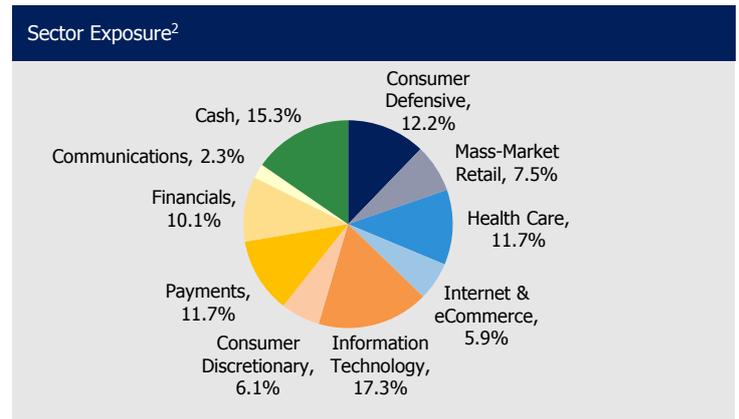


MFG Global Low Carbon (USD)

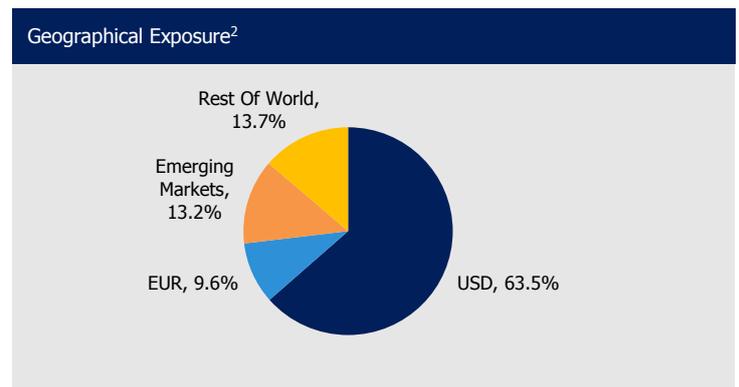
| Portfolio Manager | Strategy Inception Date | Total Strategy Assets | Total Global Assets ¹ |
|-------------------|-------------------------|-----------------------|----------------------------------|
| Domenico Giuliano | 1 October 2016 | USD \$17.2 million | USD \$30,861.0 million |

| Objective | Approach |
|--|---|
| Capital preservation in adverse markets | High conviction (30-50 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%) Relative volatility 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 | % |
|------------------------------|------------------------|------|
| Apple Inc | Information Technology | 5.0 |
| HCA Holdings Inc | Health Care | 4.3 |
| Visa Inc | Payments | 4.0 |
| Alphabet Inc | Internet & eCommerce | 4.0 |
| Lowe's Co Inc | Consumer Discretionary | 3.7 |
| Facebook Inc-A | Information Technology | 3.6 |
| American Express Co | Payments | 3.4 |
| Wells Fargo & Co | Financials | 3.3 |
| Microsoft Corp | Information Technology | 3.2 |
| Starbucks Corp | Mass-Market Retail | 3.2 |
| TOTAL: | | 37.7 |



| Strategy Fundamentals ⁴ | Strategy | Index |
|---|----------|-------|
| Number of Holdings | 34 | 1,650 |
| Return on Equity | 23 | 14 |
| P/E Ratio (1 year forward) | 17.3 | 16.7 |
| Interest Cover | 11 | 10 |
| Debt/Equity Ratio | 75 | 54 |
| Active Share | 87 | n/a |
| Weighted Average Market Cap (USD million) | 157,378 | n/a |



| Cumulative Performance ³ | 3 Months | Since Inception (p.a.) |
|-------------------------------------|------------|------------------------|
| Composite (Gross) | 6.7 | 7.0 |
| Composite (Net) | 6.5 | 6.5 |
| MSCI World NTR Index | 6.4 | 8.3 |
| Excess (Gross) | 0.3 | -1.3 |
| MSCI World Low Carbon Leaders | 6.4 | 8.6 |

| Annual Performance ³ | CYTD | 2016* |
|---------------------------------|------------|------------|
| Composite (Gross) | 6.7 | 0.3 |
| Composite (Net) | 6.5 | 0.1 |
| MSCI World NTR Index | 6.4 | 1.9 |
| Excess (Gross) | 0.3 | -1.6 |
| MSCI World Low Carbon Leaders | 6.4 | 2.0 |

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. The Index is the MSCI World NTR Index. Refer to the end of the document for further information.

3 Returns are for the Global Low Carbon 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 The Fundamentals are based on a representative portfolio for the strategy. Refer to the end of the document for further information. The Index is the MSCI World NTR Index.

^ Weighted average 3-5 year beta against MSCI World NTR USD Index.

* Returns are only for part year.

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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.

The Global Low Carbon composite is a concentrated global equity strategy investing in high quality companies (typically 30-50 stocks) 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 Global Low Carbon 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 October 2016.

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 list of composites and descriptions, as well as policies for valuing investments, calculating performance, and preparing compliant presentations are available upon request by emailing data@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.

GLOBALLCUSD42825

Market Commentary

Global stocks hit record highs as they rose for a fourth consecutive quarter during the first three months of 2017 as US companies posted higher-than-expected earnings, President Donald Trump's proposed pro-growth policies fanned optimism about the US economy and mainstream parties held off populists in the elections in the Netherlands.

US stocks rose as companies overall reported that higher revenue had boosted earnings-per-share growth. In March, the Fed raised the US cash rate by a quarter point for the third time since the 2007-09 recession (to between 0.75% and 1%). Among observations released over the quarter were that the US economy expanded at an annualised pace of 2.1% in the fourth quarter as consumer spending surged at a 3.5% rate. Others showed that the economy added 628,000 jobs in the three months to February, when the jobless rate stood at 4.7%. The S&P 500 Index rose 5.5%.

European stocks advanced as companies posted solid earnings growth and incumbent Dutch Prime Minister Mark Rutte thwarted a challenge from anti-EU populist Geert Wilders's Freedom Party. Reports over the quarter showed that loose monetary policy, a lower euro and an easing of fiscal austerity have perked up the eurozone economy. Reports showed the eurozone economy expanded 1.7% in 2016, consumer prices rose 1.5% in the 12 months to March and the jobless rate fell to an eight-year low of 9.6% in January. The Stoxx Europe 600 Index added 5.5%.

At an industry level within the benchmark, IT, healthcare and consumer-discretionary stocks advanced the most while energy, due to a 6% drop in the oil price, was the only sector to decline.

Strategy Commentary

The portfolio recorded a positive return for the quarter where the largest contributors to performance were the investments in Apple, Facebook and Lowe's.

Apple rose 24.5% over the quarter on a better-than-expected first-quarter update that showed iPhone popularity remains high as the installed base is growing at double-digit rates and the company is seeing record numbers of people switching from Android devices. Engagement with the IOS ecosystem is increasing as App store sales grew 43% in the quarter to an all-time high. Facebook increased 23.5% after fourth-quarter revenue exceeded expectations with 51% growth. Facebook's users and engagement is growing and this is being successfully monetised via advertising revenue, particularly via mobile. Lowe's climbed 16.1% after fourth-quarter results saw strong comparable store growth of 5%, driven by buoyant housing and home-improvement spending.

Over the quarter, the stocks that detracted from returns included investments in Target, Tesco and Qualcomm.

Target declined 26.5% following the release of the company's fourth-quarter earnings that showed comparative sales were negative over the holiday period and the company's management announced significant downgrades to earnings expectations. This was due to implementation of a strategic initiatives that will entail resetting profitability to contend with a more competitive retail environment. Tesco fell 10.3% after the release of mixed trading statements from the company and the announcement of its intention to acquire UK-based food wholesaler Booker added to business complexity compared with the increased simplicity of recent years. Qualcomm slid 11.3% after Apple joined those launching legal action against the company based on claims of unfair royalty practices regarding its baseband chips.

Movements in the S&P 500 and Stoxx Europe 600 indices and stocks are in local currency.