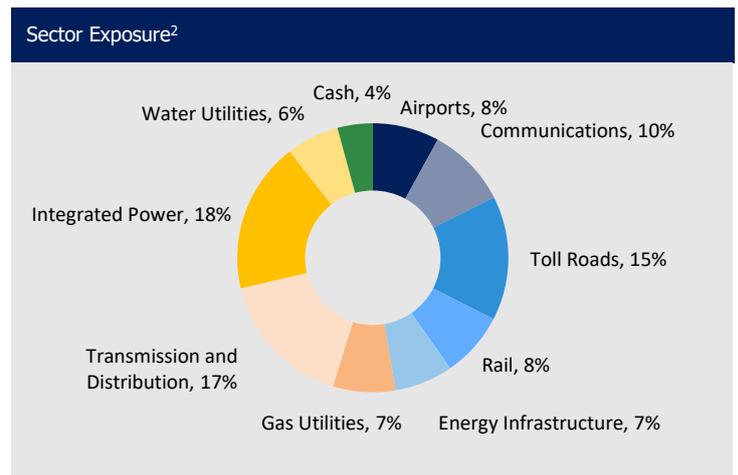


MFG Global Select Infrastructure (USD)

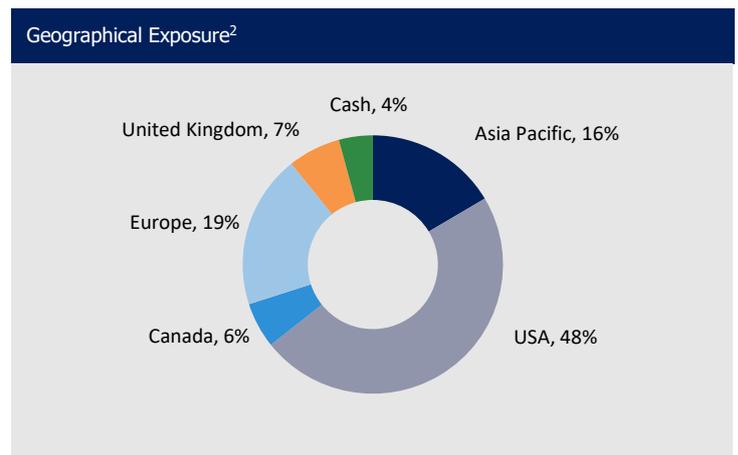
Portfolio Manager	Strategy Inception Date	Total Strategy Assets	Total Infrastructure Assets ¹
Gerald Stack	2 May 2013	USD \$7,412.9 million	USD \$14,225.6 million

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

Top 10 Holdings ²	Sector ²	%
Transurban Group	Toll Roads	7.0
Enbridge Inc	Energy Infrastructure	5.7
Sempra Energy	Integrated Power	4.9
Atmos Energy Corporation	Gas Utilities	4.9
Crown Castle International	Communications	4.9
American Tower Corporation	Communications	4.8
Vinci SA	Toll Roads	4.6
Eversource Energy	Transmission and Distribution	4.2
Xcel Energy Inc	Integrated Power	4.1
Red Electrica Corporacion	Transmission and Distribution	3.9
TOTAL:		49.0



USD 5 Year Risk Measures ³	Against MSCI World NTR Index	Against Infrastructure Benchmark ⁴
Upside Capture	0.6	0.9
Downside Capture	0.6	0.8
Beta	0.7	0.7
Correlation	0.8	0.9



3 Year rolling returns ⁵ (measured monthly)	Last 12 Months	Last 36 Months	Last 60 Months	Since Inception (63 Months)
Against the Infrastructure Benchmark⁴				
Average excess return (% p.a.) (Gross)	3.4	3.7	4.1	4.2
Average excess return (% p.a.) (Net)	2.6	2.8	3.3	3.4
Outperformance consistency (Gross)	100%	100%	100%	100%
Outperformance consistency (Net)	100%	97%	98%	98%

Performance ⁶	3 Months (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	7 Years (% p.a.)	Since Inception (% p.a.)
Composite (Gross)	3.1	13.3	6.5	7.2	7.2	8.5
Composite (Net)	2.9	12.4	5.7	6.3	6.3	7.6
Global Infrastructure Benchmark ⁴	2.1	22.2	4.7	5.3	3.5	5.0
Excess (Gross)	1.0	-8.9	1.8	1.9	3.7	3.5
MSCI World NTR Index	7.7	39.0	15.0	14.8	10.2	11.3

Annual Performance ⁶ (%)	CYTD (%)	2020	2019	2018	2017	2016	2015	2014	2013*
Composite (Gross)	5.1	-5.7	26.7	-4.4	25.0	4.4	3.9	14.1	4.6
Composite (Net)	4.7	-6.4	25.7	-5.2	24.0	3.6	3.1	13.2	4.0
Global Infrastructure Benchmark ⁴	5.0	-6.5	25.8	-10.4	19.1	11.4	-12.2	14.1	0.9
Excess (Gross)	0.1	0.8	0.9	6.0	5.9	-7.0	16.1	0.0	3.7
MSCI World NTR Index	13.0	15.9	27.7	-8.7	22.4	7.5	-0.9	4.9	14.7

Strategy Commentary

The portfolio recorded a positive return in the June quarter when utilities was the only sector of 11 in the MSCI World Index to decline in US dollars. The stocks that contributed the most were the investments in Crown Castle International of the US, American Tower Corp and Transurban of Australia. Crown Castle gained as the owner of 40,000 communications towers and more than 80,000 small cell sites in the US reported solid organic revenue growth of 6.3% for the first quarter, and raised earnings forecasts for the full year due to strong rental revenue and lower borrowing costs. American Tower rose after the company that provides co-location space to wireless carriers across its more than 186,000 communication sites globally announced decent first-quarter earnings and lifted full-year guidance on increased tower use. Transurban climbed after the operator of 21 toll roads in Australia, the US and Canada said that traffic had rebounded to pre-covid-19 levels in areas where pandemic restrictions had been lifted.

The stocks that detracted the most were the investments in Eversource Energy and WEC Energy of the US and Sydney Airport. Eversource Energy fell after the Connecticut Public Utility Regulatory Authority slammed the utility that through subsidiaries offers electricity, natural gas and water services for its preparation for and response to Tropical Storm Isaias that hit in 2020. In a politically charged decision, the authority found that Eversource did not satisfy relevant performance standards, ordered an indefinite reduction of 90 basis points to subsidiary Connecticut Light & Power's authorised return on equity, ordered the opening of a regulatory docket to consider issuing civil penalties against the subsidiary and foreshadowed the disallowance of certain costs that the authority asserts were imprudently incurred were Eversource to seek recovery. Eversource has indicated it will appeal these findings. WEC Energy, which provides electricity and gas across four Midwest states, slid on concerns that utilities were most vulnerable to any rise in interest rates. Sydney Airport declined as Sydney entered its only second city-wide lockdown since the pandemic struck in early 2020.

In relative terms, the portfolio outperformed the benchmark index over the quarter despite a strong performance from oil-price-sensitive stocks (that we do not consider infrastructure) because strong performance from communications, toll roads and European utilities more than offset the weakness in US utilities.

Stock Story: Alliant Energy



A US utility that has provided power since the 1920s will likely have some coal-fired generation in its energy mix. However, decarbonisation goals and falling costs of alternative, clean energy sources, such as wind and solar, are driving a shift away from coal-fired power.

Alliant Energy, a near-century-old utility that provides power to nearly one million electricity and 420,000 gas customers in Iowa and Wisconsin, foresaw the demise of coal-fired generation more than a decade ago. Alliant realised that to satisfy climate change goals, it needed to eliminate coal as a source of power.

The utility that earned revenue of US\$3.4 billion in 2020 (85% from electricity and the remainder mainly from gas) set up 'Clean Energy Blueprints' to green its services in the two Midwest states where it operates. The blueprint for Iowa is about building state-of-the-art wind and solar energy capabilities to replace two coal-based facilities. For Wisconsin, the blueprint entails retiring two large coal-fired plants with solar-based assets that will provide clean energy to over 175,000 Wisconsin homes.

Alliant Energy is on track to hit its targeted 50% reduction in carbon emissions by 2030 (on 2005 levels), having achieved a 42% reduction in 2020. Alliant's success to date in reducing emissions seems to have accelerated its ambition to go green faster. Through industry-leading efforts in wind expansion, coupled with plans to add new solar and battery storage, the utility expects that by 2025, half its generating assets will be renewable.

Alliant Energy says it intends to eliminate all coal generation by 2040 but will likely achieve this feat earlier. Achieving this would help the company meet its aspirational goal of net-zero carbon emissions from the energy it generates by 2050.

Replacing coal-fired generation with cleaner power assets requires capital investment. Alliant Energy is expected to spend US\$5.9 billion from 2021 to 2024 and another US\$7 billion to US\$9 billion in the following five years on going green. Investors may normally be wary of a company that needs to invest vast amounts to upgrade its production facilities to meet modern requirements. To understand why Alliant Energy's spending builds a case for investing in the utility, it helps to understand how utilities are regulated.

The distinguishing aspect of utilities is that they are monopolies in their immediate surroundings because most of their customers have no choice but to buy the essential service they need from the local provider. These utility monopolies operate under the 'regulatory compact'. This means the utility is responsible for serving a particular territory under regulated terms. The utility is required to invest significant amounts of capital to ensure effective,

efficient and reliable service to its customers. In return, the utility has the right to recover its costs and earn a fair rate of return on the capital invested. The regulator defines which costs can be recovered, which assets can be included in the utility's "rate base" (on which it earns a return) and what the fair rate of return on these assets will be.

company that is going green as it approaches its second century.

Sources: Company website, annual report, Bloomberg, Dunn & Bradstreet.

Capital expenditure is the key driver of rate base growth and hence earnings for US regulated utilities. Therefore, utilities generally seek to maximise capital expenditure. While the regulator encourages this investment to maintain and improve customer service, it also aims to mitigate excessive bill inflation by limiting such investment to prudent spending.

Alliant Energy operates in favourable regulatory jurisdictions where regulators support investment in renewable energy. The company expects to grow its rate base (on which it can earn regulator-approved returns) from about US\$11 billion in 2020 to about US\$14 billion in 2024. About 20% of Alliant Energy's rate base is renewable generation, a percentage that is expected to increase to 24% by 2024.

Another attractive feature of Alliant Energy is that it's a well-run company – witness the effort when the winds of a derecho slammed the US Midwest in August 2020. The largest storm in the company's history left more than 250,000 of its customers without power. Alliant Energy employees, alongside more than 2,000 line and tree-trimming crews from across the US and Canada, in just over a week replaced 3,000 power poles – the equivalent of 10 months of work – to restore power to its customers.

For investors, Alliant has delivered 5% to 7% underlying earnings-per-share growth over the past decade. The utility's green journey is poised to deliver similar returns in coming years. Alliant Energy is thus a good fit for the infrastructure strategy that seeks to invest in stocks that provide regular income with the potential for some capital growth.

The key risk, inherent in all regulated utilities, is a deterioration in the regulatory environment that leads to lower allowed returns. However, Alliant Energy has a constructive relationship with its regulators and its decarbonisation plans are viewed favourably. An acceleration of electrification in home heating could pose a threat to Alliant's gas distribution network. However, Iowa and Wisconsin experience freezing winters when natural gas heating is still preferred. While alternative electric heating technology will likely improve over time, natural gas appears well supported for some time. In any case, this risk is limited for Alliant given gas distribution represents under 10% of its rate base. Furthermore, Alliant has received favourable regulatory treatment when retiring coal plants in the past, so this precedent bodes well in the potential situation of forced retirement of gas distribution (or gas-fired generation) assets in the future.

Higher interest rates would add to the cost of Alliant Energy's investment in renewables. All utilities come with the execution risk of how they manage the bills of their customers while they recover the costs of their investments. Cyber attacks are also a risk for utilities but any impact should be short term in nature. Even allowing for these risks, the future is bright for a

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

⁴ 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 NTR Index.

⁵ Rolling 3-year returns are calculated and rolled monthly for the duration of each period shown. The average excess return is then calculated for each period, with the outperformance consistency indicating the percentage of positive excess returns.

⁶ 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.

* Returns are only for part year.

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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.

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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.

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