM is responsible for selecting and managing the assets of the Fund.

The Fund's principal place of business is Level 36, 19 Martin Place, Sydney, New South Wales 2000.

3. Significant Changes In State Of Affairs

There were no significant changes in the state of affairs of the Fund during the period.

4. Review Of Financial Results And Operations

a) Financial Results For The Period

The performance of the Fund, as represented by the results of its operations for the periods ended 31 December, was as follows:

	31 December 2019	31 December 2018
Results		
Total net investment income (\$'000)	210,608	1,704
Total expenses (\$'000)	19,147	14,445
Profit/(Loss)	191,461	(12,741)
Distributions		
Distribution payable to unitholders (\$'000) ^(A)	40,824	31,594
Distribution payable (cents per unit)	3.30	3.00
Unit Price/Net Asset Value ("NAV") Per Unit (\$) ^(B)	1.9215	1.5663

(A) Distribution for the period ended 31 December 2019 was paid on 16 January 2020. Prior period distribution was paid on 15 January 2019.

(B) The NAV per unit represents the net assets of the Fund presented in the Statement Of Financial Position at balance date divided by the number of units on issue at balance date (refer Note 4 to the financial statements).

Responsible Entity's Report

for the half year ended 31 December 2019

4. Review Of Financial Results And Operations (continued)

b) Total Indirect Cost Ratio ("ICR")

The ICR, for the six and 12 months ended 31 December, is the ratio of the Fund's actual management costs over the average portfolio value expressed as a percentage. Management costs, accrued within the Fund's unit prices on a daily basis, include management and performance fees but do not include transactional and operational costs such as brokerage or foreign withholding tax.

	6 months to 31 December 2019 %	12 months to 31 December 2019 %	6 months to 31 December 2018 %	12 months to 31 December 2018 %
Indirect Cost Ratio				
Management fee	0.68	1.35	0.68	1.35
Performance fee ^(A)	0.06	0.06	0.05	0.10
Total Indirect Cost Ratio	0.74	1.41	0.73	1.45

(A) Performance fees are calculated on six monthly measurement periods ending on 31 March and 30 September of each calendar year. The Performance fees component of the ICR is calculated on an accrual basis for each measurement period.

c) Performance Returns

The performance returns, for the six and 12 months ended 31 December, have been calculated using the NAV per unit for the Fund, which is after fees and expenses, assuming the reinvestment of distributions at NAV per unit. The returns are calculated daily, compounded to produce longer period returns.

	6 months to 31 December 2019 %	12 months to 31 December 2019 %	6 months to 31 December 2018 %	12 months to 31 December 2018 %
Performance				
Growth return ^(A)	6.8	22.7	(2.7)	2.0
Distribution return ^(B)	1.8	4.2	1.9	3.9
Total Return ^(C)	8.6	26.9	(0.8)	5.9

(A) The Growth return is calculated daily as a percentage by dividing the NAV per unit (ex-distribution) by the previous day's NAV per unit (ex-distribution) minus 1; the daily Growth returns are then compounded to produce longer period returns.

(B) The Distribution return is calculated as a percentage by subtracting the Growth return from the Total return.

(C) The Total return is calculated daily as a percentage by dividing the NAV per unit (cum-distribution) by the previous day's NAV per unit (ex-distribution) minus 1; the daily Total returns are then compounded to produce longer period returns.

Performance fees are calculated on six monthly measurement periods ending on 31 March and 30 September of each calendar year. The Responsible Entity's entitlement to a performance fee is dependent on the Fund exceeding both index relative and absolute return hurdles over a given measurement period, as well as exceeding the applicable high watermark and an overall cap. Performance fees crystallise at the end of a measurement period. Further details of the performance fees can be found in the Fund's PDS which is available in the 'Our Funds' section of MFG the website at www.magellangroup.com.au.

d) Strategy And Future Outlook

The Fund's investment objective is unchanged. The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Therefore, investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

As markets are subject to fluctuations, it is imprudent to provide a detailed outlook statement of expected results of operations. The Fund provides monthly fund updates, quarterly portfolio disclosure and annual investor reports, which can be found in the 'Our Funds' section of the MFG website and also the ASX website. The Fund updates and investor reports include detailed discussions in relation to some investee companies from time to time along with general outlook commentary.

5. Interest In The Fund

The movement in units on issue in the Fund is disclosed in Note 4 to the financial statements.

MAGELLAN GLOBAL TRUST

Responsible Entity's Report

for the half year ended 31 December 2019

6. Likely Developments And Expected Results Of Operations

The Fund will continue to invest in companies and businesses in accordance with the investment strategy as set out in the PDS. The method of operating the Fund is not expected to change in the foreseeable future however the results of the Fund's operations may be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and past returns should not be used to predict future returns.

7. Subsequent Events

In a release to the ASX on 24 February 2020 the Fund reported a NAV per unit, as at 21 February 2020, of \$2.0949.

Other than the items disclosed throughout this financial report and the above, there have been no matters or circumstances arising after the end of the period that have significantly affected, or may significantly affect, the Fund's operations, the results of its operations, or the Fund's state of affairs in future financial periods. Asset prices move daily and intraday indicative NAV per unit and daily NAV per unit are available in the 'Our Funds' section of the MFG website and also the ASX website.

8. Rounding Of Amounts

The Fund is of a kind referred to in the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and consequently amounts in the Responsible Entity's Report have been rounded to the nearest thousand dollars in accordance with that Legislative Instrument, or in certain cases, the nearest dollar.

9. Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

This report is made in accordance with a resolution of the Directors of the Responsible Entity.



Robert Fraser

Chairman

Sydney, 27 February 2020

Auditor's Independence Declaration to the Directors of Magellan Asset Management Limited as the Responsible Entity of Magellan Global Trust

As lead auditor for the review of the financial report of Magellan Global Trust for the half-year ended 31 December 2019, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.



Ernst & Young



Clare Sporle

Partner
Sydney, 27 February 2020

MAGELLAN GLOBAL TRUST

Statement Of Profit Or Loss And Comprehensive Income

for the half year ended 31 December 2019

	Note	31 December 2019 \$'000	31 December 2018 \$'000
Investment Income			
Dividend and distribution income		13,080	10,106
Interest income		1,344	3,119
Net change in fair value of investments		194,727	(29,371)
Net gains/(losses) on foreign exchange settlements, derivative contracts and cash		1,457	17,850
Total Net Investment Income		210,608	1,704
Expenses			
Management fees		15,835	11,972
Performance fees		1,406	859
Brokerage costs		85	36
Withholding tax on dividends		1,805	1,508
Finance costs		16	70
Total Expenses		19,147	14,445
Profit/(Loss)		191,461	(12,741)
Other comprehensive income		-	-
Total Comprehensive Income		191,461	(12,741)
Basic Earnings Per Unit (cents)	5	15.47	(1.21)
Diluted Earnings Per Unit (cents)	5	15.47	(1.21)

The above Statement Of Profit Or Loss And Comprehensive Income should be read in conjunction with the accompanying notes to the financial statements.

MAGELLAN GLOBAL TRUST

Statement Of Financial Position

as at 31 December 2019

	Note	31 December 2019 \$'000	30 June 2019 \$'000
Assets			
Cash and cash equivalents		122,719	249,676
Receivables		5,633	2,528
Investments	3 a)	2,277,239	1,995,243
Derivative assets	3 b)	30,147	20,072
Total Assets		2,435,738	2,267,519
Liabilities			
Distributions payable	2	40,824	37,096
Payables		17,812	5,308
Total Liabilities		58,636	42,404
Total Unitholders' Equity		2,377,102	2,225,115

The above Statement Of Financial Position should be read in conjunction with the accompanying notes to the financial statements.

MAGELLAN GLOBAL TRUST

Statement Of Changes In Equity

for the half year ended 31 December 2019

	Note	31 December 2019 \$'000	31 December 2018 \$'000
Total Unitholders' Equity At The Beginning Of The Period		2,225,115	1,689,789
Transactions with unitholders in their capacity as owners:			
Units issued under Dividend Reinvestment Plan		5,493	3,976
		<u>5,493</u>	<u>3,976</u>
MFG contribution to offset dilutionary impact of DRP discount		289	209
Units bought back and cancelled	4 i)	(4,432)	(129)
Distributions paid and payable	2	(40,824)	(31,594)
Total transactions with unitholders		<u>(39,474)</u>	<u>(27,538)</u>
Comprehensive income:			
Profit/(Loss)		191,461	(12,741)
Other comprehensive income		-	-
Total comprehensive income		<u>191,461</u>	<u>(12,741)</u>
Total Unitholders' Equity At The End Of The Period		<u>2,377,102</u>	<u>1,649,510</u>

The above Statement Of Changes In Equity should be read in conjunction with the accompanying notes to the financial statements.

MAGELLAN GLOBAL TRUST

Statement Of Cash Flows

for the half year ended 31 December 2019

	Note	31 December 2019 \$'000	31 December 2018 \$'000
Cash Flows From Operating Activities			
Dividends and distributions received (net of withholding tax)		10,359	8,576
Interest received		1,590	2,979
Management and performance fees paid		(15,521)	(13,650)
Brokerage costs paid		(85)	(36)
Other expenses paid		(105)	(275)
Net Cash Inflows/(Outflows) From Operating Activities		(3,762)	(2,406)
Cash Flows From Investing Activities			
Purchase of investments		(583,684)	(192,258)
Proceeds from sale of investments		508,387	204,635
Net foreign exchange gains/(losses)		5,905	11,398
Net cash flows from settlement of forward foreign currency contracts		(14,819)	(37,962)
Net Cash Inflows/(Outflows) From Investing Activities		(84,211)	(14,187)
Cash Flows From Financing Activities			
MFG contribution to offset dilutionary impact of DRP discount		289	209
Payments for buy-back of units	4 i)	(4,432)	(129)
Distributions paid		(31,603)	(27,546)
Net Cash Inflows/(Outflows) From Financing Activities		(35,746)	(27,466)
Net Increase/(Decrease) In Cash And Cash Equivalents		(123,719)	(44,059)
Cash and cash equivalents at the beginning of the period		249,676	382,816
Effect of exchange rate fluctuations on cash and cash equivalents		(3,238)	6,647
Cash And Cash Equivalents At The End Of The Period		122,719	345,404

The above Statement of Cash Flows should be read in conjunction with the accompanying notes to the financial statements.

MAGELLAN GLOBAL TRUST

Notes To The Financial Statements

for the half year ended 31 December 2019

Overview

Magellan Global Trust (the "Fund") is a registered managed scheme structured as a closed-end unit trust that is domiciled in Australia and quoted on the Australian Securities Exchange ("ASX") (ticker code: MGG). The Fund was registered on 11 August 2017 and in accordance with the Fund's Constitution, commenced on the date that the first unit was issued, which was 12 October 2017. The Fund terminates on the earlier of the time provided by the Fund's Constitution or by law.

Magellan Asset Management Limited ("MAM") (ABN 31 120 593 946) is the Responsible Entity of the Fund.

This financial report was authorised for issue by the Directors of the Responsible Entity on 27 February 2020. The Directors have the power to amend and reissue this financial report.

The Fund is considered a for-profit unit trust for the purpose of this financial report.

1. Basis Of Preparation

This condensed interim financial report is a general purpose financial report, presented in Australian Dollars, and has been prepared in accordance with AASB 134 *Interim Financial Reporting*, the *Corporations Act 2001*, other mandatory professional reporting requirements and the Fund's Constitution.

This condensed interim financial report does not include all the information and disclosures normally included in the annual financial report. Accordingly, this report should be read in conjunction with the 30 June 2019 Annual Report and any public announcements made during the period.

The Statement Of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within 12 months, except for financial assets and liabilities at fair value through profit or loss. These fair value assets and liabilities comprise mainly investments that are managed based on the economic circumstances at any given point in time as well as to meet any liquidity requirements. Consequently, the investments that may be realised within 12 months cannot be determined at reporting date.

All amounts in the financial statements are rounded to the nearest thousand dollars (\$'000) or in certain cases, the nearest dollar, unless otherwise stated in accordance with the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*.

a) Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of new standards that are described in Note 1 b). The Fund has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

b) New And Amended Accounting Standards

There are no standards, interpretations or amendments to existing standards that are effective as of 1 July 2019 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

c) Critical Accounting Estimates And Judgements

The preparation of the financial statements requires the Directors to make judgements, estimates and assumptions that affect the amounts reported in the financial statements. The Directors base their judgements and estimates on historical experience and various other factors they believe to be reasonable under the circumstances, but which are inherently uncertain and unpredictable, the result of which forms the basis of the carrying values of assets and liabilities. As such, actual results could differ from those estimates.

Where listed equities have no active market the Directors determine fair value with reference to external observable information and conditions existing at balance date. Fair values may however move materially with movements in market prices (refer Note 3). As the investments are valued with reference to the listed quoted prices, and the Fund's cash is held with strongly rated financial institutions, the Fund's financial assets are not subject to significant judgement or complexity nor are the Fund's liabilities.

Notes To The Financial Statements

for the half year ended 31 December 2019

2. Distributions To Unitholders

	31 December 2019	30 June 2019	31 December 2018	30 June 2018
Final distribution paid (\$'000)	-	37,096	-	31,522
Interim distribution payable (\$'000)	40,824	-	31,594	-
Distribution To Unitholders (cents per unit)	3.30	3.00	3.00	3.00
Payment date	16 January 2020	29 July 2019	15 January 2019	31 July 2018

Distributions to unitholders are recognised directly in equity and presented in the Statement Of Changes In Equity. A distribution payable is recognised in the Statement Of Financial Position where the distribution has been declared but remains unpaid at balance date.

a) Distribution Reinvestment Plan ("DRP")

The Fund's DRP was available to eligible unitholders during the period.

Under the terms of the DRP, eligible unitholders are able to elect to reinvest all or part of their cash distributions in additional units in the Fund, free of any brokerage or other transaction costs. Units are issued and/or transferred to DRP participants at a price that is determined by MAM in accordance with the DRP Rules.

Investors who participate in the DRP receive units at an issue price that includes a specified discount to the Net Trust Value ("NAV") per unit. To ensure that unitholders who do not to participate in the DRP suffer no dilution as a result of any discount, Magellan Financial Group Limited ("MFG") will pay the Fund consideration equal to the cost of this discount in accordance with the terms of the MFG Subscription and Commitment Deed. The DRP issue price discount of 5%, in respect of the interim distribution for the half year ended 31 December 2019, payable by MFG, is recognised as a receivable in the Statement Of Financial Position.

Details of the DRP for the interim distribution are as follows:

	31 December 2019	31 December 2018
DRP issue price (\$)	1.8505	1.4880
DRP unitholder participation rate (%)	15.14	13.57
Number of ordinary units issued under DRP	3,339,163	2,752,144
Value of ordinary units issued under DRP (\$'000)	6,179	4,095
MFG contribution to offset dilutionary impact of DRP discount	325	215
DRP issue date (distribution payment date)	16 January 2020	15 January 2019

3. Investments And Derivatives

The Fund classifies its equity securities, derivative assets and derivative liabilities as financial assets and liabilities at fair value through profit or loss.

The Fund discloses the fair value measurements of financial assets and financial liabilities using a three-level fair value hierarchy to reflect the source of valuation inputs used when determining the fair value as follows:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of these securities is based on the closing price for the security as quoted on the relevant exchange.
- Level 2: valuation techniques using observable inputs either directly (as prices) or indirectly (derived from prices). The fair value of derivatives is based on a discounted cash flow analysis using quoted market inputs (spot and forward rates, volatility) adjusted for specific features of the instruments and applied debit and credit valuation adjustments based on the Fund's, or the derivative counterparties', current credit worthiness.
- Level 3: valuation techniques using non-market observable inputs.

MAGELLAN GLOBAL TRUST

Notes To The Financial Statements

for the half year ended 31 December 2019

3. Investments And Derivatives (continued)

	31 December 2019 \$'000	30 June 2019 \$'000
a) Investments (Level 1)		
International listed equity securities		
United States	1,816,953	1,653,181
Switzerland	113,670	87,795
France	87,240	38,123
United Kingdom	86,001	85,389
China	73,498	-
Germany	46,871	72,267
Belgium	53,006	58,488
Total Equity Securities	2,277,239	1,995,243
b) Derivative Assets (Level 2)		
Forward foreign currency contracts	30,147	20,072
Total Derivative Assets	30,147	20,072

The Fund does not hold any level 3 assets. There have been no transfers between any of the three levels in the hierarchy during the period and the Fund's policy is to recognise transfers into and out of fair value hierarchy levels as at balance date.

MAGELLAN GLOBAL TRUST

Notes To The Financial Statements

for the half year ended 31 December 2019

3. Investments And Derivatives (continued)

The equity securities by domicile of primary stock exchange listing, held by the Fund are:

Company Name	Domicile	31 December 2019 Holding	30 June 2019 Holding	31 December 2019 \$'000	30 June 2019 \$'000
Microsoft	United States	892,538	905,223	200,232	172,802
Alphabet - class C shares	United States	97,646	99,034	185,724	152,543
Facebook - class A shares	United States	635,690	644,724	185,611	177,316
Alibaba Group Holding	United States	514,395	-	155,208	-
Starbucks	United States	1,085,109	1,268,105	135,718	151,486
Visa - class A shares	United States	506,940	536,337	135,506	132,642
MasterCard	United States	301,944	306,235	128,256	115,438
Yum! Brands	United States	743,755	511,064	106,577	80,598
LVMH Moet	France	131,899	62,762	87,240	38,123
Atmos Energy	United States	540,460	-	86,003	-
Reckitt Benckiser	United Kingdom	744,564	757,679	86,001	85,389
Crown Castle International	United States	387,370	392,875	78,334	72,976
Tencent	China	1,071,800	-	73,498	-
HCA Healthcare	United States	318,223	676,827	66,913	130,369
Novartis	Switzerland	488,588	495,532	65,963	64,603
American Express	United States	359,202	373,503	63,613	65,700
McDonald's	United States	213,711	133,717	60,077	39,569
Xcel Energy	United States	640,497	-	57,849	-
Anheuser-Busch	Belgium	456,533	463,021	53,006	58,488
Eversource Energy	United States	403,239	303,125	48,799	32,725
WEC Energy	United States	364,793	-	47,862	-
Nestle	Switzerland	309,926	157,022	47,707	23,192
SAP	Germany	243,950	368,769	46,871	72,267
CME Group	United States	139,506	-	39,834	-
Apple	United States	83,393	489,165	34,837	137,963
Oracle	United States	-	955,601	-	77,578
Lowe's	United States	-	495,171	-	71,204
Berkshire Hathaway	United States	-	139,157	-	42,272
Total Equity Securities				2,277,239	1,995,243

Notes To The Financial Statements

for the half year ended 31 December 2019

4. Unitholders' Equity

	Note	6 Months To 31 December 2019 Number of units '000	12 Months To 30 June 2019 Number of units '000
a) Ordinary Units			
Opening balance 1 July		1,236,520	1,050,717
Units issued under UPP Offer		-	180,624
Units issued under DRP	2 a)	3,116	5,261
Units bought back on-market and cancelled		(2,533)	(82)
Closing Balance		1,237,103	1,236,520

i) Unit Buy-back

On 17 October 2017 the Responsible Entity of the Fund announced its intention to undertake an on-market buy-back. On 31 August 2018 an announcement was made to extend the on-market buy-back to 17 October 2020. During the period the Fund purchased on-market and cancelled 2,533,126 ordinary units, at a total cost of \$4,432,000. During the prior year ended 30 June 2019, the Fund purchased on-market and cancelled 81,612 ordinary units, at a total cost of \$129,000.

ii) Unit Purchase Plan Offer ("UPP Offer")

On 29 January 2019 a UPP was announced which gave eligible unitholders of the Fund the opportunity to acquire up to \$15,000 of new, fully paid ordinary units of the Fund without incurring any brokerage, at a price of \$1.5327 (representing a 5% discount to the Fund's NAV per unit on 28 January 2019). The record date for participating in the UPP Offer was 25 January 2019. On 13 March 2019, \$276,862,000 was raised and 180,624,442 units were issued to participating unitholders.

Ordinary Units

Ordinary units are listed on the Australian Securities Exchange ("ASX"). Each ordinary unit confers upon the unitholder an equal interest in the Fund, and is of equal value to other units in the Fund. A unit does not confer upon the holder any interest in any particular asset or investment of the Fund. The rights of unitholders are contained in the Fund's Constitution and include:

- the right to receive a distribution determined in accordance with the provisions of the Fund's Constitution;
- the right to attend and vote at meetings of unitholders; and
- the right to participate in the termination and winding up of the Fund.

Redemption of units is not permitted while the Fund is listed on the ASX.

There are no separate classes of units and each unit in the Fund has the same rights attaching to it as all other units of the Fund.

MAGELLAN GLOBAL TRUST

Notes To The Financial Statements

for the half year ended 31 December 2019

5. Earnings Per Unit

Basic Earnings Per Unit ("EPU") is calculated as profit/(loss) for the period divided by the weighted average number of units on issue. Diluted earnings per share is calculated by adjusting the basic earnings per unit to take into account the effect of any changes in income or expense associated with dilutive potential units and the weighted average number of additional ordinary units that would have been outstanding assuming the conversion of all dilutive potential ordinary units.

	31 December 2019	31 December 2018
Basic EPU		
Profit/(loss) attributable to unitholders (\$'000)	191,461	(12,741)
Weighted average number of units for basic EPU ('000)	1,237,687	1,052,730
Basic EPU (Cents)	15.47	(1.21)
Diluted EPU		
Profit/(loss) attributable to unitholders (\$'000)	191,461	(12,741)
Weighted average number of units for diluted EPU ('000)	1,237,687	1,052,730
Diluted EPU (Cents)	15.47	(1.21)
Earnings Reconciliation		
Profit/(loss) used in the calculation of basic and diluted EPU (\$'000)	191,461	(12,741)

As the Fund has no potential dilutive ordinary units, basic and diluted EPU are equal. Since the end of the period the Responsible Entity has issued ordinary units under the DRP (refer Note 2 a)).

6. NAV Per Unit

The NAV per unit represents the net assets of the Fund presented in the Statement Of Financial Position at balance date divided by the number of units on issue at balance date (refer Note 4).

	31 December 2019	30 June 2019
	\$	\$
NAV per unit	1.9215	1.7995

The NAV per unit at balance date may differ from the NAV per unit reported to the ASX due to distributions payable and accruals for fees and minor expenses.

7. Segment Information

An operating segment is a distinguishable component of the Fund that is engaged in business activity from which the Fund earns revenues and incurs expenses, whose operating results are regularly reviewed by the Fund's chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance, and for which discrete financial information is available. The chief operating decision maker has been determined as Dr Brett Cairns.

The Fund's investments are managed on a single portfolio basis and in one business segment being equity investment, as well as in one geographic segment being Australia. The Fund continues to have foreign exposures as it invests in companies which operate internationally.

Notes To The Financial Statements

for the half year ended 31 December 2019

8. Contingent Assets, Contingent Liabilities And Commitments

Performance fees are calculated on six monthly measurement periods ending on 31 March and 30 September of each calendar year. The Responsible Entity's entitlement to a performance fee is dependent on the Fund exceeding both index relative and absolute return hurdles over a given measurement period, as well as exceeding the applicable high watermark and an overall cap. Performance fees crystallise at the end of a measurement period. Where units are bought back by the Fund, a portion of the performance fee will crystallise if a performance fee is accrued at that date.

At balance date, no material performance fee has crystallised for the six months to 31 March 2020 as the performance fee measurement period is incomplete. As a result, the performance fee is a contingent liability as the Fund's performance is subject to market fluctuations and therefore uncertainty exists as to whether the Fund's performance will exceed the performance fee measurement criteria for the period ending 31 March. Due to market volatility, no estimate can be provided for performance fees that may crystallise for the period ending 31 March 2020.

The estimated daily unit price of the Fund includes a performance fee accrual equal to the amount that would be payable if it were the end of a performance fee calculation period. Further details of the performance fees can be found in the Fund's Product Disclosure Statement which is available in the 'Our Funds' section of MFG the website at www.magellangroup.com.au.

The Fund has a contingent asset for the amount receivable from MFG where the Fund offers a discount to the NAV per unit on units issued under the DRP in future periods, in accordance with the terms of the MFG Subscription and Commitment Deed. It is not practical to estimate the future amounts receivable to the Fund as there is uncertainty as to the level of participation in the DRP, the NAV per unit and whether the DRP will be offered (refer Note 2 a)).

Other than the above the Fund has no contingent assets, contingent liabilities or commitments at 31 December 2019 (30 June 2019: nil).

9. Subsequent Events

In a release to the ASX on 24 February 2020, the Fund reported a NAV per unit as at 21 February 2020 of \$2.0949.

Other than the items disclosed throughout this financial report and the above there have been no matters or circumstances arising after the end of the period that have significantly affected, or may significantly affect, the Fund's operations, the results of its operations, or the Fund's state of affairs in future financial periods. Asset prices move daily and daily unit prices are available on the MFG website and also the ASX website.

MAGELLAN GLOBAL TRUST

Directors' Declaration


for the half year ended 31 December 2019

In the opinion of the Directors,

- a) the financial statements and notes of Magellan Global Trust as set out on pages 8 to 18 are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the financial position of the Fund as at 31 December 2019 and of its performance as represented by the results of its operations and cash flows for the period ended on that date; and
 - i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations from the Chief Executive Officer and Chief Financial Officer which mirror section 295A of the *Corporations Act 2001* and are recommended by the ASX Corporate Governance Principles and Recommendations.

This declaration is made in accordance with a resolution of the Directors of the Responsible Entity.



Robert Fraser
Chairman

Sydney, 27 February 2020

Independent Auditor's Review Report to the members of Magellan Global Trust

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of Magellan Global Trust (the "Trust"), which comprises the condensed statement of financial position as at 31 December 2019, the condensed statement of profit and loss and comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the period ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the interim financial report of the Trust is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Trust's financial position as at 31 December 2019 and of its financial performance for the period ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Interim Financial Report

The Directors of the Responsible Entity are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Trust's financial position as at 31 December 2019 and its financial performance for the period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Ernst & Young



Clare Sporle

Partner

Sydney, 27 February 2020

MAGELLAN GLOBAL TRUST

Corporate Information

Directors Of The Responsible Entity

Brett Cairns (Chief Executive Officer)
John Eales
Robert Fraser (Chairman)
Paul Lewis
Hamish McLennan
Kirsten Morton (Chief Financial Officer)
Karen Phin

Company Secretary Of The Responsible Entity

Marcia Venegas

Registered Office

Level 36, 19 Martin Place
Sydney NSW 2000
Telephone: +61 2 9235 4888
Fax: +61 2 9235 4800
Email: info@magellangroup.com.au

Auditor

Ernst & Young
200 George Street
Sydney NSW 2000

Unit Registrar

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
Telephone: +61 2 9290 9600
Fax: +61 2 9279 0664
Email: enquiries@boardroomlimited.com.au

Securities Exchange Listing

Australian Securities Exchange ("ASX")
ASX Code: MGG

Website

<http://www.magellangroup.com.au>

Corporate Governance Statement

The Corporate Governance Statement for the Fund can be found on the Magellan Financial Group Limited website at www.magellangroup.com.au under Reports and ASX releases for the Fund.