



Magellan Flagship Fund Limited  
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***Magellan Flagship Fund Limited ('MFF')  
Net Tangible Assets ('NTA') per share for May 2015.***

*Please find enclosed MFF's monthly NTA per share for May 2015.*

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

***Geoffrey Stirton  
Company Secretary***

*2 June 2015*

**Magellan Flagship Fund Limited ('MFF')**  
**Net Tangible Assets ('NTA') per share for May 2015**

MFF advises that its approximate monthly NTA per share as at 29 May 2015 was \$2.01 pre-tax (\$1.427 pre-tax as at 30 June 2014). In the theoretical case that the entire portfolio was realised at current market prices, estimated tax that may have become payable was approximately \$0.26 per share at month end. Figures in this release are adjusted for MFF's recent entitlements issue to MFF shareholders at \$1.60 per new share, the dividend payment in May and expenses including providing approximately 0.45 cents per share (pre-tax) for a contingent June 2015 expense accrual. In the theoretical case that all of the remaining MFF 2017 options had been exercised on 29 May 2015, the pre-tax NTA would have been reduced by approximately 15.7 cents per share (and the approximate post tax figure by approximately 11.6 cents per share).

Holdings as at 29 May 2015 with market values that represent 1% or more of the portfolio are shown in the table below (shown as percentages of total investment assets including net cash):

Holding	%
Visa	11.5
Wells Fargo	10.1
Lowe's	9.8
MasterCard	9.5
Home Depot	9.3
Bank of America	8.0
HCA Holdings	8.1

Holding	%
US Bancorp	5.7
Lloyds Banking Group	5.3
BlackRock	3.7
Bank of New York Mellon	3.2
State Street	2.5
Microsoft	1.9
Schroders	1.4
Qualcomm	1.2

The MFF portfolio was again almost entirely unchanged in May. Changes in percentages in the table mostly relate to receipt of the share issue proceeds, with payments of dividend and expenses modestly impactful. MFF portfolio, risk and currency explanations are unchanged from the extensive discussions in recent months. There are always current curiosities that may not have much sustained impact and it usually helps to discount the (mostly) articulate forecasters earnestly believing cases which suit current commercial or promotional objectives. Few (certainly not us) predicted that Brazil's annual GDP was going to fall about 23% in USD terms as China's brokerages raise billions of USD to open millions of margin lending stock accounts after the Shanghai market index has more than doubled.

Net cash as a percentage of investment assets (including net cash) was approximately 7.1% with USD cash being approximately 4.5%, AUD cash approximately 2.3% and other currency cash/borrowing exposures were below 1% of investment assets as at 29 May 2015.

Key currency rates for AUD as at 29 May 2015 were 0.765 (USD), 698 (EUR) and 0.502 (GBP) compared with rates as at 30 April 2015 which were 0.789 (USD), 0.704 (EUR) and 0.513 (GBP)

Yours faithfully,



Chris Mackay  
 Portfolio Manager

02 June 2015

<sup>1</sup> Net tax provisions, are tax liabilities less tax assets, and are partially in respect of realised gains.  
 All figures are unaudited and approximate.

**Important note**

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