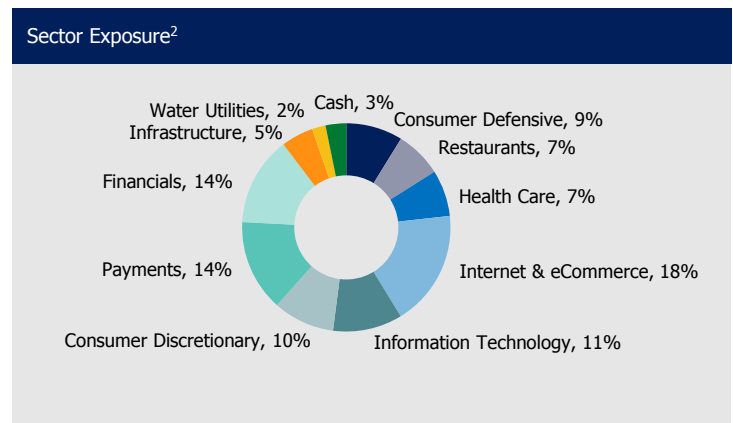


MFG US Sustainable (USD)

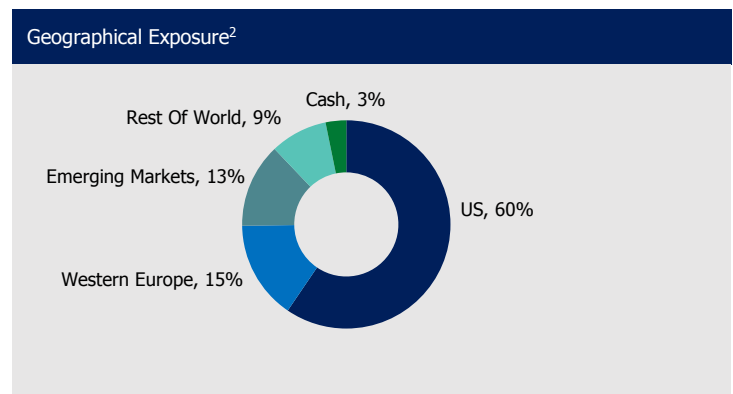
Portfolio Manager	Strategy Inception Date	Total Strategy Assets	Total Global Assets ¹
Alan Pullen	1 January 2017	USD \$71.5 million	USD \$42,061.9 million

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 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	7.2
Visa Inc	Payments	6.8
Facebook Inc-A	Internet & eCommerce	6.7
Microsoft Corp	Information Technology	6.0
Starbucks Corp	Restaurants	5.1
Apple Inc	Information Technology	4.7
Kraft Heinz Co	Consumer Defensive	4.6
Fresenius Medical Care AG	Health Care	4.4
Wells Fargo & Co	Financials	4.2
Pepsico Inc	Consumer Defensive	4.2
TOTAL:		53.9



Strategy Fundamentals ²	Strategy	Index
Number of Holdings	25	503
Carbon Intensity	30.4	0.0
Return on Equity	21	21
P/E Ratio (1 year forward)	18.4	16.7
Interest Cover	11	12
Debt/Equity Ratio	57	57
Active Share	78	n/a
Weighted Average Market Cap (USD million)	306,459	n/a



Cumulative Performance ³	3 Months (%)	1 Year (%)	2 Years (% p.a.)	Since Inception (% p.a.)
Composite (Gross)	13.3	11.5	12.5	14.0
Composite (Net)	13.1	10.6	11.6	13.1
S&P 500 NTR Index	13.5	8.8	11.1	12.6
Excess (Gross)	-0.2	2.7	1.4	1.4

Annual Performance ³	CYTD (%)	2018	2017*
Composite (Gross)	13.3	-2.6	21.7
Composite (Net)	13.1	-3.4	20.7
S&P500 Net TR Index	13.5	-4.9	21.1
Excess (Gross)	-0.2	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

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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 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 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.

USSUSUSD43555

Market Commentary

US stocks staged their best quarterly performance in more than nine 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.

US stocks rose after the Fed repeatedly signaled 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 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 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 gains since 2009.

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 eBay, Facebook and Alphabet. EBay rallied after the online sales site came to an agreement with 'activist' investors that set up a 'strategic review' that could lead to the company selling off some of its businesses. Facebook surged after higher-than-expected revenue numbers for the fourth quarter of U\$16.91 billion showed users and advertisers were sticking with the social media company even though it has been troubled by privacy and other scandals. Alphabet rose as fourth-quarter revenue exceeded expectations.

The only detractor was the investments in Kraft Heinz. 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.