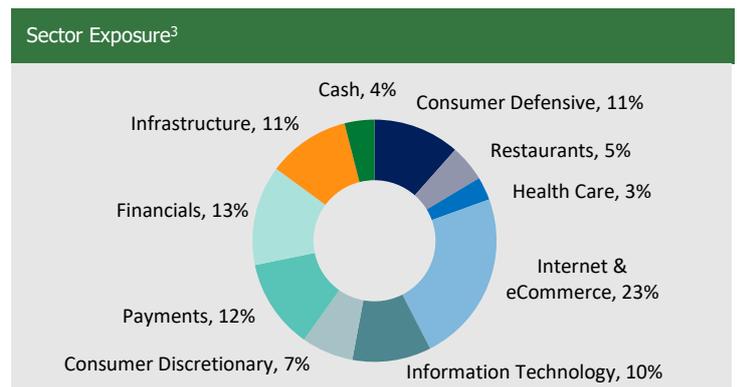


MFG US Sustainable (USD)

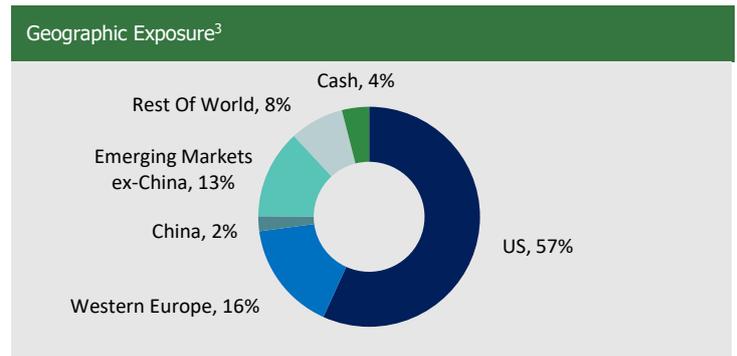
Portfolio Manager	Strategy Inception Date	Total Strategy Assets ¹	Total Sustainable Assets ²
Alan Pullen	1 January 2017	USD \$2.3 million	USD \$126.4 million

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 10%) Combined Risk Ratio cap of 1.0 [^]
Deliver carbon intensity less than 1/3 of S&P500	Integrated ESG with proprietary, multi-dimensional carbon emissions management

Top 10 Holdings ³	Sector ³	%
Microsoft Corporation	Information Technology	7.3
Alphabet Inc	Internet & eCommerce	7.3
Visa Inc	Payments	6.9
Amazon.com Inc	Internet & eCommerce	6.3
Intercontinental Exchange Inc	Financials	4.8
Netflix Inc	Internet & eCommerce	4.8
Procter & Gamble	Consumer Defensive	4.7
Facebook Inc	Internet & eCommerce	4.6
Home Depot Inc	Consumer Discretionary	4.1
Pepsico Inc	Consumer Defensive	4.0
TOTAL:		54.8



Strategy Fundamentals ³	Strategy
Number of Holdings	26
Carbon Intensity (CO ₂ t/US\$1m revenues)	30
Return on Equity	23
P/E Ratio (1 year forward)	35.0
Interest Cover (EBIT/interest expense)	11
Active Share	77
Weighted Average Market Cap (USD million)	586,714



3 Year rolling returns ⁴ (measured monthly)	Last 12 Months	Since Inception (19 Months)
Against S&P 500 NTR Index		
Average excess return (% p.a.) (Gross)	4.1	4.0
Average excess return (% p.a.) (Net)	3.2	3.1
Outperformance consistency (Gross)	100%	100%
Outperformance consistency (Net)	100%	100%

Performance ⁵	3 Months (%)	1 Year (%)	3 Years (% p.a.)	Since Inception (% p.a.)
Composite (Gross)	9.1	42.8	22.7	20.5
Composite (Net)	8.9	41.7	21.7	19.6
S&P 500 NTR Index	8.4	40.1	18.0	17.2
Excess (Gross)	0.7	2.7	4.7	3.3

Annual Performance ⁵ (%)	CYTD	2020	2019	2018	2017
Composite (Gross)	17.1	22.4	36.4	-2.6	21.7
Composite (Net)	16.6	21.4	35.3	-3.4	20.7
S&P500 Net TR Index	15.0	17.8	30.7	-4.9	21.1
Excess (Gross)	2.1	4.6	5.7	2.3	0.6

¹ US strategy is based on a proprietary portfolio.

² Comprised of all Sustainable Strategies.

³ 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. Refer to the Important Notice below for further information.

⁴ Rolling 3-year returns are calculated and rolled monthly for the duration of each period shown. The average excess return is then calculated for each period, with the outperformance consistency indicating the percentage of positive excess returns.

⁵ Returns are for the US 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 S&P500 Net TR Index (USD). Please contact MFGAM should you wish for further details on the calculation.

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The S&P 500 TR Index is a float adjusted market capitalization weighted index that is designed to measure the equity performance of the top 500 companies in the United States. 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.

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For the purpose of complying with GIPS, the Firm is defined as all discretionary portfolios managed by MFG Asset Management, excluding brands 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 US Sustainable composite is a concentrated global equity strategy investing in high quality companies (typically 20-50 stocks), domiciled in the United States, with an integrated 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 US Sustainable strategy are to earn superior risk adjusted returns through the business cycle whilst minimising the risk of a permanent capital loss with an integrated ESG strategy with meaningfully lower carbon intensity than broader equity markets. The composite was created in January 2017. Prior to May 29, 2018 the composite was named the US Low Carbon Composite.

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.

USSUSUSD44377

Market Commentary

US stocks soared to record highs in the three months to June after investors backed that vaccines and more government spending would drive economies, dismissed an acceleration in inflation as transitory, and thus believed statements from central banks they would keep monetary policy loose. The S&P 500 rallied 8.2%.

Stocks gained as companies, especially tech ones and the banks, reported healthy earnings reports for the first quarter, the administration of President Joe Biden announced plans for another US\$4 trillion in spending (that Congress is still to approve), consumers spent as they grew in confidence, and, by the White House count, 67% of adults have received one vaccine dose. Reports, however, on inflation provoked spasmodic caution. Consumer inflation rose 5.0% in the 12 months to May, the fastest pace since 2008, while producer prices surged 6.6% in the year to May. These reports fanned talk the US Federal Reserve might rethink its loose monetary policy. A Fed survey of its policymakers shows they had brought forward their expectations of when they would sanction a higher US cash rate. They (as represented by their median forecast) now expect to approve two increases in the cash rate from close to 0% by the end of 2023.

Strategy Commentary

The portfolio recorded a positive return for the quarter. The biggest contributors were the investments in Alphabet, Microsoft and Facebook. Alphabet rallied after the parent of Google reported that rising spending on digital ads boosted first-quarter sales to US\$55.3 billion, a higher-than-expected rise of 34% from a year earlier. Microsoft rose as rising demand for PCs, gaming consoles, and digital services delivered over the cloud boosted the software giant's first-quarter sales by a higher-than-expected 19% to US\$41.7 billion. As well, in April, Microsoft agreed to buy speech-recognition firm Nuance Communications for US\$19.7 billion, to expand the services it can offer business customers. Facebook surged after first-quarter sales smashed expectations to rise 48% to US\$26.2 billion as advertisers sought access to the social media platform's 2.9 billion users and a US judge unexpectedly dismissed two complaints against the social-media giant from the US regulator because the judge said the Federal Trade Commission failed to prove the company was a monopoly.

The biggest detractors were the investments in Eversource Energy, Booking Holdings and McDonald's. Eversource Energy fell after the Connecticut Public Utility Regulatory Authority slammed the utility that through subsidiaries offers electricity, natural gas and water services for its preparation for and response to Tropical Storm Isaias that hit in 2020. In a politically charged decision, the authority found that Eversource did not satisfy relevant performance standards, ordered an indefinite reduction of 90 basis points to subsidiary Connecticut Light & Power's authorised return on equity, ordered the opening of a regulatory docket to consider issuing civil penalties against the subsidiary and foreshadowed the disallowance of certain costs that the authority asserts were imprudently incurred were Eversource to seek recovery. Eversource has indicated it will appeal these findings. Booking's share price came under pressure late in the quarter as the Delta coronavirus variant led to the reintroduction of travel restrictions in Europe and likely delayed the relaxation of restrictions in other regions. McDonald's slid on talk it might need to pay more for labour and food ingredients (even though these costs are borne by franchisee partners in 93% of restaurants) and the restaurant chain's first-quarter earnings boosted confidence in the outlook for sales growth.

In relative terms, the portfolio outperformed the benchmark over the quarter, largely driven by gains in a number of the fund's technology companies. The investment returns reflect the underlying performance of these quality companies, which continue to deliver strong earnings growth and trade at reasonable valuations.

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