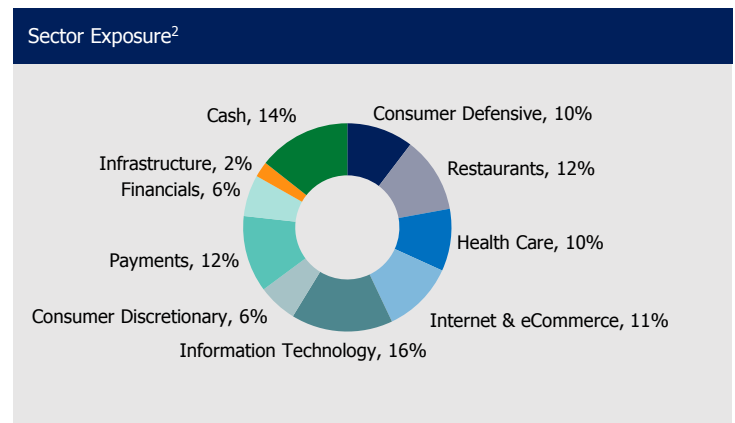


MFG Global Sustainable (USD)

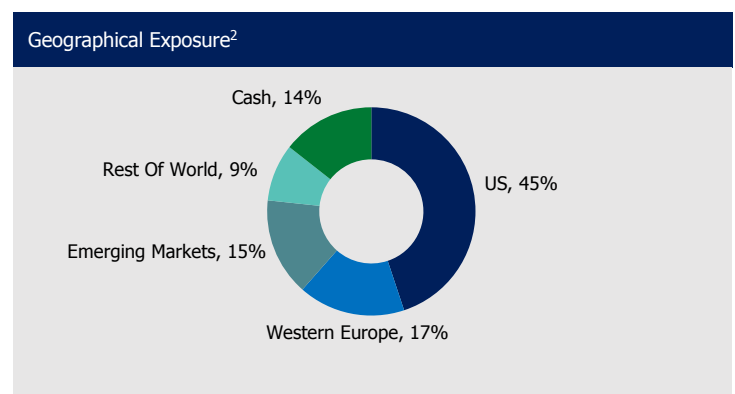
Portfolio Manager	Strategy Inception Date	Total Strategy Assets	Total Global Assets ¹
Domenico Giuliano	1 October 2016	USD \$71.5 million	USD \$42,061.9 million

Objective	Approach
Capital preservation in adverse markets	High conviction (20-50 securities), high quality focus, low turnover
Attractive absolute risk-adjusted returns through the economic cycle	Dual-sleeve portfolio construction with dynamic allocation to cash (max 20%) Combined Risk Ratio cap of 0.8 [^]
Deliver carbon intensity less than 1/3 of MSCI World	Integrated ESG with proprietary, multi-dimensional carbon emissions management

Top 10 Holdings ²	Sector ²	%
Alphabet Inc	Internet & eCommerce	6.1
Facebook Inc-A	Internet & eCommerce	5.1
Starbucks Corp	Restaurants	5.1
Microsoft Corp	Information Technology	4.6
Visa Inc	Payments	4.3
Oracle Corp	Information Technology	4.2
SAP SE	Information Technology	4.2
Lowe's Co Inc	Consumer Discretionary	3.9
MasterCard Inc	Payments	3.9
American Express Co	Payments	3.7
TOTAL:		45.1



Strategy Fundamentals ²	Strategy	Index
Number of Holdings	27	1,635
Carbon Intensity [#]	24.4	198.4
Return on Equity	23	16
P/E Ratio (1 year forward)	17.8	15.3
Interest Cover	14	11
Debt/Equity Ratio	59	52
Active Share	88	n/a
Weighted Average Market Cap (USD million)	222,038	n/a



Cumulative Performance ³	3 Months (%)	1 Year (%)	2 Years (% p.a.)	Since Inception (% p.a.)
Composite (Gross)	11.9	11.3	12.3	12.7
Composite (Net)	11.6	10.4	11.4	11.8
MSCI World NTR Index	12.5	4.0	8.7	10.4
Excess (Gross)	-0.6	7.3	3.6	2.3
MSCI World Low Carbon Target NTR Index	12.5	3.8	8.4	10.1

Annual Performance ³	CYTD (%)	2018	2017	2016*
Composite (Gross)	11.9	-1.0	21.4	0.3
Composite (Net)	11.6	-1.8	20.4	0.1
MSCI World NTR Index	12.5	-8.7	22.4	1.9
Excess (Gross)	-0.6	7.7	-1.0	-1.6
MSCI World Low Carbon Target NTR Index	12.5	-8.9	22.3	1.5

¹ Comprised of all Global Strategies.

² The data is based on a representative portfolio for the strategy. Sectors are internally defined. Geographical exposure is calculated on a look through basis based on underlying revenue exposure of individual companies held within the portfolio. Exposures may not sum to 100% due to rounding. The Index is the MSCI World NTR Index. Refer to the Important Notice below for further information.

³ Returns are for the Global Sustainable Composite and denoted in USD. Performance would vary if returns were denominated in a currency other than USD. Refer to the GIPS Disclosure section below for further information. Composite (Net) returns are net of fees charged to clients and have been reduced by the amount of the highest fee charged to any client employing that strategy during the period under consideration. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. Fees are available upon request.

[^] Combined risk ratio is a measure of relative beta and relative drawdown to MSCI World NTR USD Index. Please contact MFGAM should you wish for further details on the calculation.

* Returns are only for part year.

#MSCI World Index Carbon Intensity level as at 29 June 2018.

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The MSCI World Index (Net) is a free-float adjusted market capitalization weighted index that is designed to measure the equity performance of 24 developed markets. Index results assume the reinvestment of all distributions of capital gain and net investment income using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

GLOBAL INVESTMENT PERFORMANCE STANDARDS (GIPS®) DISCLOSURE

Magellan Asset Management Limited, doing business as MFG Asset Management in jurisdictions outside Australia and New Zealand, (MFG Asset Management) claims compliance with the Global Investment Performance Standards (GIPS ®)

For the purpose of complying with GIPS, the Firm is defined as all discretionary portfolios managed by MFG Asset Management, excluding portfolios managed by subsidiaries operating as distinct business entities. MFG Asset Management is a wholly-owned subsidiary of the publicly listed company Magellan Financial Group Limited. MFG Asset Management is based in Sydney, Australia. Total Firm assets is defined as all assets managed by MFG Asset Management, excluding assets managed by subsidiaries operating as distinct business entities.

The Global Sustainable composite is a concentrated global equity strategy investing in high quality companies (typically 20-50 stocks) with an integrated ESG risk assessment process, including a low carbon overlay. High quality companies are those companies that have sustainable competitive advantages which translate into returns on capital materially in excess of their cost of capital for a sustained period of time. The investment objectives of the Global Sustainable strategy are to earn superior risk adjusted returns through the business cycle whilst minimising the risk of a permanent capital loss with meaningfully lower carbon intensity than broader equity markets. Prior to May 29, 2018 the composite was named the Global Low Carbon Composite. As at 1 February 2019, the composite was redefined to exclude portfolios utilising specific ESG exclusions on societal grounds, in addition to the integrated ESG risk assessment process and low carbon overlay, due to a narrower definition of the ESG universe.

To achieve investment objectives, the composite may also use derivative financial instruments including, but not limited to, options, swaps, futures and forwards. Derivatives are subject to the risk of changes in the market price of the underlying securities instruments, and the risk of the loss due to changes in interest rates. The use of certain derivatives may have a leveraging effect, which may increase the volatility of the composite and may reduce its returns.

A copy of the composite's GIPS compliant presentation and/or the firm's list of composite descriptions are available upon request by emailing client.reporting@magellangroup.com.au

The representative portfolio is an account in the composite that closely reflects the portfolio management style of the strategy. Performance is not a consideration in the selection of the representative portfolio. The characteristics of the representative portfolio may differ from those of the composite and of the other accounts in the composite. Information regarding the representative portfolio and the other accounts in the composite is available upon request.

USD is the currency used to calculate performance.

GLOBALSUSUSD4355

Market Commentary

Global stocks staged their best quarterly performance in more than eight years in the three months to March after the Federal Reserve signalled that it no longer held to forecasts it issued in December when it indicated it expected to conduct two rate increases in 2019, the US government delayed increasing tariffs on Chinese imports, and reports showed the US economy was expanding at a fast-enough pace. The surge overcame rising doubts over the eurozone economy and uncertainty over the UK's departure from the EU. During the quarter, all 11 sectors rose in US-dollar terms. IT (+20%) and real estate (+16%) rose the most while healthcare (+8.1%) rose the least. The Morgan Stanley Capital International (MSCI) World Index rallied 12%, its best performance since 2010.

US stocks rose after the Fed repeatedly signalled it didn't expect to pursue the two rate increases it predicted in December that it would enact in 2019. In another shift that was a boost for stocks, the Fed said that by the end of September it would stop reducing its balance sheet that was swollen by three spurts of quantitative easing or asset buying since the financial crisis of 2008. Previously, the Fed said it would reduce its balance sheet to a set timetable. Concerns about trade tensions between China and the US eased after US President Donald Trump said trade talks with China had progressed enough for him to meet Chinese President Xi Jinping to "conclude an agreement". An economic report showed the US economy expanded at an annualised pace of 2.2% in the fourth quarter. In political news, the investigation into Russian interference in the 2016 election headed by Special Counsel Robert Mueller III found that Trump had not colluded with Russia's meddling during the campaign, according to a synopsis that Attorney-General William Barr sent congress. The S&P 500 Index added 13%, its biggest quarterly gain since 2009.

European stocks rose after the European Central Bank indicated it could aid the economy if needed and the central bank announced new cheap loans for banks. Another boost came when the EU granted the UK an extension on its March 29 deadline for leaving the EU so it had more time to work through its divorce. Economic reports showed the eurozone economy is tepid. A key report showed the eurozone economy grew only 0.2% in the fourth quarter, meaning the euro area expanded 1.8% in 2018. The Euro Stoxx 50 Index gained 12%.

In Asia, Japanese stocks rose after a report showed Japan's economy returned to growth in the fourth quarter, when it expanded at an annualised rate of 1.4%. Chinese stocks surged after the People's Bank of China cut reserve requirements for commercial banks to encourage lending, the government applied some fiscal stimulus and trade tensions eased (and on a decision that the MSCI China Index would hold a greater weighting in world indices). Japan's Nikkei 225 Index rose 8.4%. China's CSI 300 Index soared 30%. The MSCI Emerging Markets Index added 10%.

Movements in benchmark indices are in local currency unless stated otherwise.

Strategy Commentary

The strategy recorded a positive return for the March quarter. The biggest contributors included the investments in Chipotle Mexican Grill, Facebook and Mastercard. Chipotle climbed after the chain surpassed earnings, sales, margin and traffic forecasts for the fourth quarter. Facebook surged after higher-than-expected revenue numbers for the fourth quarter of U\$16.9 billion showed users and advertisers were sticking with the social media company even though it has been troubled by privacy and other scandals. Mastercard rose after it boosted its revenue forecast for this fiscal year amid talk the Fed's apparent pause on rate increases would boost consumer spending and card use.

The detractors were the investments in Kraft Heinz, CVS Health and Spain's CaixaBank. Kraft Heinz plummeted after the packaged-goods company wrote down the value of underperforming brands by US\$15.4 billion, reported earnings that fell short of expectations due to higher costs, and said it was subject to a probe by regulators. CVS sagged after rising costs and a weak contribution from its 2015 purchase of nursing-home pharmacy Omnicare led to a big write-down, and talk mounted that one of the few issues where the divided congress and Trump could agree to act would be on measures to reduce the prices of medicines. CaixaBank fell after fourth-quarter earnings disappointed when cost guidance for fiscal 2019 was increased more than expected. Spanish banks are also facing continued consumer activism regarding possible mortgage mis selling.