

Magellan Global Opportunities Fund No. 2

ARSN: 164 285 947 | CLASS A - APIR: MGE0005AU | CLASS B - APIR: MGE9885AU

AS AT 30 SEPTEMBER 2025

PORTFOLIO TEAM

ALAN PULLEN, PORTFOLIO MANAGER

RYAN JOYCE, CFA, DEPUTY PORTFOLIO MANAGER

INVESTMENT PHILOSOPHY	OBJECTIVE	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 outperform the MSCI World Net Total Return Index (AUD) net of fees over periods of three years or longer.	A portfolio of 20-40 investments which we believe can achieve sufficient diversification to ensure the Fund is not overly correlated to a single company, or to industry specific or macroeconomic risks. The Fund aims to invest in companies that have sustainable competitive advantages which translate into returns on capital in excess of their cost of capital for a sustained period of time. Cash and cash equivalents exposure between 0 - 5%.	All investments carry risk, returns are not guaranteed and there is a risk that investors may lose money on any investment they make. The Fund's Product Disclosure Statement (PDS) sets out the significant risks relevant to the Fund. You can view the PDS at www.magellaninvestmentpartners.com

MAGELLAN GLOBAL OPPORTUNITIES FUND NO. 2: KEY PORTFOLIO INFORMATION

CLASS	FUND SIZE	BUY/SELL SPREAD	MANAGEMENT FEES ¹	INCEPTION DATE
A	AUD \$139.4 million	0.10% / 0.10%	0.75% p.a.	1 July 2013
B	AUD \$28.8 million	0.10% / 0.10%	0.75% p.a.	15 November 2017

PERFORMANCE²

	1 Month (%)	3 Months (%)	1 Year (%)	3 Year (% p.a.)	5 Year (% p.a.)	7 Year (% p.a.)	10 Year (% p.a.)	Since Inception (% p.a.)
Magellan Global Opportunities Fund No. 2 - Class A [^]	0.3	-1.2	14.3	20.5	8.1	8.4	10.2	12.1
MSCI World NTR Index ³	1.9	6.1	22.7	22.5	16.2	13.4	13.1	14.3
Excess	-1.6	-7.3	-8.4	-2.0	-8.1	-5.0	-2.9	-2.2
Magellan Global Opportunities Fund No. 2 - Class B [^]	0.3	-1.1	14.8	21.1	8.7	8.8	-	9.6
MSCI World NTR Index ³	1.9	6.1	22.7	22.5	16.2	13.4	-	13.8
Excess	-1.6	-7.2	-7.9	-1.4	-7.5	-4.6	-	-4.2

Past performance is not a reliable indicator of future performance.

[^]With effect from 15 September 2025 the Fund's investment strategy has changed from the Magellan High Conviction Strategy to the Magellan Global Opportunities Strategy.

The performance of the Magellan Global Opportunities Fund No.1 is also presented in the table below to provide a longer-term view of the Fund's current investment strategy.

	1 Month (%)	3 Months (%)	1 Year (%)	3 Year (% p.a.)	Since Inception ⁴ (% p.a.)
Magellan Global Opportunities Fund No.1	0.8	3.0	24.4	26.3	13.9
MSCI World NTR Index ³	1.9	6.1	22.7	22.5	12.4
Excess	-1.1	-3.1	1.7	3.8	1.5

Past performance is not a reliable indicator of future performance.

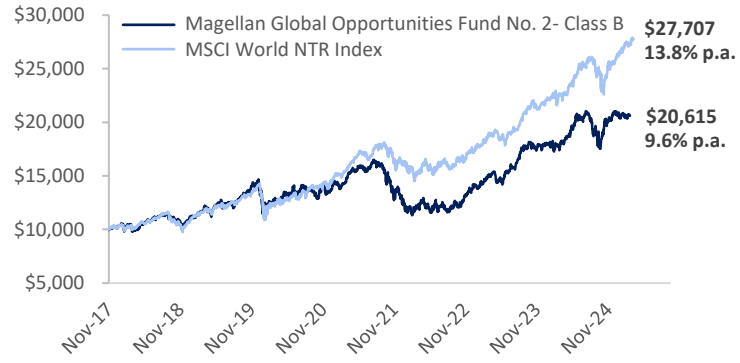
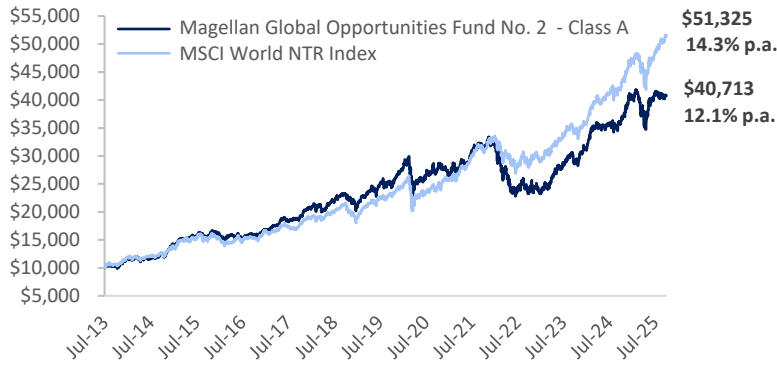
¹ Transaction costs may also apply – refer to the Product Disclosure Statement. All fees are inclusive of the net effect of GST. Effective 15 September 2025 the management fee was reduced from 1.50% p.a. for Class A and 0.78% p.a. for Class B to 0.75% p.a. and the performance fee was removed. Until 14 August 2025, the Class A performance fee was 10% of the excess return of the Class A Units of the Fund above the Absolute Return Performance Hurdle of 10% p.a. Additionally, performance fees were subject to a high water mark; The Class B performance fee was 20% of the excess return of the Class B Units of the Fund above the Absolute Return Performance Hurdle of 10% p.a. Additionally, performance fees were subject to a high water mark and a cap of 2.22% p.a. From 15 August 2025 to 14 September 2025, the performance fee for the Fund was waived.

² 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.

³ 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.magellaninvestmentpartners.com/funds/benchmark-information/

⁴ The inception date of the Magellan Global Opportunities Fund No.1 is 1 January 2022.

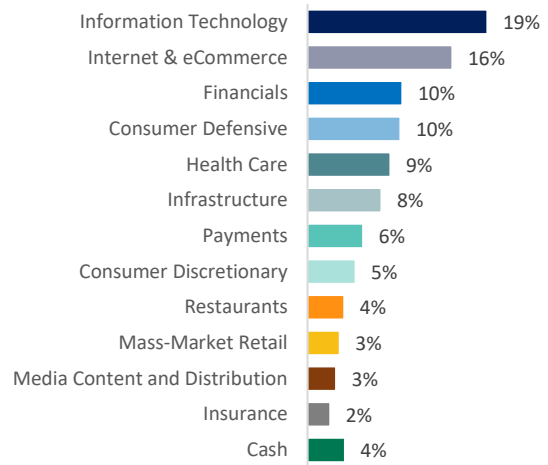
PERFORMANCE CHART GROWTH OF AUD \$10,000²



TOP 10 HOLDINGS

STOCK	SECTOR ⁶	%
Microsoft	Information Technology	8.0
Amazon.com	Internet & eCommerce	7.4
Mastercard	Payments	6.0
Taiwan Semiconductor	Information Technology	4.8
Nestlé	Consumer Defensive	4.7
SAP	Information Technology	4.1
Eversource Energy	Infrastructure	4.0
Yum! Brands	Restaurants	3.9
American Tower	Infrastructure	3.9
Meta Platforms	Internet & eCommerce	3.9
TOTAL:		50.7

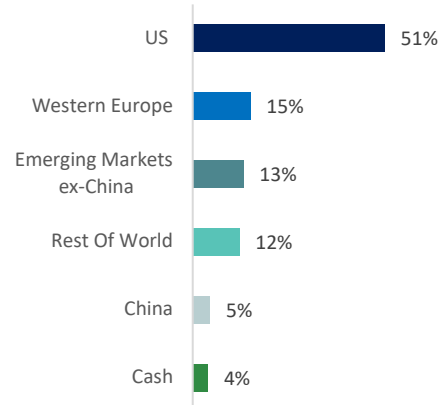
SECTOR EXPOSURE BY SOURCE OF REVENUE⁶



TOP CONTRIBUTORS/DETRACTORS 1 YEAR⁷

TOP 3 CONTRIBUTORS	CONTRIBUTION TO RETURN (%)
Taiwan Semiconductor	3.3
Amazon.com	2.5
Visa	2.1
TOP 3 DETRACTORS	CONTRIBUTION TO RETURN (%)
Novo Nordisk	-2.8
Chipotle Mexican Grill	-1.7
Yum China	-1.1

GEOGRAPHICAL EXPOSURE BY SOURCE OF REVENUE⁶



⁶ 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.

⁷ 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.

Market Commentary

Global equities gained 7.3% in the September quarter as measured by the MSCI World Index in USD. The rally was less pronounced in AUD terms, appreciating by 6.1% given weakness in the USD. The start of the quarter was marked by the passage of the 'One Big Beautiful Bill Act' and progress on trade policy as the EU, Japan and South Korea all came closer to trade deals with the US. Subsequently, the US Supreme Court challenged the legality of President Trump's IEEPA-based tariffs with a hearing on the matter to begin late this year. We expect the legal challenge to be successful but do not expect that outcome to materially change the course of US trade policy. The Federal Reserve also shifted from maintaining a restrictive monetary policy to ease towards a more neutral stance, prompted by weakening US jobs data. Over the quarter, 10-year US Treasury yields declined by 8 bps. The quarter was bookended by the shutdown of the US government after lawmakers failed to agree on a funding Bill. Market response to the shutdown was limited. Overall, relatively lower uncertainty, expectations of policy easing, and further positive AI-related news flow led to outperformance in growth and cyclical parts of the market. The Tech sector led (+12.4%), followed by the Communication Services (+10.9%), Materials (+9.0%) and Consumer Discretionary (+8.6%) sectors. Relatively, 'defensive' sectors like Consumer Staples (-1.7%) and Healthcare (+3.2%) sectors underperformed.

China's CSI 300 Index was the standout performer in the September quarter, rallying 19% driven by AI-related tech companies and supported by the central government's anti-involution drive. Japan's Nikkei 225 Index also rose 11.6% in the quarter, supported by progress on the US-Japan trade deal. Similarly, rallies in tech-related companies benefited the Nasdaq Composite, which grew by 11.4%. The S&P 500 Index rose by 8% in the quarter. The Australian S&P/ASX 200 (+4.7%) and STOXX Europe 600 (+3.5%) both lagged US markets in the quarter.

Over the September quarter, there was a notable slowing in the US jobs market. Monthly job creation was weak with the high level of uncertainty paralysing business decisions to hire. Curiously, the unemployment rate remained at 4.3% towards the end of the quarter. Despite softness in the US jobs market, the overall US economy remained resilient. US Q2 GDP came in at 3.8%, having been progressively revised up since its initial release. Other indicators were mixed as the ISM manufacturing index edged towards growth territory, but consumer confidence remained poor. Encouragingly, this also meant inflation and inflationary expectations should remain contained, opening the path for further US monetary policy easing back to neutral.

Fund Commentary

The portfolio delivered a negative return for the quarter, lagging the benchmark as more speculative companies performed strongly in the risk-on environment. In September the portfolio was transitioned to the Global Opportunities Strategy, which has delivered strong absolute and relative returns over the past one year, three years and since inception.

Over the quarter, key positive contributors included Alphabet, TSMC, ASML and Eversource. TSMC benefited from improved semiconductor demand sentiment due to the announcements of several OpenAI partnerships with Oracle, Nvidia and Broadcom. These were positive developments in their potential to drive incremental demand for AI-related chips and manufacturing capacity; however, we remain focused on the end-market demand dynamics that will be necessary to support these capacity plans, particularly given the single-customer concentration (OpenAI). Sentiment for ASML was also lifted by the above thematic. In addition, Nvidia's equity investment in Intel added incremental support for a key ASML customer.

Key detractors included Chipotle, Novo Nordisk and Mercado Libre (MELI). Chipotle reported a weaker-than-expected 2Q25 revenue result and downgraded full-year revenue guidance after US consumers pulled back on restaurant visits across the industry. Novo's share price has been affected by a general rotation out of pharma given heightened/near-term uncertainty regarding tariffs and pricing policies (including Most Favoured Nations and Semaglutide's inclusion in upcoming IRA price negotiations). Following strong YTD performance, MELI sold off against a backdrop of (1) Argentinian macro turmoil, and (2) Amazon Brazil waiving all Fulfilment by Amazon (FBA) logistics fees through to at least the end of the calendar year. Note all three companies were not held in the Global Opportunities Strategy and have accordingly been transitioned out of the portfolio.

Outlook

Renewed enthusiasm in the AI trade has driven markets to fresh highs. The underlying rationale for the most recent rally appears increasingly driven by more speculative elements, including large, long-dated deals for chips and data centre capacity announced by OpenAI with Nvidia, Broadcom, Oracle and AMD (the latter announced post quarter-end). These deals are somewhat circular in nature and are heavily dependent on OpenAI growing and monetising its user base given its limited current revenue. While we are positive on the potential for GenAI over the long term, considerable uncertainty remains on the pace and degree of monetisation, resulting in increasing risks to the market.

Notwithstanding these concerns, we continue to expect US economic activity to remain reasonable in the near term, aided by interest rate cuts. Risks associated with the softening labour market, inflation, and government deficits and elevated debt levels introduce a downward bias to the range of future outcomes, albeit our base case remains constructive. Nonetheless, with Global equity markets at record levels and valuations full, we view risks as not sufficiently discounted in equity valuations and maintain a cautious stance while noting opportunities at the individual stock level are present and will be acted upon. We believe the high-quality companies that comprise the portfolio remain well-placed to deliver strong earnings and shareholder returns over the long term.

Stock Story: Adidas

(Emma Henderson - Investment Analyst)



Founded in 1949 in Herzogenaurach, Germany, Adidas was the vision of Adolf "Adi" Dassler, who split from his brother Rudolf (the founder of Puma) to create what would become one of the world's most enduring sports brands. Registered under the now-iconic three stripes trademark, Adidas quickly rose to prominence when West German footballers wore its innovative boots to victory in the 1954 FIFA World Cup, a defining moment that cemented its reputation for high-performance sportswear on the global stage.

In the decades since, Adidas has expanded far beyond football boots, entering running, basketball and training categories. Along the way, it has pioneered innovations such as screw-in studs and various cushioning and ultra-lightweight footwear and clothing materials. The brand's visibility at the Olympic Games, World Cups and global running events has deepened its association with sporting excellence. In more recent decades, the blending of sports and lifestyle has broadened the company's addressable market as athletic apparel and footwear have become everyday wear. Adidas was pivotal to the history of "athleisure" wear, introducing the tracksuit to non-athletes all the way back in the 1970s.

Today, Adidas is the world's #2 player in athletic footwear and apparel, behind category leader Nike. Despite multiple new entrants across different sporting verticals and niches, these brands continue to dominate sportswear on the global stage and generate annual revenues 5x and 3x larger than the third-largest brand, Puma. While strong economic moats can be difficult to find in competitive consumer categories such as apparel and footwear, we continue to believe the brand equity, marketing reach, R&D capabilities and global distribution networks of the world's two leading sportswear brands provide meaningful and durable advantages.

Importantly, Adidas consistently reinvests to defend these competitive advantages, including an annual marketing budget of around €3 billion – or roughly 12% of net sales. These funds support high-profile partnerships with athletes like Lionel Messi and Patrick Mahomes, sporting teams like Real Madrid and

Manchester United, and sporting leagues and events like UEFA Champions League and the Paris Olympics, reinforcing brand visibility and consumer loyalty.

While Nike's dominance is strongest in North America and basketball, Adidas holds sway in the world's most popular sport, football, where its unrivalled presence at global events like the upcoming FIFA World Cup acts as a showcase for the brand. Adidas also benefits from an enviable vault of iconic product silhouettes that are now cross-generational staples blending sports and fashion. The brand's most recent global success story, the Adidas Originals Samba sneaker, has roots tracing back to the 1950s and was officially launched in its current form in 1972.

Execution is critical in the sportswear industry, where consumer tastes shift quickly. Over decades, Adidas has demonstrated resilience and adaptability through challenging periods. In the last five years alone, the company has navigated a global pandemic, geopolitical backlash in China, an exit from Russia and the winding down of its Yeezy collaboration. These external shocks compressed profitability and ultimately resulted in a CEO change. Under new leadership, the business has regained strong momentum across key markets.

From an investment perspective, periods of disruption like this, in categories where structural growth tailwinds and economic moat drivers remain intact, can present attractive investment opportunities. Earlier this year, consumer health and tariff fears drove material underperformance of the apparel and sportswear sector, creating an attractive entry point for Adidas in the Magellan Global Opportunities strategy.

While remaining conscious of broader industry risks – including consumer health, fashion cycles, geopolitics, social supply chain and environmental challenges – we believe Adidas represents a compelling long-term opportunity: a brand with deep heritage, durable competitive advantages, and the ability to continue turning global sports tailwinds into sustainable growth.



IMPORTANT INFORMATION

Units in the fund referred to herein are issued by Magellan Asset Management Limited ABN 31 120 593 946, AFS Licence No. 304 301 trading as Magellan Investment Partners ('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.magellaninvestmentpartners.com.

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. No guarantee is made that such information is accurate, complete or timely and no warranty is given 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 upon any part of the information contained in this material.

Further information regarding any benchmark referred to herein can be found at www.magellaninvestmentpartners.com/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.