

# 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 31/12/2025	1 MTH	3 MTH	6 MTH	1 YR	2YR <sup>1</sup>	3YR <sup>1</sup>
Net returns (%) <sup>2</sup>	-0.74%	-0.14%	0.19%	1.76%	10.52%	11.40%

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



A \$10,000 investment in Centuria Magellan Global Fund made at inception is worth \$15,512 as of 31 December 2025 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

- Periods greater than 1 year are expressed in annualised terms.
- Past performance is not a reliable indicator of future performance.
- Inception date on 8/02/2019.
- Refer to product disclosure statement for fee breakdown.
- 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](https://lifegoals.centuria.com.au) to download the product disclosure statement. **Simple Flexible Versatile.**

## Fund commentary

**Market commentary:** Global equities increased by 3.1% in the December quarter as measured by the MSCI World Index in USD. The appreciation was more muted in AUD terms, rising by 2.5%. The longest US government shutdown in history (43 days) began and ended during the first half of the December quarter to little market reaction. Despite the shutdown ending, the principal cause, disagreement over the extension of ACA tax credits, remained unresolved as the year drew to a close. There was a brief re-escalation of trade tensions as China announced rare earth export controls, which are critical to many high-end industrial processes. Tensions were temporarily halted as both sides agreed to a one-year pause on respective escalatory policies. The quarter also saw some intra-quarter spike in risk premiums driven by concerns over the sustainability of the AI spend and business model. The Fed eased policy twice at the October and December FOMC meetings. Despite this, long-end US Treasury yields remain little changed as the yield curve steepened. The corporate reporting season was generally favourable. The Healthcare sector led outperformance during the quarter, rising by 10.8%. This was followed by the Materials (+5.2%), Communication Services (+5.1%) and Financial (+4.9%) sectors. In contrast, the Real Estate sector (-2.0%) was the biggest underperformer, followed by the Discretionary (+1.4%) and Tech (+1.5%) sectors.

Japan's Nikkei 225 Index was the best performer during the December quarter, rising by 12.2%, supported by strong corporate earnings and a weaker Yen, while risks regarding deflation faded. Europe's STOXX 600 Index followed, rising by 6.4%, supported by dovish expectations regarding ECB policy support on benign inflation readings. The MSCI Emerging Markets Index rose by 4.7%, followed by the S&P 500 Index (+2.6%). Both China's CSI 300 Index (+0.2%) and Australia's S&P/ASX 200 Index (-1.0%) lagged other major markets.

Over the December quarter, data reflected a gradual slowing in US economic growth. Of particular note were US labour market data, which showed a gradual upward trend in the unemployment rate and continuation in very modest job creation since Liberation Day tariffs were announced in April. Despite a surprising drop in the November US CPI reading, it was not clear whether the rate of inflation was beginning to moderate due to data issues. The one-and-a-half-month US government shutdown delayed/hindered data collection for many agencies, rendering some economic indicators unreliable. Despite the Fed easing twice during the quarter, there was no corresponding rally at the long end of the yield curve. Term premiums appeared to have expanded somewhat as concerns over persistent inflation and the deterioration in the US fiscal position lingered.

Additionally, rising Japanese Government Bond yields likely exerted additional pressure on US Treasuries. In China, the outcome of its Fourth Plenum and Central Economic Work Conference indicated the Central Government remained focused on technology investment and industrial policy. The signalling of policy continuity suggested there will be limited scope for broad fiscal stimulus in the nation.

**Portfolio commentary:** The portfolio underperformed the benchmark over the quarter in a market that could be characterised by choppy trading and rotation. Market leadership began to show some signs of shifting away from the AI Mega Cap stocks that had dominated the first three quarters of the year, into areas of the market with fundamental strength and more reasonable valuations.

The largest contributors to the portfolio's performance over the quarter were Alphabet, Amazon and Taiwan Semiconductor Manufacturing Co (TSMC). Alphabet performed strongly over the quarter, driven by earnings that beat expectations and reinforced confidence in the company's ability to leverage its "full stack" approach to lead in the AI era, rather than be disrupted by it. The Search business showed strong momentum with the integration of AI Overviews, and AI Mode accelerated growth by driving higher query volumes and monetisation. Later, the launch of Gemini 3 bolstered sentiment, given its reception as the new benchmark for AI models. YouTube provided further upside with robust performance, as Shorts revenue per watch hour surpassed that of traditional long-form content. Alphabet also announced that it will begin commercial sales of its custom Tensor Processing Units (TPUs), a new revenue stream for the company, and a potential challenge to Nvidia's dominance in the AI hardware category. Amazon outperformed on a combination of better-than-feared US consumption trends in the December quarter and an acceleration in growth and margin expansion for the AWS cloud business. The cloud operations are beginning to

see benefits from increased capex spend, with notable deals to provide computing to OpenAI delivered during the quarter. We continue to view Amazon as well-positioned to benefit from structural growth in e-commerce and cloud computing.

TSMC performed strongly, closing at record highs on continued strength in demand for semiconductors, including for AI applications, which CEO C.C. Wei described as "insane". TSMC, having cemented their dominant position at the leading edge, have begun mass production of 2nm chips using the new Gate All Around transistor architecture during the quarter. We continue to view TSMC as well-positioned to benefit from rising compute intensity, with the market having an increased appreciation of their agnostic position with respect to potential shifts in market share of AI chip designers. The largest detractors to the portfolio's performance over the quarter were Microsoft, Netflix and Meta Platforms. After performing strongly earlier in the year on accelerating growth in Azure, Microsoft gave back some of the strong performance. This was driven primarily by moderating optimism on Microsoft's AI positioning via its close relationship with OpenAI due to strong execution at Google and Anthropic. While short-term relative performance will continue to be affected by shifting views on AI positioning, taking a longer-term perspective, we view all of the incumbent cloud providers as winners of the increased adoption of AI applications. Netflix underperformed on a combination of a de-rating from elevated levels and its agreement to acquire Warner Bros Discovery's Studio & Streaming business for an enterprise value of \$83 billion.

Market concerns related to the acquisition include risk of further escalation in the purchase price, execution risks, potential anti-trust hurdles, that the deal reflects a plateauing of engagement, and a less clean near-term outlook. At the current agreed price, and taking a medium-term view, we view the deal as strategically sound and likely to create value over the longer term as streaming continues to take viewer share from linear TV. Meta shares sold off following mixed 3Q25 results. Meta's core advertising business continues to post impressive results, as investments in enhancing content recommendations to drive user engagement and optimise ad targeting bear fruit. However, management doubling down on the investment cycle with uncertain returns from non-core initiatives has weighed on sentiment. While dampening near-term earnings, we expect these investments in superintelligence to either deliver attractive returns or be significantly scaled back.

*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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