

# ANNUAL REPORT

## Magellan

for the year ended 30 December 2022



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## Key investor information

*This document provides you with key investor information about this SICAV. It is not marketing material. The information it contains is required by law to help you understand the nature and the risks of investing in this SICAV. You are advised to read it so you can make an informed decision about whether to invest.*

### MAGELLAN

#### Share C (FR0000292278)

This SICAV is managed by COMGEST S.A.

## Objectives and investment policy

The AMF has classified the SICAV as: International equities

The management objective of the SICAV is to seek a performance unrelated to an index, with a medium/long term outlook, through a selection of securities based on criteria related to the company and not to the stock markets of emerging countries. At least 60% of the SICAV's assets are permanently invested in or exposed to shares issued by companies with their registered offices or that conduct the majority of their activities in emerging countries, with strong economic growth potential compared to the average for large industrialised countries.

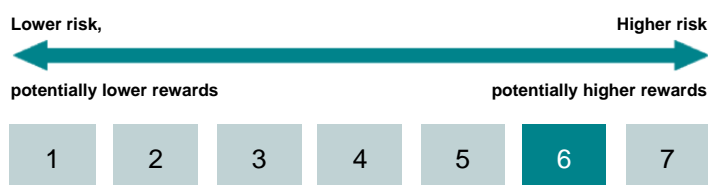
This SICAV is actively managed. The manager selects securities at his discretion, with no restriction on geographical, sectorial or market capitalisation distribution (large, mid and small caps) or restriction related to an index. The index is used retrospectively as a performance comparison indicator. The SICAV may hold up to 20% of its assets in debt securities and money market instruments. It may also use derivatives to hedge its exposure to equity and currency risks. A redemption gate may be implemented by the Management Company. More information about the redemption gate can be found under the "Redemption Gate" section of the Prospectus and under Article 8 of the Articles of Association, available at [www.comgest.com](http://www.comgest.com).

Allocation of distributable income: Accumulation of net income and net realised capital gains.

Investors may apply for redemption of their shares at any time in accordance with the terms described in the prospectus.

Recommended investment term: 5 years.

## Risk and reward profile



This indicator represents the annual historical volatility of the SICAV over a 5-year period.

The SICAV's risk indicator of 6 reflects the exposure of its assets to equities. It also takes into account a currency risk which could represent up to 100% of its assets.

Historical data such as that used to calculate the synthetic indicator may not be a reliable indication of the future risk profile of the SICAV.

The risk category associated with this SICAV is not guaranteed and may change over time.

The lowest risk category does not mean "risk free".

Your initial investment is not guaranteed.

Significant risk(s) for the SICAV not taken into account in this indicator:  
**Liquidity risk:** Liquidity risk means that it may be difficult or impossible to sell a stock quickly under satisfactory market conditions.

## 2. CHANGES AFFECTING THE FUND

### **11 February 2022:**

- Annual update of the Fund's prospectus, performance data and ongoing charges.

### **1 August 2022:**

- Compliance with the Sustainable Finance Disclosure Regulation (SFDR)(\*) and Delegated Regulation (EU) 2021/1253 (MiFID II): indication of the minimum proportion of the Fund's sustainable investments and consideration of the Principal Adverse Sustainability Impacts (PAI).

### **15 December 2022:**

- Compliance with the SFDR Regulation (level II): addition of the appendix relating to pre-contractual disclosure; and
- Removal of the subscription fee for class Z.

*(\*) Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR Regulation").*

## REPORT ON CORPORATE GOVERNANCE

In accordance with the provisions of Article L. 225-37-4 of the French Commercial Code (*Code de commerce*), we provide you with the following information:

- INFORMATION ON THE CORPORATE OFFICERS**

In accordance with the provisions of Article L. 225-37-4, paragraph 1, of the French Commercial Code, we report below on the mandates and functions exercised in all companies by each corporate officer during the financial year:

**List of functions and mandates exercised in all companies by the corporate officers**

Corporate officer	Company	Company represented	Function
Vincent Strauss	Comgest Monde (SICAV)		Chairman of the Board of Directors and Director
Laurent Dobler	Comgest Monde (SICAV)		Managing Director and Director
	Comgest S.A.		Deputy Managing Director and Director
Wolfgang Fickus	N/A		
Yann Carré	N/A		
Russell, Jane	N/A		
Alexis Marion	Comgest Monde (SICAV)	CARMF	Director
Jean-François Canton	Comgest Renaissance Europe (SICAV)		Director
Carole Masucci-Courty	N/A		

- AGREEMENTS GOVERNED BY ARTICLE L. 225-37-4(2) OF THE FRENCH COMMERCIAL CODE**

These are agreements entered into directly or through an intermediary by, as the first party, one of the corporate officers or one of the shareholders who holds more than 10% of the voting rights in a company and, as the second party, another company in which the first company directly or indirectly holds more than half the capital, with the exception of agreements entered into in the ordinary course of business and on arms' length terms. No agreements governed by this article were entered into with the SICAV.

- DELEGATIONS OF AUTHORITY GRANTED BY THE GENERAL MEETING OF SHAREHOLDERS REGARDING CAPITAL INCREASES**

Not applicable to SICAVs.

## ADMINISTRATION AND CONTROL OF THE COMPANY

### Composition of the Board of Directors and expiry dates of terms of office

Corporate officer	Function	Expiry of the term of office (at the end of the OGM called to approve the financial statements for the year ending in.....)
<b>Vincent Strauss</b>	Chairman of the Board of Directors	December 2023
	Director	December 2023
<b>Laurent Dobler</b>	Managing Director	December 2022
	Director	
<b>Wolfgang Fickus</b>	Deputy Managing Director	December 2023
	Director	
<b>Jean-François Canton</b>	Director	December 2023
<b>AGRICA GESTION represented by Yann Carré</b>	Director	December 2024
<b>Comgest S.A. represented by Jane Russell</b>	Director	December 2024
<b>OFIVALMO PARTENAIRES represented by Carole Masucci- Court</b>	Director	December 2024
<b>CARMF represented by Alexis Marion</b>	Director	December 2024
<b>PRICEWATERHOUSECOOPERS represented by Frédéric Sellam</b>	The Statutory Auditor	December 2023

### Biographies of the Fund's Directors

**Vincent Strauss** joined Comgest SA in 1994 as a portfolio manager and launched the emerging markets strategy. He became Chairman and Managing Director of Comgest in 2010 and subsequently retired in 2016. He is currently Chairman of the Supervisory Board of Comgest Global Investors. Vincent began his career in Crédit Commercial de France's Finance Department before joining Banque Indosuez (Paris) where he became lead Portfolio Manager of the bank's Asian equities portfolios. He was then a Director at Batif and subsequently at Multifinance International. Vincent is a graduate of the HEC Business School (Lausanne) and has a DEA degree in Economic Sciences.

**Laurent Dobler** is Managing Director of Comgest SA. He joined Comgest in 1991 as a portfolio manager within the European Equities team. He began his career in Geneva in 1986 at Banque Paribas, as an analyst and portfolio manager, before joining the Geneva fund management team of Banque Privée Edmond de Rothschild, where he specialised in European and Japanese equities. Laurent holds a degree in Economics from the Sorbonne and a Master's degree in Law from the University of Paris II. He also studied at the Institute of Political Studies (Sciences Po) in Paris, where he majored in Finance and Fiscal Policy.

**Wolfgang Fickus** joined Comgest in September 2012 and is a member of the Investment Committee. He began his career in 1995 at Paribas Asset Management in Paris as a European equity fund manager. In 2000, he moved to WestLB where he worked as an analyst for European technology stocks before becoming the Head of Mid- and Small Cap Research in 2005. Wolfgang is a graduate of the University of Cologne (Germany) with a degree in business administration (Diplom-Kaufmann) and studied at the London Business School. He also holds a CEMS Master's in international management and is a CFA® charterholder.

**Jane Russell** joined Comgest in 2013 as Head of UK Investor Relations and Global Consultant Relations. Jane started her career in finance and accounting before moving to roles in business development and client relationship management. She has prior experience in Antin Infrastructure Partners (Paris), BNP Paribas (Dublin), Warakirri Asset Management and PricewaterhouseCoopers (Melbourne). Jane is a graduate of the University of Melbourne in Australia and is a chartered accountant.

**Carole Masucci-Courty** is currently head of Institutional Mandates within the interest rate and diversified management division of OFI Asset Management. She joined OFI AM in 1997 as a portfolio manager in the UCI Equities team and then held several positions in the fields of diversified management and asset allocation. She began her career in 1991 at Crédit Foncier de France as French equities manager. Carole Masucci-Courty holds a Master's degree in Economic Sciences and a DEA degree in Currency, Banking and Finance from the Université Panthéon-Assas.

**Alexis Marion** works as a doctor and has been in private practice since 1987. A former paediatrician in Paris and a former intern at PR hospitals, he has been a Director of CARMF since 1999. Since 2015, he has held the position of Corporate Secretary at CARMF. Mr Marion has a degree in tropical medicine.

**Yann Carré** is a Multi-management Manager at Agrica Epargne, which he joined in 2020 after serving as Head of Reporting & Projects in the Finance Department of the Agrica Group. Yann started his career at Périclès Consulting before joining the EY Advisory Asset Management/Insurance team where he specialised in asset management issues from an insurance perspective. Yann holds a Master's degree in Market Finance and Asset Management from INSEEC.

**Jean-François Canton** is one of Comgest's two co-founders. He left his position as chief operating officer in 2010, but continued to make a contribution as a member of the Supervisory Board of Comgest Global Investors SAS, and then as a member of the Board of Partners. Between 2010 and 2018, he was a member of the Finance Committee of the World Health Organisation (WHO). Having obtained significant experience in the Asian markets, he launched Comgest's first Asian equity fund in 1989 and then managed the Global Equity strategy as from 1991. Before founding Comgest, Jean-François began his career at Caisse des Dépôts et Consignations in Paris where he was head of foreign equity investments. He then went on to join Banque Indosuez as senior fund manager specialising in the Asia-Pacific equity markets.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### • REVIEW OF THE FINANCIAL STATEMENTS AND INCOME/(LOSS)

The annual financial statements have been prepared in accordance with the presentation rules and valuation methods provided for by the regulations in force.

The notes to the financial statements provide all additional explanations.

A summary of the financial statements for the previous year is provided for comparative purposes.

At 30 December 2022, the net asset value was €18.60 for the C shares, compared with €22.35 at the previous year end.

At 30 December 2022, the net asset value was €19.59 for the I shares, compared with €23.44 at the previous year end.

At 30 December 2022, the net asset value was €19.01 for the Z shares, compared with €22.76 at the previous year end.

\*The A shares are inactive following redemptions by investors.

At 30 December 2022, there were 53,010,905.6571 shares in issue, compared with 58,007,415.1543 at 31 December 2021.

Net assets at 30 December 2022 came to €990,097,785.22, compared with €1,302,343,316.40 at the end of the previous year.

### • PROPOSED ALLOCATION OF DISTRIBUTABLE AMOUNTS

We propose dividing up and allocating the distributable amounts as follows:

The amounts to be allocated in respect of the share relating to distributable income/(loss) total €1,688,619.39.

#### - C shares (FR0000292278)

The amounts to be allocated in respect of the share relating to distributable income/(loss) total €1,116,761.00.

We propose the allocation of this amount to the capital account in accordance with the provisions of the Articles of Association.

#### - I shares (FR0011238344)

The amounts to be allocated in respect of the share relating to distributable income/(loss) total €417,776.16.

We propose the allocation of this amount to the capital account.

#### - Z shares (FR0013290863)

The amounts to be allocated in respect of the share relating to distributable income/(loss) total €154,082.23.

We propose the allocation of this amount to the capital account.

The amounts to be allocated in respect of the share relating to net capital gains and losses total  
-€16,248,994.44.

We propose the allocation of the distributable amounts in respect of net capital gains and losses as follows:

- For the **C shares (FR0000292278)**, an amount of -€14,708,586.29 to the capital account.
- For the **I shares (FR0011238344)**, an amount of -€1,098,779.69 to the capital account.
- For the **Z shares (FR0013290863)**, an amount of -€441,628.46 to the capital account.

In accordance with the provisions of Article R. 225-102 of the French Commercial Code, a table showing the Company's results for each of the last five financial years is appended to this report.



## AGENDA AND DRAFT TEXT OF THE RESOLUTIONS SUBMITTED TO THE ORDINARY GENERAL MEETING

The Company's shareholders are invited to attend the Ordinary General Meeting to be held at 10 a.m. on 20 April 2023 at Comgest SA, 17 Square Edouard VII, 75009 Paris, to consider the following agenda:

1. Reports by the Board of Directors and the Statutory Auditor on the financial statements for the year ended 30 December 2022 and approval of the financial statements for said financial year.
2. Reading and approval of the Statutory Auditor's special report on the agreements governed by Article L. 225-38 of the French Commercial Code.
3. Allocation of distributable amounts for the financial year.
4. Expiry of a Director's term of office: Laurent Dobler.
5. Powers to complete formalities.

### **FIRST RESOLUTION**

The Ordinary General Meeting, having heard the Board of Directors' management report and the Statutory Auditor's report, approves the inventory and annual financial statements, i.e. the balance sheet, income statement and notes to the financial statements, for the year ended 30 December 2022, as presented to it, as well as the transactions reflected in these financial statements and summarised in these reports.

It notes that, at 30 December 2022, there were 53,010,905.6571 shares in issue, compared with 58,007,415.1543 at 31 December 2021.

Net assets at 30 December 2022 came to €990,097,785.22, compared with €1,302,343,316.40 at the end of the previous year.

Consequently, it grants full and unconditional discharge to the directors for their management for the year ended 30 December 2022.

### **SECOND RESOLUTION**

The Ordinary General Meeting, having heard the Statutory Auditor's special report on the agreements governed by Article L. 225-38 of the French Commercial Code and deliberating on the basis of this report, approves its conclusions.

### **THIRD RESOLUTION**

The Ordinary General Meeting, noting that the distributable amounts in respect of the net income/(loss) for the year ended 30 December 2022 totalled €1,688,619.39, resolves, in accordance with the provisions of the Articles of Association, to divide up and allocate them as follows:

- **For the C Shares (FR0000292278):**

To allocate the sum of €1,116,761.00 to the capital account.

- **For the I Shares (FR0011238344):**

To allocate the sum of €417,776.16 to the capital account.

- **For the Z Shares (FR0013290863):**

To allocate the sum of €154,082.23 to the capital account.

Note that the distributable amounts in respect of the C, I and Z shares were fully capitalised for the previous financial year.

The Ordinary General Meeting then notes that, at the end of the year ended 30 December 2022, the distributable amounts relating to net capital gains and losses total -€16,248,994.44 and resolves, in accordance with the provisions of the Articles of Association:

**- For the C Shares (FR0000292278):**

To allocate the sum of -€14,708,586.29 to the capital account.

**- For the I Shares (FR0011238344):**

To allocate the sum of -€1,098,779.69 to the capital account.

**- For the Z Shares (FR0013290863):**

To allocate the sum of -€441,628.46 to the capital account.

Note that the distributable amounts in respect of the C, I and Z shares were fully capitalised for the previous three financial years.

#### **FOURTH RESOLUTION**

The Ordinary General Meeting resolved to renew the term of office as a Director of Laurent Dobler for a four-year term, i.e. until the end of the Ordinary General Meeting called to approve the financial statements for the year ending on the last trading day in Paris in December 2026.

#### **FIFTH RESOLUTION**

The Ordinary General Meeting gives full powers to the secretary of this meeting to carry out all the formalities prescribed by law relating to the above resolutions, and to certify any document necessary for the implementation of the decisions taken above. It gives full powers to the bearer of a copy or extract of this document to make all filings and publications required by law.

### 3. MANAGEMENT REPORT

Magellan C fell by -16.8% in 2022 compared to a decline of -14.9% for its benchmark index, the MSCI Emerging Markets. Magellan's I and Z classes fell by -16.4% and -16.5% respectively in the year under review.

2022 has proven to be one of the most problematic investment years in recent memory, with the MSCI All Country World index down 18.4% in USD (-13.0% in EUR) and the MSCI Emerging Markets index down 20.1% in USD (-14.9% in EUR). The decline in the latter being caused by USD declines of over 20% in China, Korea and Taiwan which together represent nearly 60% of the MSCI Emerging Markets index. From an economic perspective, the US Federal Reserve's interest rate rises have been the most aggressive for 40 years. Most emerging market (EM) central banks followed suit. Geopolitics had a greater than usual influence upon markets. This included Russia's invasion of Ukraine with a series of consequences, including, from an economic perspective, elevated food and energy inflation. Added to this have been the ongoing uncertainties damaging investments in China; namely, rolling Covid lockdowns affecting consumption, very limited fiscal stimulus, regulatory policies, protracted and deepening weakness in the property sector, and increasing geopolitical tensions between the US and China, notably over Taiwan. In addition, President Xi was re-elected with an even less diverse standing committee.

This has created a difficult environment to navigate, with value companies, such as many in the banking, energy and materials sectors, significantly outperforming growth, in particular the IT and consumer discretionary sectors. A combination of high raw material prices (oil peaked at over US \$120), rising interest rates and supply chain shortages gave value companies earnings growth in the form of inflationary pricing. For instance, the oil producing Arabian markets, to which we have no exposure, hindered performance relative to the index. Our quality filter means your portfolio has limited exposure to these sectors (we own LG Chem, 90% of whose earnings before interest and taxes are linked to the electric vehicle battery chain), meaning it did not benefit from the value rally.

The portfolio repositioned to be more defensive and less concentrated early in 2022 and maintained this trend for the remainder of the year. At times this included holding a higher-than-normal cash position. This defensiveness is illustrated by consumer staples and healthcare being amongst the largest sectoral positions, while IT, energy and materials were limited relative to the MSCI Emerging Markets index.

Markets increasingly rewarded Latin American markets at the expense of their higher growth, more IT dominated Asian counterparts. We have reflected this change in relative attractions for some time, with greater exposure to Brazil (among the strongest performing major markets in 2022), Mexico and Argentina. Our lower weighting to Taiwan, with its heavy IT dependence was beneficial. IT valuations were likely to be casualties of the increasing cost of capital, while the earnings risks from first, supply chain disruptions and then slower global growth, were apparent. Rising inventories and potentially lower prices prompted a fall in semiconductor stocks Samsung Electronics and TSMC. We had reduced our exposure to both companies earlier in 2022.

A number of the portfolio's Latin American stocks contributed positively to performance. Hard currency returns/appreciating FX rates were helped by commodity exposure, positive real yields and GDP upgrades. One example includes Mexican stock FEMSA, a highly defensive consumer staple company with consistent double-digit EPS (earnings per share) growth. In addition, positive management changes and a more comprehensive digital offering are proving beneficial for the company. BBSE, WEG and Localiza in Brazil all produced consistently strong EPS growth throughout 2022, leading to upgraded earnings forecasts. WEG rose on the back of a string of strong results culminating in Q3'22 revenue growth of 28% year-on-year (y/y) despite difficult comparisons and EPS up 42%. Likewise, BBSE produced above-expected results in every quarter and is now forecast to grow EPS 20% in 2023, while also yielding 9% and trading on only 9x NTM P/E, justifying its top five position in the portfolio. Globant, the software company, reported strong Q3'22 results with revenue growth of 34% with a gross profit margin of 37.5% and EPS growth of 40%. Globant reiterated its 2022 top line guidance of 37%.

MSCI announced the removal of Russian stocks from the index as of 9th March 2022. This helped performance from a sectoral perspective with the EM energy sector underperforming. The portfolio entered the Ukrainian crisis with exposure limited to three Russian stocks; MOEX, Detsky Mir and TCS (traded in London). These stocks contributed negatively to portfolio performance in 2022.

Besides the Russian stocks, the largest detractors were Asian names and despite their quality, were affected either by the impact on earnings of slowing global growth and/or exposure to China. LG H&H was symptomatic of this. A high-quality Korean consumer staple conglomerate with carbonated drinks, pet food, and principally cosmetics, earnings were impacted by much weaker consumption and limited travel in China with sales of its Whoo brand suffering.

Both Tencent and Alibaba were also performance detractors in 2022 with shifts in their business models to offset the ongoing regulatory pressures, and consumption and advertising slowdowns. In the face of low single-digit revenue growth, both companies are so far successfully focusing on cost management to maintain EPS growth. Positions in both companies were reduced in 2022.

After a difficult period caused principally by the uncertainties of GPO (group purchasing organisation) where contracts for companies to bid on were tendered by the government, combined with EPS volatility created by product demand during Covid and to a degree uncertainties related to US restrictions, the positions in Chinese medical companies performed increasingly well. Shangdong Weigao and Shenzhen Mindray produced positive returns in USD terms, and while our purchase prices might have been better, the quality growth characteristics of both companies are proving themselves.

Finally in China, both Inner Mongolia Yili and Midea registered declines. Both stocks suffered from rising raw material input costs, causing margin weakness. However, both companies have also reduced costs and we believe should see much better EPS growth in 2023 on easier comparisons and lower input costs.

The economic outlook remains hard to predict with uncertainty over whether the US Federal Reserve will pivot, which is likely to be good for riskier assets, or whether it will stick to its inflation fighting rhetoric. While the market's short-term focus is centered on inflation, interest rates and a potential recession, we will continue to take advantage of price dislocations to either add new holdings or increase existing positions where companies have proven themselves to be reasonably immune to short-term economic vagaries. We remain sector agnostic so long as we can confidently predict EPS growth.

However, themes do emerge from this, such as healthcare, as witnessed with WuXi Biologics, Discovery and FEMSA. The transition to a green economy is also increasingly reflected in stock positions. Not only LG Chem, which has seen a 50% increase in revenue guidance due to its EV (electric vehicle) battery franchise, but also Delta Electronics; Power Electronics represents 60% of sales with the EV business being the fastest growing component. WEG's results are increasingly being driven by renewables projects (wind turbines and solar generation), while water sanitation remains a huge and barely tapped opportunity.

As always, we invest in companies, not mega trends, and quality always comes first. We believe this will help protect the portfolio in the event of a global recession in 2023. Valuations may continue to compress should inflation remain stubbornly high, but as long as the companies deliver on the growth we expect, the performance headwinds should be short lived. Likewise, value will not remain in favour forever; it is noticeable that quality has been performing well of late. We believe that this will continue while consistently good earnings will ultimately be rewarded.

*Past performance is not an indication of future performance.*

## Main movements in the portfolio during the financial year

Securities	Movements ("Accounting currency")	
	Acquisitions	Disposals
TAIWAN SEMICONDUCTOR	4,937,930.18	37,301,738.77
TENCENT HOLDINGS LTD	2,455,754.60	29,714,507.23
INNER MONG.YILI INDUSTRIAL S.A	10,668,211.01	16,372,867.51
SAMSUNG ELECTRONICS CO. LTD	4,550,513.51	22,346,406.44
HOUSING DEVELOPMENT FINANCE	2,720,243.45	23,931,166.04
MERCADOLIBRE	10,980,496.83	10,591,505.31
WALMART DE MEXICO SA DE CV	21,422,117.87	
MIDEA GROUP CO LTD-A	7,386,552.85	13,795,527.85
ALIBABA GROUP HOLDING LTD	922,815.04	19,072,295.51
WEG SA COM NPV	19,413,454.91	209,496.90

## 4. REGULATORY INFORMATION

### EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES AND DERIVATIVES (ESMA) IN EUROS

#### a) Exposure obtained via efficient portfolio management techniques and derivatives

- **Exposure obtained via efficient management techniques:**

- o Securities lending:
- o Securities borrowing:
- o Reverse repurchase agreements:
- o Repurchase agreements:

- **Underlying exposure achieved via derivatives:**

- o Forward foreign currency transactions:
- o Futures:
- o Options:
- o Swaps:

#### b) Identity of the counterparty/counterparties to efficient portfolio management techniques and derivatives

Efficient management techniques	Derivatives (*)

(\*) Except listed derivatives.

**c) Financial guarantees received by the Fund in order to reduce counterparty risk**

Types of instrument	Amount in portfolio currency
<b>Efficient management techniques</b> . Term deposits . Shares . Bonds . UCITS . Cash (*) <b>Total</b>	
<b>Derivatives</b> . Term deposits . Shares . Bonds . UCITS . Cash <b>Total</b>	

(\*) The Cash account also includes liquid assets resulting from repurchase transactions.

**d) Operating income and expenses related to efficient management techniques**

Operating income and expenses	Amount in portfolio currency
. Income (*) . Other income <b>Total income</b> . Direct operating expenses . Indirect operating expenses . Other fees <b>Total expenses</b>	

(\*) Income received on loans and reverse repurchase agreements.

## **TRANSPARENCY OF SECURITIES FINANCING TRANSACTIONS AND OF REUSE OF FINANCIAL INSTRUMENTS – SECURITIES FINANCING TRANSACTION REGULATION ("SFTR") – IN THE FUND'S ACCOUNTING CURRENCY (EUR)**

During the period, the Fund was not subject to any transactions governed by the SFTR Regulation.

### **DESCRIPTION OF INTERMEDIARY SELECTION PROCEDURE**

The investment manager selects and evaluates its intermediaries independently with a view to obtaining the best possible result when executing orders. The list of authorised intermediaries is drawn up periodically by an ad hoc committee after they have been evaluated according to objective criteria such as cost and quality of order execution, speed and quality of confirmations, liquidity offered and quality of customer service.

### **REPORT ON INTERMEDIATION FEES**

The Report on intermediation fees prepared pursuant to Article 314-82 of the AMF's General Regulation in connection with the introduction of shared-billing brokerage fees with effect from 1 January 2008 is available on the Management Company's website.

### **VOTING POLICY**

The voting rights attached to the securities held by the SICAV are exercised by the Management Company, which alone is authorised to take the relevant decisions in accordance with the regulations in force.

The Management Company's voting policy may be obtained from its registered office in accordance with Article 322-75 of the AMF's General Regulation.

### **FINANCIAL INSTRUMENTS HELD IN THE PORTFOLIO ISSUED BY THE GROUP'S SERVICE PROVIDER OR ENTITY**

In accordance with the AMF's General Regulation, we inform you that the portfolio includes €46,545,231.76 in UCITS managed by Comgest SA group entities.

### **COMMUNICATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CRITERIA**

Magellan simultaneously takes into account social, environmental and governance quality criteria. For more information on ESG criteria, please visit [www.comgest.com](http://www.comgest.com).

### **SFDR AND TAXONOMY INFORMATION**

Under Article 50 of the SFDR Level 2 Delegated Regulation, information on the achievement of the environmental or social characteristics promoted by the financial product is available in the appendix to this report.

### **ARTICLE 29 OF THE ENERGY-CLIMATE ACT (*LOI ÉNERGIE-CLIMAT* - LEC)**

This annual report will be supplemented by information in compliance with the provisions of Article 29 of the Energy-Climate Law and its implementing Decree no. 2021-663 of 27 May 2021 within six months of the end of the financial year.

### **REMUNERATION POLICY**

Comgest S.A.'s remuneration policy is determined by the Board of Directors.

Its objective is to:

- promote sound and effective risk management and remuneration practices in line with its objectives of integrating sustainability risks into its investment strategy; and
- align the interests of employees with those of clients while complying with the applicable regulations.

The remuneration policy does not encourage the taking of risks that are incompatible with the risk profile, the regulations and the governing documents of the UCITS managed by Comgest S.A..



Comgest SA offers its employees a remuneration package comprising a number of components, including in particular:

- a fixed portion, determined on the basis of the employee's position and responsibilities; and
- a potential variable portion, determined (i) on the basis of an evaluation of the employee's performance taking into consideration quantitative and qualitative criteria selected on the basis of his/her position, and (ii) on the basis of the financial manager's financial situation. The variable portion may include a bonus in the form of a cash payment and/or the award of bonus shares.

Comgest SA relies on a number of different bodies for the governance of its remuneration policy, and more specifically on:

- the Board of Directors, which defines, approves and re-examines the remuneration policy on an annual basis;
- the Remuneration Committee, which is an independent body that conducts an annual review of the remuneration policy and its components. The Committee submits its findings to the Board of Directors for review and approval, including in particular: (i) its findings on implementation of the policy, following the annual assessment; and (ii) its findings on the list (and list updates) of employees whose professional activities may have a material impact on the risk profile of the investment manager or the UCITS it manages.

Special rules may be applied to diversify and defer payment of part of the variable remuneration paid to employees whose professional activities may have a material impact on the risk profile of the investment manager or the UCITS it manages.

Details of Comgest S.A.'s current remuneration policy are published on the website [www.comgest.com](http://www.comgest.com). Paper copies may be requested in writing from the management company.

Remuneration paid by Comgest SA to all employees for the 2021/2022 financial year (from 01/10/2021 to 30/09/2022):

<b>All employees</b>	Amount in euros	Number of beneficiaries
Fixed remuneration	8,650,153	124
Variable remuneration	12,609,927	124
<b>Total remuneration</b>	<b>21,260,080</b>	<b>124</b>

Remuneration paid by Comgest SA to personnel whose functions have a material impact on the risk profile of AIFs and/or Comgest SA for the 2021/2022 financial year:

<b>Risk takers</b>	Amount in euros	Number of beneficiaries
Fixed remuneration	3,097,008	32
Variable remuneration	8,202,316	32
<b>Total remuneration</b>	<b>11,299,324</b>	<b>32</b>

Remuneration paid by Comgest SA to senior managers for the 2021/2022 financial year:

<b>Senior managers</b>	Amount in euros	Number of beneficiaries
Fixed remuneration	2,080,952	21
Variable remuneration	4,138,267	21
<b>Total remuneration</b>	<b>6,219,219</b>	<b>21</b>

**METHOD USED TO CALCULATE OVERALL RISK**

The Fund uses the commitment method for measuring its overall risk on financial contracts.

**OTHER INFORMATION**

The Fund's full prospectus and its latest annual and interim reports are sent to shareholders within one week following a written request sent to:

Comgest S.A.  
17 square Edouard VII, 75009 Paris, France  
Tel: +33 (0)1 44 94 19 00

## 5. STATUTORY AUDITOR'S CERTIFICATION



**STATUTORY AUDITOR'S REPORT  
ON THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 December 2022**

**Magellan**

UCITS ESTABLISHED IN THE FORM OF A FRENCH OPEN-ENDED INVESTMENT COMPANY (*SOCIÉTÉ D'INVESTISSEMENT À CAPITAL VARIABLE*)

Governed by the French Monetary and Financial Code (*Code monétaire et financier*)

**Management company**

Comgest SA  
17, Square Edouard VII  
75009 PARIS

To the Shareholders,

**Opinion**

In fulfilment of the assignment entrusted to us by the your General Meeting, we have audited the accompanying annual financial statements of Magellan, a UCITS established in the form of a French open-ended investment company, for the year ended 30 December 2022.

We certify that the annual financial statements give, in accordance with the accounting rules and principles generally accepted in France, a true and fair view of the results of the operations of the past financial year as well as of the financial position and assets and liabilities of the UCITS established in the form of a French open-ended investment company at the end of that financial year.

**Basis of our opinion**

***Audit terms of reference***

We conducted our audit in accordance with the professional standards applicable in France. We believe that the facts we have obtained are a sufficient and appropriate basis for our opinion. Our responsibilities under these standards are set out in the section of this report entitled "*Statutory Auditor's responsibilities for the audit of the annual financial statements*".

***Independence***

We conducted our audit in accordance with the rules of independence provided for by the French Commercial Code and the French Code of Ethics for statutory auditors, during the period from 1 January 2022 to the date of issue of our report.

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T: +33 (0) 1 156 57 57 58 59, F: +33 (0) 1 156 57 58 58 60, [www.pwc.fr](http://www.pwc.fr)*

Accountancy firm duly registered with the Paris - Ile de France register of chartered accountants. Auditing firm, member of the Compagnie Régionale de Versailles (Versailles Regional Association of Statutory Auditors). A French simplified limited company (*Société par Actions Simplifiée*) with capital of €2,510,460. Registered office: 63, rue de Villiers 92200 Neuilly-sur-Seine, France. Nanterre Trade and Companies Register 672 006 483. VAT No. FR 76 672 006 483. Siret 672 006 483 00362. APE code 6920 Z. Offices: Bordeaux, Grenoble, Lille, Lyon, Marseille, Metz, Nantes, Nice, Paris, Poitiers, Rennes, Rouen, Strasbourg, Toulouse.



## **Magellan**

### **Observation**

Without qualifying our opinion, we draw your attention to the note on accounting rules and methods in the notes to the annual financial statements relating to the valuation of *“Equities, bonds and other securities traded on a regulated or equivalent market”*. This note specifies the valuation methods for assets exposed to Russia, which represent 0.00% of the net assets and whose cost price represents 4.08% of the SICAV's net assets at 30 December 2022.

### **Justification of our assessments**

In accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the fact that the assessments that, in our professional judgement, were the most significant for the audit of the annual financial statements for the year related to the appropriateness of the accounting principles applied, the reasonableness of the significant estimates used, and the overall presentation of the financial statements.

The assessments were made as part of our audit of the annual financial statements, taken as a whole, and thus contributed to the formation of our opinion expressed above. We do not provide a separate opinion on specific items of these annual financial statements.

### **Specific verifications**

We also performed the specific verifications required by the legislation and regulations, in accordance with the professional standards applicable in France.

### ***Information provided in the management report and in the other documents addressed to the shareholders on the Fund's financial position and annual financial statements***

We have no comments to make as to the fairness and the conformity with the annual financial statements of the information provided in the management report and in the other documents addressed to the shareholders on the Fund's financial position and annual financial statements.

### ***Information about corporate governance***

We certify the existence, in the section of the management report on corporate governance, of the information required by Article L. 225-37-4 of the French Commercial Code.

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**Magellan**

## **Responsibilities of senior management and those persons in charge of corporate governance relating to the annual financial statements**

It is management's responsibility to prepare annual financial statements that give a true and fair view, in accordance with French accounting rules and principles, and to implement the internal controls it deems necessary for the preparation of annual financial statements that do not include any material misstatement, whether due to fraud or error.

When preparing the annual financial statements, it is management's responsibility to assess the company's ability to continue as a going concern, to present in those financial statements, where applicable, the necessary information relating to its viability as a going concern, and to apply the going concern accounting policy unless it intends to wind up the company or to cease trading.

The annual financial statements have been approved by management.

## **Statutory Auditor's responsibilities for the audit of the annual financial statements**

### ***Audit objective and approach***

It is our responsibility to draw up a report on the annual financial statements. Our aim is to obtain reasonable assurance that the annual financial statements taken as a whole do not contain any material misstatement. Reasonable assurance corresponds to a high level of assurance, but does not guarantee that an audit performed in accordance with the standards of professional practice can systematically detect all material misstatements. Misstatements may arise from fraud or error and are considered material where it can reasonably be expected that, taken individually or together, they may influence the economic decisions made by users of the financial statements that are based upon such misstatements.

As specified by Article L. 823-10-1 of the French Commercial Code, our task is to certify the financial statements, and not to guarantee the viability or the quality of the management of the Fund.

As part of an audit conducted in accordance with the professional practice standards applicable in France, statutory auditors exercise their professional judgement throughout the audit. In addition:

- They identify and assess the risks that the annual financial statements may contain material misstatements, whether due to fraud or error, define and implement the audit procedures intended to counter these risks, and gather the information that, in their view, is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement due to fraud is higher than that of a material misstatement due to an error, since fraud may involve collusion, falsification, voluntary omissions, misrepresentation or the circumvention of internal control processes;

---

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## Magellan

- They take note of the internal control processes relevant to the audit so as to define audit procedures that are appropriate to the circumstances, and not to express an opinion on the effectiveness of the internal control processes;
- They assess the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as the information relating thereto provided in the annual financial statements;
- They assess the appropriateness of the application by management of the going concern accounting convention and, based on the evidence gathered, whether material uncertainty exists relating to events or circumstances that could affect the Company's ability to continue as a going concern. This assessment is based on the information gathered up to the date of their report. It should, however, be noted that subsequent events or circumstances may affect the Fund's viability as a going concern. If they conclude that significant uncertainty exists, they draw attention in the audit report to the information provided in the annual financial statements about this uncertainty or, if this information is not provided or is not relevant, they issue a qualified opinion or refuse to issue an audit opinion;
- They appraise the overall presentation of the annual financial statements and assess whether the statements reflect the underlying transactions and events, and thus provide a true and fair view thereof.

Neuilly sur Seine, date of electronic signature

*Document authenticated by electronic signature*  
The Statutory Auditor PricewaterhouseCoopers  
Audit  
Frédéric Sellam

2023.04.11 18:00:08 +0200

[Signature]



**STATUTORY AUDITOR'S SPECIAL REPORT  
ON THE REGULATED AGREEMENTS**

**(General Meeting called to approve the financial statements for the year ended 30 December 2022)**

**Magellan**

UCITS ESTABLISHED IN THE FORM OF A FRENCH OPEN-ENDED INVESTMENT COMPANY (*SOCIETE D'INVESTISSEMENT A CAPITAL VARIABLE*)

Governed by the French Monetary and Financial Code (*Code monétaire et financier*)

Management company

Comgest SA

17, Square Edouard VII

75009 PARIS

To the Shareholders,

In our capacity as Statutory Auditor of your Company, we hereby present our report on the regulated agreements.

Our responsibility is to report to you, based on the information provided to us, on the main terms and conditions of agreements and the reasons put forward for their benefit to the Company that have been disclosed to us or that we have identified whilst carrying out our work. We are not required to comment on whether they are relevant or justified or to seek to identify any undisclosed agreements. Under the provisions of Article R. 225-31 of the French Commercial Code, it is your responsibility to determine whether the agreements are appropriate and should be approved.

It is also our responsibility to report to you, where applicable, on the information required by Article R. 225-31 of the French Commercial Code relating to the performance, during the year under review, of agreements already approved by the General Meeting.

We performed those procedures that we considered necessary to comply with the professional guidance issued by the French national auditing body (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement.

**AGREEMENTS SUBMITTED FOR APPROVAL TO THE GENERAL MEETING**

We hereby inform you that we were not informed of any agreement authorised during the year under review to be submitted for approval to the General Meeting pursuant to the provisions of Article L. 225-38 of the French Commercial Code.

**AGREEMENTS ALREADY APPROVED BY THE GENERAL MEETING**

We hereby inform you that we were not informed of any agreement already approved by the General Meeting which remained in force during the year under review.

Neuilly sur Seine, date of electronic signature

2023.04.11 18:00:05+0200

*Document authenticated by electronic signature*

The Statutory Auditor

PricewaterhouseCoopers Audit

Frédéric Sellam

[Signature]

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## BALANCE SHEET AT 30 DECEMBER 2022 IN EUROS

## ASSETS

	30/12/2022	31/12/2021
<b>NET NON-CURRENT ASSETS</b>		
<b>DEPOSITS</b>		
<b>FINANCIAL INSTRUMENTS</b>	<b>951,611,615.00</b>	<b>1,250,797,398.07</b>
<b>Equities and equivalent securities</b>	<b>905,066,383.24</b>	<b>1,189,934,456.43</b>
Traded on a regulated or equivalent market	905,066,383.24	1,189,934,456.43
Not traded on a regulated or equivalent market		
<b>Bonds and equivalent securities</b>		
Traded on a regulated or equivalent market		
Not traded on a regulated or equivalent market		
<b>Debt securities</b>		
Traded on a regulated or equivalent market		
Negotiable debt securities		
Other debt securities		
Not traded on a regulated or equivalent market		
<b>Undertakings for collective investment</b>	<b>46,545,231.76</b>	<b>60,862,941.64</b>
Generalist UCITS and AIFs intended for non-professional investors and equivalent funds in other countries	46,545,231.76	60,862,941.64
Other funds intended for non-professional investors and equivalent funds in other EU member states		
Generalist professional funds and equivalent funds in other EU member states and listed securitisation undertakings		
Other professional mutual funds and equivalent funds in other EU member states and unlisted securitisation undertakings		
Other non-European undertakings		
<b>Temporary securities transactions</b>		
Debt representing securities received under repo agreements		
Debt representing securities delivered under repo agreements		
Borrowed securities		
Securities delivered under repo agreements		
Other temporary transactions		
<b>Forward financial instruments</b>		
Transactions on a regulated or equivalent market		
Other transactions		
<b>Other financial instruments</b>		
<b>RECEIVABLES</b>	<b>796,289.38</b>	<b>14,278,260.94</b>
Forward foreign currency transactions		
Other	796,289.38	14,278,260.94
<b>FINANCIAL ACCOUNTS</b>	<b>42,253,618.20</b>	<b>44,354,944.25</b>
Cash and cash equivalents	42,253,618.20	44,354,944.25
<b>TOTAL ASSETS</b>	<b>994,661,522.58</b>	<b>1,309,430,603.26</b>

## LIABILITIES

	30/12/2022	31/12/2021
<b>EQUITY</b>		
Capital	1,004,658,160.27	1,239,247,247.77
Prior net gains and losses not distributed (a)		
Retained income/(loss) brought forward (a)		
Net gains and losses for the year (a, b)	-16,248,994.44	62,170,570.90
Net income/(loss) for the year (a, b)	1,688,619.39	925,497.73
<b>TOTAL EQUITY*</b>	<b>990,097,785.22</b>	<b>1,302,343,316.40</b>
<i>* Amount representing net assets</i>		
<b>FINANCIAL INSTRUMENTS</b>		
Sales of financial instruments		
Temporary securities transactions		
Debt representing securities delivered under repo agreements		
Debt representing securities received under repo agreements		
Other temporary transactions		
Forward financial instruments		
Transactions on a regulated or equivalent market		
Other transactions		
<b>PAYABLES</b>	<b>4,563,737.36</b>	<b>7,087,286.86</b>
Forward foreign currency transactions		
Other	4,563,737.36	7,087,286.86
<b>FINANCIAL ACCOUNTS</b>		
Bank overdrafts		
Borrowings		
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>994,661,522.58</b>	<b>1,309,430,603.26</b>

(a) Including equalisation accounts

(b) Less interim payments in respect of the year

**OFF-BALANCE SHEET ITEMS AT 30 DECEMBER 2022 IN EUROS**

	30/12/2022	31/12/2021
<b>HEDGING TRANSACTIONS</b>		
Commitments on regulated or equivalent markets		
Commitments on over-the-counter markets		
Other commitments		
<b>OTHER TRANSACTIONS</b>		
Commitments on regulated or equivalent markets		
Commitments on over-the-counter markets		
Other commitments		

# INCOME STATEMENT FOR THE YEAR ENDED 30 DECEMBER 2022 IN EUROS

	30/12/2022	31/12/2021
<b>Income from financial transactions</b>		
Income from deposits and financial accounts	79,661.36	1,349.58
Income from equities and equivalent securities	19,271,079.46	30,534,833.52
Income from bonds and equivalent securities		
Income from debt securities		
Income from temporary purchases and sales of securities		
Income from forward financial instruments		
Other financial income		
<b>TOTAL (1)</b>	<b>19,350,740.82</b>	<b>30,536,183.10</b>
<b>Expenses on financial transactions</b>		
Expenses on temporary purchases and sales of securities		
Expenses on forward financial instruments		
Expenses on financial debt	195,636.49	193,270.50
Other financial expenses		
<b>TOTAL (2)</b>	<b>195,636.49</b>	<b>193,270.50</b>
<b>INCOME FROM FINANCIAL TRANSACTIONS (1 - 2)</b>	<b>19,155,104.33</b>	<b>30,342,912.60</b>
Other income (3)		
Management expenses and depreciation (4)	17,359,127.83	28,567,932.53
<b>NET INCOME/(LOSS) FOR THE YEAR (L. 214-17-1) (1 - 2 + 3 - 4)</b>	<b>1,795,976.50</b>	<b>1,774,980.07</b>
Accrued/(deferred) income (5)	-107,357.11	-849,482.34
Interim payments (6)		
<b>INCOME/(LOSS) (1 - 2 + 3 - 4 + 5 - 6)</b>	<b>1,688,619.39</b>	<b>925,497.73</b>

## I. ACCOUNTING RULES AND METHODS

The financial statements are prepared in accordance with the provisions stipulated in the French accounting standard authority's Regulation no. 2014-01, as amended.

The general accounting principles applied are:

- true and fair view, comparability, going concern,
- consistency, sincerity,
- prudence,
- consistency between accounting periods.

The accrued interest method is used to recognise income from fixed-income securities.

Purchases and sales of securities are recognised inclusive of fees.

The reference currency of the portfolio is the euro.

The length of the accounting period is 12 months.

### Asset valuation rules

Financial instruments are recognised in the accounts using the historical cost method and are recorded in the balance sheet at their current value, which is determined by the last known market value or, where there is no open market, by reference to external sources or by using financial models.

Differences between current values used when calculating the net asset value and the historical cost of transferable securities when they were added to the portfolio are recognised in the "estimation differences" account.

Securities that are not denominated in the portfolio currency are valued in accordance with the principle detailed below, then translated into the currency of the portfolio at the rate of exchange at the date of the valuation.

### Deposits:

Deposits with a residual life of less than or equal to three months are valued using the straight-line method.

### Equities, bonds and other securities traded on a regulated or equivalent market:

To calculate the net asset value, equities and other securities traded on a regulated or equivalent market are valued based on closing market prices.

Bonds and equivalent securities are valued at the closing prices published by various financial service providers. Accrued interest on bonds and equivalent securities is calculated up to the date of the net asset value.

The crisis linked to the conflict between Russia and Ukraine creates special conditions for the valuation of financial instruments exposed to these countries. In fact, the management company has had to implement a specific valuation policy for these instruments in order to take into account:

- the closure of financial markets in certain countries,
- uncertainties surrounding future recoveries of debt securities in these countries,
- uncertainties surrounding future recoveries of debt securities of companies whose registered office is located in these countries or whose business is significantly exposed to or dependent on these countries,
- exceptional measures taken in the context of sanctions against Russia.

The Fund is invested in the following equities representing 0.00% of its assets and whose cost price represented 4.08% of its assets on 30 December 2022.

US87238U2033	TCS GROUP HOLDING GDR
RU000A0JR4AI	MOSCOW EXCHANGE MICEX-RT-BRD
RU000A0JSQ90	DETSKY MIR PJSC

Given the nature of these securities in the Fund's portfolio, the management company decided to value them at zero as from 7 March 2022.

Valuations used in this way are subject to uncertainties and cannot be as accurate as those derived from prices quoted on regulated markets. Accordingly, there could be a material difference between the values used, valued as indicated above, and the actual disposal prices that would be obtained if a portion of these portfolio assets were to be sold. The value of these securities may also depend on future recoveries.

***Equities, bonds and other securities not traded on a regulated or equivalent market:***

Responsibility for valuing securities not traded on a regulated market falls to the Board of Directors, which uses methods based on the company's net asset value and the stock's yield, taking into account the prices achieved during recent significant transactions.

***Negotiable debt securities:***

Negotiable debt securities and equivalents, which are not part of significant transactions, are valued on an actuarial basis using a benchmark rate detailed below, adjusted where necessary for the issuer's intrinsic qualities:

- negotiable debt securities with a maturity of less than or equal to one year: euro interbank offered rate (Euribor);
- negotiable debt securities with a maturity of more than one year: negotiable treasury bill (BTAN) rate or, for the longest maturities, an equivalent maturity fungible treasury bond (OAT) rate.

Negotiable debt securities with a residual life of less than or equal to three months may be valued using the straight-line method.

Treasury bills are valued at the market rate published daily by the Banque de France or Treasury bill specialists.

***UCITS:***

Shares or units in UCITS are valued at the last known net asset value.

***Temporary securities transactions:***

Securities received under repo agreements are recognised as assets under "debts representing securities received under repo agreements" for the amount defined in the contract, plus accrued interest receivable.

Securities delivered under repo agreements are recognised in the buy-side portfolio at their current value. The obligation representing securities delivered under repo agreements is recognised in the sell-side portfolio at the value defined in the contract, plus accrued interest payable.

Loaned securities are valued at their current value and are recognised as assets under "debts representing securities delivered under repo agreements" at the current value plus accrued interest receivable.

Borrowed securities are recognised as assets under "borrowed securities" for the amount defined in the contract, and as liabilities under "debts representing securities received under repo agreements" for the amount defined in the contract, plus accrued interest payable.

***Forward financial instruments:***

***Forward financial instruments traded on a regulated or equivalent market:***

Forward financial instruments traded on a regulated market are valued at the day's settlement price.

## **Forward financial instruments not traded on a regulated or equivalent market:**

### **Swaps:**

Interest rate and/or currency swaps are valued at their market value based on a price calculated by discounting future interest flows using market interest and/or exchange rates. This price is adjusted for signature risk.

Index swaps are valued using an actuarial method based on a benchmark rate provided by the counterparty.

Other swaps are valued at their market value or at an estimated value in accordance with methods determined by the Board of Directors.

### **Off-balance sheet commitments:**

Firm forward contracts are recognised at their market value as off-balance sheet commitments on the basis of the price used in the portfolio.

Options are converted to their equivalent underlying.

Commitments on swaps are included at their nominal value, or at an equivalent value in the absence of a nominal value.

## **Management fees**

Management and operating fees cover all the fees relating to the Fund: financial management, administrative, accounting, custody and distribution fees, audit fees, etc.

These fees are charged to the Fund's income statement.

Management fees do not include transaction fees. For further details of the costs invoiced to the Fund, please refer to the prospectus.

They are recognised on a pro rata basis each time the net asset value is calculated.

The total amount of these fees complies with the maximum fee rate indicated in the prospectus or fund regulations:

FR0013290863 - MAGELLAN Z shares: Maximum fee rate of 1.30% including taxes, excluding UCIs managed by the Comgest Group

FR0011238344 - MAGELLAN I shares: Maximum fee rate of 1.25% including taxes, excluding UCIs managed by the Comgest Group

FR0000292278 - MAGELLAN C shares: Maximum fee rate of 1.75% including taxes, excluding UCIs managed by the Comgest Group

## **Swing pricing**

### **Adjustment mechanism (swing pricing) of the net asset value with trigger threshold**

Significant subscriptions and redemptions may impact the net asset value (NAV) because of the portfolio adjustment costs associated with investments and divestments.

These costs may arise from the difference between the transaction price and the valuation price and from taxes and/or brokerage fees. In order to protect the interests of existing shareholders in the SICAV, Comgest S.A. reserves the right to apply a *Swing Pricing* mechanism with a trigger threshold and supported by a policy.

If, on a NAV calculation date, total net subscription/redemption orders from investors across all share classes of the SICAV exceed a threshold predetermined by Comgest S.A. on the basis of objective criteria and expressed as a percentage of net assets, the NAV may be adjusted upwards or downwards to take account of the readjustment costs attributable to the net subscription/redemption orders.

Since the SICAV issues more than one share class, the NAV of each share class is calculated separately, but any adjustment will have an identical impact, in percentage terms, on all of the NAV calculations of each share class in the SICAV.

The trigger level and the NAV adjustment factor are determined by Comgest S.A. and reviewed periodically.

In the event that the swing pricing mechanism is applied, the “swung” NAV will be the official NAV notified to the SICAV's shareholders.

## **Allocation of distributable sums**

### ***Definition of distributable amounts***

Distributable amounts shall consist of:

#### ***Net income/(loss):***

Net income for the year is equal to the amount of interest, arrears, premiums and bonuses, dividends, attendance fees and all other revenue relating to the securities making up the portfolio, plus revenue from amounts temporarily available, less the amount of management fees and the cost of borrowing, plus retained income brought forward and plus or minus the balance on the income equalisation account.

#### ***Gains and losses:***

Realised gains, net of charges, less any realised losses, net of charges, recognised during the year, plus any net gains of the same nature recognised in prior years that have not been distributed or capitalised, plus or minus the balance on the gains equalisation account.

#### ***Procedures for allocation of distributable amounts:***

<b><i>Share(s)</i></b>	<b><i>Allocation of net income</i></b>	<b><i>Allocation of realised net gains or losses</i></b>
MAGELLAN C shares	Capitalisation	Capitalisation
MAGELLAN I shares	Capitalisation	Capitalisation
MAGELLAN Z shares	Capitalisation	Capitalisation



## 2. CHANGE IN NET ASSETS FOR THE YEAR ENDED 30/12/2022 /N EUROS

	30/12/2022	31/12/2021
<b>NET ASSETS AT THE BEGINNING OF THE PERIOD</b>	<b>1,302,343,316.40</b>	<b>2,091,528,051.63</b>
Subscriptions (including subscription fees paid to the Fund)	102,068,916.24	199,680,480.14
Redemptions (net of redemption fees paid to the Fund)	-204,925,857.93	-723,804,891.17
Capital gains on deposits and financial instruments	55,174,182.41	261,486,306.74
Capital losses on deposits and financial instruments	-86,308,728.93	-109,713,605.84
Capital gains on forward financial instruments		
Capital losses on forward financial instruments		
Transaction fees	246,232.13	12,718.68
Foreign exchange differences	15,541,345.86	67,766,247.64
Change in estimation difference for deposits and financial instruments	-195,837,597.46	-486,386,971.49
<i>Estimation difference for year N</i>	<i>-104,000,716.70</i>	<i>9/ 836,880.76</i>
<i>Estimation difference for year N-1</i>	<i>-91,836,880.76</i>	<i>-578,223,852.25</i>
Change in estimation difference for forward financial instruments		
<i>Estimation difference for year N</i>		
<i>Estimation difference for year N-1</i>		
Prior-year distribution out of net gains and losses		
Prior-year distribution out of net income		
Net income/(loss) for the year before equalisation account	1,795,976.50	1,774,980.07
Interim payments made during the year out of net gains and losses		
Interim payments made during the year out of net income		
Other items		
<b>NET ASSETS AT THE END OF THE PERIOD</b>	<b>990,097,785.22</b>	<b>1,302,343,316.40</b>

### 3. ADDITIONAL INFORMATION

#### 3.1. BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR FINANCIAL CLASSIFICATION

	Amount	%
<b>ASSETS</b>		
<b>BONDS AND EQUIVALENT SECURITIES</b>		
TOTAL BONDS AND EQUIVALENT SECURITIES		
<b>DEBT SECURITIES</b>		
TOTAL DEBT SECURITIES		
<b>LIABILITIES</b>		
<b>DISPOSALS OF FINANCIAL INSTRUMENTS</b>		
TOTAL DISPOSALS OF FINANCIAL INSTRUMENTS		
<b>OFF-BALANCE SHEET ITEMS</b>		
<b>HEDGING TRANSACTIONS</b>		
TOTAL HEDGING TRANSACTIONS		
<b>OTHER TRANSACTIONS</b>		
TOTAL OTHER TRANSACTIONS		

#### 3.2. BREAKDOWN OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS BY INTEREST RATE TYPE

	Fixed rate	%	Variable rate	%	Adjustable rate	%	Other	%
<b>ASSETS</b>								
Deposits								
Bonds and equivalent securities								
Debt securities								
Temporary securities transactions								
Financial accounts							42,253,618.20	4.27
<b>LIABILITIES</b>								
Temporary securities transactions								
Financial accounts								
<b>OFF-BALANCE SHEET ITEMS</b>								
Hedging transactions								
Other transactions								

### 3.3. BREAKDOWN OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS BY RESIDUAL TERM<sup>(\*)</sup>

	< 3 months	%	[3 months - 1 year]	%	[1 - 3 years]	%	[3 - 5 years]	%	> 5 years	%
<b>ASSETS</b>										
Deposits										
Bonds and equivalent securities										
Debt securities										
Temporary securities transactions										
Financial accounts	42,253,618.20	4.27								
<b>LIABILITIES</b>										
Temporary securities transactions										
Financial accounts										
<b>OFF-BALANCE SHEET ITEMS</b>										
Hedging transactions										
Other transactions										

(\*) Forward interest rate positions are presented according to the maturity of the underlying asset.

### 3.4. BREAKDOWN OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS BY QUOTATION OR VALUATION CURRENCY (EXCLUDING THE EURO)

	Currency 1 HKD		Currency 2 KRW		Currency 3 USD		Currency N OTHER(S)	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>								
Deposits								
Equities and equivalent securities	201,575,038.28	20.36	131,218,627.55	13.25	108,981,235.77	11.01	463,291,481.64	46.79
Bonds and equivalent securities								
Debt securities								
Funds					20,127,844.35	2.03		
Temporary securities transactions								
Receivables							678,331.10	0.07
Financial accounts							9,670,232.15	0.98
<b>LIABILITIES</b>								
Sales of financial instruments								
Temporary securities transactions								
Payables								
Financial accounts								
<b>OFF-BALANCE SHEET ITEMS</b>								
Hedging transactions								
Other transactions								

### 3.5. BREAKDOWN OF RECEIVABLES AND PAYABLES BY TYPE

	Type of receivable/payable	30/12/2022
<b>RECEIVABLES</b>		
	Subscriptions receivable	117,958.28
	Cash coupons and dividends	678,331.10
<b>TOTAL RECEIVABLES</b>		<b>796,289.38</b>
<b>PAYABLES</b>		
	Redemptions payable	712,762.03
	Fixed management fees	3,850,975.33
<b>TOTAL PAYABLES</b>		<b>4,563,737.36</b>
<b>NET (PAYABLES)/RECEIVABLES</b>		<b>-3,767,447.98</b>

### 3.6. EQUITY

#### 3.6.1. Number of shares issued and redeemed

	No. of shares	Amount
<b>MAGELLAN C shares</b>		
Shares subscribed during the year	4,843,638.9011	95,376,165.87
Shares redeemed during the year	-8,225,403.3048	-165,345,390.41
Net subscriptions/redemptions	-3,381,764.4037	-69,969,224.54
Number of shares outstanding at the end of the year	48,189,110.8772	
<b>MAGELLAN I shares</b>		
Shares subscribed during the year	119,608.5000	2,409,990.29
Shares redeemed during the year	-894,924.9483	-18,035,038.32
Net subscriptions/redemptions	-775,316.4483	-15,625,048.03
Number of shares outstanding at the end of the year	3,409,477.5747	
<b>MAGELLAN Z shares</b>		
Shares subscribed during the year	211,200.9339	4,282,760.08
Shares redeemed during the year	-1,050,629.5791	-21,545,429.20
Net subscriptions/redemptions	-839,428.6452	-17,262,669.12
Number of shares outstanding at the end of the year	1,412,317.2052	

#### 3.6.2. Subscription and redemption fees

	Amount
<b>MAGELLAN C shares</b>	
Total fees received	
Subscription fees received	
Redemption fees received	
<b>MAGELLAN I shares</b>	
Total fees received	
Subscription fees received	
Redemption fees received	
<b>MAGELLAN Z shares</b>	
Total fees received	
Subscription fees received	
Redemption fees received	

### 3.7. MANAGEMENT FEES

	30/12/2022
<b>MAGELLAN C shares</b>	
Guarantee fees	
Fixed management fees	15,994,394.78
Fixed management fees percentage	1.67
Shared management fees	
<b>MAGELLAN I shares</b>	
Guarantee fees	
Fixed management fees	942,057.76
Fixed management fees percentage	1.19
Shared management fees	
<b>MAGELLAN Z shares</b>	
Guarantee fees	
Fixed management fees	422,675.29
Fixed management fees percentage	1.24
Shared management fees	

### 3.8. COMMITMENTS RECEIVED AND GIVEN

#### 3.8.1. Guarantees received by the Fund:

Not applicable.

#### 3.8.2. Other commitments received and/or given:

Not applicable.

### 3.9. OTHER INFORMATION

#### 3.9.1. Current value of financial instruments subject to a temporary acquisition

	30/12/2022
Securities received under repo agreements	
Borrowed securities	

#### 3.9.2. Current value of securities given or received as guarantee deposits

	30/12/2022
Financial instruments given as a guarantee and recorded as previously	
Securities received as a guarantee and not recorded on the balance sheet	

#### 3.9.3. Financial instruments held, issued and/or managed by the Group

	ISIN	Name	30/12/2022
Shares			
Bonds			
Negotiable debt securities			
Funds			46,545,231.76
	IE00BD5HXG36	COMGEST GROWTH GREATER CHINA EUR I CAP	24,510,960.00
	IE00B03DF997	COMGEST GROWTH INDIA USD CAP	16,656,571.01
	IE00BYYLPL28	COMGEST GROWTH LATIN AMERICA EUR I ACC CLASS	1,906,427.41
	IE00B64CBB12	COMGEST GROWTH LATIN AMER-USD C	3,471,273.34
Forward financial instruments			
<b>Total Group securities</b>			<b>46,545,231.76</b>

### 3.10. ALLOCATION OF DISTRIBUTABLE AMOUNTS

#### Appropriation of the share of distributable amounts relating to income/(loss)

	30/12/2022	31/12/2021
<b>Amounts to be allocated</b>		
Retained income/(loss) brought forward		
Income/(loss) for the year	1,688,619.39	925,497.73
<b>Total</b>	<b>1,688,619.39</b>	<b>925,497.73</b>

	30/12/2022	31/12/2021
<b>MAGELLAN C shares</b>		
<b>Allocation</b>		
Distribution		
Amount carried forward		
Capitalisation	1,116,761.00	135,803.37
<b>Total</b>	<b>1,116,761.00</b>	<b>135,803.37</b>

	30/12/2022	31/12/2021
<b>MAGELLAN I shares</b>		
<b>Allocation</b>		
Distribution		
Amount carried forward		
Capitalisation	417,776.16	538,030.20
<b>Total</b>	<b>417,776.16</b>	<b>538,030.20</b>

	30/12/2022	31/12/2021
<b>MAGELLAN Z shares</b>		
<b>Allocation</b>		
Distribution		
Amount carried forward		
Capitalisation	154,082.23	251,664.16
<b>Total</b>	<b>154,082.23</b>	<b>251,664.16</b>



## Appropriation of the share of distributable amounts relating to net gains and losses

	30/12/2022	31/12/2021
<b>Amounts to be allocated</b>		
Prior net gains and losses not distributed		
Net gains and losses for the year	-16,248,994.44	62,170,570.90
Interim payments made out of net gains and losses for the year		
<b>Total</b>	<b>-16,248,994.44</b>	<b>62,170,570.90</b>

	30/12/2022	31/12/2021
<b>MAGELLAN C shares</b>		
<b>Allocation</b>		
Distribution		
Net gains and losses not distributed		
Capitalisation	-14,708,586.29	55,073,419.11
<b>Total</b>	<b>-14,708,586.29</b>	<b>55,073,419.11</b>

	30/12/2022	31/12/2021
<b>MAGELLAN I shares</b>		
<b>Allocation</b>		
Distribution		
Net gains and losses not distributed		
Capitalisation	-1,098,779.69	4,660,669.63
<b>Total</b>	<b>-1,098,779.69</b>	<b>4,660,669.63</b>

	30/12/2022	31/12/2021
<b>MAGELLAN Z shares</b>		
<b>Allocation</b>		
Distribution		
Net gains and losses not distributed		
Capitalisation	-441,628.46	2,436,482.16
<b>Total</b>	<b>-441,628.46</b>	<b>2,436,482.16</b>

### 3.11. RESULTS AND OTHER KEY DATA FOR THE LAST FIVE FINANCIAL YEARS

	31/12/2018	31/12/2019	31/12/2020	31/12/2021	30/12/2022
<b>Total net assets in euros</b>	<b>2,835,035,317.56</b>	<b>3,060,947,338.97</b>	<b>2,091,528,051.63</b>	<b>1,302,343,316.40</b>	<b>990,097,785.22</b>
<b>Share MAGELLAN A in EUR</b>					
Net assets	553,975,669.98	661,412,687.79			
Number of shares	269,385.4242	273,267.9242			
Net asset value	2,056.44	2,420.38			
Capitalisation per share out of net gains and losses	90.06	82.01			
Distribution per share out of net income/(loss)	34.35	47.47			
Tax credit per share	4.978	1,373,071.43			
<b>Share MAGELLAN C in EUR</b>					
Net assets	1,936,623,342.03	2,039,814,241.34	1,859,373,326.91	1,152,988,616.67	896,418,180.90
Number of shares	91,466,637.5526	81,885,131.6887	70,482,729.3691	51,570,875.2809	48,189,110.8772
Net asset value	21.17	24.91	26.38	22.35	18.60
Capitalisation per share out of net gains and losses	0.93	0.84	0.75	1.06	-0.30
Capitalisation per share out of net income/(loss)	0.13	0.13	0.14		0.02
<b>Share MAGELLAN I in EUR</b>					
Net assets	201,353,669.45	203,545,986.67	113,054,055.80	98,100,041.01	66,817,534.14
Number of shares	9,208,369.5423	7,873,766.7579	4,106,860.2603	4,184,794.0230	3,409,477.5747
Net asset value	21.86	25.85	27.52	23.44	19.59
Capitalisation per share out of net gains and losses	0.96	0.87	0.79	1.11	-0.32
Capitalisation per share out of net income/(loss)	0.25	0.26	0.26	0.12	0.12

	31/12/2018	31/12/2019	31/12/2020	31/12/2021	30/12/2022
<b>Total net assets in euros</b>	<b>2,835,035,317.56</b>	<b>3,060,947,338.97</b>	<b>2,091,528,051.63</b>	<b>1,302,343,316.40</b>	<b>990,097,785.22</b>
<b>Share MAGELLAN Z in EUR</b>					
Net assets	143,082,636.10	156,174,423.17	119,100,668.92	51,254,658.72	26,862,070.18
Number of shares	6,725,799.1354	6,212,561.7224	4,453,442.7775	2,251,745.8504	1,412,317.2052
Net asset value	21.27	25.13	26.74	22.76	19.01
Capitalisation per share out of net gains and losses	0.93	0.85	0.76	1.08	-0.31
Capitalisation per share out of net income/(loss)	0.24	0.24	0.24	0.11	0.10

### 3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS IN EUROS

Security name	Currency	Quantity (number or nominal amount)	Current value	% of net assets
<b>Equities and equivalent securities</b>				
<b>Equities and equivalent securities traded on a regulated or equivalent market</b>				
<b>SOUTH AFRICA</b>				
DISCOVERY HOLDINGS	ZAR	4,792,769	32,555,752.92	3.29
SANLAM LIMITED	ZAR	9,481,625	25,438,537.94	2.57
<b>TOTAL SOUTH AFRICA</b>			<b>57,994,290.86</b>	<b>5.86</b>
<b>BERMUDA</b>				
CHINA RESOURCES GAS GROUP	HKD	5,258,800	18,497,672.83	1.87
<b>TOTAL BERMUDA</b>			<b>18,497,672.83</b>	<b>1.87</b>
<b>BRAZIL</b>				
BB SEGURIDADE PARTICIPACOES	BRL	7,840,575	46,905,974.17	4.74
LOCALIZA RENT A CAR	BRL	2,319,774	21,901,749.27	2.21
LOCALIZA RENT A CAR RTS 31-01 -23	BRL	10,138	19,359.14	
WEG SA COM NPV	BRL	3,783,700	25,858,998.90	2.61
<b>TOTAL BRAZIL</b>			<b>94,686,081.48</b>	<b>9.56</b>
<b>CHILE</b>				
FALABELLA S.A.	CLP	2,970,927	5,391,326.68	0.54
<b>TOTAL CHILE</b>			<b>5,391,326.68</b>	<b>0.54</b>
<b>CHINA</b>				
BAFANG ELECTRIC SUZHOU CO -A	CNY	736,970	10,627,617.57	1.07
INNER MONG.YILI INDUSTRIAL S.A	CNY	10,566,284	44,149,612.36	4.46
LEPU MEDICAL TECHNOLOGY CO LTD	CNY	4,404,612	13,636,771.84	1.37
MIDEA GROUP CO LTD-A	CNY	4,547,606	31,750,861.39	3.21
NETEASE INC	HKD	2,277,005	31,299,131.74	3.16
PING AN INS.GRP CO.CHINA H	HKD	2,335,000	14,478,381.96	1.46
SHANDONG WEIGAO GROUP MEDICAL POLYMER CO LTD	HKD	23,778,000	36,595,372.07	3.70
SHENZHEN MINDRAY BIO-MEDIC-A	CNY	238,200	10,144,497.25	1.03
WUXI BIOLOGICS CAYMAN INC.	HKD	1,684,500	12,103,138.11	1.22
<b>TOTAL CHINA</b>			<b>204,785,384.29</b>	<b>20.68</b>
<b>CYPRUS</b>				
TCS GROUP HOLDING GDR	USD	40,541		
<b>TOTAL CYPRUS</b>				
<b>UNITED STATES OF AMERICA</b>				
COGNIZANT TECHN.SOLUTIONS CORP CL.A	USD	359,259	19,251,367.73	1.95
MERCADOLIBRE	USD	37,502	29,735,949.85	3.00
<b>TOTAL UNITED STATES OF AMERICA</b>			<b>48,987,317.58</b>	<b>4.95</b>
<b>HONG KONG</b>				
AI A GROUP	HKD	3,460,800	36,062,767.04	3.65
<b>TOTAL HONG KONG</b>			<b>36,062,767.04</b>	<b>3.65</b>
<b>CAYMAN ISLANDS</b>				
ALIBABA GROUP HOLDING LTD	HKD	2,100,404	21,748,272.18	2.20
PAGSEGURO DIGITAL LTD-CL A	USD	450,361	3,688,128.50	0.37
TENCENT HOLDINGS LTD	HKD	767,900	30,790,302.35	3.11
<b>TOTAL CAYMAN ISLANDS</b>			<b>56,226,703.03</b>	<b>5.68</b>
<b>INDIA</b>				
HOUSING DEVELOPMENT FINANCE	INR	1,621,090	48,426,946.07	4.90
<b>TOTAL INDIA</b>			<b>48,426,946.07</b>	<b>4.90</b>

### 3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS IN EUROS (contd)

Security name	Currency	Quantity (number or nominal amount)	Current value	% of net assets
<b>JAPAN</b>				
SUZUKI MOTOR CORP	JPY	945,200	28,667,788.21	2.89
<b>TOTAL JAPAN</b>			<b>28,667,788.21</b>	<b>2.89</b>
<b>LUXEMBOURG</b>				
GLOBANT SA	USD	49,758	7,840,061.17	0.79
<b>TOTAL LUXEMBOURG</b>			<b>7,840,061.17</b>	<b>0.79</b>
<b>MEXICO</b>				
FOMENTO ECONOMICO UNITS ADR	USD	662,123	48,465,728.52	4.89
WALMART DE MEXICO SA DE CV	MXN	6,030,300	19,887,597.58	2.01
<b>TOTAL MEXICO</b>			<b>68,353,326.10</b>	<b>6.90</b>
<b>SOUTH KOREA</b>				
LG CHEMICAL	KRW	71,484	31,781,552.44	3.21
LG H&H	KRW	66,000	35,309,872.06	3.57
NCISOFT CORPORATION	KRW	88,708	29,448,000.56	2.97
SAMSUNG ELECTRONICS CO. LTD	KRW	846,309	34,679,202.49	3.50
<b>TOTAL SOUTH KOREA</b>			<b>131,218,627.55</b>	<b>13.25</b>
<b>RUSSIA</b>				
DETSKY MIR PJSC	RUB	10,363,400		
MOSCOW EXCHANGE MICEX-RT-BRD	RUB	12,231,210		
<b>TOTAL RUSSIA</b>				
<b>TAIWAN</b>				
DELTA ELECTRONIC INDUSTRIAL	TWD	4,841,000	42,281,796.02	4.27
TAIWAN SEMICONDUCTOR	TWD	2814261	38,478,712.98	3.88
<b>TOTAL TAIWAN</b>			<b>80,760,509.00</b>	<b>8.15</b>
<b>VIETNAM</b>				
VIETNAM DAIRY PRODUCT	VND	5,676,000	17,167,581.35	1.74
<b>TOTAL VIETNAM</b>			<b>17,167,581.35</b>	<b>1.74</b>
<b>TOTAL Equities and equivalent securities traded on a regulated or equivalent market</b>			<b>905,066,383.24</b>	<b>91.41</b>
<b>TOTAL Equities and equivalent securities</b>			<b>905,066,383.24</b>	<b>91.41</b>
<b>Undertakings for collective investment</b>				
<b>Generalist UCITS and AIFs intended for non-professional investors and equivalent funds in other countries</b>				
<b>IRELAND</b>				
COMGEST GROWTH GREATER CHINA EUR I CAP	EUR	354,000	24,510,960.00	2.48
COMGEST GROWTH INDIA USD CAP	USD	330,361	16,656,571.01	1.68
COMGEST GROWTH LATIN AMERICA EUR I ACC CLASS	EUR	208,580.679	1,906,427.41	0.19
COMGEST GROWTH LATIN AMER-USD C	USD	530,002.356	3,471,273.34	0.35
<b>TOTAL IRELAND</b>			<b>46,545,231.76</b>	<b>4.70</b>
<b>TOTAL Generalist UCITS and AIFs intended for non-professional investors and equivalent funds in other countries</b>			<b>46,545,231.76</b>	<b>4.70</b>
<b>TOTAL Undertakings for collective investment</b>			<b>46,545,231.76</b>	<b>4.70</b>
<b>Receivables</b>			<b>796,289.38</b>	<b>0.08</b>
<b>Payables</b>			<b>-4,563,737.36</b>	<b>-0.46</b>
<b>Financial accounts</b>			<b>42,253,618.20</b>	<b>4.27</b>
<b>Net assets</b>			<b>990,097,785.22</b>	<b>100.00</b>

<b>MAGELLAN C shares</b>	<b>EUR</b>	<b>48,189,110.8772</b>	<b>18.60</b>
<b>MAGELLAN I shares</b>	<b>EUR</b>	<b>3,409,477.5747</b>	<b>19.59</b>
<b>MAGELLAN Z shares</b>	<b>EUR</b>	<b>1,412,317.2052</b>	<b>19.01</b>










## ANNEX IV

### Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

	<b>Product name:</b> Magellan	<b>Legal entity identifier:</b>	969500BPQVGLNSYY5B13	
<b>Sustainable investment</b> means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.	<b>Environmental and/or social characteristics</b>			
	<b>Did this financial product have a sustainable investment objective?</b>			
	<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> No		
<b>The EU Taxonomy</b> is a classification system laid down in Regulation (EU) 2020/852 establishing a list of <b>environmentally sustainable economic activities</b> . That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.	<input type="checkbox"/>	It made <b>sustainable investments with an environmental objective</b> : ____%	<input checked="" type="checkbox"/>	It promoted <b>Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of 33.91% of sustainable investments
	<input type="checkbox"/>	in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/>	with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
	<input type="checkbox"/>	in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input checked="" type="checkbox"/>	with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	<input type="checkbox"/>	It made <b>sustainable investments with a social objective</b> : ____%	<input checked="" type="checkbox"/>	with a social objective
	<b>To what extent were the environmental and/or social characteristics promoted by this financial product met?</b>			
<b>Sustainability indicators</b> measure how the environmental or social characteristics promoted by the financial product are attained.	<p>The environmental or social characteristics of the SICAV were attained by targeting and investing in companies with a positive overall ESG quality.</p> <p>In order to facilitate the selection of companies with a positive overall ESG quality, the Management Company performed an ESG Market Analysis to identify and exclude companies with the weakest ESG criteria from the investable universe. This resulted in a reduction of the investable universe by at least 20%. This ESG analysis was applied to at least 90% of the companies in the portfolio.</p> <p>In addition, throughout the reference period, the Management Company also applied an exclusion policy to exclude any investment in: (i) companies with negative social characteristics, including those that (a) manufacture anti-personnel mines, cluster bombs, biological/chemical weapons, depleted uranium, nuclear weapons, white phosphorus, non-detectable fragments and blinding lasers (&gt;0% of turnover); (b) manufacture and/or distribute conventional weapons (&gt;10% of turnover); (c) are involved in direct tobacco manufacturing and/or distribution (&gt;5% of turnover); and (d) commit serious violations of the UN Global Compact and show no prospect of improvement; and (ii) companies with negative environmental characteristics, including thermal coal mine operators (&gt;0% of turnover) and electricity producers whose</p>			

energy mix including coal exceeds defined relative or absolute thresholds (and whose coal-based generation or revenue was equal to or greater than 20% or electricity producers whose existing coal-based capacity was equal to or greater than 5 GW), without a coal exit strategy.

***With regard sustainable investments, below you will find the list of environmental objectives (set out in Article 9 of Regulation (EU) 202/852) and the list of social objectives to which the SICAV's sustainable investments have contributed:***

**1. Environmental objectives:**

The SICAV has invested in companies that are considered a sustainable investment and that contribute to one or more of the following environmental objectives:

- (i) climate change mitigation;
- (ii) adaptation to climate change; and
- (iii) the transition to a circular economy.

**2. Social objectives:**

The SICAV has invested in companies that are considered a sustainable investment and that contribute to one or more of the following social objectives:

- (i) the promotion of adequate standards of living and the well-being of end users; and
- (ii) an inclusive and sustainable community.

● ***How did the sustainability indicators perform?***

At the end of December 2022, the SICAV attained the promoted environmental and/or social characteristics, including:


- (i) at least 90% of the companies held in the portfolio with an ESG rating in the top 80% of the ratings assigned to companies analysed by the Management Company;
- (ii) none of the companies held in the portfolio involved in excluded activities; and
- (iii) 33.91% of the assets considered, in the opinion of the Management Company, to be sustainable investments.

Compliance with exclusion policies is monitored before and after investment and exclusion lists are updated quarterly.

● ***What were the objectives of the sustainable investments that the financial product partially made, and how did the sustainable investments contribute such objectives?***

The SICAV invested 33.91% of its assets in sustainable investments that have contributed to the environmental or social objectives listed above.

***Description of how the sustainable investments contributed to the sustainable investment objectives***

	<p>The contribution of sustainable investments to the environmental and/or social objectives listed above is measured by the Management Company using a proprietary analysis.</p> <p><b>For social objectives:</b></p> <ul style="list-style-type: none"> <li>- at least 25% of the turnover of the company held in the portfolio is generated by business activities that contribute to one or more of the United Nations Sustainable Development Goals (SDGs 2, 3, 4, 6, 7, 8, 9, 11, 12, 16)<sup>1</sup>.</li> </ul> <p><b>For environmental objectives:</b></p> <ul style="list-style-type: none"> <li>- at least 25% of the turnover of the company held in the portfolio is generated by Taxonomy-eligible economic activities.</li> <li>- at least 5% of the turnover of the company held in the portfolio is generated by potentially<sup>2</sup> Taxonomy-aligned economic activities.</li> </ul>
Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.	<p> <b>How did the sustainable investments that the financial product made not cause significant harm to any environmental or social sustainable investment objective?</b></p> <p>An assessment was conducted to ensure that investments identified as contributing to one or more of the above environmental and/or social objectives would not cause significant harm to any of these objectives.</p> <p>To this end, the Management Company assessed and monitored the 14 mandatory principal adverse impact indicators ("PAIs") and, to the extent possible, the relevant optional indicators listed in Annex I of the SFDR Delegated Regulation (EU 2022/1288). It also sought to ensure that these investments were consistent with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.</p>
	<p>--- <i>How were the indicators for adverse impacts on sustainability factors taken into account?</i></p> <p>The 14 mandatory principal adverse impact indicators were reviewed by the Management Company as part of its assessment of sustainable investments. The Management Company used external data where available and also relied on a qualitative assessment using information directly from the company or its own research where quantitative data was not available.</p> <p>--- <i>Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:</i></p>
	<p>To ensure that sustainable investments were in compliance with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights (the "Guidelines"), the Management Company reviewed and assessed the results of the review of PAIs 10 (Violations of the Guidelines) and 11 (Lack of processes and compliance mechanisms to monitor adherence to the Guidelines) to ensure that the SICAV's sustainable investments had not violated the UN Guiding Principles during the reference period and had processes and compliance mechanisms in place to assist in adhering to the Guidelines. In the absence of data, the investment teams conducted their own qualitative assessment by reviewing additional information, including the policies and procedures of the companies concerned, controversies reported by third-party suppliers, the companies' adherence to the United Nations Global Compact, or NGO reports.</p>

<sup>1</sup> SDG 2 – Zero hunger, SDG 3 – Good health and well-being, SDG 4 – Quality education, SDG 6 – Clean water and sanitation, SDG 7 – Affordable and clean energy, SDG 8 – Decent work and economic growth, SDG 9 – Industry, innovation and infrastructure, SDG 11 – Sustainable cities and communities, SDG 12 – Responsible consumption and production, and SDG 16 – Peace, justice and strong institutions.

<sup>2</sup> This assessment is based on estimates and is not based on data provided by the company.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.



#### How did this financial product consider principal adverse impacts on sustainability factors?

As of July 2022, the SICAV considered the principal adverse impacts ("PAIs") on sustainability factors by assessing and monitoring the 14 mandatory principal adverse impact indicators (PAIs) mentioned in Annex I of the Delegated Regulation (EU) 2022/1288. The Management Company used external data where available and relied on information directly from the company or its own research and knowledge of the relevant industry or sector to assess the 14 mandatory principal adverse impacts.

In order to more efficiently collect and share data and information related to PAIs, the Management Company has developed an internal tool, the "PAI Dashboard", whose main objective is to provide investment teams with instant access to all PAI-related data and information on companies in the portfolio, as well as information on the top five contributors for each PAI (aggregated at the level of the SICAV), in order to allow the investment teams to easily identify companies for which engagement activity should be considered. Quantitative and qualitative data aggregated at the SICAV level guide the Management Company in its assessment of the principal adverse impacts identified and allow it to measure and prioritise engagement and other mitigation efforts such as voting and advocacy.



#### What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is:

Largest investments	Sector	% Assets	Country
Liquidity	Miscellaneous	5.55%	Other
Housing Development Finance Corporation Limited	Financial services	5.14%	India
Taiwan Semiconductor Manufacturing Co., Ltd.	Technology	4.89%	Taiwan
Inner Mongolia Yili Industrial Group Co., Ltd Class A	Non-cyclical consumption	4.31%	China
Discovery Limited	Financial services	3.97%	South Africa
Fomento Economico Mexicano SAB de CV Sponsored ADR Class B	Non-cyclical consumption	3.95%	Mexico
Samsung Electronics Co., Ltd.	Technology	3.93%	Korea
Tencent Holdings Ltd.	Communication services	3.86%	China
NetEase Inc.	Communication services	3.77%	China
Delta Electronics, Inc.	Technology	3.71%	Taiwan
BB Seguridade Participacoes SA	Financial services	3.61%	Brazil
Alibaba Group Holding Ltd.	Cyclical consumption	3.49%	China

*The above investments represent the majority of the investments made during the period covered by the periodic report, and are calculated at appropriate intervals to be representative of that period.*



### What was the proportion of sustainability-related investments?

The proportion of sustainable investments at the end of December stood at 33.91% and included 15.05% of sustainable investments with an environmental objective and 18.86% of sustainable investments with a social objective. Please see below for a breakdown of each of the environmental and social objectives.

#### Breakdown of the proportion of investments for each of the environmental objectives in Article 9 of Regulation (EU) 2020/852

Environmental objectives	% Assets
Climate change mitigation	2.61%
Climate change mitigation & the transition to a circular economy & climate change adaptation	4.27%
Climate change mitigation & the transition to a circular economy	8.17%

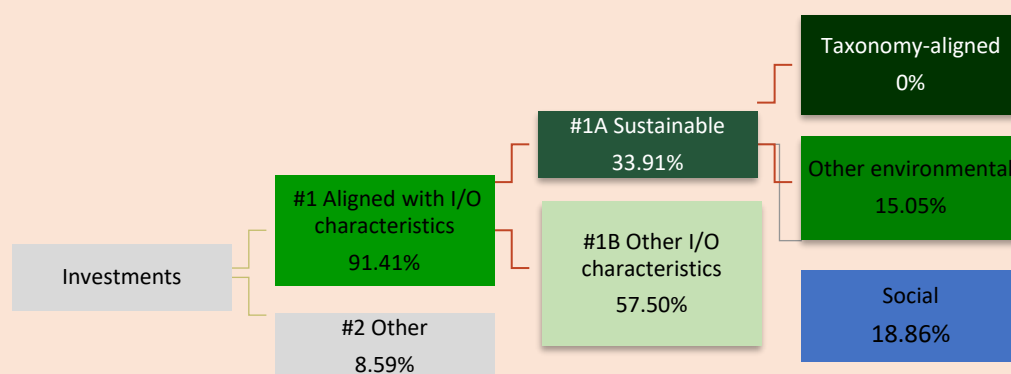
#### Breakdown of the proportion of investments for each of the social objectives listed above

Social objectives	% Assets
The promotion of adequate standards of living and the well-being of end users	3.29%
The promotion of adequate standards of living and the well-being of end users & an inclusive and sustainable community	15.57%

**Asset allocation** describes the share of investments in specific assets.

### What was the asset allocation?

At the end of December 2022, 91.41% of the SICAV's assets were aligned with and used to achieve the environmental or social characteristics promoted by the SICAV. This included 33.91% of sustainable investments. 8.59% of the SICAV's assets (the remaining investments) were not aligned with the environmental or social characteristics.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments;
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#### ● *In which economic sectors were the investments made?*

##### **Breakdown by sector**

Sector	% Assets
Financial services	20.59%
Non-cyclical consumption	16.66%
Technology	14.77%
Cyclical consumption	12.92%
Communication services	9.25%
Pharma/Health	7.32%
Industry	4.83%
Miscellaneous – Funds	4.70%
Liquidity	3.89%
Commodities	3.21%
Utilities	1.87%

Data as at end of December 2022. Due to rounding, the sum of the figures may not equal 100%.

##### **Breakdown by sub-industry**

Sub-industry	% Assets
Life and health insurance	10.96%
Packaged foods and meats	6.19%
Home entertainment software	6.14%
Direct marketing and internet sales	5.20%
Soft drinks	4.89%

Other diversified financial services	4.89%
Property and casualty insurance	4.74%
Miscellaneous – Funds	4.70%
Electronic components	4.27%
Liquidity	3.89%
Semi-conductors	3.89%
Medical supplies	3.70%
Personal care products	3.57%
Hardware, storage and peripheral devices	3.50%
Commodity chemicals	3.21%
Domestic appliances	3.21%
Media and services	3.11%
Car manufacturers	2.90%
Information technology consulting and other services	2.74%
Electrical components and equipment	2.61%
Medical equipment	2.40%
Road transport	2.21%
Supermarkets and hypermarkets	2.01%
Gas	1.87%
Tools and services applied to biological sciences	1.22%
Leisure products	1.07%
Department stores	0.54%
Data processing and outsourced services	0.37%

Data as at end of December 2022. Due to rounding, the sum of the figures may not equal 100%.



#### To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

The percentage of the SICAV's investments that are Taxonomy-aligned is 0% of the SICAV's net assets.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

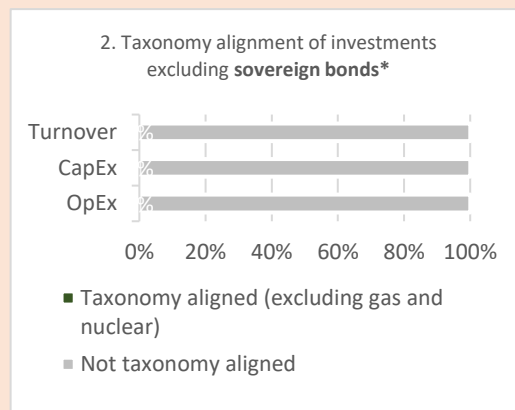
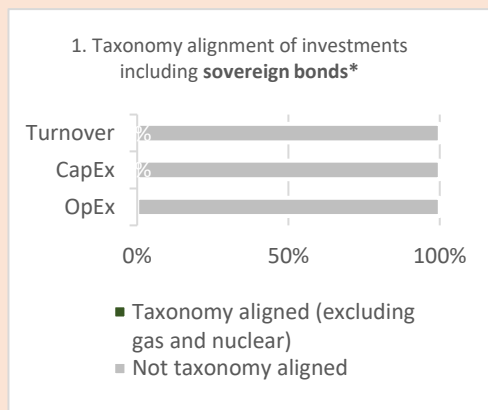
#### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>3</sup>?

- ☐ Yes
- ☐ In fossil gas ☐ In nuclear energy
- ☒ No

*The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

<sup>3</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy if they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operating expenses** (OpEx) reflecting green operational activities of investee companies.



*\*For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.*

### ● What was the share of investments made in transitional and enabling activities?

The percentage of investments in enabling or transitional activities is 0% of the SICAV's net assets.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

### What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy represented 15.05% of net assets at the end of December. The Management Company has assessed the Taxonomy eligibility and potential Taxonomy alignment of sustainable investments with an environmental objective and believes that these companies are demonstrating positive progress towards Taxonomy alignment and contributing to the identified environmental objectives.



### What was the share of socially sustainable investments?

The share of sustainable investments with a social objective represented 18.86% of net assets at the end of December 2022.



### What investments were included under "Other", what was their purpose and were there any minimum environmental or social safeguards?

At the end of December 2022, the SICAV held cash for the purpose of meeting short-term cash commitments. The SICAV was also invested in other funds for diversification purposes.

The funds held in the portfolio are managed by group companies. They apply the investment policy of the Management Company, including its exclusion policies.





**What actions have been taken to attain the environmental and/or social characteristics during the reference period?**

Several actions were taken to attain the E/S characteristics during the reference period.

**Engagement activities:**

Maintaining active relationships with companies in the portfolio is an essential aspect of our investment process.

From 1 January 2022 to 30 December 2022, 51 engagement activities were conducted with 28 companies in the portfolio to help them improve their ESG practices. 36% of the engagement activity concerns environmental issues, 16% social issues, 26% governance issues and 22% ESG issues.

**Exercising of voting rights:**

The Management Company exercises its voting rights at the general meetings of the companies in the portfolio in accordance with the good governance values and voting principles that have been defined in light of regulations, industry standards and best practices. The Management Company aims to vote systematically at all general meetings, whenever technically possible.

During the reference period, the Management Company voted at 51 general meetings, i.e. 96.23% of all general meetings held by companies in the portfolio.

Breakdown of votes	%
"For" votes	83.78%
"Against" votes	14.48%
Abstention or refusal to vote	1.74%
Votes in agreement with management	87.45%
Votes against management	12.55%