

# Magellan Global Fund

31 May 2011

Fund Details	Description
APIR Code	MGE0001AU
Asset Class	International Shares
Sub-Asset Class	Global (Unhedged)
Benchmark	MSCI World ex Aust \$A
Investment Manager	Magellan Asset Management
MER	1.36 (% p.a.)
Performance Fee	10.1% of total return having beaten relative & absolute benchmark hurdles
Income Distributions	Jun

\* Unless designated by IDPS

## Investment Objective

The Magellan Global Fund offers investors the opportunity to invest in a specialised and focused global equity fund. It seeks to achieve superior risk adjusted investment returns over the medium to long term while also minimising the risk of permanent capital loss.

## Investment Strategy

The investment strategy of the Fund is to identify outstanding companies at attractive prices. Magellan considers these to be those that have sustainable competitive advantages which translate into returns on capital materially in excess of their cost of capital for a sustained period of time. These outstanding companies will usually have some or all of the following characteristics - wide economic moat (i.e. sustainable competitive advantage around economic franchise), a moderate to high potential to continue to re-invest capital into the business at high incremental returns, low business risks and low agency risks. It is anticipated that the portfolio will comprise 25 to 50 individual investments.

## Investor Profile

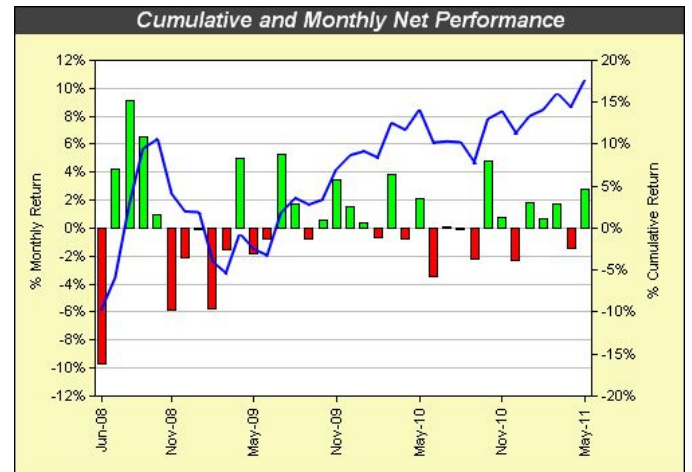
This fund is suitable for investors with a moderate to high risk tolerance seeking a growth based investment with low levels of income. Investors should expect medium to high levels of volatility in the unit price over short to medium term periods and therefore need to adopt a medium to long term investment horizon of 5+ years when investing in the fund.

## Manager Background

A boutique investment funds management business based in Sydney, Australia, Magellan Financial Group manages three global equity funds for high net worth and retail investors in Australia and New Zealand. It manages a limited number of globally-focused investment funds for institutional investors. Magellan Asset Management is a wholly owned subsidiary of the ASX-listed Magellan Financial Group.

Incorporated in 2006, Magellan, it is well capitalised and boasts a line-up of investment professionals with solid experience and expertise. The principals, Hamish Douglass and Chris Mackay, have a long involvement in M&A activity and corporate advisory work which has resulted in valuation expertise. Magellan's key focus is to invest in a selection of the world's most outstanding companies when their valuations are attractive. The investment team consider businesses within

Magellan's focused areas of core competency; financials, consumer franchises and listed infrastructure.



Performance Statistics	3 Yrs	2 Yrs	1 Yr
Performance (% p.a.)			
Fund	5.53	9.84	3.09
Benchmark	-5.49	4.16	0.46
Median	-5.51	4.54	0.80

**DISCLAIMER:** This report is prepared exclusively for clients of Zenith Investment Partners (Zenith). The report contains recommendations and advice of a general nature and does not have regard to the particular circumstances or needs of any specific person who may read it. Each client should assess either personally or with the assistance of a licensed financial adviser whether the Zenith recommendation or advice is appropriate to their situation before making an investment decision. The information contained in the report is believed to be reliable, but its completeness and accuracy is not guaranteed. Opinions expressed may change without notice. Zenith accepts no liability, whether direct or indirect arising from the use of information contained in this report. No part of this document is to be construed as a solicitation to buy or sell any investment. The performance of the investment in this report is not a representation as to future performance or likely return. The material contained in this report is subject to copyright and may not be reproduced without the consent of the copyright owner. Zenith usually receives a fee for assessing the fund manager and product(s) described in this document against accepted criteria considered comprehensive and objective.