

Magellan Sustainable Fund (Managed Fund)



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

AS AT 31 AUGUST 2024

PORTFOLIO MANAGER

ALAN PULLEN

INVESTMENT PHILOSOPHY

To invest in outstanding companies at attractive prices within a framework that considers environmental, social and governance risks, 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 in our view may have wide-ranging detrimental impacts on society for example tobacco production, controversial weapons and mining of coal*

Companies are reviewed and scored for the materiality of their exposure to environmental, social and governance factors.

Exposures to industry exclusions is assessed by reference to the total (gross) revenue* of the company provided by MSCI ESG Manager.

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 \$8.5 million	0.07% / 0.07%	1.36% 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.

PERFORMANCE³

	1 MONTH (%)	3 MONTHS (%)	6 MONTHS (%)	1 YEAR (%)	3 YEARS (% p.a.)	Since Inception (% p.a.)
MSUF	-1.4	3.9	4.9	18.3	8.2	11.4
MSCI World NTR Index (AUD)*	-1.2	4.5	6.2	18.8	9.6	14.1
Excess	-0.2	-0.6	-1.3	-0.5	-1.4	-2.7

CALENDAR YEAR RETURNS

	CYTD (%)	2023 (%)	2022 (%)	2021 (%)	2020 (part year)
MSUF	15.1	29.5	-17.1	22.3	-1.2
MSCI World NTR Index (AUD)*	17.4	23.0	-12.2	29.3	-0.3
Excess	-2.3	6.5	-4.9	-7.0	-0.9

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.

30 June 2024 [#]	FUND	INDEX*
CARBON INTENSITY (CO ₂ T/US\$1M REVENUE)	30	94

[#] Carbon intensity data available on a quarterly basis. Source: MSCI. Reproduced by permission.

The Fund's carbon intensity score is calculated using MSCI data. In a limited number of circumstances, where data is not available or Magellan deems it appropriate, manual adjustments are made to the MSCI carbon intensity score for certain investments held by the fund.

[^] Please see the PDS for a full list of industry exclusions and revenue thresholds for exclusion.

^{*} Net revenue (or an estimate of gross (or net) revenue will be used where gross revenue is not available.

^{**} Our low carbon framework aims to limit the carbon intensity of the portfolio to one-third of the weighted average carbon intensity of the MSCI World Index, as reported by MSCI. Please see the PDS for further detail.

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 (ALPHABETICAL ORDER)

STOCK	SECTOR ⁴
Alphabet Inc	Internet & eCommerce
Amazon.com Inc	Internet & eCommerce
Booking Holdings Inc	Consumer Discretionary
Meta Platforms Inc	Internet & eCommerce
Microsoft Corporation	Information Technology
Nestlé SA	Consumer Defensive
Novartis AG	Health Care
SAP SE	Information Technology
Taiwan Semiconductor - SP ADR	Information Technology
UnitedHealth Group Inc	Health Care

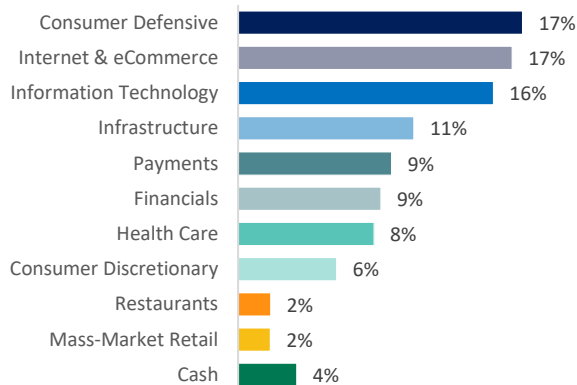
TOP CONTRIBUTORS/DETRACTORS 1 YEAR⁵

TOP 3 CONTRIBUTORS	CONTRIBUTION TO RETURN (%)
Meta Platforms Inc	2.9
Taiwan Semiconductor - SP ADR	2.4
Microsoft Corporation	1.9
TOP 3 DETRACTORS	CONTRIBUTION TO RETURN (%)
Dollar General Corporation	-1.0
Nestlé SA	-0.9
Reckitt Benckiser Group	-0.6

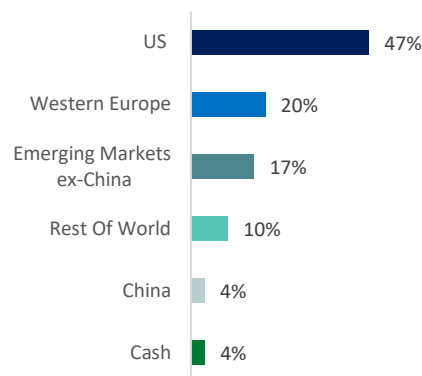
MONTHLY SUMMARY

Market volatility increased in August and has continued into September to date. The portfolio is positioned conservatively, reflecting increasing risks of an economic slow-down that are not sufficiently captured in market valuations. Nonetheless, over the longer term we remain confident in the quality of the companies in the portfolio. These companies' strong competitive advantages add to their resilience in any downturn and see them well placed to deliver strong earnings, and share price growth over the long-term.

SECTOR EXPOSURE BY SOURCE OF REVENUE⁴



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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