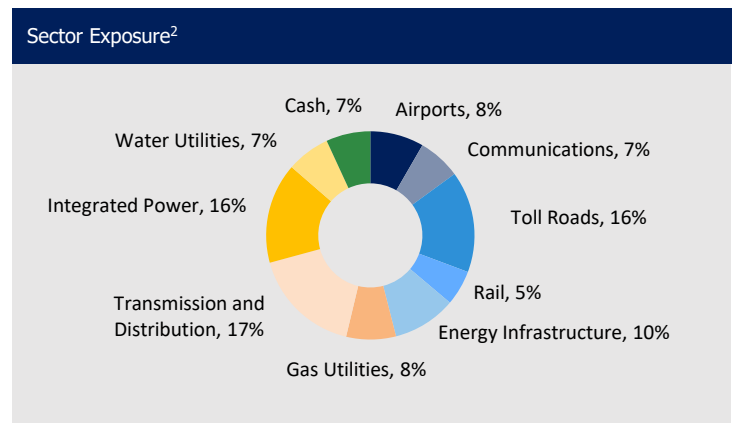


MFG Select Infrastructure (USD)

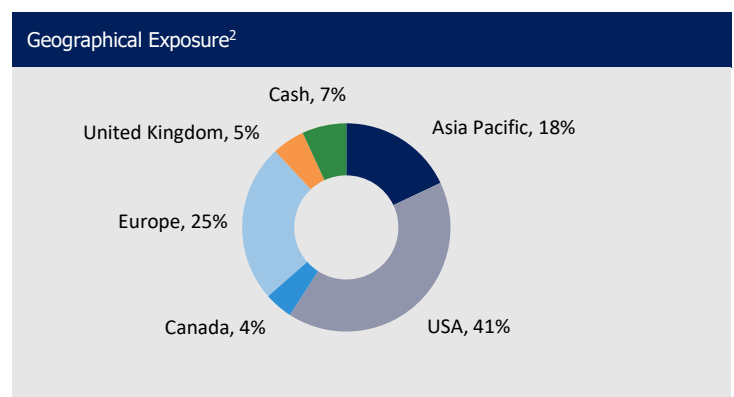
| Portfolio Manager | Strategy Inception Date | Total Strategy Assets | Total Infrastructure Assets ¹ |
|-------------------|-------------------------|-----------------------|--|
| Gerald Stack | 2 May 2013 | USD \$6,966.5 million | USD \$14,112.0 million |

| Objective | Approach |
|--|---|
| Capital preservation in adverse markets | Concentrated 20-40 stock portfolio applying our proprietary infrastructure classification |
| Pre-fee return of CPI plus 5-6%p.a. through the economic cycle | Valuation driven benchmark-unaware strategy |
| | Highly defensive, inflation-linked exposure |

| Top 10 Holdings ² | Sector ² | % |
|------------------------------|-------------------------------|------|
| Transurban Group | Toll Roads | 6.1 |
| Atmos Energy Corporation | Gas Utilities | 5.1 |
| Red Electrica Corporacion | Transmission and Distribution | 5.1 |
| Sempra Energy | Integrated Power | 4.5 |
| Eversource Energy | Transmission and Distribution | 4.5 |
| Enbridge Inc | Energy Infrastructure | 4.4 |
| Aena SME SA | Airports | 4.2 |
| American Water Works | Water Utilities | 3.9 |
| Vinci SA | Toll Roads | 3.9 |
| Vopak NV | Energy Infrastructure | 3.8 |
| TOTAL: | | 45.5 |



| USD 5 Year Risk Measures ⁴ | Against Global Equities | Against Infrastructure Benchmark ⁵ |
|---------------------------------------|-------------------------|---|
| Upside Capture | 0.6 | 0.9 |
| Downside Capture | 0.5 | 0.8 |
| Beta | 0.7 | 0.7 |
| Correlation | 0.8 | 0.9 |



| Cumulative Performance ³ | 3 Months (%) | 1 Year (%) | 3 Years (% p.a.) | 5 Years (% p.a.) | 7 Years (% p.a.) | Since Inception (% p.a.) |
|-------------------------------------|--------------|------------|------------------|------------------|------------------|--------------------------|
| Composite (Gross) | 6.3 | -5.7 | 4.5 | 8.3 | 8.5 | 8.3 |
| Composite (Net) | 6.1 | -6.4 | 3.7 | 7.4 | 7.6 | 7.5 |
| Global Infrastructure Benchmark | 14.8 | -6.5 | 1.8 | 6.9 | 4.9 | 4.6 |
| Excess (Gross) | -8.5 | 0.8 | 2.7 | 1.4 | 3.6 | 3.7 |
| MSCI World NTR Index | 14.0 | 15.9 | 10.5 | 12.2 | 9.2 | 10.3 |

| Annual Performance ³ (%) | CYTD | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013* |
|-------------------------------------|------|------|-------|------|------|-------|------|-------|
| Composite (Gross) | -5.7 | 26.7 | -4.4 | 25.0 | 4.4 | 3.9 | 14.1 | 4.6 |
| Composite (Net) | -6.4 | 25.7 | -5.2 | 24.0 | 3.6 | 3.1 | 13.2 | 4.0 |
| Global Infrastructure Benchmark | -6.5 | 25.8 | -10.4 | 19.1 | 11.4 | -12.2 | 14.1 | 0.9 |
| Excess (Gross) | 0.8 | 0.9 | 6.0 | 5.9 | -7.0 | 16.1 | 0.0 | 3.7 |
| MSCI World NTR Index | 15.9 | 27.7 | -8.7 | 22.4 | 7.5 | -0.9 | 4.9 | 14.7 |

Strategy Commentary

The strategy recorded a positive return in the December quarter. Stocks that contributed the most included the investments in Aena of Spain and CSX Corp and Sempra Energy of the US. Aena, the world's largest airport operator, rose on hopes that a vaccine for the virus that causes the illness known as covid-19 would allow passenger traffic to start to recover towards pre-pandemic levels. CSX energy gained after the North American railroad company's third-quarter result showed a strong recovery in volumes and the benefits of increased efficiency measures that have persisted even as volume has recovered, and the company announced an additional US\$5 billion buyback. Sempra Energy gained as third-quarter earnings beat expectations and after its SDG&E subsidiary was the only bidder for the San Diego 20-year franchise agreement.

Stocks that detracted included the investments in Koninklijke Vopak of the Netherlands, American Tower and Crown Castle International of the US. Koninklijke Vopak, which stores oil, gas and chemicals, fell as the oil market slipped into backwardation, reducing the demand for short-term storage, while American Tower and Crown Castle International, which own communication towers, declined as investors rotated to riskier sectors.

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

Stock Story: Aena



Aena is the world's largest airport operator in terms of passenger traffic. The company earns that title by shuffling 275 million passengers through Spain's 46 airports and two heliports and another 18 million people through its 51%-owned Luton in the UK, one of the 45 airports outside Spain in which Aena has a direct or indirect holding.

In February 2020, the year ahead was looking good enough for the majority-Spanish-government-owned company to raise its forecast for growth in passenger traffic for last year to 1.9% from 1.1% – not a spectacular increase but a reflection of the steady growth that essential services tend to enjoy as populations grow in size and wealth. Needless to say, Aena's prediction was upended when the coronavirus arrived in Europe.

Passenger numbers are key for airports because they are the key determinants of their two main sources of earnings (which, for Aena, amounted to 4.5 billion euros in 2019). The biggest source of income is from aeronautical revenue (64% of Aena's revenue in 2019). This comprises the income from flights, terminal space rentals, landing fees and other usage fees. The other main source of revenue for airport operators is non-aeronautical earnings, the term for the money people spend at shops within a terminal and for parking their cars

(29% of Aena's 2019 revenue). Basically, the more people fly, the more an airport operator earns. Thus, the income of airport operators was devastated when passenger numbers dived after European governments imposed restrictions on daily life and banned or restricted travel to combat infections.

The pandemic hit Spain hard so Aena's businesses suffered. Passenger numbers in March dropped by 59% from a year earlier. April's plunge was 99%, as was May's. The result for June was a dive of 96%, July's drop was 76% while August's decline came in at 70%, an improvement that reflected an easing of restrictions as infection rates declined.

Aena's stock naturally fell when the virus reached Europe as investors reassessed its earnings outlook and rating companies such as Moody's reviewed the ability of companies to repay debt. On March 31, for example, Moody's downgraded the debt rating on 11 European airport operators but only reduced the 'outlook' on Aena's 'A3' rating – which is a warning that Moody's might reduce the rating. From the end of 2019, Aena's stock fell as much as 48% by mid-March before ending 2020 only 17% lower overall for the year.

Another way to read that sentence is that Aena's stock ended the year 60% above its 2020 low. The gain was thanks to news in November that vaccines had been developed for the novel coronavirus, with the possibility that life could return to normal sooner. The optimism surrounding these vaccines even overcame concerns about the financial damage Europe's second wave of COVID-19 infections and related restrictions would herald. The UK in December became the first country to commence vaccinating its population. Expectations are high that, over 2021, vaccination campaigns can defeat the pandemic.

Aena is particularly well placed for a recovery compared with its listed airport peers. Not only does the company have a government-endorsed monopoly over air travel in Spain, but also, its mix of passenger traffic in terms of tilt towards domestic routes and purpose of travel makes it stand out.

We would expect domestic and regional traffic to come back first, followed by long-haul international travel. At Spanish airports, 91% of Aena's traffic in 2019 was domestic or EU travel. Aena also estimates that business travel represented only about 19% of total traffic in 2019 – well below that of other listed peers. This mix is especially important given potential structural shifts in the market that could arise from the pandemic – there is likely to be a quick rebound in leisure and personal travel but much slower revival in business flying.

Personal travel is likely to bounce back most quickly because people will be keen to see the friends and relatives they couldn't visit in 2020. Leisure travel is also likely to return to more pre-COVID-19 levels because, freed of lockdowns, people will look to get away on holiday; these would include many northern Europeans keen to escape their chilly countries by visiting sunny Spain. However, the recovery in business travel is expected to lag as the economic damage of the pandemic is likely to see businesses seek to reduce costs. Travel budgets will likely be one of the first areas to be cut, not least because the pandemic showed that Zoom, Microsoft

Teams and other such software were adequate substitutes for many face-to-face meetings.

On top of all this, Aena is a well-managed company that due to exceptional control of costs recorded a profit in its aeronautical business in the third quarter of 7.5 million euros even though traffic was down 75% for the three months. That result added to years of reliable earnings. All up, we are confident that Aena can redisplay one of the key attributes we expect from infrastructure stocks; that is, the ability to offer reliable earnings.

It must be stressed that the pandemic is not over. COVID-19 could have transformed, rather than just temporarily impeded, people's holiday and personal travel habits in such a way that Aena loses out. Airlines' financial burdens have increased substantially, and it is unlikely all will survive. In addition, airport operators in Europe face the longer-term threat of increase environmental taxes on plane tickets, making air travel less attractive. Prior to the pandemic, there was an active 'flygskam' (flight shaming) movement to encourage the use of trains over planes. Even allowing for

these, Aena seems one of the best-placed of the world's listed airport operators as 2021 gets underway.

Sources: Company website, Bloomberg and Dunn & Bradstreet.

1 Comprised of all Infrastructure Strategies.

2 The data is based on a representative portfolio for the strategy. Refer to the GIPS Disclosure below for further information. Sectors are internally defined. Geographical exposure is by domicile of listing. Exposures may not sum to 100% due to rounding.

3 Returns are for the Global Select Infrastructure 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.

4 Risk measures are for the Global Select Infrastructure Composite before fees. The Global Equity Index is the MSCI World NTR Index.

5 The Benchmark or Global Infrastructure benchmark is comprised of the following: from inception to 31 December 2014 the benchmark is UBS Developed Infrastructure & Utilities NTR Index and from 1 January 2015 onwards, the benchmark is the S&P Global Infrastructure NTR Index. Note: the UBS Developed Infrastructure and Utilities NTR Index ceased to be published from 31 May 2015, replaced on 1 January 2015 with the S&P Global Infrastructure Index NTR.

IMPORTANT NOTICE

This material is being furnished to you to provide summary information regarding Magellan Asset Management Limited trading as MFG Asset Management ('**MFG Asset Management**') and an investment fund or investment strategy managed by MFG Asset Management ('**Strategy**'). This material is not intended to constitute advertising or advice of any kind and you should not construe the contents of this material as legal, tax, investment or other advice. In making an investment decision, you must rely on your own examination of any offering documents relating to the Strategy.

The investment program of the Strategy presented herein is speculative and may involve a high degree of risk. The Strategy is not intended as a complete investment program and is suitable only for sophisticated investors who can bear the risk of loss. The Strategy may lack diversification, which can increase the risk of loss to investors. The Strategy's performance may be volatile. Past performance is not necessarily indicative of future results and no person guarantees the future performance of the Strategy, the amount or timing of any return from it, that asset allocations will be met, that it will be able to implement its investment strategy or that its investment objectives will be achieved. Statements contained in this material that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of MFG Asset Management. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. This material may contain 'forward-looking statements'. Actual events or results or the actual performance of an MFG Asset Management financial product or service may differ materially from those reflected or contemplated in such forward-looking statements. The Strategy will have limited liquidity, no secondary market for interests in the Strategy is expected to develop and there are restrictions on an investor's ability to withdraw and transfer interests in the Strategy. The management fees, incentive fees and allocation and other expenses of the Strategy will reduce trading profits, if any, or increase losses.

No representation or warranty is made with respect to the correctness, accuracy, reasonableness or completeness of any of the information contained in this material. This information is subject to change at any time and no person has any responsibility to update any of the information provided in this material. This material may include data, research and other information from third party sources. MFG Asset Management makes no guarantee that such information is accurate, complete or timely and does not provide any warranties regarding results obtained from its use. MFG Asset Management will not be responsible or liable for any losses, whether direct, indirect or consequential, including loss of profits, damages, costs, claims or expenses, relating to or arising from your use or reliance upon any part of the information contained in this material including trading losses, loss of opportunity or incidental or punitive damages.

No distribution of this material will be made in any jurisdiction where such distribution is not authorised or is unlawful. This material does not constitute, and may not be used for the purpose of, an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorized or in which the person making such offer or solicitation is not qualified to do so. This material and the information contained within it may not be reproduced, or disclosed, in whole or in part, without the prior written consent of MFG Asset Management. Further information regarding any benchmark referred to herein can be found at www.mfgam.com.au. Any trademarks, logos, and service marks contained herein may be the registered and unregistered trademarks of their respective owners.

United Kingdom - This material does not constitute an offer or inducement to engage in an investment activity under the provisions of the Financial Services and Markets Act 2000 (FSMA). This material does not form part of any offer or invitation to purchase, sell or subscribe for, or any solicitation of any such offer to purchase, sell or subscribe for, any shares, units or other type of investment product or service. This material or any part of it, or the fact of its distribution, is for background purposes only. This material has not been approved by a person authorised under the FSMA and its distribution in the United Kingdom and is only being made to persons in circumstances that will not constitute a financial promotion for the purposes of section 21 of the FSMA as a result of an exemption contained in the FSMA 2000 (Financial Promotion) Order 2005 as set out below. This material is exempt from the restrictions in the FSMA as it is to be strictly communicated only to 'investment professionals' as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (FPO).

United States of America - This material is not intended as an offer or solicitation for the purchase or sale of any securities, financial instrument or product or to provide financial services. It is not the intention of MFG Asset Management to create legal relations on the basis of information provided herein. Where performance figures are shown net of fees charged to clients, the performance has been reduced by the amount of the highest fee charged to any client employing that particular 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 and also may be found in Part II of MFG Asset Management's Form ADV.

The Global Infrastructure Benchmark is comprised of the following: from inception to 31 December 2014 the benchmark is UBS Developed Infrastructure & Utilities Index Net Total Return and from 1 January 2015 the benchmark is S&P Global Infrastructure Net Total Return Index. The benchmark changed because UBS discontinued their index series.

The UBS Developed Infrastructure & Utilities Index Net Total Return is a market capitalisation weighted index that is designed to measure the equity performance of listed Infrastructure and Utility stocks. 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.

The S&P Global Infrastructure Net Total Return Index is a market capitalisation weighted index that is designed to track 75 companies from around the world diversified across three infrastructure sectors energy, transportation and utilities. 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 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 Global Select Infrastructure composite is a concentrated global strategy investing in strictly defined or "pure" infrastructure companies, (typically 20-40). The filtered investment universe is comprised of stocks that 1. generate reliable income streams 2. benefit from inflation protection and 3. have an appropriate capital structure. The investment objective of the strategy is to minimise the risk of permanent capital loss; and achieve superior risk adjusted investment returns over the medium to long-term. The composite was created in May 2013.

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.

SELECTUSD44196