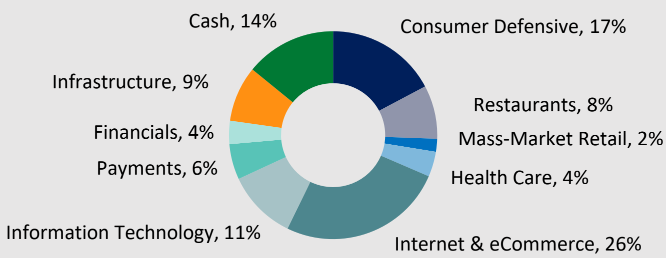
MFG Global Sustainable (USD)

Portfolio Manager	Strategy Inception Date	Total Strategy Assets	Total Global Assets [1]
Domenico Giuliano	1 October 2016	USD $107.3 million	USD $55,659.4 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 20%) Combined Risk Ratio cap of 0.8^
Deliver carbon intensity less than 1/3 of MSCI World	Integrated ESG with proprietary, multi-dimensional carbon emissions management

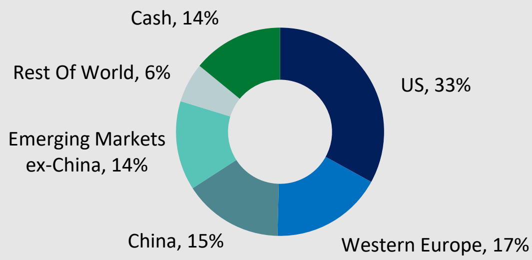
Top 10 Holdings[2]	Sector[2]	%
Alibaba Group Holding Ltd	Internet & eCommerce	8.0
Alphabet Inc	Internet & eCommerce	7.0
Microsoft Corporation	Information Technology	6.8
Facebook Inc - Class A Shares	Internet & eCommerce	5.8
Tencent Holdings Ltd	Internet & eCommerce	4.9
Reckitt Benckiser Group	Consumer Defensive	4.6
SAP SE	Information Technology	4.1
Unilever NV	Consumer Defensive	4.0
Novartis AG	Health Care	3.9
Nestle SA	Consumer Defensive	3.6
	TOTAL:	52.7

Sector Exposure[2]



Strategy Fundamentals[2]	Strategy	Index
Number of Holdings	24	1606
Carbon Intensity (CO_2t/US$1m revenues)	30	n/a
Return on Equity	25	13
P/E Ratio (1 year forward)	24.5	20.2
Interest Cover (EBIT/interest expense)	20	8
Active Share	89	n/a
Weighted Average Market Cap (USD million)	399,125	n/a

Geographical Exposure[2]



Cumulative Performance[3]	3 Months (%)	1 Year (%)	2 Years (% p.a.)	3 Years (% p.a.)	Since Inception (% p.a.)
Composite (Gross)	8.0	12.0	9.2	11.6	12.5
Composite (Net)	7.8	11.1	8.3	10.7	11.6
MSCI World NTR Index	7.9	10.4	6.0	7.7	10.3
Excess (Gross)	0.1	1.6	3.2	3.9	2.2
MSCI World Low Carbon NTR Index	8.2	11.0	6.6	8.0	10.4

Annual Performance[3]	CYTD (%)	2019	2018	2017	2016[*]
Composite (Gross)	4.1	27.5	-1.0	21.4	0.3
Composite (Net)	3.5	26.5	-1.8	20.4	0.1
MSCI World NTR Index	1.7	27.7	-8.7	22.4	1.9
Excess (Gross)	2.4	-0.2	7.7	-1.0	-1.6
MSCI World Low Carbon NTR Index	2.1	28.5	-8.9	22.3	1.5

1 Comprised of all Global Strategies.
2 The data is based on a representative portfolio for the strategy. The representative portfolio changed in February 2019 following the implementation of a narrower definition of the ESG universe and again in July 2020 following the full redemption of the most significant unit holder in the Fund. 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 MSCI World NTR Index. Refer to the Important Notice below for further information.
3 Returns are for the Global 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.

The MSCI World Index (Net) is a free-float adjusted market capitalization weighted index that is designed to measure the equity performance of 24 developed markets. 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 Sustainable composite is a concentrated global equity strategy investing in high quality companies (typically 20-50 stocks) with an integrated ESG risk assessment process, including a 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 Global Sustainable strategy are to earn superior risk adjusted returns through the business cycle whilst minimising the risk of a permanent capital loss with meaningfully lower carbon intensity than broader equity markets. Prior to May 29, 2018 the composite was named the Global Low Carbon Composite. As at 1 February 2019, the composite was redefined to exclude portfolios utilising specific ESG exclusions on societal grounds, in addition to the integrated ESG risk assessment process and low carbon overlay, due to a narrower definition of the ESG universe.

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.

Market Commentary

Global stocks hit record highs in the three months to September as they rose for the sixth quarter in seven after reports showed stimulus is helping reopening economies recover from the pandemic, the Federal Reserve indicated it would keep rates low for a while yet, and tech stocks reported earnings that showed how much they have benefited from the shift to online. During the quarter, 10 of the 11 sectors rose in US-dollar terms. Consumer Discretionary (+16%) rose the most as economies reopened while Energy (-16%) was the sector that declined. The Morgan Stanley Capital International World Index climbed 7.9% in US dollars.

US stocks set fresh record highs after readings showed the jobs market had recovered nearly 50% of the jobs lost when the economy was closed to restrict the pandemic, Big Tech shone and the Federal Reserve moved to a flexible average inflation target by allowing inflation to exceed 2%. The Fed's shift suggested lower interest rates for longer as it indicated the central bank would not pre-emptively raise interest rates when unemployment was low as long as inflation was under control. During the quarter, reports indicated the US economy was recovering from the record 31.4% annualised decline in the second quarter. Of note, a report showed the jobless rate fell to 8.4% in August and that the economy had added 10.6 million jobs since it shredded 22.2 million jobs in March and April when the jobless rate was 14.7% (compared with 3.5% in February). Big Tech CEOs were grilled by congress over the alleged anti-competitive nature of their businesses as the tech icons posted healthy earnings for the second quarter. In political news, the Democratic and Republican parties held their conventions and at quarter end polls placed Democrat presidential nominee Joe Biden ahead of President Donald Trump in the quest for the White House. The S&P 500 Index rallied 8.5%, to complete its best back-to-back quarters since 2009.

European stocks fell as reinfection rates picked up enough for restrictions to be reimposed. Of note during the quarter was that EU leaders struck an agreement to allow the EU to sell debt on a large scale for the first time so it could install a 750-billion-euro pandemic recovery fund. The Euro Stoxx 50 Index fell 1.3%. Japan's Nikkei 225 Index added 4.0% on the better global outlook as investors looked past the record annualised economic contraction of 28.1% in the second quarter and the unexpected resignation due to ill health of Prime Minister Shinzō Abe (who was replaced by Yoshihide Suga). China's CSI 300 Index surged 10.2% after a report showed the country's economy grew 3.2% in the June quarter from a year earlier, making China the first major economy to return to growth. Australia's S&P/ASX 200 Accumulation Index lost 0.4% amid concerns that Victoria's second lockdown was causing vast economic damage. The MSCI Emerging Markets Index rallied 8.7% in US dollars as key countries contained the virus and commodity prices gained.

Strategy Commentary

The portfolio recorded a positive return for the quarter. The biggest contributors were the investments in Alibaba Group, Facebook and Chipotle Mexican Grill. Alibaba rallied after the Chinese e-commerce giant reported revenue growth of 34% in the second quarter from a year earlier as lockdowns turned Chinese to online retail, and China's economy rebounded. Facebook rose after its 11% surge in second-quarter earnings beat expectations and the social-media company said its main site has 2.7 billion users per month. Chipotle rose as US states eased restrictions and the company's beefed-up online ordering helped boost sales when restrictions took hold.

The biggest detractors were the investments in Danone and Novartis. Danone declined after management provided second-half margin guidance that was lower than expected due to higher costs during the pandemic, a slower-than-expected recovery in the Waters division, and a 100-million-pound planned investment in marketing and digital capabilities. Novartis fell after the health-products group refused to discuss revenue or profits prospects when revealing that sales for the first half rose 1%, the higher end of expectations.

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