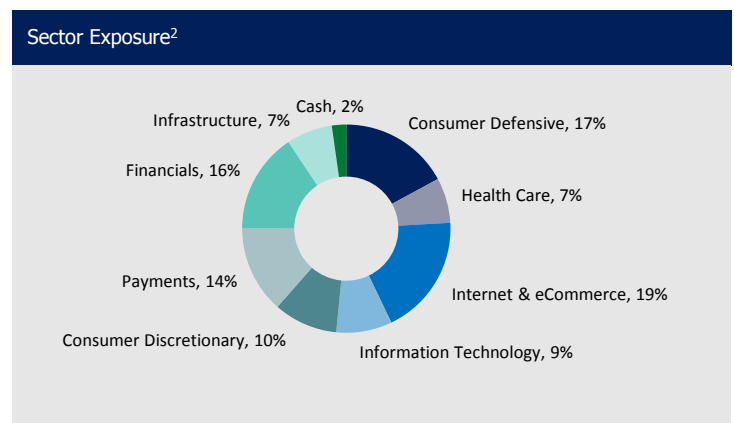


MFG US Sustainable (USD)

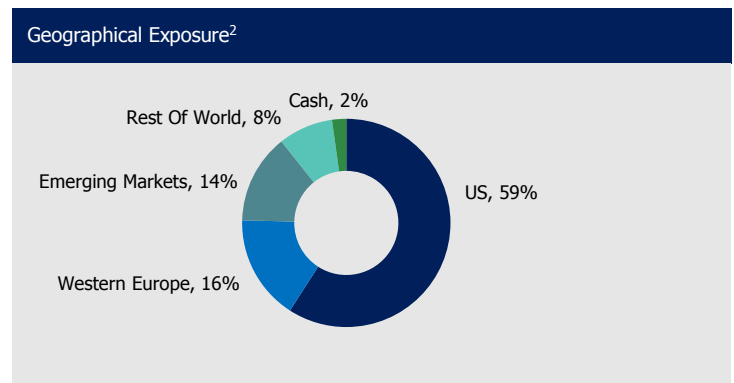
| Portfolio Manager | Strategy Inception Date | Total Strategy Assets | Total Global Assets ¹ |
|-------------------|-------------------------|-----------------------|----------------------------------|
| Alan Pullen | 1 January 2017 | USD \$64.9 million | USD \$36,925.5 million |

| Objective | Approach |
|--|---|
| Attractive absolute risk-adjusted returns through the economic cycle | High conviction (20-50 securities), high quality focus, low turnover |
| Capital preservation in adverse markets | Dual-sleeve portfolio construction 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 ² | Sector ² | % |
|-------------------------------|------------------------|------|
| Alphabet Inc | Internet & eCommerce | 7.6 |
| Facebook Inc-A | Internet & eCommerce | 7.0 |
| Visa Inc | Payments | 6.6 |
| Kraft Heinz Co | Consumer Defensive | 5.6 |
| Starbucks Corp | Consumer Defensive | 5.0 |
| Wells Fargo & Co | Financials | 4.5 |
| Pepsico Inc | Consumer Defensive | 4.3 |
| Intercontinental Exchange Inc | Financials | 4.2 |
| eBay Inc | Internet & eCommerce | 4.2 |
| Home Depot Inc | Consumer Discretionary | 4.2 |
| TOTAL: | | 53.2 |



| Strategy Fundamentals ² | Strategy | Index |
|---|----------|-------|
| Number of Holdings | 26 | 505 |
| Carbon Intensity | 27.2 | n/a |
| Return on Equity | 23 | 21 |
| P/E Ratio (1 year forward) | 17.1 | 15.9 |
| Interest Cover | 20 | 12 |
| Debt/Equity Ratio | 41 | 55 |
| Active Share | 81 | n/a |
| Weighted Average Market Cap (USD million) | 215,347 | n/a |



| Cumulative Performance ³ | 3 Months (%) | 1 Year (%) | 2 Years (% p.a.) | Since Inception (% p.a.) |
|-------------------------------------|--------------|-------------|------------------|--------------------------|
| Composite (Gross) | -11.4 | -2.6 | 8.9 | 8.9 |
| Composite (Net) | -11.6 | -3.4 | 8.0 | 8.0 |
| S&P 500 NTR Index | -13.7 | -4.9 | 7.3 | 7.3 |
| Excess (Gross) | 2.3 | 2.3 | 1.6 | 1.6 |

| Annual Performance ³ | 2018 | 2017* |
|---------------------------------|-------------|-------------|
| Composite (Gross) | -2.6 | 21.7 |
| Composite (Net) | -3.4 | 20.7 |
| S&P500 Net TR Index | -4.9 | 21.1 |
| Excess (Gross) | 2.3 | 0.6 |

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 S&P500 Net TR Index. Refer to the Important Notice below for further information.

3 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 MSCI World NTR USD Index. Please contact MFGAM should you wish for further details on the calculation.

* Returns are only for part year.

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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.

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.

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.

USSUSUSD43465

Market Commentary

US stocks in the December quarter staged their worst quarterly performance in more than seven years after tighter US monetary policy, tensions between China and the US and key resignations from the US administration fanned doubts about the economic outlook.

Concerns about the stability of the administration of President Donald Trump swelled after Defence Secretary James Mattis quit in December over Trump's decision to pull US troops from Syria. Concerns rose further when an impasse with Congress about paying for a wall along the Mexican border led to a partial government shutdown, and Trump reportedly looked into sacking Jerome Powell, his appointee as Fed chairman, for raising US rates too fast.

The Federal Reserve disappointed those who hoped the central bank would end its rate increases when it delivered an expected increase in December. The Fed raised the US cash rate by 25 basis points to between 2.25% and 2.5%, the fourth rate increase of 2018 and the ninth rate increase since the global financial crisis. Investors were disappointed that the Fed only reduced its forecast for rate increases in 2019 from three to two – some were hoping for none. The US ended 2018 with the jobless rate at a 49-year low of 3.7% and inflation largely contained to about 2% on key barometers.

Losses were limited by the fact that companies reported better-than-expected earnings for the third quarter. Financial research and data company FactSet said S&P 500 companies reported 25.9% earnings growth for the third quarter, the best result in eight years.

Strategy Commentary

The strategy recorded a negative return for the quarter. The stocks that struggled most included the investments in Fresenius Medical Care of Germany, Apple and Facebook. Fresenius slumped after the dialysis company issued two earnings warnings in consecutive months due to emerging-market weakness and a lower percentage of commercial patients in the US. Apple tumbled after earnings downgrades by key suppliers raised concerns about the strength of demand for Apple's latest devices. Facebook fell after media reports attacked how top executives handled fake news, privacy issues and other incidents.

Stocks that performed best included the investments in Starbucks, McDonald's and American Tower. Starbucks surged after faster-than-expected sales growth of 4% in the Americas and 3% globally for the third quarter beat expectations, and the coffee chain said it would cut about 5% of the workers based in its headquarters in Seattle to reduce costs. McDonald's rose on higher-than-expected sales in the third quarter thanks to better performances in Australia, Canada and the UK. American Tower jumped after the owner of wireless communications towers raised guidance for fiscal 2018 and reported higher-than-expected earnings and sales figures for the third quarter.