Strategy Update: 31 March 2022

MFG ASSET MANAGEMENT

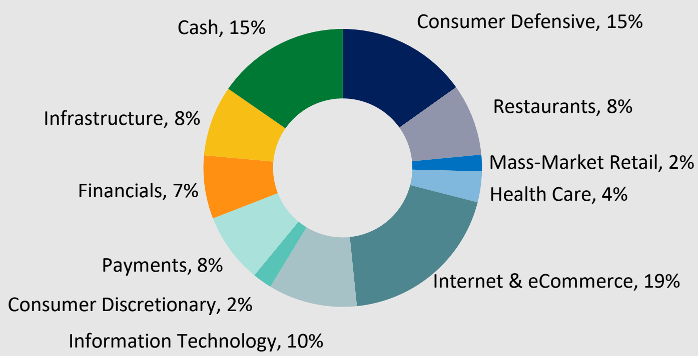
MFG Global Sustainable (USD)

Portfolio Manager	Strategy Inception Date	Total Strategy Assets	Total Global Sustainable Assets[1]
Domenico Giuliano	1 October 2016	USD $346.3 million	USD $346.3 million

Objective	Approach
Capital preservation in adverse markets Attractive absolute risk-adjusted returns through the economic cycle Deliver carbon intensity less than 1/3 of MSCI World	High conviction (20-50 securities), high quality focus, low turnover Dual-sleeve portfolio construction with dynamic allocation to cash (typically between 0% - 20%) Combined Risk Ratio cap of 0.8^ Integrated ESG with proprietary, multi-dimensional carbon emissions management. Certain stocks are excluded from the investment universe, including those with material exposures to gambling, alcohol, tobacco, adult entertainment and weapons, amongst other exposures as determined from time to time by MFG/Magellan

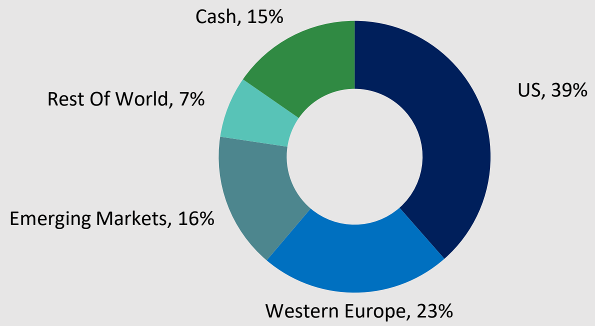
Top 10 Holdings[2]	Sector[2]	%
Microsoft Corporation	Information Technology	7.7
Alphabet Inc	Internet & eCommerce	7.7
Visa Inc	Payments	4.7
Netflix Inc	Internet & eCommerce	4.5
Meta Platforms Inc	Internet & eCommerce	4.4
Yum! Brands Inc	Restaurants	3.6
Novartis AG	Health Care	3.6
Nestle SA	Consumer Defensive	3.5
MasterCard Inc	Payments	3.5
Reckitt Benckiser Group	Consumer Defensive	3.3
	TOTAL:	46.5

Sector Exposure[2]



Strategy Fundamentals[2]	Strategy
Number of Holdings	26
Carbon Intensity	18
Return on Equity	34
P/E Ratio (1 year forward)	25.5
Interest Cover	16
Weighted Average Market Cap (USD million)	594,945

Geographical Exposure[2]



3 Year rolling returns[3] (measured monthly)	1 Year	Since Inception
Against the MSCI World NTR Index		
No of observations	12	31
Average excess return (% p.a.) (Gross)	-2.4	0.8
Average excess return (% p.a.) (Net)	-3.3	-0.1
Outperformance consistency (Gross)	0%	55%
Outperformance consistency (Net)	0%	55%

Performance[3]	3 Months (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	Since Inception (% p.a.)
Composite (Gross)	-7.8	4.9	10.3	11.1	11.4
Composite (Net)	-8.0	4.1	9.4	10.2	10.5
MSCI World NTR Index	-5.2	10.1	15.0	12.4	12.9
Excess (Gross)	-2.6	-5.2	-4.7	-1.3	-1.5
MSCI World Low Carbon NTR Index	-5.4	9.8	15.2	12.4	12.9

Annual Performance[3]	CYTD (%)	2021	2020	2019	2018	2017	2016*
Composite (Gross)	-7.8	16.3	10.1	27.2	-1.0	21.4	0.3
Composite (Net)	-8.0	15.3	9.2	26.2	-1.8	20.4	0.1
MSCI World NTR Index	-5.2	21.8	15.9	27.7	-8.7	22.4	1.9
Excess (Gross)	-2.6	-5.5	-5.8	-0.5	7.7	-1.0	-1.6
MSCI World Low Carbon NTR Index	-5.4	21.5	16.5	28.5	-8.9	22.2	1.4

1 Comprised of all Sustainable 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 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.

IMPORTANT NOTICE

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 and specific ESG exclusions on societal grounds related to either material manufacturing or retail exposures to Tobacco, Alcohol, Gambling, Controversial Weapons, Civilian Firearms, Adult Entertainment and other activities that Magellan may specify from time to time. 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 specific ESG exclusions and a meaningfully lower carbon intensity than broader equity markets. The composite name was changed from Global ESG to Global Sustainable on 1 November 2020 following the restructure of our Global Sustainable product offerings into two distinct strategies, one with additional ESG exclusions and one without. The Global Sustainable strategy does apply additional ESG exclusions.

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.

The representative portfolio for the Global Sustainable strategy changed on 1 November 2020 following the removal of the additional ESG exclusions from the previous representative portfolio.

USD is the currency used to calculate performance.

Market Commentary

Global stocks tumbled in the March quarter after Russia's invasion of Ukraine heightened uncertainty about the global economic outlook and boosted energy and grain prices in a world where inflation is at decade highs, and the Federal Reserve embarked on the first of an expected series of rate increases to quell US inflation which is at its highest in 40 years. During the quarter, eight of the 11 sectors fell in US-dollar terms. Consumer discretionaries (-11%) plunged the most while energy (+31%) soared most. The Morgan Stanley Capital International World Index dropped 5.2% in US dollars and 8.2% in Australian currency.

US stocks slid as bond yields surged, companies said higher inflation would curb margins and investors readied for up to another 11 US rate increases by the end of 2023. Inflation reached 7.9% in the 12 months to February, the fastest pace since 1982. Soon after, the Fed raised the US cash rate by 0.25% from close to zero. Projections released after the central bank's policy-setting board meeting showed the median board member expects to authorise another 11 rate increases of 25 basis points by the end of 2023 that would lift the key rate to 2.8%. Fed Chair Jerome Powell further boosted bond yields when he warned the central bank might increase the cash rate in steps of 50 basis points if inflation stayed high. The S&P 500 Index lost 4.9%.

European stocks fell as higher inflation prompted the European Central Bank to warn it would tighten monetary policy even though the Russian invasions of Ukraine raised prospects of a eurozone recession, boosted energy and grain prices and prompted sanctions designed to wreck Russia's economy. Eurozone inflation accelerated to a record high of 5.8% in the 12 months to February. The ECB signalled it was more worried about high inflation than slowing economic growth when it said it would phase out its bond-buying program by September or even sooner, overriding previous guidance the purchases would last until October at least. The Bank of England in March lifted its key rate by 0.25% to 0.75%, marking three rate increases in three months, to curb inflation that reached 6.2% in the 12 months to February, its highest in three decades. The Euro Stoxx 50 Index plunged 9.2%.

Japan's Nikkei 225 Index lost 3.4% amid global uncertainty. Australia's S&P/ASX 200 Accumulation Index, however, gained 2.2% as commodity and energy prices rose, reports showed the economy was strong, and the government delivered a generous budget as it readied for an election in May. China's CSI 300 Index dived 14.5% after covid-19 infections prompted lockdowns, investors speculated that sanctions against its ally Russia could spread to China and after a crisis in property slowed economic growth to a 12-month rate of 4% in the December quarter. The MSCI Emerging Markets Index lost 7.3% in US dollars as Russia's economic outlook collapsed and there was talk that higher US bond yields would lead to sovereign defaults.

Strategy Commentary

The portfolio recorded a negative return for the quarter. The biggest detractors were the investments in Meta Platforms, Netflix and SAP of Germany. Meta fell after the owner of Facebook offered only a weak revenue forecast due to Apple privacy restrictions inhibiting the reach and effectiveness of its advertising and its Facebook site suffered its first drop in regular users in part due to the popularity among the young of TikTok. Netflix fell after the streaming service said it expected subscriber growth to slow and profit margins to narrow. SAP fell after the German software giant's fourth-quarter earnings report, with the strong result marred by the considerably higher guidance on expenses that will persist beyond fiscal 2022.

The biggest contributors were the investments in Chipotle Mexican Grill, Swiss-based Novartis and Aena of Spain. Chipotle rose after the fast-food chain reported a slight beat on quarterly sales and the company increased its long-term restaurant goal to 7,000 in North America, up from a prior figure of 6,000. Novartis rose on news that private-equity groups were interested in buying the health group's generics unit, Sandoz. Aena, the world's largest airport operator, gained as the easing of pandemic restrictions reopened international travel.