

Quarterly Stocks in Focus

AS AT 31 MARCH 2026



Adidas is the second largest global sportswear brand, specialising in athletic footwear and apparel. The German company benefits from the structural shifts towards health and wellness and increasing casualisation. We believe Adidas benefits from scale and brand strength, and is attractively valued.



Amazon remains the largest global e-commerce platform, with over 310 million active users worldwide and an estimated 240–250 million Prime subscribers (roughly 180 million in the US). This scale gives Amazon enduring advantages and high barriers to entry. In addition, it is one of just three “hyperscale” cloud providers (via AWS). Amazon benefits from multiple structural tailwinds spanning e-commerce, cloud computing, AI, automation and digital advertising. It offers compelling growth potential by improving monetisation across its leading franchises.



American Tower is a leading US-based telecommunication towers and equipment company, benefiting from the structural tailwind of wireless data growth. Wireless carriers lease from AMT on 5-10 year contracts, with inflation linked pricing. We view AMT as quality given the limited substitutes, the barriers to entry to building new towers, scale advantages and customer switching costs. In addition to the quality and structural growth exposure, we view AMT to be attractively priced and should be defensive in a drawdown.



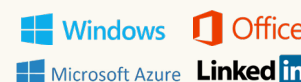
Mastercard is the world's second-largest global payment network. Mastercard's product capabilities are similar to those of its bigger competitor, Visa, but it has a smaller presence in the US and a larger exposure to the fast-growing Value-Added-Services space. Mastercard's operations span more than 210 countries, 100 million merchants and 3.1 billion credentials. We have a high degree of confidence in future growth given the quality and exposure to digitalisation tailwinds.



Meta Platforms is the world's largest social network platform with more than 3.5 billion users engaging with at least one of its services – Facebook, Instagram, WhatsApp and Messenger – each day. Meta is a quality business, benefiting from scale advantages and network effects, and provides an attractive exposure to digital advertising and AI tailwinds, with AI accelerating engagement.



Microsoft is the global leader in productivity software (with 1.5b users of Windows) and cloud computing (1 of the 3 hyperscale providers), resulting in scale advantages and high barriers to entry. Microsoft benefits from numerous structural tailwinds including digitalisation of workflows, cloud computing and AI. Given Microsoft's quality and exposure to structural tailwinds, we have a high degree of confidence that it can continue to deliver mid-teens earnings growth over the next 5 years.



Nestlé is the world's largest food and beverage manufacturer. The company derives more than half of its operating profit from defensive, GDP+ categories such as branded coffee and pet food where it retains leading market share relative to peers in most major geographies. The company owns 31 mega-brands, such as Nescafé, Nespresso, Purina, Coffee mate, Maggi, and KitKat, each of which generate global retail sales of more than 1 billion Swiss Francs every year.



SAP is a leading provider of enterprise application software. Its software runs the operations of over 440,000 customers globally, including a very high proportion of large enterprises. SAP has been aggressively pivoting to cloud, and now represents a majority share of its more predictable revenues. As customers modernise their IT stacks, SAP expects the cloud portion to grow further, reducing reliance on traditional on-premises licenses.



S&P Global is a well-managed collection of high-quality benchmarking and data businesses (ratings, commodities, indices) that are deeply embedded in financial markets and customer workflows, creating network effects. These businesses are stronger together due to go-to-market synergies across largely common customers, and the scale to invest in new technology including AI or complementary capabilities to evolve its offering and expand its relevance to customers.



TSMC is a virtual monopoly in the manufacturing of leading-edge semiconductors. TSMC benefits from multiple tailwinds that need semis (Cloud, AI, EV, Autonomous, IoT etc). TSMC's quality attributes, intellectual property, high barriers to entry and scale advantage, give us confidence in future earnings.



Why global investing?

A key question for many Australian investors is whether or not they should have the vast majority of their equity investments in Australian shares when approximately 97% of the world's listed companies are found overseas.

Investing in global equities offers Australian investors the opportunity to tap into the familiarity they already have with global mega-brands and access broader investment opportunities. By venturing into the global market, investors gain access to a wider array of industries and sectors underrepresented or absent on the Australian stock exchange. Investing in global equities can provide exposure to some of the world's best companies, diversification and the potential for long-term growth.

At Magellan Investment Partners, we seek to invest in companies with the potential to provide long-term wealth creation and compounding opportunities. Providing access to the world's most innovative companies and industries, future disruptors, and emerging global leaders.

Access the world's leading companies by investing in one of our global funds

Magellan offers a range of quoted and unlisted global equity funds.

Fund Name	Typical Holdings	Cash Level	Distribution	Management Fees & Costs	Performance Fee	Hedging
Magellan Global Fund – Open Class Units – Active ETF (ASX:MGOC)	20-40 companies	Typically 0-10%	Distributions will generally be made semi-annually although may be made more or less frequently at our discretion	1.35% p.a Management fee	Performance fee information ¹	Currency unhedged
Magellan Global Fund (Hedged)	20-40 companies	Typically 0-10%		1.35% p.a Management fee	Performance fee information ²	Currency hedged
Magellan Global Equities Fund (Currency Hedged) – Active ETF (ASX:MHG)						
Magellan Global Opportunities Fund - Active ETF (ASX:OPPT)	20-40 companies	Typically 0-5%		0.75% p.a Management fee	Nil	Currency unhedged
Magellan Global Opportunities Funds³	20-40 companies	Typically 0-5%	0.75% p.a Management fee	Nil	Currency unhedged	

¹10% of the excess return above the higher of the index relative hurdle (MSCI World Net Total Return 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. See PDS for full details of performance fee.

²10% of the excess return above the higher of the index relative hurdle (MSCI World Net Total Return Index (Hedged to 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. See PDS for full details of performance fee.

³ Refers to Magellan Global Opportunities Fund No. 1 and Magellan Global Opportunities Fund No. 2 – Class A and Class B Units.

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