

# Centuria LifeGoals

Magellan Global Fund

# Centuria

**The Fund seeks to achieve attractive risk-adjusted returns over the medium to long-term while reducing the risk of permanent capital loss.**

## Investment manager

Magellan Asset Management Limited

## Investment strategy

The Fund aims to find companies at attractive prices that have sustainable competitive advantages that translate into returns on capital in excess of their cost of capital for a sustained period of time. The Fund will endeavour to acquire these companies at a discount to its assessment of the intrinsic value of the companies. The portfolio will consist of 20-40 investments.

## Target allocation

Australian equities 80-100%  
Cash 0-20%

## Performance returns

RETURNS TO 31/03/2026	1 MTH	3 MTH	6 MTH	1 YR	2YR <sup>1</sup>	3YR <sup>1</sup>
Net returns (%) <sup>2</sup>	-3.94%	-9.26%	-9.39%	-5.23%	0.18%	6.27%

## Performance graph<sup>3</sup>



A \$10,000 investment in Centuria Magellan Global Fund made at inception is worth \$14,075 as of 31 March 2026 after all fees and taxes paid within the Investment Option.

## Key features

<b>APIR code</b>	OVS5674AU
<b>Minimum initial investment</b>	\$500
<b>Minimum additional investment plan</b>	\$100
<b>Minimum switching amount</b>	\$500
<b>Minimum balance</b>	\$500
<b>Contribution fee</b>	Nil
<b>Annual management fee<sup>4</sup></b>	1.25%
<b>Performance fee<sup>5</sup></b>	0.05%
<b>Suggested timeframe</b>	5 years

1. Periods greater than 1 year are expressed in annualised terms.

2. Past performance is not a reliable indicator of future performance.

3. Inception date on 8/02/2019.

4. Refer to product disclosure statement for fee breakdown.

5. 10% of the excess return above the higher of the 'Index Relative Hurdle' (the MSCI World Net Total Return Index (AUD)) and the 'Absolute Return Hurdle' (the yield of 10-year Australian Government Bonds).

For more information contact Centuria on **1300 50 50 50** or visit [lifegoals.centuria.com.au](http://lifegoals.centuria.com.au) to download the product disclosure statement. **Simple Flexible Versatile.**

## Fund commentary

**Market commentary:** Global share prices, as measured by the MSCI World Index, declined by 3.6% in USD in the March quarter of 2026. The appreciation of the AUD meant the decline was more pronounced in AUD at -6.1%. Gains in January gave way to a significant market drawdown in March. In January, markets were shaped by renewed geopolitical and trade tensions between the US and the EU following President Trump's comments on his intent to acquire Greenland. A broader message from the World Economic Forum in Davos was that the world was moving away from a US-led order. In February, investor attention shifted to rapid AI disruption after Anthropic's new Claude tools triggered fears over the earnings durability of software and related services.

Although the broader index was little changed, this masked significant sectoral rotation. In late February, military offensives launched by the US and Israel against Iran became the dominant driver of global markets. Stronger-than-expected Iranian resistance, repeated attacks on energy infrastructure and disruption to shipping through the Strait of Hormuz drove a sharp rise in oil and gas prices and raised concerns about prolonged inflation and energy shortage globally. The key implication for markets over the quarter was a swing from a modest growth backdrop and manageable inflation post-US tariffs towards a more stagflationary environment. Unsurprisingly, the Energy sector (+37.7%) outperformed significantly during the March quarter while inflation-protected real asset exposure in Utilities (+9.6%) was generally favoured. In contrast, the Discretionary sector (-10.4%) underperformed the most on concerns of inflation/consumer weakness, followed by Tech (-8.9%) and Communication Services (-6.7%) sectors on fears of AI threats to software.

Across regional equity markets, quarterly performance ultimately reflected differing exposure to the two dominant shocks of the period: first, the AI-driven reassessment of software and technology valuations, and second, the late-quarter energy shock. Markets that had benefited earlier in the quarter from domestic reflation or policy support, such as Japan and Europe, gave back performance as the conflict escalated. Despite Japan's exposure to imported energy, the Nikkei 225 Index outperformed over the March quarter, rising by 2.0% while Europe's STOXX 600 Index declined 1.0%. Owing to relatively tech-heavy exposure, the S&P 500 declined by 4.4% over the quarter, as highlighted by the Nasdaq's -7.0% quarterly move. Australia's S&P/ASX 200 Accumulation Index (-1.6%) and China's CSI 300 Index (-3.7%) were middle of the pack.

Economic data throughout the March quarter suggested that global activity was generally resilient at the start of the year, but that by quarter end the outlook had become more vulnerable to an energy-led inflation shock. In the US, January and February data pointed to solid activity, with stronger retail sales, improved manufacturing ISM readings and moderating inflation, giving the Fed some room to support growth. By February, payrolls had softened and other labour market indicators suggested a low-hiring, low-firing environment. The Fed's communication by late March indicated a holding bias so long as longer-term inflation expectations remained anchored. In Europe, January data supported a trend-growth narrative, while February still pointed to sub-par but resilient conditions. By March, however, inflation readings in parts of the continent had surprised on the upside, confidence had weakened and ECB forecasts shifted towards slower growth and higher inflation as energy costs fed through, prompting governments to begin rolling out support measures for households. In China, the quarter was characterised by more modest growth but continued policy support, with February and March seeing firmer activity data and an accommodative stance reinforced by fiscal measures and strategic priorities around household stimulus and key technologies.

**Fund commentary:** The portfolio underperformed the benchmark over the quarter in an increasingly volatile market that saw significant rotations between sectors and thematic. AI safe havens in the form of Staples and Health Care benefited early in the quarter, but this reversed later in the quarter, given the inflationary pressures driven by the US-Israel-Iran conflict. At the same time, pressure on stocks at risk of AI disruption remained in place.

The largest contributors to the portfolio's performance over the quarter were Taiwan Semiconductor Manufacturing Corp (TSMC), ASML Holdings and CME Group. TSMC performed strongly in response to strong AI chip demand. This saw TSMC raise their 5-year (2024-29) revenue growth guidance by 5 percentage points to a CAGR of 25% pa. While the growth will be supported by a large step up in FY26

capex, TSMC also raised its long-term gross margin guidance, signalling confidence in its ability to drive productivity, cost efficiencies, and pricing power. Topping this off, TSMC also reported a strong 4Q25 result that beat their guidance, driven by exceptionally strong gross margins. ASML reported an exceptional bookings quarter in 4Q25 as customers expanded manufacturing capacity plans in response to strong demand for AI chips and the global shortage in memory chips. Both of these drivers are expected to remain tailwinds over the next two years. Consequently, ASML raised their FY26 growth guidance, which has since been bolstered by supportive announcements by memory customers. CME's share price continued to benefit from elevated volatility, driving demand for risk management solutions. March average daily volumes reached a monthly record, up 33% year over year. This culminated in CME reaching record volumes across several asset classes in 1Q26. This performance illustrates the defensive nature of derivative exchanges, which provide a natural hedge for our portfolios.

The largest detractors to the portfolio's performance over the quarter were Microsoft, SAP and Intuit. Microsoft reported a strong fiscal 2Q, but while the Azure growth of 38% (excluding FX) was ahead of guidance, it fell short of market expectations of accelerated growth given large recent capex increases. The CFO's assurance that growth would have accelerated were it not for internal capacity allocations did not assuage concerns. While Microsoft's incremental return on large AI capex is a key focus area for us, we view it as one of the most advantaged software vendors given its enterprise incumbency and scale. SAP's current cloud backlog (CCB) growth of 25% (excluding FX) was one percentage point below market expectations, leading to a significant price reaction. The shortfall was attributed to deal mixes affecting the timing of the contract backlog, despite total Q4 bookings exceeding management's plan. While we believe specific factors may continue to pose near-term headwinds to deal cycles, we do not perceive 4Q25 to be evidence of a competitive or AI disruption risk to SAP. We maintain that SAP is uniquely insulated from such risks. Enterprise Resource Planning (ERP) remains one of the most defensible software verticals due to the intricate, multi-jurisdictional nature of these deployments. As the central 'system of record' for global supply chains, SAP is ideally positioned to integrate AI into a trusted environment to drive tangible customer productivity. Intuit's share price came under pressure due to concerns around the disruption by AI in the form of AI agents and code generation. We view Intuit as well-protected given a predominantly non-seat-based pricing model, the low price of its software relative to the utility it provides, its own AI capabilities, a customer base with limited interest or ability to code their own solutions, and the strong brand and trust its products have established.

*Index movements and stock contributors/detractors are based in local currency terms unless stated otherwise.*

**Disclaimer:** This fund commentary has been directly sourced from Magellan's factsheet available on their website.

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## Contact information

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### **Sean Cole**

Relationship Manager

**Email: sean.cole@centuria.com.au**

### **Paul Wilson**

Relationship Manager

**Email: paul.wilson@centuria.com.au**

### **Paul Roach (NSW/ACT)**

Distribution Manager

**Email: paul.roach@centuria.com.au**

### **Dani Dy (QLD)**

Distribution Manager

**Email: dani.dy@centuria.com.au**

### **Jeremy Drake (VIC/SA/TAS/WA)**

Distribution Manager

**Email: jeremy.drake@centuria.com.au**

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**Centuria Investor Services**

| 1300 50 50 50

| [enquiries@centuria.com.au](mailto:enquiries@centuria.com.au)

| [centuria.com.au](http://centuria.com.au)

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