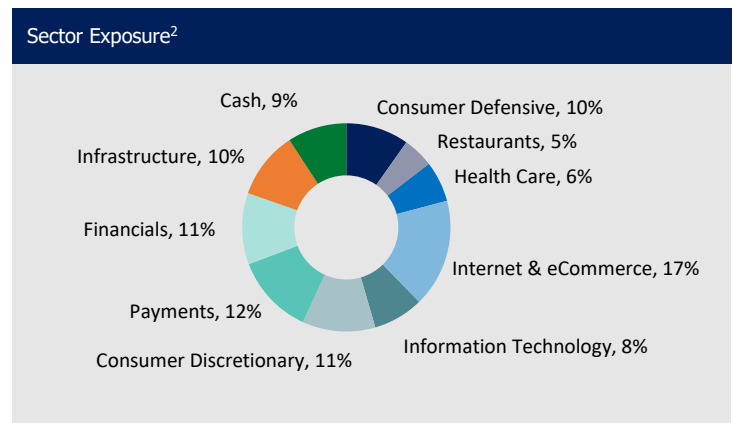


MFG US Sustainable (USD)

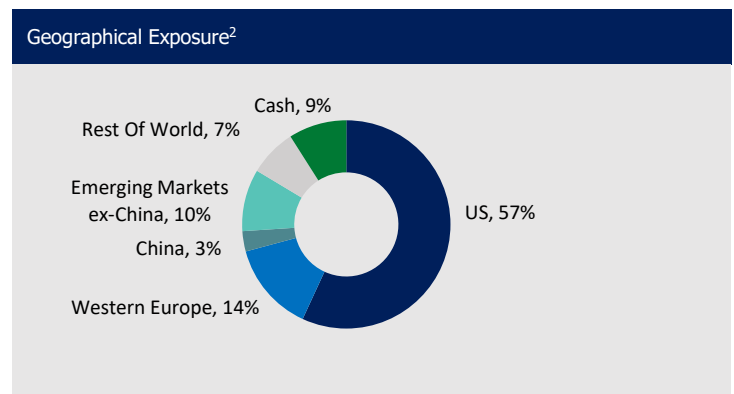
Portfolio Manager	Strategy Inception Date	Total Sustainable Assets	Total Global Assets ¹
Alan Pullen	1 January 2017	USD \$95.2 million	USD \$51,134.7 million

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 ²	Sector ²	%
Microsoft Corp	Information Technology	7.7
Alphabet Inc	Internet & eCommerce	7.2
Visa Inc	Payments	6.7
Amazon.com Inc	Internet & eCommerce	6.4
Intercontinental Exchange Inc	Financials	4.4
Crown Castle International	Communications	4.1
American Water Works Co Inc	Water Utilities	4.1
Kraft Heinz Co	Consumer Defensive	3.4
Procter & Gamble	Consumer Defensive	3.1
Nike Inc	Consumer Discretionary	3.1
TOTAL:		50.2



Strategy Fundamentals ²	Strategy	Index
Number of Holdings	26	505
Carbon Intensity (CO ₂ t/US\$1m revenues)	32	n/a
Return on Equity	15	16
P/E Ratio (1 year forward)	26.0	21.9
Interest Cover (EBIT/interest expense)	7	9
Active Share	73	n/a
Weighted Average Market Cap (USD million)	377,172	n/a



Cumulative Performance ³	3 Months (%)	1 Year (%)	2 Years (% p.a.)	3 Years (% p.a.)	Since Inception (% p.a.)
Composite (Gross)	19.3	13.1	13.7	13.9	14.8
Composite (Net)	19.1	12.2	12.8	13.0	13.9
S&P 500 NTR Index	20.4	6.9	8.3	10.1	11.3
Excess (Gross)	-1.1	6.2	5.4	3.8	3.5

Annual Performance ³	CYTD (%)	2019	2018	2017 [*]
Composite (Gross)	0.3	36.4	-2.6	21.7
Composite (Net)	-0.1	35.3	-3.4	20.7
S&P500 Net TR Index	-3.4	30.7	-4.9	21.1
Excess (Gross)	3.7	5.7	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 S&P500 NTR 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.

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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 brands 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.

USSUSUSD44012

Market Commentary

US stocks staged their biggest quarterly gain in more than 21 years after an ebbing in coronavirus infection rates allowed states to ease restrictions on everyday life and policymakers provided more stimulus to help the battered US economy. The S&P 500 Index rallied 20%, its biggest three-month gain since the last quarter of 1998.

US stocks rose even as the US death toll from the covid-19 illness exceeded 125,000, a second wave of infection broke out in some states easing restrictions (and some even reimposed them), riots broke out across the country after footage showed that a white policeman in Minneapolis suffocated an unarmed black detainee, and reports highlighted the toll of a virus on an economy now officially in recession.

While one report showed the US economy shrank an annualised 5.0% during the March quarter when the restrictions had barely started, other indicators showed the worst might have passed. The number of new workers seeking jobless benefits held steady at about 1.5 million each week in June, well down on the peak of just below seven million in March but more than double the pre-pandemic record of 695,000 in 1982. The jobless rate fell to 13.3% in May compared with April's 14.7%, the highest since the series was compiled in 1948. Retail sales, which plunged 14.7% in April, soared 17.7% in May – the largest changes since records began in 1992.

Over the quarter, congress took to four the number of stimulus packages it has passed since the crisis began. The Treasury said the US budget deficit soared to a record US\$1.935 trillion in the 12 months ended April 30, almost double the US\$1.037 trillion budget shortfall for the year ended March 31. The Federal Reserve said it had no plans to raise interest rates, which it cut in March to near zero, until the end of 2022, and said it would employ its "full range of tools" to bolster the economy. Displaying those tools, the Fed increased its balance sheet by nearly US\$3 trillion to buy government and corporate bonds including low-quality issues, mortgage obligations, municipal bonds and exchange-traded funds and cooperated with the Treasury Department to get loans to small and medium-sized businesses.

In political news, Joe Biden secured enough delegates in the Democratic nominating contest to clinch the party's presidential nomination, a symbolic victory as no other candidates were left in the primary. At quarter end, polls showed Biden would beat President Donald Trump in November's election.

Strategy Commentary

The portfolio recorded a positive return for the quarter. The biggest contributors were the investments in Amazon, Microsoft and Alphabet. Amazon surged as a locked-down world turned to online retailing. Microsoft gained after the software giant reported that its thriving cloud and server businesses had boosted margins over the March quarter when revenue rose 15% to US\$35 billion and operating income climbed 25% to US\$13 billion. Alphabet, the owner of Google, gained as online advertising held up better than expected during the pandemic.

The only stock to decline in local-currency terms was CME Group, which dropped amid concerns that the Fed's efforts might lower the volatility of interest rates and reduce trading volumes.

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