Strategy Update: 31 December 2018

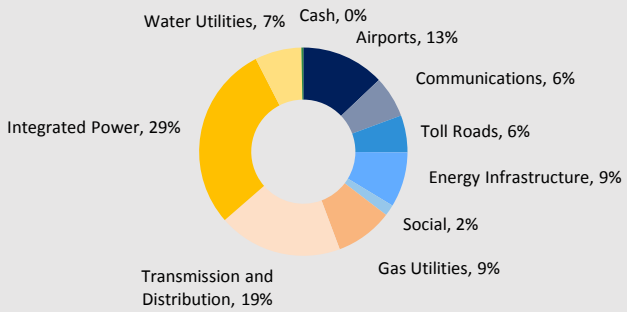
Magellan Core Infrastructure (AUD Hedged)

Portfolio Manager	Strategy Inception Date	Total Strategy Assets	Total Infrastructure Assets [1]
Gerald Stack	17 December 2009	AUD $6,240.4 million	AUD $11,980.4 million

Objective	Approach
Capital preservation in adverse markets	Diversified rules-based portfolio applying our proprietary infrastructure classification
Pre-fee return of CPI plus 5%p.a. through the economic cycle	Benchmark unaware
	Highly defensive, inflation-linked exposure

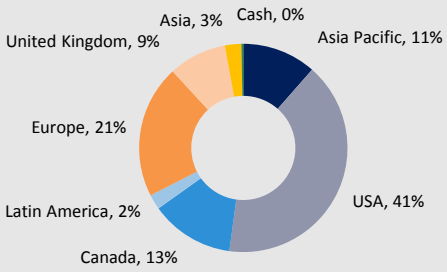
Top 10 Holdings[2]	Sector	%
Aena SME SA	Airports	3.1
Transurban Group	Toll Roads	3.1
Fortis Inc	Transmission and Distribution	3.1
Enbridge Inc	Energy Infrastructure	3.0
Sydney Airports	Airports	3.0
National Grid PLC	Transmission and Distribution	2.9
TransCanada Corp	Energy Infrastructure	2.8
Red Electrica De Espana SA	Transmission and Distribution	2.8
Power Assets Holdings	Integrated Power	2.6
Snam Rete Gas SpA	Gas Utilities	2.5
	TOTAL:	28.9

Sector Exposure[2]



AUD 5 Year Risk Measures[4]	Against Benchmark[5]	Against Global Equities
Upside Capture	1.2	0.6
Downside Capture	0.8	-0.1
Beta	0.9	0.3
Correlation	0.8	0.3

Geographical Exposure[2]



Cumulative Performance[3]	3 Months (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	7 Years (% p.a.)	Since Inception (% p.a.)
Composite (Gross)	**-0.7**	**-1.7**	**7.8**	**11.6**	**13.0**	**13.8**
Composite (Net)	-0.9	-2.4	7.1	10.8	12.2	13.0
Global Infrastructure Benchmark	-4.2	-6.7	6.8	7.2	9.0	8.2
Excess (Gross)	3.5	5.0	1.0	4.4	4.0	5.6
MSCI World NTR Index Hedged to AUD	-13.5	-7.4	7.0	7.4	12.2	10.6

Annual Performance[3]	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009*
Composite (Gross)	**-1.7**	**15.4**	**10.6**	**7.9**	**28.0**	**16.7**	**16.3**	**15.6**	**15.9**	**1.9**
Composite (Net)	-2.4	14.6	9.8	7.2	27.1	15.8	15.5	14.8	15.1	1.9
Global Infrastructure Benchmark	-6.7	14.4	14.1	-5.4	22.9	18.5	9.1	4.7	5.7	0.9
Excess (Gross)	5.0	1.0	-3.5	13.3	5.1	-1.8	7.2	10.9	10.2	1.0
MSCI World NTR Index Hedged to AUD	-7.4	19.8	10.4	3.8	12.3	31.8	18.8	-2.3	12.6	1.1

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 Returns are for the Core Infrastructure Hedged to AUD Composite and denoted in AUD. Performance would vary if returns were denominated in a currency other than AUD. 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 Risk measures are for the Core Infrastructure Hedged to AUD Composite before fees. The Global Equity Index is the MSCI World NTR Index (hedged in AUD).
5 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 (hedged to AUD) and from 1 January 2015 onwards, the benchmark is the S&P Global Infrastructure NTR Index (hedged to AUD). Note: the UBS Developed Infrastructure and Utilities NTR Index (hedged to AUD) ceased to be published from 31 May 2015, replaced on 1 January 2015 with the S&P Global Infrastructure Index NTR (hedged to AUD).
* 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 (AUD Hedged) and from 1 January 2015 the benchmark is S&P Global Infrastructure Net Total Return Index (AUD Hedged). The benchmark changed because UBS discontinued their index series.
The UBS Developed Infrastructure & Utilities Index Net Total Return (AUD Hedged) 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 index is hedged to Australian dollars.
The S&P Global Infrastructure Net Total Return Index (AUD Hedged) 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. The index is hedged to Australian dollars.

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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 subsidiaries operating as distinct business entities.

The Global Core Infrastructure Hedged in AUD composite is a global strategy investing in strictly defined or "pure" infrastructure companies (typically 80-120). The filtered investment universe is comprised of stocks that 1. generate reliable income streams, 2. benefit from inflation protection and 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 is hedged to Australian dollars with Forward contracts. The composite was created in December 2011.

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.

AUD is the currency used to calculate performance.

Strategy Commentary

The strategy recorded a negative return for the quarter. Stocks that detracted the most included the investments in PG&E of the US, Edison International of the US, ADP of France and Aeroportuario del Pacifico and Aeroportuario del Sureste of Mexico. PG&E plunged 15% and Edison lost 7.9% on concerns the electrical utilities might be liable for starting deadly bushfires in California. ADP shed 14% after the French government said the law to sell its controlling interest in the Paris airport operator wouldn't be ready until the end of the northern winter and it was considering selling its ownership on a piecemeal basis rather than to a strategic buyer. Aeroportuario del Pacifico lost 20% and Aeroportuario del Sureste shed 23% after all Mexican airport operators slumped when newly elected President Andrés Manuel López Obrador said his government would cancel construction of a partially built new airport for Mexico City that is expected to cost US$13 billion.

Stocks that added the most on a contributions basis included the investments in American Tower, Duke Energy of the US and Terna of Italy. American Tower jumped 9.4% after the owner of wireless communications towers raised guidance for fiscal 2018 and reported higher-than-expected earnings and sales figures for the third quarter. Duke added 8.9% after third-quarter earnings beat expectations after heat across the southern US boosted demand for energy to help people cool down. Terna gained 9.1% after the grid operator said its results for the nine months to September 30 showed a 2% gain in net income and a 3% increase in capital expenditure from a year earlier.