

Magellan Core ESG Fund

(MANAGED FUND) (TICKER: MCSE)

A diversified global equities portfolio of 70-90 high quality global equities with ESG risk integration

PORTFOLIO MANAGER **ELISA DI MARCO** **ARSN 645 514 110** **APIR MGE8722AU** **AS AT 31 AUGUST 2024**

INVESTMENT PHILOSOPHY	OBJECTIVES	PORTFOLIO CONSTRUCTION	INVESTMENT RISKS
To invest in outstanding companies utilising Magellan's long standing investment process to identify quality companies within a framework that considers Environmental, Social and Governance risks and our proprietary low carbon framework.	The Fund's primary investment objective is to achieve attractive risk-adjusted returns over the medium to long term through investment in a diversified portfolio of high-quality companies. This objective incorporates the consideration of ESG factors and the application of our low carbon framework.	An actively managed, research driven and competitively priced portfolio of 70-90 of the world's highest quality and ESG active businesses. The Fund leverages Magellan's DNA, that is Magellan's proprietary definition of quality, ESG framework, investment process and investment team. Typical cash and cash equivalent exposure between 0-5%.	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 FRAMEWORK

Integrated proprietary ESG risk assessment process and low carbon framework. Companies with material exposures to activities which in our view have wide ranging detrimental impacts on society are removed from the investable universe (refer to page 3 of this document for further information). We overlay our proprietary low carbon framework to deliver a portfolio which 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. Companies are reviewed and scored for the materiality of their exposure to environmental, social and governance (ESG) factors. The assessment is a direct input into portfolio management.

WHY QUALITY?

We aim to invest in companies that have sustained competitive advantages, which permits the company to generate returns on capital in excess of its cost of capital for a sustained period of time ("quality"). Companies with these attributes may reduce the risk of permanent capital loss. Active fundamental research and continuous monitoring are key to our determination of whether or not a company is 'quality'. We consider quality companies are more likely to withstand market cycles, and compound returns for investors.

MAGELLAN CORE ESG FUND: KEY PORTFOLIO

TICKER	FUND SIZE	NAV PER UNIT	BUY/SELL SPREAD ¹	MANAGEMENT FEES ²
MCSE	AUD \$17.8 million	\$4.6807 per unit	0.10% / 0.10%	0.51% p.a.

PERFORMANCE³

	1 MONTH (%)	3 MONTHS (%)	6 MONTHS (%)	1 YEAR (%)	INCEPTION DATE 11 DECEMBER 2020 3 YEARS (% p.a.)	Since Inception (% p.a.)
Magellan Core ESG Fund	0.8	6.6	3.4	14.8	7.0	11.9
MSCI World NTR Index	-1.2	4.5	6.2	18.8	9.6	14.1
Excess	2.0	2.1	-2.8	-4.0	-2.6	-2.2

CALENDAR YEAR RETURNS	CYTD (%)	2023 (%)	2022 (%)	2021 (%)	2020 (part year)
Magellan Core ESG Fund	13.7	23.2	-15.5	28.1	0.4
MSCI World NTR Index	17.4	23.0	-12.2	29.3	-0.3
Excess	-3.7	0.2	-3.3	-1.2	0.7

TOP 10 HOLDINGS

Company	Sector ⁴
Amazon.com Inc	E-Commerce
Eli Lilly & Company	Health Care
Home Depot Inc	Food & Staples Retailing
Mastercard Inc	Payments
Netflix Inc	Consumer Platforms
Novartis AG	Health Care
Novo Nordisk ADR	Health Care
SAP SE	Software
UnitedHealth Group Inc	Health Care
Visa Inc	Payments

PERFORMANCE CHART GROWTH OF AUD \$10,000³



Past performance is not a reliable indicator of future performance.

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.

⁴ Sectors are internally defined.

* MSCI World Net Total Return Index (AUD). All MSCI data 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/.

EXCLUSIONS AND TOLERANCE GUIDANCE

The Fund excludes companies with business involvement at or above the specified tolerance guidance in the industries, which in our view may have wide-ranging detrimental impacts on society.

Industry	Tolerance Guidance (% of total revenue)^
Adult entertainment Companies which produce or distribute pornography	5% aggregate limit for the production or distribution of pornography
Alcohol Companies which produce or distribute alcohol	5% for the production of alcohol 10% for the distribution of alcohol
Cannabis Companies which produce or distribute cannabis	5% aggregate limit for the production or distribution of cannabis
Gambling Companies involved in the direct operation or ownership of gambling facilities	5% aggregate limit for the direct operation or ownership of gambling facilities
Tobacco Companies which produce tobacco or distribute tobacco products (including e-cigarettes)	0% for the production of tobacco 5% for the distribution of tobacco
Controversial Weapons Companies which manufacture controversial armaments and weapons (including nuclear weapons)	0% for the manufacturing of controversial armaments and weapons
Conventional Weapons Companies which manufacture conventional weapons and civilian firearms Companies which distribute civilian firearms Companies which provide equipment, systems or services in direct support of conventional weapons or that provide systems with direct weapons-related applications	5% for the manufacturing of conventional weapons and civilian firearms 5% for the distribution of civilian firearms 5% for direct revenue from the distribution of equipment, systems or services in direct support of conventional weapons or from the distribution of systems with direct weapons-related applications
Fossil fuels Companies with direct revenue from the mining or extraction of fossil fuels (thermal coal, gas and oil) Companies with direct revenue from energy generation based on fossil fuels (thermal coal, gas and oil)	0% for the mining or extraction of fossil fuels (thermal coal, gas and oil) 5% for energy generation based on fossil fuels (thermal coal, gas and oil)

^Business involvement in the listed industries is determined by reference to the percentage of total revenue of the company using data provided by a third-party provider. Revenue from a business activity is assessed by the third-party provider by reference to the gross revenue from the activity where reported by the company. Where gross revenue is not reported, revenue is assessed by reference to the net revenue from the activity where reported by the company. Where no revenue from the activity is reported, the third-party provider estimates either net or gross revenue from the activity depending on publicly available information. The type of revenue used to determine business involvement in the listed industries is not specified, since reporting practices generally vary by industry and by company, and a company's reporting practices may change over time.

A SELECTION OF QUALITY PORTFOLIO HOLDINGS



ASML



amazon

VISA



Alphabet

L'ORÉAL



The company logos above represent a selection of securities held by the Fund (in no specific order) as at 31 August 2024.

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