

MFG Core International Fund, MFG Core ESG Fund, MFG Core Infrastructure Fund (formerly Magellan Core Infrastructure Fund)

Annual Reports

For the period ended 30 June 2021

MFG Core International Fund: ABN 80 359 003 049
MFG Core ESG Fund: ABN 35 260 050 536
MFG Core Infrastructure Fund: ABN 32 816 215 984

Contents

Chairman's Report	3	7. Payables	29
Responsible Entity's Report	5	8. Unitholders' Equity	29
Auditor's Independence Declaration	12	9. Earnings per Unit	31
Financial Statements		10. Net Asset Value per Unit	31
Statements of Profit or Loss and Comprehensive Income	13	11. Related Parties	32
Statements of Financial Position	14	12. Capital and Financial Risk Management	34
Statements of Changes in Equity	15	13. Segment Information	39
Statements of Cash Flows	16	14. Auditor's Remuneration	40
Notes to the Financial Statements	17	15. Contingent Assets, Contingent Liabilities and Commitments	40
1. Basis of Preparation	17	16. Subsequent Events	40
2. Distributions to Unitholders	20	Directors' Declaration	41
3. Cash and Cash Equivalents	21	Independent Auditor's Report	42
4. Statement of Cash Flows Reconciliation	22	MFG Core International Fund Unitholder Information	46
5. Receivables	23	MFG Core ESG Fund Unitholder Information	47
6. Investments and Derivatives	23	MFG Core Infrastructure Fund Unitholder Information	48
		Corporate Information	49

Chairman's Report

for the period ended 30 June 2021

Dear Unitholders,

We are pleased to present the Annual Financial Report for the MFG Core Series Funds (the "Funds"), a series of investment strategies comprising:

- the MFG Core International Fund (Chi-X Ticker: MCSG);
- the MFG Core ESG Fund (Chi-X Ticker: MCSE); and
- the MFG Core Infrastructure Fund (Chi-X Ticker: MCSI) (formerly Magellan Core Infrastructure Fund)

The Funds are managed investment schemes for which Magellan Asset Management ("MAM") acts as both Responsible Entity and Investment Manager.

On 15 December 2020 the Funds commenced trading on Chi-X securities exchange. The Funds leverage Magellan's investment philosophy and proprietary research to offer investors lower cost, diversified portfolios of high-quality companies.

MFG Core International Fund

The MFG Core International Fund aims to achieve attractive risk-adjusted returns over the medium to long-term through a diversified portfolio of high-quality global companies. To achieve this, the MFG Core International Fund invests in a portfolio of between 70 and 90 high-quality global securities, as assessed by MAM, and can hold up to 10% in cash with an aim to be fully invested.

As at 30 June 2021, the MFG Core International Fund had net assets of \$13.5 million and a net asset value of \$3.9021 per unit. The fund paid total distributions of 7 cents per unit for the year and in addition passed on foreign income tax offsets of 0.3765 cents per unit. Whilst the fund was formed on 15 July 2020, it commenced operating on 11 December 2020 and since that date to 30 June 2021, the MFG Core International Fund returned 14.5% net of fees. This compares with the return of the index (MSCI World NTR Index (AUD)) of 15.9% over the same period.

As at 30 June 2021, the MFG Core International Fund consisted of investments in 82 companies, with the top 10 investments representing 22.9% of the portfolio. The MFG Core International Fund's cash position was 2% of the portfolio which was predominantly held in US Dollars.

MFG Core ESG Fund

The MFG Core ESG Fund aims to achieve attractive risk-adjusted returns over the medium to long-term through a diversified portfolio of high-quality global companies. This objective incorporates consideration of environmental, social and governance risks and the application of a proprietary low carbon framework. To achieve this, the MFG Core ESG Fund invests in a portfolio of between 70 and 90 high-quality global companies, as assessed by MAM, and can hold up to 10% in cash with an aim to be fully invested.

As at 30 June 2021, the MFG Core ESG Fund had net assets of \$13.3 million and a net asset value of \$3.9515 per unit. The fund paid total distributions of 7 cents per unit for the year and in addition passed on foreign income tax offsets of 0.2729 cents per unit. Whilst the fund was formed on 5 November 2020, it commenced operating on 11 December 2020 and since that date to 30 June 2021, the MFG Core ESG Fund returned 15.0% net of fees. This compares with the return of the index (MSCI World NTR Index (AUD)) of 15.9% over the same period.

As at 30 June 2021, the MFG Core ESG Fund consisted of investments in 81 companies, with the top 10 investments representing 21.6% of the portfolio. The MFG Core ESG Fund's cash position was 2% of the portfolio which was predominantly held in US Dollars.

Chairman's Report

for the period ended 30 June 2021

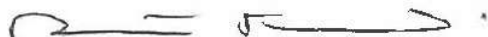
MFG Core Infrastructure Fund

The MFG Core Infrastructure Fund aims to achieve attractive risk-adjusted returns over the medium to long-term through investment in a diversified exposure to infrastructure securities that meet MAM's definition of infrastructure. To achieve this, the MFG Core Infrastructure Fund invests in a portfolio of between 70 and 100 high-quality global companies, as assessed by MAM, and can hold up to 5% in cash with an aim to be fully invested.

As at 30 June 2021, the MFG Core Infrastructure Fund had net assets of \$337.5 million and a net asset value of \$1.5525 per unit. The fund paid total distributions of 7 cents per unit for the year and in addition passed on franking credits and foreign income tax offsets of 0.5186 cents per unit. For the 12 months to 30 June 2021, the MFG Core Infrastructure Fund returned 10.0% net of fees. This compares with the benchmark (S&P Global Infrastructure Net Total Return Index (A\$ Hedged)) return of 17.2% over the same period.

As at 30 June 2021, the MFG Core Infrastructure Fund consisted of investments in 88 companies, with the top 10 investments representing 27.9% of the portfolio. The MFG Core Infrastructure Fund's cash position was 2% of the portfolio which was predominantly held in Australian Dollars.

We would encourage you to read our annual investor communication [Magellan InReview 2021](#), published in July each year, which shares a collection of thought-provoking investment perspectives from across the Magellan investment team. You can access InReview 2021 at 2021.magellaninreview.com.au. We would also encourage you to read our monthly and quarterly Fund Reports available on our website www.magellangroup.com.au, which provide valuable insight into the investment strategies and portfolio managers' thoughts.



Robert Fraser

Chairman

Sydney, 31 August 2021

Responsible Entity's Report

for the period ended 30 June 2021

The Directors of Magellan Asset Management Limited ("MAM") (ABN 31 120 593 946), the Responsible Entity of the following managed investment funds (collectively "the Funds") present their annual reports on the Funds for the period ended 30 June 2021.

	Financial Reporting Period
MFG Core International Fund ("MCSG")	15 July 2020 to 30 June 2021
MFG Core ESG Fund ("MCSE")	5 November 2020 to 30 June 2021
MFG Core Infrastructure Fund ("MCSI")	1 July 2020 to 30 June 2021

1. Directors

The following persons were Directors of MAM during the period and up to the date of this report:

		Appointed
Robert Fraser	Chairman	23 April 2014
Brett Cairns	Chief Executive Officer	22 January 2007
John Eales	Non-executive Director	1 July 2017
Colette Garnsey	Non-executive Director	30 November 2020
Paul Lewis	Non-executive Director	20 December 2006
Hamish McLennan	Non-executive Director	1 March 2016
Kirsten Morton	Chief Financial Officer	5 October 2018
Karen Phin	Non-executive Director	23 April 2014

2. Principal Activity

The Funds are registered managed investment schemes domiciled in Australia, and quoted on Chi-X Australia Pty Ltd Securities Exchange ("Chi-X"). The Funds' principal place of business is Level 36, 25 Martin Place, Sydney, New South Wales 2000. MAM is both the Responsible Entity and the Investment Manager of the Funds.

MCSG, will invest in a diversified portfolio of high quality companies listed on stock exchanges around the world. The portfolio will generally comprise 70-90 securities at any one time but will also have some exposure to cash. It is not the Responsible Entity's intention to hedge the foreign currency exposure of the fund. However, the fund can use foreign exchange contracts to facilitate settlement of stock purchases and exchange traded derivatives, in a limited manner, for risk management purposes.

MCSE, will invest in a diversified portfolio of companies listed on stock exchanges around the world. This objective incorporates consideration of environmental, social and governance (ESG) risks and the application of a proprietary low carbon framework. The portfolio will generally comprise 70-90 securities at any one time but will also have some exposure to cash. It is not the Responsible Entity's intention to hedge the foreign currency exposure of the fund arising from investments in overseas markets. However, the fund can use foreign exchange contracts to facilitate settlement of stock purchases and exchange traded derivatives, in a limited manner, for risk management purposes.

Responsible Entity's Report

for the period ended 30 June 2021

MCSI has as its primary objective to achieve attractive risk-adjusted returns over the medium to long-term, while reducing the risk of permanent capital loss. The fund will primarily invest in securities of infrastructure companies listed on stock exchanges around the world. The portfolio will generally comprise 70-100 securities at any one time but will also have some exposure to cash. It substantially hedges the capital component of the foreign currency exposure of the fund arising from investments in overseas markets back to Australian Dollars.

The investment strategy for each of the Funds is detailed in the Product Disclosure Statements ("PDSs"), issued 3 December 2020.

3. Significant Changes in State of Affairs

MCSG, was formed on 15 July 2020 as an unregistered managed investment scheme. On 5 November 2020, the fund became a registered managed investment scheme and commenced trading on Chi-X (ticker code: MCSG) on 15 December 2020.

MCSE commenced operations on 11 December 2020 and on 15 December 2020 commenced trading on Chi-X (ticker code: MCSE).

MCSI as an existing unregistered managed investment scheme, held a unitholder meeting on 19 November 2020, where changes to its constitution were approved via a special resolution. Changes included a change of name from Magellan Core Infrastructure Fund as well as changes which permitted the fund to become a registered scheme and quoted on a securities exchange. Effective 30 November 2020, the fund was registered with ASIC and commenced trading on Chi-X (ticker code: MCSI) on 15 December 2020.

There were no other significant changes in the state of affairs of the Funds during the period.

Responsible Entity's Report

for the period ended 30 June 2021

4. Review of Operations

4.1. Financial Results for the Period

The performance of the Funds, as represented by the results of their operations for the periods ended 30 June were as follows:

	MFG Core International Fund ¹	MFG Core ESG Fund ²	MFG Core Infrastructure Fund	
	30 Jun 2021	30 Jun 2021	30 Jun 2021	30 Jun 2020
Results				
Total net investment income (\$'000)	1,916	1,747	42,157	(6,593)
Total expenses (\$'000)	(54)	(45)	(3,392)	(3,939)
Profit/(Loss) (\$'000)	1,862	1,702	38,765	(10,532)
Distributions				
Distribution paid and payable (\$'000)	243	236	6,260	-
Distribution paid and payable (CPU) ³	7.0000	7.0000	2.8800	-
Unit Price				
Unit Price (NAV Per Unit) (\$) ⁴	3.9021	3.9515	1.5525	1.4382
Chi-X Reported (NAV Per Unit) (\$) ⁵	3.9723	4.0217	1.5816	1.4361

¹ The Fund's first reporting period covers 15 July 2020 to 30 June 2021.

² The Fund's first reporting period covers 5 November 2020 to 30 June 2021.

³ Cents Per Unit

⁴ The Net Asset Value ("NAV") per unit represents the net assets of the Fund presented in the Statement of Financial Position at 30 June divided by the number of units on issue at 30 June (as shown in Note 8 to the financial statements).

⁵ The NAV per unit reported to Chi-X will differ to the NAV per unit at balance date due to distributions payable and fee accruals.

Responsible Entity's Report

for the period ended 30 June 2021

Distribution Components

Distribution components, which can be found in 'Core Funds' section of the MFG Core Series website, www.mfgcoreseries.com.au, are as follows:

	MFG Core International Fund	MFG Core ESG Fund	MFG Core Infrastructure Fund
	30 Jun 2021 Final Distribution CPU	30 Jun 2021 Final Distribution CPU	30 Jun 2021 Final Distribution CPU
Domestic Income			
Interest	-	-	0.0675
Franked dividends	-	-	0.0100
Franking credits	-	-	0.0118
Unfranked dividends	-	-	0.0191
Other income	0.0089	-	8.9557
Other domestic income - NCMI	-	-	0.0042
Foreign Sourced Income	0.8497	0.8090	3.9470
Foreign income tax offsets	0.3765	0.2729	0.5068
Capital Gains			
Discounted	-	-	-
Other	5.7749	5.9854	-
AMIT CGT gross up amount	-	-	-
Other non-attributable amounts (tax deferred amounts)	0.3665	0.2056	-
Attribution Amount	7.3765	7.2729	13.5221
AMIT cost base net increase	-	-	(10.1235)
Tax Offsets			
Franking credits	-	-	(0.0118)
Foreign income tax offsets	(0.3765)	(0.2729)	(0.5068)
Cash Distribution	7.0000	7.0000	2.8800

No interim distributions were paid for the period ended 31 December 2020.

Responsible Entity's Report

for the period ended 30 June 2021

4.2. Total Indirect Cost Ratio

The Total Indirect Cost Ratio ("ICR"), is the ratio of the Funds' actual management costs over the average portfolio values expressed as a percentage. Management costs, accrued within the Funds' unit prices on a daily basis, include management fees but do not include transactional and operational costs such as brokerage or foreign withholding tax.

	MFG Core International Fund	MFG Core ESG Fund	MFG Core Infrastructure Fund	
	30 Jun 2021 % ¹	30 Jun 2021 % ²	30 Jun 2021 %	30 Jun 2020 %
Management fee	0.48	0.28	0.50	0.54
Total Indirect Cost Ratio	0.48	0.28	0.50	0.54

¹ The cost ratio was measured from the date the first unit was issued on 15 July 2020 and to 30 June 2021.

² The cost ratio was measured from the date the first unit was issued on 11 December 2020 and to 30 June 2021.

4.3. Performance Returns

The performance returns have been calculated using the redemption unit prices for the Funds, which is after fees and expenses, assuming the reinvestment of distributions. The returns are calculated daily, compounded to produce longer period returns.

	MFG Core International Fund	MFG Core ESG Fund	MFG Core Infrastructure Fund	
	30 Jun 2021 % ¹	30 Jun 2021 % ²	30 Jun 2021 %	30 Jun 2020 %
Growth return ³	13.0	12.5	8.0	(1.9)
Distribution return ⁴	2.0	2.0	2.0	-
Total Return⁵	15.0	14.5	10.0	(1.9)

¹ The fund was first offered to retail investors from 11 December 2020 and as a result, the performance returns were measured from 11 December 2020 to 30 June 2021.

² The first unit in the Fund was issued on 11 December 2020 and as a result, the performance returns were measured from 11 December 2020 to 30 June 2021.

³ The Growth return is calculated daily as a percentage by dividing the unit price (ex-distribution) by the previous day's unit price (ex-distribution) minus 1; the daily Growth returns are then compounded to produce longer period returns.

⁴ The Distribution return is calculated as a percentage by subtracting the Growth return from the Total Return.

⁵ The Total Return is calculated daily as a percentage by dividing the unit price (cum-distribution) by the previous day's unit price (ex-distribution) minus 1; the daily Total Returns are then compounded to produce longer period returns.

Responsible Entity's Report

for the period ended 30 June 2021

5. Strategy and Future Outlook

The Funds' investment objective is unchanged. The results of the Funds' operations will be affected by a number of factors, including the performance of investment markets in which the Funds invest. Therefore, investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

The Funds provide daily unit prices, monthly fund updates and annual investor reports which can be found in the 'Core Funds' section of the MFG Core Series website, www.mfgcoreseries.com.au. Fund updates and investor reports include detailed discussions in relation to some investee companies from time to time along with general outlook commentary.

6. Interest in the Funds

The movements in units on issue of the Funds is disclosed in Note 8 to the Financial Statements.

7. Likely Developments and Expected Results of Operations

The Funds will continue to invest in companies and businesses in accordance with the investment strategy as set out in their PDSs.

The method of operating the Funds is not expected to change in the foreseeable future. However the results of the Funds' operations may be affected by a number of factors, including the performance of investment markets in which the Funds invest. Investment performance is not guaranteed and past returns should not be used to predict future returns.

8. Subsequent Events

Other than the items disclosed throughout the Responsible Entity's Report, there have been no matters or circumstances arising after the end of the period that have significantly affected, or may significantly affect, the Funds' operations, the results of those operations, or the Funds' state of affairs in future financial periods. Asset prices move daily and intraday indicative NAV per unit and daily NAV per unit are available on the MFG website and also the Chi-X website.

9. Indemnification and Insurance of Directors and Officers

The Directors and Officers of the Responsible Entity are insured to the extent permitted by law for losses, liabilities, costs and charges in defending any legal proceedings arising out of their conduct while acting in their capacity of Directors and Officers of the Responsible Entity, other than for conduct involving a wilful breach of duty in relation to the Responsible Entity.

During the period, MAM paid an insurance premium to insure the Directors and Officers of the Responsible Entity. The terms of the contract prohibit the disclosure of the premiums paid.

10. Rounding of Amounts

The Funds are of a kind referred to in the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and consequently amounts in the Responsible Entity's Report have been rounded to the nearest thousand dollars in accordance with that Legislative Instrument, or in certain cases, the nearest dollar.

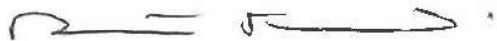
Responsible Entity's Report

for the period ended 30 June 2021

11. Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 12.

This report is made in accordance with a resolution of the Directors of the Responsible Entity.



Robert Fraser

Chairman

Sydney, 31 August 2021



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of Magellan Asset Management Limited as the Responsible Entity of MFG Core International Fund, MFG Core ESG Fund and MFG Core Infrastructure Fund formerly Magellan Core Infrastructure Fund, (the Schemes)

As lead auditor for the audit of the financial report of the Schemes for the financial periods ended 30 June 2021, I declare to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

Ernst & Young

Clare Sporle

Partner

Sydney,
31 August 2021

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

Statements of Profit or Loss and Comprehensive Income

for the period ended 30 June 2021

	Note	MFG Core International Fund ¹	MFG Core ESG Fund ²	MFG Core Infrastructure Fund	
		30 Jun 2021 \$'000	30 Jun 2021 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000
Investment Income					
Dividend and distribution income		101	88	12,774	13,425
Interest income		-	-	4	55
Other income		-	-	57	-
Net change in fair value of investments		1,812	1,645	29,272	(20,502)
Net gains/(losses) on foreign exchange settlements, derivative contracts and cash		3	14	50	429
Total Net Investment Income		1,916	1,747	42,157	(6,593)
Expenses					
Management fees	11	39	32	1,902	2,236
Brokerage fees		2	1	46	175
Withholding tax on dividends and distributions		13	12	1,444	1,528
Total Expenses		54	45	3,392	3,939
Profit/(Loss)		1,862	1,702	38,765	(10,532)
Other comprehensive income		-	-	-	-
Total Comprehensive Income/(Loss)		1,862	1,702	38,765	(10,532)
Basic Earnings Per Unit (Cents)	9	80.70	53.84	15.25	(1.77)
Diluted Earnings Per Unit (Cents)	9	80.70	53.84	15.25	(1.77)

¹ The Fund's first reporting period covers 15 July 2020 to 30 June 2021 and as a result there are no prior period comparatives.

² The Fund's first reporting period covers 5 November 2020 to 30 June 2021 and as a result there are no prior period comparatives.

The above Statements of Profit or Loss and Comprehensive Income should be read in conjunction with the accompanying Notes to the Financial Statements.

Statements of Financial Position

as at 30 June 2021

	Note	MFG Core International Fund ¹	MFG Core ESG Fund ¹	MFG Core Infrastructure Fund	
		30 Jun 2021 \$'000	30 Jun 2021 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000
Assets					
Cash and cash equivalents	3	277	270	6,443	5,052
Receivables	5	10	11	6,791	4,236
Derivative assets	6	-	-	554	7,328
Investments	6	13,504	13,301	337,033	363,394
Total Assets		13,791	13,582	350,821	380,010
Liabilities					
Distributions payable	2	243	236	6,260	-
Payables	7	6	6	860	9,037
Derivative liabilities	6	-	-	6,235	652
Total Liabilities		249	242	13,355	9,689
Total Unitholders' Equity		13,542	13,340	337,466	370,321

¹ As this is the first reporting period, there are no prior period comparatives.

The above Statements of Financial Position should be read in conjunction with the accompanying Notes to the Financial Statements.

Statements of Changes in Equity

for the period ended 30 June 2021

	Note	MFG Core International Fund ¹	MFG Core ESG Fund ²	MFG Core Infrastructure Fund	
		30 Jun 2021 \$'000	30 Jun 2021 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000
Unitholders' Equity at beginning of the Period		-	-	370,321	326,977
Transactions with unitholders in their capacity as owners:					
Units issued		12,146	11,906	38,483	142,000
Units issued under Dividend Reinvestment Plan and management fee rebates		-	-	392	576
Units redeemed		(223)	(32)	(104,235)	(88,700)
Distributions paid and payable	2	(243)	(236)	(6,260)	-
Total transactions with unitholders		11,680	11,638	(71,620)	53,876
Profit/(loss)		1,862	1,702	38,765	(10,532)
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss)		1,862	1,702	38,765	(10,532)
Total Unitholders' Equity at the end of the Period		13,542	13,340	337,466	370,321

¹ The Fund's first reporting period covers 15 July 2020 to 30 June 2021 and as a result there are no prior period comparatives.

² The Fund's first reporting period covers 5 November 2020 to 30 June 2021 and as a result there are no prior period comparatives.

The above Statements of Changes In Equity should be read in conjunction with the accompanying Notes to the Financial Statements.

Statements of Cash Flows

for the period ended 30 June 2021

	Note	MFG Core International Fund ¹	MFG Core ESG Fund ²	MFG Core Infrastructure Fund	
		30 Jun 2021 \$'000	30 Jun 2021 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000
Cash Flows from Operating Activities					
Dividends and distributions received (net of withholding tax)		80	67	11,091	12,250
Interest received		-	-	5	63
Other income received		-	-	57	-
Management fees paid		(35)	(28)	(1,584)	(1,655)
Brokerage fees paid		(2)	(1)	(46)	(175)
Net Cash Inflow/(Outflow) from Operating Activities	4	43	38	9,523	10,483
Cash Flows from Investing Activities					
Purchase of investments		(15,620)	(14,552)	(119,318)	(221,132)
Proceeds from sale of investments		3,946	2,923	149,881	174,347
Net foreign exchange gain/(loss)		(16)	(15)	34	-
Net cash flows from settlement of forward foreign currency contracts		-	-	27,019	(19,434)
Net Cash Inflow/(Outflow) from Investing Activities		(11,690)	(11,644)	57,616	(66,219)
Cash Flows from Financing Activities					
Receipts from issue of units		12,146	11,906	38,474	142,000
Payments for redemption of units		(223)	(32)	(104,235)	(88,700)
Distributions paid		-	-	-	-
Net Cash Inflow/(Outflow) from Financing Activities		11,923	11,874	(65,761)	53,300
Net Increase/(Decrease) in Cash and Cash Equivalents					
Cash and cash equivalents at the beginning of the period		-	-	5,052	7,059
Effect of exchange rate fluctuations on cash and cash equivalents		1	2	13	429
Cash and Cash Equivalents at the end of the Period	3	277	270	6,443	5,052

¹ The Fund's first reporting period covers 5 November 2020 to 30 June 2021 and as a result there are no prior period comparatives.

² The Fund's first reporting period covers 15 July 2020 to 30 June 2021 and as a result there are no prior period comparatives.

The Statements of Cash Flows should be read in conjunction with the accompanying Notes to the Financial Statements.

Notes to the Financial Statements

for the period ended 30 June 2021

Overview

These annual financial reports are for the individual funds listed below, for the period ended 30 June 2021. The Funds are registered managed investment schemes under the *Corporations Act 2001*. In accordance with the Funds' Constitutions, they commenced on the date that their first units were issued, which is set out as follows:

	Date of Commencement	Registered Date	Financial Reporting Period
MFG Core International Fund	15 July 2020	5 November 2020	15 July 2020 to 30 June 2021
MFG Core ESG Fund	11 December 2020	5 November 2020	5 November 2020 to 30 June 2021
MFG Core Infrastructure Fund	16 December 2009	30 November 2020	1 July 2020 to 30 June 2021

The Funds terminate on the day immediately preceding the 80th anniversary of their Date of Commencement, unless terminated earlier in accordance with the provisions of each Fund's Constitution.

MAM (ABN 31 120 593 946) is the Responsible Entity of the Funds.

The financial reports were authorised for issue by the Directors of the Responsible Entity on 31 August 2021. The Directors have the power to amend and reissue the financial reports.

The Funds are considered for-profit unit trusts for the purpose of these annual financial reports.

1. Basis of Preparation

These general purpose financial reports are presented in Australian Dollars and have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards ("AASB") and Interpretations issued by the Australian Accounting Standards Board, other mandatory professional reporting requirements and the Funds' Constitutions. They also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The Statements of Financial Position are presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within 12 months, except for financial assets and liabilities at fair value through profit or loss. These fair value assets and liabilities comprise mainly investments that are managed based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. Consequently, the investments that may be realised within 12 months cannot be determined at balance date.

All amounts in the financial statements are rounded to the nearest thousand dollars (\$'000) or in certain cases, the nearest dollar, unless otherwise stated in accordance with the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*.

Notes to the Financial Statements

for the period ended 30 June 2021

1.1. Accounting Policies

The accounting policies adopted in the preparation of these financial reports are contained within the notes to which they relate. The Funds have not early adopted any accounting standard, interpretation or amendment that has been issued but is not yet effective at reporting date.

1.2. Foreign Currency Translation

The functional and presentation currency of the Funds is the Australian Dollar as determined in accordance with AASB 121 *The Effects of Changes in Foreign Exchange Rates*. Transactions denominated in foreign currencies are translated into Australian Dollars at the foreign currency exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Australian Dollars at the foreign currency closing exchange rate at balance date.

Foreign currency exchange differences arising on translation, and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to Australian Dollars at the foreign currency closing exchange rates at the dates that the values were determined. Foreign currency exchange differences relating to monetary items, including cash and cash equivalents, are presented separately in profit or loss.

1.3. Investment Income

Dividend and Distribution Income

Dividend and distribution income is recognised on the applicable ex-dividend/distribution date gross of withholding tax, which is recorded as an expense in profit or loss. Dividends and distributions received are presented net of withholding tax in the Statements of Cash Flows.

Net Change in Fair Value of Investments

Realised and unrealised gains and losses on investments measured at fair value through profit or loss are recognised in the Statement of Profit or Loss and Comprehensive Income. The net change in fair value does not include dividend and distribution income.

Interest Income

Interest income is recognised on an accrual basis using the effective interest rate method.

1.4. Expenses

All expenses are recognised in profit or loss on an accruals basis.

Notes to the Financial Statements

for the period ended 30 June 2021

1.5. Income Tax

On 5 May 2016, the Attribution Managed Investment Trust ("AMIT") regime was established under the *Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016*. The AMIT regime allows Managed Investment Trusts that meet certain requirements to make an irrevocable choice to be an AMIT. MCSI elected into the AMIT regime effective from 30 June 2018. MCSE and MCSG elected into the AMIT regime from 5 November 2020 and 15 July 2020 respectively.

Under current income tax legislation, the Funds are not subject to income tax provided they attribute the entirety of their taxable income to unitholders.

The Funds currently incur withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the profit or loss. The benefits of foreign withholding tax paid, and of imputation credits attaching to Australian franked dividends, are passed onto unitholders.

1.6. Goods and Services Tax

The Goods and Services Tax ("GST") incurred on the costs of various services provided to the Funds by third parties, such as custodial services and management fees have been passed onto the Funds. The Funds qualify for Reduced Input Tax Credits ("RITC") at a rate of 55%-75% and are also eligible to recover GST on offshore transactions. Management fees and other expenses have been recognised in profit or loss net of the amount of GST recoverable from the Australian Taxation Office. Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included in the Statement of Financial Position as a receivable or payable. Cash flows are included in the Statement of Cash Flows on a gross basis.

1.7. Critical Accounting Estimates and Judgements

The preparation of the Funds' financial statements requires the Directors to make judgements, estimates and assumptions that affect the amounts reported in the financial statements. The Directors base their judgements and estimates on historical experience and various other factors they believe to be reasonable under the circumstances, but which are inherently uncertain and unpredictable. As a result, actual results could differ from those estimates.

Where listed equities have no active market the Directors determine fair value with reference to external observable information and conditions existing at balance date. Fair values may however move materially with movements in market prices (refer Note 12). As most investments are valued with reference to the listed quoted prices and the Funds' cash is held with strongly rated financial institutions, the Funds' financial assets are not subject to significant judgement or complexity nor are the Funds' liabilities.

1.8. Including Different Registered Scheme Financial Reports in a Single Document

The Funds have applied *ASIC Corporations (Related Scheme Reports) Instrument 2015/839*, which allows registered schemes with a common Responsible Entity to include their financial statements in adjacent columns in a single financial report.

Notes to the Financial Statements

for the period ended 30 June 2021

2. Distributions to Unitholders

Distributions are determined by the Responsible Entity of the Funds and are payable as set out in the Funds' PDSs. Distributable income includes capital gains arising from the disposal of financial assets and liabilities. Unrealised gains and losses on financial assets and liabilities that are recognised as income are transferred to unitholders' equity and are not assessable or distributable until realised. Net realised capital losses and tax losses are not distributed to unitholders but are retained to be offset against any realised capital gains and future assessable income respectively.

The Funds will pay a Target Cash Distribution ("TCD"), semi-annually determined by using the average of the month-end NAV per unit over a two year rolling period ending on the last business day of the prior distribution period. As set out in the Funds' PDSs, the Responsible Entity intends to pay a TCD for the Funds for the first four semi-annual distributions commencing 30 June 2021 as follows, MCSG 7.00 CPU, MCSE 7.00 CPU, and MCSI 2.88 CPU.

Distributions to unitholders are recognised directly in equity and presented in the Statement of Changes in Equity. A distribution payable is recognised in the Statement of Financial Position where the distribution has been declared but remains unpaid at balance date. Distributions for the period ended 30 June are as follows:

	MFG Core International Fund		MFG Core ESG Fund		MFG Core Infrastructure Fund		Date Paid
	\$'000	CPU	\$'000	CPU	\$'000	CPU	
Period ended 30 June 2021							
Final distribution payable	243	7.000	236	7.000	6,260	2.880	21 Jul 2021

The Funds did not pay an interim distribution for the period ended 31 December 2020.

In addition to the distributions paid for the period, the Funds passed on tax credits to unitholders as follows:

	MFG Core International Fund		MFG Core ESG Fund		MFG Core Infrastructure Fund	
	30 Jun 2021 CPU		30 Jun 2021 CPU		30 Jun 2021 CPU	
Franking credits		-		-		0.0118
Foreign income tax offsets		0.3765		0.2729		0.5068
Total Tax Credits Passed to Unitholders		0.3765		0.2729		0.5186

Notes to the Financial Statements

for the period ended 30 June 2021

Distribution Reinvestment Plan

A Distribution Reinvestment Plan ("DRP") operated in MCSG, MCSE and MCSI during the current period. Unitholders may request their distributions to be applied as subscriptions for additional units in the respective Fund at the Issue Price (as defined in the Funds' Constitutions). DRP details for the final distributions are as follows:

	MFG Core International Fund		MFG Core ESG Fund		MFG Core Infrastructure Fund	
	31 Dec 2020 Interim Distribution ¹	30 Jun 2021 Final Distribution	31 Dec 2020 Interim Distribution ¹	30 Jun 2021 Final Distribution	31 Dec 2020 Interim Distribution ¹	30 Jun 2021 Final Distribution
DRP issue price (\$)	-	3.9023	-	3.9517	-	1.5528
DRP unitholder participation rate (%)	-	24.28	-	23.91	-	26.86
Number of units issued under DRP	-	1,468	-	1,157	-	3,545,734
Value of units issued under DRP (\$'000)	-	6	-	5	-	5,506
DRP issue date	-	21 Jul 2021	-	21 Jul 2021	-	21 Jul 2021

¹ The Funds did not pay an interim distribution for the period ended 31 December 2020.

3. Cash and Cash Equivalents

	MFG Core International Fund	MFG Core ESG Fund	MFG Core Infrastructure Fund	
	30 Jun 2021 \$'000	30 Jun 2021 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000
Cash at bank - denominated in Australian Dollars	40	29	5,240	4,191
Cash at bank - denominated in foreign currency:				
United States Dollars	184	187	592	561
Euro	27	25	376	33
British Pounds	11	14	81	131
Swiss Francs	9	13	28	31
Canadian Dollars	4	-	60	64
Hong Kong Dollars	2	2	34	9
New Zealand Dollars	-	-	19	19
Mexican Pesos	-	-	13	13
Total Cash and Cash Equivalents	277	270	6,443	5,052

Cash comprises cash at bank. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Notes to the Financial Statements

for the period ended 30 June 2021

4. Statement of Cash Flows Reconciliation

	MFG Core International Fund	MFG Core ESG Fund	MFG Core Infrastructure Fund	
	30 Jun 2021 \$'000	30 Jun 2021 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000
Reconciliation of Cash Flows from Operating Activities				
Profit/(loss)	1,862	1,702	38,765	(10,532)
Net change in fair value of investments	(1,812)	(1,645)	(29,272)	20,502
Net (gain)/loss on foreign exchange settlements, derivative contracts and cash	(3)	(14)	(86)	(429)
Fee rebates reinvested into units in the Funds	-	-	357	576
Net (increase)/decrease in receivables and other assets	(10)	(11)	(217)	361
Net increase/(decrease) in payables and other liabilities	6	6	(24)	5
Net Cash Inflow/(Outflow) from Operating Activities	43	38	9,523	10,483
Non-Cash Investing and Financing Activities				
Fee rebates reinvested into units in the Funds	-	-	357	576

Notes to the Financial Statements

for the period ended 30 June 2021

5. Receivables

	MFG Core International Fund	MFG Core ESG Fund	MFG Core Infrastructure Fund	
	30 Jun 2021	30 Jun 2021	30 Jun 2021	30 Jun 2020
	\$'000	\$'000	\$'000	\$'000
Dividend and distribution receivable	4	5	1,552	1,407
Applications receivable	-	-	44	-
Due from brokers - receivable for securities sold	-	-	5,032	2,744
Recoverable GST and foreign withholding tax	6	6	163	85
Total Receivables	10	11	6,791	4,236

Receivables comprise amounts due from brokers for sales of assets and applications for units in the Funds unsettled at balance date, dividends and trust distributions declared but not yet received, and reclaimable taxes. They are recognised and carried at amortised cost using the effective interest rate method and adjusted for changes in foreign exchange rates where applicable. A provision is deducted from receivables for uncollectible amounts based on expected credit losses, when applicable. Expected credit losses are calculated as the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Funds expect to receive, discounted at an approximation of the original effective interest rate. The Funds apply the simplified approach for receivables whereby the loss allowance is based on lifetime expected credit losses at each balance date.

At balance date, the Funds' receivables, excluding recoverable GST and foreign withholding tax, were due within 0 to 30 days (June 2020: 0 to 30 days). Recoverable GST is due within 30 to 90 days (June 2020: 30 to 90 days). Foreign withholding tax is due within 2 to 10 years depending on the jurisdiction (June 2020: 2 to 5 years). No amounts are impaired or past due at 30 June 2021 or 30 June 2020.

6. Investments and Derivatives

The Funds classify their equity securities, derivative assets and derivative liabilities as financial assets and liabilities at fair value through profit or loss.

The Funds disclose the fair value measurements of financial assets and financial liabilities using a three-level fair value hierarchy to reflect the source of valuation inputs used when determining the fair value as follows:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of these securities is based on the closing price for the security as quoted on the relevant exchange.
- Level 2: valuation techniques using observable inputs either directly (as prices) or indirectly (derived from prices). The fair value of derivatives is based on a discounted cash flow analysis using quoted market inputs (spot and forward rates, volatility) adjusted for specific features of the instruments and applied debit and credit valuation adjustments based on the Fund's counterparties' current credit worthiness.
- Level 3: valuation techniques using non-market observable inputs.

Notes to the Financial Statements

for the period ended 30 June 2021

Details of Investments and Derivatives

	MFG Core International Fund	MFG Core ESG Fund	MFG Core Infrastructure Fund	
	30 Jun 2021 \$'000	30 Jun 2021 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000
Investments (Level 1)				
Australian listed equity securities	101	-	30,359	34,191
International listed equity securities:				
United States	9,772	10,274	137,082	147,497
France	1,193	1,172	17,625	19,035
Germany	498	529	1,658	1,317
United Kingdom	485	350	32,457	34,900
Switzerland	353	339	2,187	1,997
Netherlands	329	375	2,006	2,833
Canada	268	-	51,422	48,667
China	254	-	-	-
Hong Kong	208	145	5,570	6,682
Spain	43	117	27,117	31,439
Portugal	-	-	610	860
Italy	-	-	17,886	22,876
New Zealand	-	-	4,609	4,478
Chile	-	-	338	720
Mexico	-	-	6,107	5,902
Total Investments	13,504	13,301	337,033	363,394
Derivative Assets (Level 2)				
Forward foreign currency contracts	-	-	554	7,328
Total Derivative Assets	-	-	554	7,328
Derivative Liabilities (Level 2)				
Forward foreign currency contracts	-	-	6,235	652
Total Derivative Liabilities	-	-	6,235	652

The Funds do not hold any level 3 assets. There have been no transfers between any of the three levels in the hierarchy during the period and the Funds' policy is to recognise transfers into and out of fair value hierarchy levels as at balance date.

Notes to the Financial Statements

for the period ended 30 June 2021

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value, which in the case of the Funds is the transaction price. Brokerage costs are expensed immediately in profit or loss. Subsequent to initial recognition, all financial assets and liabilities classified at fair value through profit or loss are measured at fair value. Changes in fair value are recognised in profit or loss. The net change in fair value does not include dividend or distribution income.

Purchases and sales are recognised on trade date, being the date the Funds commit to purchase or sell the asset. Financial assets are derecognised when the contractual rights to the cash flows from the assets expire or are transferred. A transfer occurs when substantially all the risks and rewards of ownership are passed to a third party. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

The fair value of equity securities traded in active markets is based on their quoted market prices at balance date without any deduction for estimated future selling costs. The quoted market price used for securities held by the Funds is the closing price for the security as quoted on the relevant stock exchange. If a quoted market price is not available on a recognised stock exchange or from a broker/dealer for non-exchange-traded financial instruments, the fair value of the instrument is estimated using valuation techniques including recent arm's length market transactions, reference to the current fair value of other instruments that are substantially the same, discounted cash flow techniques, option pricing models or any other valuation techniques commonly used by market participants.

Derivatives are contracts whose value is derived from one or more underlying price, index or other variable. Derivatives are included in the Statements of Financial Position as an asset when the fair value at balance date is positive and classified as a liability when the fair value at balance date is negative.

The following pages contain a detailed listing of securities and exchange domicile owned by each of the Funds as at balance date.

Stock Exchange Domicile

(i)	United States	(vii)	Spain	(xiii)	Mexico
(ii)	Australia	(viii)	Portugal	(xvi)	Chile
(iii)	United Kingdom	(ix)	Switzerland	(xvii)	China
(iv)	Hong Kong	(x)	Germany	(xv)	New Zealand
(v)	Italy	(xi)	Netherlands	(xvi)	China
(vi)	France	(xii)	Canada		

Notes to the Financial Statements

for the period ended 30 June 2021

MCSG Detailed Listing of Investments

Company Name		30 Jun 2021 \$ '000	Company Name		30 Jun 2021 \$ '000	Company Name		30 Jun 2021 \$ '000
Alibaba Group	(i)	392	Estee Lauder Companies - Class A	(i)	166	Hilton Worldwide	(i)	115
Alphabet Class - A	(i)	349	Tencent	(iv)	159	Booking	(i)	114
Facebook Class - A	(i)	341	L'Oreal	(vi)	156	Medtronic	(i)	112
LVMH Moët Hennessy Louis Vuitton	(vi)	314	Procter & Gamble	(i)	155	Ecolab	(i)	110
Microsoft	(i)	308	Reckitt Benckiser Group	(iii)	153	Vail Resorts	(i)	110
Moody's	(i)	302	Autodesk	(i)	152	Apple	(i)	107
Yum! Brands	(i)	297	Essilor International	(vi)	151	Sherwin-Williams	(i)	106
S&P Global	(i)	291	Canadian National Rail	(xii)	149	Xcel Energy	(i)	102
Adobe Systems	(i)	285	Deere & Co	(i)	149	CSL	(ii)	101
Heineken NV	(xi)	280	Visa - Class A	(i)	149	Blackstone Group	(i)	61
McDonald's	(i)	276	Union Pacific	(i)	148	Crown Castle International	(i)	55
Amazon.com	(i)	275	Deutsche Boerse	(x)	148	WEC Energy Group	(i)	54
Starbucks	(i)	272	Netflix	(i)	146	Dassault Systemes	(vi)	54
Nike - Class B	(i)	266	Analog Devices	(i)	145	Walt Disney	(i)	53
Kweichow Moutai - Class A	(xvi)	254	Intuitive Surgical	(i)	142	Stryker	(i)	50
SAP	(x)	233	Alcon	(i)	142	ASML Holdings	(xi)	49
Nestle	(ix)	232	MasterCard	(i)	140	Marsh & McLennan	(i)	49
CME Group	(i)	230	Blackrock	(i)	136	Meituan Dianping - Class B	(iv)	49
Pepsico	(i)	229	Yum China	(i)	135	Taiwan Semiconductor	(i)	49
The Coca Cola Company	(i)	228	PayPal	(i)	132	Amadeus IT Group	(vii)	43
Kering	(vi)	221	ServiceNow	(i)	130			
Diageo	(iii)	210	Chipotle Mexican Grill	(i)	128			
Costco Wholesale	(i)	184	Safran	(vi)	128			
Home Depot	(i)	177	American Express	(i)	125			
Salesforce.com	(i)	176	American Water Works	(i)	125			
Intercontinental Exchange	(i)	173	American Tower	(i)	123			
Intuit	(i)	173	Texas Instruments	(i)	122			
Verisk Analytics	(i)	171	Relx	(iii)	122			
MSCI	(i)	170	CIE Financeire Richemont	(ix)	121	Total Investments		13,504
Rockwell Automation	(i)	170	Canadian Pacific Railway	(xii)	119			
Pernod-Ricard	(vi)	169	Adidas	(x)	117			

Notes to the Financial Statements

for the period ended 30 June 2021

MCSE Detailed Listing of Investments

Company Name		30 Jun 2021 \$ '000	Company Name		30 Jun 2021 \$ '000	Company Name		30 Jun 2021 \$ '000
Alibaba Group	(i)	309	American Tower	(i)	159	Unilever	(xi)	122
LVMH Moët Hennessy Louis Vuitton	(vi)	308	Essilor International	(vi)	159	Texas Instruments	(i)	121
Kering	(vi)	296	Estée Lauder Companies - Class A	(i)	155	Adyen	(xi)	120
Moody's	(i)	296	MasterCard	(i)	154	Adidas	(x)	119
Alphabet Class - A	(i)	293	Visa - Class A	(i)	153	Safran	(vi)	118
Adobe Systems	(i)	290	Analog Devices	(i)	148	CIE Financeire Richemont	(ix)	118
Microsoft	(i)	285	Relx	(iii)	147	Marsh & McLennan	(i)	117
S&P Global	(i)	284	Tencent	(iv)	145	Amadeus IT Group	(vii)	117
Yum! Brands	(i)	284	ServiceNow	(i)	142	Sherwin-Williams	(i)	116
Facebook Class - A	(i)	274	Reckitt Benckiser Group	(iii)	142	Fidelity National	(i)	116
McDonald's	(i)	270	Chipotle Mexican Grill	(i)	140	AON	(i)	113
SAP	(x)	270	Deutsche Boerse	(x)	140	Ecolab	(i)	108
Starbucks	(i)	267	Colgate-Palmolive	(i)	137	Apple	(i)	89
CME Group	(i)	250	Walt Disney	(i)	137	Illumina	(i)	89
MSCI	(i)	234	Procter & Gamble	(i)	137	Dassault Systemes	(vi)	86
Autodesk	(i)	222	Hilton Worldwide	(i)	136	Blackrock	(i)	70
Nestle	(ix)	221	Alcon	(i)	135	Experian Group	(iii)	61
Nike - Class B	(i)	213	Deere & Co	(i)	134	Blackstone Group	(i)	60
The Coca Cola Company	(i)	211	Crown Castle International	(i)	133	Eversource Energy	(i)	50
Rockwell Automation	(i)	211	ASML Holdings	(xi)	133	Global Payments	(i)	46
L'Oreal	(vi)	205	Netflix	(i)	132	Automatic Data Processing	(i)	38
Salesforce.com	(i)	202	Lowe's Co	(i)	132			
Intercontinental Exchange	(i)	202	PayPal	(i)	131			
Verisk Analytics	(i)	202	American Express	(i)	129			
Pepsico	(i)	200	Intuitive Surgical	(i)	129			
American Water Works	(i)	198	Mondelez International	(i)	128			
Home Depot	(i)	172	Booking	(i)	128			
Costco Wholesale	(i)	165	Medtronic	(i)	127			
Intuit	(i)	162	Yum China	(i)	125			
Amazon.com	(i)	160	Accenture - Class A	(i)	124			
						Total Investments		13,301

Notes to the Financial Statements

for the period ended 30 June 2021

MCSI Detailed Listing of Investments

Company Name		30 Jun 2021 \$ '000	30 Jun 2020 \$ '000	Company Name		30 Jun 2021 \$ '000	30 Jun 2020 \$ '000	Company Name		30 Jun 2021 \$ '000	30 Jun 2020 \$ '000
TC Energy	(xii)	10,424	11,133	APA Group	(ii)	5,183	7,804	Fraport	(x)	1,658	1,317
Fortis	(xii)	10,321	11,019	Consolidated Edison	(i)	5,099	5,958	Ausnet Services	(ii)	1,609	1,712
Transurban Group	(ii)	10,316	11,086	Hydro One	(xii)	4,943	5,092	Gpo Aero Cent Nort	(xiii)	1,461	1,261
Enbridge	(xii)	10,312	10,959	Pennon Group	(iii)	4,434	5,021	Idacorp	(i)	974	940
National Grid	(iii)	10,258	11,153	Getlink	(vi)	4,410	5,427	Pnm Res	(i)	846	650
Vinci	(vi)	10,213	10,849	Ameren	(i)	4,254	4,646	Portland Gen Elec	(i)	839	799
Cellnex Telecom	(vii)	10,096	10,950	Entergy	(i)	4,245	4,866	Black Hills Corporation	(i)	836	759
Aena SQ	(vii)	8,100	8,841	Firstenergy	(i)	4,190	5,208	Spire	(i)	831	700
Sydney Airport	(ii)	8,093	7,992	PPL	(i)	4,158	4,965	One Gas	(i)	807	860
Snam	(v)	7,405	8,653	Auckland International	(xv)	4,141	3,979	Allete	(i)	739	605
Emera	(xii)	7,275	8,013	Cms Energy	(i)	3,772	4,503	Avangrid	(i)	666	493
Terna	(v)	7,200	8,734	Enagas	(vii)	3,526	4,704	Northwestern	(i)	653	583
Dominion Energy	(i)	6,963	6,873	HICL Infrastructure	(iii)	3,288	3,239	ENAV	(v)	648	929
Crown Castle International	(i)	6,948	7,145	Atlas Arteria	(ii)	3,236	3,522	Avista	(i)	629	515
Duke Energy Group	(i)	6,848	7,387	Alliant Energy	(i)	3,025	3,333	Ren-Redes Energet	(viii)	610	860
American Tower	(i)	6,702	7,271	Aeroports De Paris	(vi)	3,002	2,760	Acea	(v)	592	705
SBA Communications Corp Class A	(i)	6,699	7,465	Centerpoint Energy	(i)	2,942	-	South Jersey Inds	(i)	563	493
Southern Co	(i)	6,644	7,217	Evergy	(i)	2,791	3,483	American States Water	(i)	477	614
American Electric Power Co	(i)	6,608	7,422	Atmos Energy	(i)	2,657	2,857	Vector	(xv)	468	500
		6,596		International		2,365		California Water		440	
Sempra Energy	(i)		7,123	Public Partnerships	(iii)		2,639	Service Group	(i)		493
Xcel Energy	(i)	6,421	6,893	Grupo Aeroportuari	(xiii)	2,349	2,044	MGE Energy	(i)	425	480
United Utilities	(iii)	6,059	6,618	GPO Aeroportuario	(xiii)	2,297	1,759	Chesapeake Utilities	(i)	424	-
Severn Trent	(iii)	6,053	6,229	Essential Utils	(i)	2,287	2,651	Aguas Andinas	(xvi)	338	720
Algonquin Power & Utilities	(xii)	5,942	-	Canadian Utilities - Class A	(xii)	2,205	2,450	SJW	(i)	294	375
WEC Energy Group	(i)	5,823	7,172	Flughafen Zurich	(ix)	2,187	1,997	Northwest Natural	(i)	260	360
American Water Works	(i)	5,802	5,810	Italgas S.P.A	(v)	2,041	2,601	ASTM	(v)	-	1,255
Eversource Energy	(i)	5,735	6,938	Vopak(Kon)	(xi)	2,006	2,833	El Paso Elec	(i)	-	711
		5,570				1,922		Infraestructura		-	
Power Assets	(iv)		6,682	Spark Infrastructure	(ii)		2,074	Energetica Nova	(xiii)		838
Red Electrica	(vii)	5,395	6,943	Nisource	(i)	1,911	2,170				
DTE Energy	(i)	5,378	5,641	Pinnacle West Capital	(i)	1,881	2,071				
								Total Investments		337,033	363,394

Notes to the Financial Statements

for the period ended 30 June 2021

7. Payables

	Note	MFG Core International Fund	MFG Core ESG Fund	MFG Core Infrastructure Fund	
		30 Jun 2021 \$'000	30 Jun 2021 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000
Management fees payable	11	6	6	158	182
Due to brokers - payable for securities purchases		-	-	702	8,855
Total Payables		6	6	860	9,037

Payables comprise trade creditors and accrued expenses owing by the Funds at balance date. Amounts due to brokers relating to the purchase of investments are usually settled between two and five days after trade date. Payables and accruals are recognised at amortised cost at the point where the Funds become obliged to make payments in respect of the purchase of these goods and services.

At balance date, all payables mature in 0 to 90 days (June 2020: 0 to 90 days).

8. Unitholders' Equity

	MFG Core International Fund	MFG Core ESG Fund	MFG Core Infrastructure Fund	
	30 Jun 2021 No. of Units '000	30 Jun 2021 No. of Units '000	30 Jun 2021 No. of Units '000	30 Jun 2020 No. of Units '000
Units on Issue				
Opening balance	-	-	257,482	223,039
Units issued	4,091	3,383	26,003	127,556
Units issued under DRP and management fee rebates	-	-	240	383
Unit consolidation	(278) ¹	-	-	-
Units redeemed	(342)	(7)	(66,347)	(93,496)
Units on Issue at the end of the Period	3,471	3,376	217,378	257,482

¹ Pursuant to clause 6.3(b) of the Constitution, MAM resolved to reset the NAV per unit by way of unit consolidation. Effective 30 November 2020 units were consolidated at a ratio 0.76809 per unit.

Notes to the Financial Statements

for the period ended 30 June 2021

Entering and exiting the Fund

The Funds commenced trading on Chi-X on 15 December 2020. Investors can enter or exit the Funds via buying/selling units on Chi-X or by applications/withdrawals direct to/from the Responsible Entity. The method of entry into the Fund does not affect the method of exit from the Fund. The entry and exit price received and investment minimums are set out in the Funds' PDSs at www.mfgcoreseries.com.au.

Ordinary Units

Applications received for units in the Funds are recorded net of entry fees. Redemptions from the Funds are recorded gross of exit fees. The Funds recognise the units issued or redeemed when settled, which is trade date.

Each unit confers upon the unitholder an equal interest in that fund and is of equal value to other units in the same fund. A unit does not confer upon the holder any interest in any particular asset or investment of the Funds. The rights of unitholders are contained in the Funds' Constitutions and include:

- the right to redeem units, subject to restrictions disclosed in the Funds' Product Disclosure Statements;
- the right to receive a distribution determined in accordance with the Funds' Constitutions;
- the right to attend and vote at meetings of unitholders;
- the right to participate in the termination and winding up of the Funds; and
- the right to redeem units, subject to restrictions disclosed in the Funds' PDSs. Those restrictions may include where trading in units on Chi-X is suspended for five consecutive business days. In this case, unitholders may apply to the Responsible Entity to make an off-market withdrawal of their investment when the Fund is liquid. Where a Fund ceases to be liquid, units may only be withdrawn once an offer is made to all investors in the Fund in accordance with the Funds' Constitutions.

There may be other circumstances where off-market withdrawals from the Fund are suspended for up to 28 days, including where:

- it is impracticable for the Responsible Entity, or the Responsible Entity is unable, to calculate the net asset value ("NAV") of the Fund;
- the payment of withdrawal proceeds involves realising a significant portion of the Fund's assets which would, in the Responsible Entity's opinion, result in remaining investors bearing a disproportionate amount of capital gains tax or expenses, or suffering any other disadvantage or diminution of the value of units held;
- the Responsible Entity reasonably considers it would be in the interests of investors, or it is otherwise permitted by law; or
- the Responsible Entity receives withdrawal requests of an aggregate value that in its reasonable estimate exceeds 5% of the Fund's assets.

There are no separate classes of units and each unit in a Fund has the same rights attaching to it as all other units of that Fund.

Notes to the Financial Statements

for the period ended 30 June 2021

9. Earnings per Unit

Basic Earnings Per Unit ("EPU") is calculated as profit/(loss) for the period divided by the weighted average number of units on issue. Diluted earnings per unit is calculated by adjusting the basic earnings per unit to take into account the effect of any changes in income or expense associated with dilutive potential units and the weighted average number of additional ordinary units that would have been outstanding assuming the conversion of all dilutive potential ordinary units.

	MFG Core International Fund		MFG Core ESG Fund		MFG Core International Fund	
	30 Jun 2021		30 Jun 2021		30 Jun 2021	
					30 Jun 2020	
Basic EPU						
Profit/(loss) attributable to unitholders (\$'000)		1,862		1,702	38,765	(10,532)
Weighted average number of units for basic EPU ('000)		2,308¹		3,161²	254,191	596,619
Basic EPU (Cents)		80.70		53.84	15.25	(1.77)
Diluted EPU						
Profit/(loss) attributable to unitholders (\$'000)		1,862		1,702	38,765	(10,532)
Weighted average number of units for diluted EPU ('000)		2,308		3,161	254,191	596,619
Diluted EPU (Cents)		80.70		53.84	15.25	(1.77)
Earnings Reconciliation						
Profit/(loss) used in the calculation of basic and diluted EPU (\$'000)		1,862		1,702	38,765	(10,532)

¹ The weighted average number of units is calculated from 15 July 2020, when the Fund's first unit was allotted, to 30 June 2021.

² The weighted average number of units is calculated from 9 December 2020, when the Fund's first unit was allotted, to 30 June 2021.

As the Funds have no potential dilutive units, basic and diluted EPU are equal. Since the end of the period, the Funds have issued ordinary units under the DRP (refer to Note 2).

10. Net Asset Value per Unit

The NAV per unit represents the net assets of the Fund presented in the Statement of Financial Position at balance date divided by the number of units on issue at balance date (refer Note 8). The NAV per unit at balance date may differ from the NAV per unit reported to Chi-X due to distributions payable and fee accruals.

	MFG Core International Fund		MFG Core ESG Fund		MFG Core International Fund	
	30 Jun 2021		30 Jun 2021		30 Jun 2021	
					30 Jun 2020	
NAV per unit		3.9021		3.9515	1.5525	1.4382

In a release to Chi-X on 3 August 2021, the Funds reported NAVs per unit as at 30 July 2021 of MCSG \$4.0810, MCSE \$4.1857 and MCSI \$1.6147.

Notes to the Financial Statements

for the period ended 30 June 2021

11. Related Parties

Responsible Entity

The Responsible Entity of the Funds is MAM. MAM is a wholly-owned subsidiary of Magellan Financial Group Limited ("MFG") (Australian Securities Exchange ("ASX") code: MFG), the immediate and ultimate parent entity of the Responsible Entity, and both are considered to be related parties of the Funds.

Key Management Personnel

Key management personnel ("KMP") are those persons or corporate entities who have authority and responsibility for planning, directing and controlling the activities of the Funds. The Responsible Entity is responsible for managing the activities of the Funds and considered to be a KMP. The Funds do not employ personnel in their own right.

The Directors of MAM are considered to be KMP. The Directors of MAM during the period and up to the date of this report are: Dr Brett Cairns, Mr John Eales, Mr Robert Fraser, Ms Colette Garnsey, Mr Paul Lewis, Mr Hamish McLennan, Ms Kirsten Morton and Ms Karen Phin. The Fund did not pay any compensation to the Directors of the Responsible Entity.

Responsible Entity Fees

Compensation is paid to the Responsible Entity in the form of management fees as follows:

Management Fees

The Responsible Entity is entitled to receive management fees from the Funds for managing the assets of the Funds. The Responsible Entity pays operating expenses of the Funds, such as audit and tax compliance fees, distribution costs, investor reporting, custody and fund administration costs. Management fees are calculated daily based on the Net Asset Value of each Fund (before fees). Management fees are reflected in the daily unit prices of the Funds and are payable at the end of each month.

The fees paid/payable by the Funds are net of any applicable reduced input tax credits (refer Note 1.6)). The management fees paid/payable by the Funds are as follows:

	MFG Core International Fund		MFG Core ESG Fund			MFG Core Infrastructure Fund		
	% pa	30 Jun 2021 \$	% pa	30 Jun 2021 \$	% pa	30 Jun 2021 \$	% pa	30 Jun 2020 \$
Management fees	0.50	39,366	0.50	31,977	0.50	1,901,907	0.50	2,236,251
Total Fees Expensed in the Statement of Profit or Loss and Comprehensive Income		39,366		31,977		1,901,907		2,236,251
Total Management Fees Payable in the Statement of Financial Position		5,998		5,915		158,103		181,563

Notes to the Financial Statements

for the period ended 30 June 2021

Transactions with Related Parties

The number of units held and related transactions during the period by each KMP, including their personally-related parties, in the Funds is as follows:

	30 Jun 2021				30 June 2020			
	Units acquired/ (disposed) Number	Units held at end of period Number	%	Distribution paid and payable \$ ¹	Units acquired/ (disposed) Number	Units held at end of period Number	%	Distribution paid and payable \$ ²
MCSG								
MFG	2,932,157	2,932,157	84.5	205,251	-	-	-	-
MCSE								
MFG	2,857,169	2,857,169	84.6	200,002	-	-	-	-

¹ Represents the current period interim distribution paid and final distribution payable, comprising cash paid and DRP units issued.

² Represents the prior period interim distribution paid and final distribution payable, comprising cash paid and DRP units issued.

Transactions between the Funds and related parties are subject to the same terms and conditions as those entered into by other unitholders. Unless specified above, no other KMP held units in the Funds.

Notes to the Financial Statements

for the period ended 30 June 2021

12. Capital and Financial Risk Management

Financial Risk Management

The Funds' investment portfolios primarily comprise listed equity investments. The investment objectives of the Funds are to achieve attractive risk-adjusted returns over the medium to long-term, whilst reducing the risk of permanent capital loss, in accordance with their investment strategies (as detailed in the current PDSs). The Funds' investing activities expose them to various types of risks including concentration risk, market risk, liquidity risk and credit risk.

Financial risk management is carried out under policies approved by the Responsible Entity. The risk management programme focuses on ensuring compliance with the Funds' PDSs and seeks to maximise the returns derived for the level of risk to which the Funds are exposed.

The following disclosures in relation to the various risks of the Funds' portfolios have been based on the Funds' direct holdings.

Concentration Risk

Concentration indicates the relative sensitivity of the Funds' performance to developments affecting a particular industry or geographical location. The Funds hold concentrated portfolios of investments, and the returns of the Funds may be dependent upon the performance of individual companies. The concentrated exposure may lead to increased volatility in the Funds' unit prices, and also increases the risk of poor performance. The Funds' concentration risk is managed in accordance with the portfolio risk controls for each Fund, which are approved by MAM's Investment Committee.

Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as equity prices, foreign exchange rates, and interest rates.

Equity Price Risk

Equity price risk is the risk that the fair value of equities decreases as a result of changes in market prices, whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the market. The size and diversification of the portfolios is sufficient to ensure the Funds' returns are not overly correlated to a single company, industry specific or macroeconomic risk, but the returns of the portfolios are not expected to be perfectly correlated to any market or sector index. If equity markets as a whole rise or fall by 5%, the returns of the Funds may increase or decrease by different amounts.

For illustrative purposes an increase of 5% in the market price of each of the Fund's investments held at balance date, assuming all other variables remain constant, would have had the following impact on the Funds' net operating profit and unitholders' equity.

	MFG Core International Fund	MFG Core ESG Fund	MFG Core Infrastructure Fund	
	30 Jun 2021	30 Jun 2021	30 Jun 2021	30 Jun 2020
	\$'000	\$'000	\$'000	\$'000
Impact on net operating profit and unitholders' equity	675	665	16,852	18,170

A decrease of 5% in the market price of each of the Funds' investments would have had an equal but opposite effect.

Notes to the Financial Statements

for the period ended 30 June 2021

Currency Risk

Currency risk is the risk that the fair value of financial assets and liabilities will fluctuate due to changes in foreign exchange rates. Assets and liabilities that the Funds may typically own and that can be affected by foreign exchange rate fluctuations include equities listed on foreign exchanges, cash, forward foreign currency contracts, outstanding broker settlements, and outstanding receipts of income from foreign companies.

The currency risk MCSG and MCSE is managed on an unhedged basis and therefore the returns of the Fund are exposed to changes in exchange rates relative to the Australian Dollar.

MCSI is managed on a currency hedged basis using forward foreign currency contracts. MCSI invests in financial assets denominated in currencies other than the Australian Dollar and are therefore exposed to the risk that movements in foreign exchange rates will cause fluctuations in profit or loss. MCSI uses forward foreign currency contracts to mitigate this risk by hedging the underlying exposure to financial assets denominated in currencies other than the Australian Dollar.

Due to daily changes in the fair value of underlying assets, the face value of hedging contracts will not always completely eliminate currency exposure. Where it is a strategy of the Funds substantially to eliminate currency exposure, the appropriateness of the amounts hedged is monitored daily and adjusted if the total net exposure of the funds to any individual foreign currency is greater than 5% of the net assets of the respective fund.

The Funds' total net exposure to fluctuations in foreign currency exchange rates at balance date is:

	MFG Core International Fund	MFG Core ESG Fund	MFG Core Infrastructure Fund	
	30 Jun 2021	30 Jun 2021	30 Jun 2021	30 Jun 2020
	\$'000	\$'000	\$'000	\$'000
US Dollars	9,961	10,464	498	746,407
Euro	2,091	2,098	(181)	62,175
British Pounds	497	487	385	59,482
Swiss Francs	364	354	22	94,690
Canadian Dollars	272	-	135	-
Hong Kong Dollars	210	147	29	82,476
Chinese Yuan	254	-	-	-
New Zealand Dollars	-	-	28	-
Chilean Pesos	-	-	338	-
Mexican Pesos	-	-	65	-

Notes to the Financial Statements

for the period ended 30 June 2021

For illustrative purposes the changes in profit or loss and unitholders' equity that would arise from a 5% increase or decrease in the Australian Dollar, at balance date, relative to each currency to which the Funds are exposed (based on assets and liabilities) are as follows:

	MFG Core International Fund		MFG Core ESG Fund			MFG Core Infrastructure Fund		
	5% increase in A\$'000	30 Jun 2021 5% decrease in A\$'000	5% increase in A\$'000	30 Jun 2021 5% decrease in A\$'000	5% increase in A\$'000	30 Jun 2021 5% decrease in A\$'000	5% increase in A\$'000	30 Jun 2020 5% decrease in A\$'000
Assets and liabilities denominated in:								
US Dollars	(474)	524	(498)	551	(24)	26	(35,543)	39,285
Euro	(100)	110	(100)	110	9	(10)	(2,961)	3,272
British Pounds	(24)	26	(23)	26	(18)	20	(2,832)	3,131
Swiss Francs	(17)	19	(17)	19	(1)	1	(4,509)	4,984
Canadian Dollars	(13)	14	-	-	(6)	7	-	-
Hong Kong Dollars	(10)	11	(7)	8	(1)	2	(3,927)	4,341
Chinese Yuan	(12)	13	-	-	-	-	-	-
New Zealand Dollars	-	-	-	-	(1)	1	-	-
Chilean Pesos	-	-	-	-	(16)	18	-	-
Mexican Pesos	-	-	-	-	(3)	3	-	-

Notes to the Financial Statements

for the period ended 30 June 2021

Interest Rate Risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The primary exposure to interest rates arises on cash balances held by the Funds, which are all held in floating interest rate accounts. Based on the Australian and US Dollar cash balances held by the Funds, an increase of 10 basis points in floating interest rates, assuming all other variables remain constant, would have increased the Funds' net operating profit and unitholders' equity at balance date as follows:

	MFG Core International Fund	MFG Core ESG Fund	MFG Core Infrastructure Fund	
	30 Jun 2021 \$'000	30 Jun 2021 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000
Australian dollar cash balances	-	-	5	4
US dollar cash balances	-	-	1	1
Impact on net operating profit and unitholders' equity	-	-	6	5

A decrease of 10 basis points in floating interest rates would have an equal but opposite effect on interest income earned. The level of cash held by the Funds may vary from time to time, depending on the level of recent capital flows into and out of the Funds, and on the Investment Manager's judgement. The cash balances held by the Funds as at balance date may therefore not be typical of the amounts of cash generally held by the Funds.

None of the Funds hold other significant cash balances exposed to interest rates in other currencies. In addition, the Funds did not have any borrowings, or other financial liabilities or assets with direct exposure to changes in interest rates.

Market Making Risk

The Responsible Entity, on behalf of the Fund, may provide liquidity to investors on Chi-X by acting as a buyer and seller of units in the Funds. At the end of each Business Day, the Responsible Entity, on behalf of the Funds, may create or cancel units by applying for or redeeming its net position in units bought or sold on Chi-X. The Responsible Entity has appointed an independent market participant to act as its agent to transact and facilitate settlement on its behalf.

Market making risk comprises:

- the risk that the market making agent makes an error in executing the Fund's market making services. If the market making agent does not fulfil its settlement processing obligations in a correct and timely manner, the Fund could suffer a loss; and
- the risk of an error in the execution of market making activities, or in the price at which units are transacted on Chi-X. As many overseas stock exchange markets in which the Fund invests are closed during Chi-X trading day, it is not possible for the Responsible Entity to hedge the Fund's market making activities. This may result in either a cost or a benefit to the Fund.

In order to mitigate this risk, the Responsible Entity, on behalf of the Fund, has the discretion to increase the spread at which it makes a market and also has the right to cease making a market subject to its obligations under Chi-X Operating Rules.

Notes to the Financial Statements

for the period ended 30 June 2021

Liquidity Risk

Liquidity risk is the risk that the Funds will encounter difficulty in meeting obligations associated with financial liabilities on the due date or will be forced to sell financial assets at a value which is less than they are worth.

This risk is managed by the Funds maintaining sufficient cash reserves to meet their normal operating requirements and primarily holding investments that are traded in active markets and can be readily disposed. The majority of the Funds' equity securities are considered readily realisable as they are listed on stock exchanges around the world. In addition, the Funds' Constitutions and Product Disclosure Statements allow the Responsible Entity to suspend capital withdrawals from the Funds for up to 28 days, at its discretion, if withdrawal requests would require the disposal of 5% or more of the Trust Property of the Funds, the payment of withdrawals would disadvantage remaining unitholders by imposing a disproportionate share of capital gains tax liabilities, or if the Responsible Entity reasonably considers it to be in the interests of remaining unitholders of the Funds.

At balance date, the Funds had an obligation to settle payables (including distributions payable) with cash, cash equivalents and derivative assets as follows:

	MFG Core International Fund	MFG Core ESG Fund	MFG Core Infrastructure Fund	
	30 Jun 2021 \$'000	30 Jun 2021 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000
Cash and cash equivalents	277	270	6,443	5,052
Derivative assets	-	-	554	7,328
	277	270	6,997	12,380
Payables	6	6	860	9,037
Distributions payable	243	236	6,260	-
Derivative liabilities	-	-	6,235	652
	249	242	13,355	9,689

At balance date, the Funds' non-derivative financial liabilities comprised payables which mature in less than a month (June 2020: less than one month) (refer Note 7). At balance date MCSI had derivative assets and liabilities that were settled within one month (refer Note 6).

Notes to the Financial Statements

for the period ended 30 June 2021

Credit Risk

Credit risk refers to the risk that a counterparty will fail to meet its contractual obligations resulting in financial loss to the Fund. Market prices generally take counterparty credit into account and therefore the risk of loss is implicitly provided for in the carrying value of financial assets and liabilities held at fair value.

The Funds' maximum exposure to credit risk is the carrying amount of all cash and cash equivalents, financial assets and receivables recognised in the Statement of Financial Position as well as the value of any financial commitments which the Fund would assume in the event of counterparty default.

The Funds minimises concentrations of credit risk by undertaking transactions with numerous reputable brokers, and by ensuring cash balances are held with and managed by financial intermediaries with acceptable credit ratings as determined by a recognised rating agency. To further mitigate this risk, the credit rating and financial positions of the brokers used by the Funds are regularly monitored. Credit risk relating to outstanding settlements is considered low due to the short settlement periods involved.

MCSG and MCSE do not hold derivatives. MCSI uses derivative financial instruments for currency hedging purposes. Derivatives are not used to gear (leverage) the portfolios. MCSI may have credit risk arising from forward foreign currency positions if the market value of those positions is positive (refer Note 6).

The Responsible Entity has appointed the Northern Trust Company ("NT") as the Funds' custodian. In acting as custodian, NT is required to comply with the relevant provisions of the Corporations Act 2001, applicable ASIC regulatory guides, legislative instruments and class orders relating to registered managed investment schemes property arrangements with custodians. The credit quality of NT's long-term deposit/debt is rated at balance date, by Standard and Poor's as AA- and by Moody's as Aa2 (June 2020: Standard and Poor's as AA- and by Moody's as Aa2).

13. Segment Information

An operating segment is a distinguishable component of the Funds that is engaged in business activity from which the Fund earns revenues and incurs expenses, whose operating results are regularly reviewed by the Funds' chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance, and for which discrete financial information is available. The chief operating decision maker has been determined as Dr Brett Cairns.

The Funds' investments are managed on a single portfolio basis and in one business segment being equity investment, as well as in one geographic segment being Australia. The Funds continues to have foreign exposures as it invests in companies which operate internationally.

Notes to the Financial Statements

for the period ended 30 June 2021

14. Auditor's Remuneration

The following amounts were paid or payable by the Responsible Entity on behalf of the Funds for services provided by the auditor of the Funds, Ernst & Young Australia:

	MFG Core International Fund	MFG Core ESG Fund	MFG Core Infrastructure Fund	
	30 Jun 2021	30 Jun 2021	30 Jun 2021	30 Jun 2020
	\$	\$	\$	\$
Fees for audit and review of statutory financial reports	8,600	8,600	8,600	12,800
Fees for audit related assurance services ¹	1,267	1,267	1,267	1,267
Fees for other services:				
Taxation compliance services ²	7,700	7,700	6,600	6,600
Total Auditor Remuneration	17,567	17,567	16,467	20,667
% of non-audit fees paid to auditor	51.0%	51.0%	47.8%	38.1%

¹ Comprises review of ICR calculations.

² Comprises review of income tax returns and distribution calculations.

Auditor Tenure

Since 2008, Ernst & Young have been appointed as external auditor of the Funds where MAM is a Responsible Entity or Trustee. The external audit was last put out to tender in 2018, which aligned to the auditor's 10 year anniversary, and Ernst & Young was reappointed auditor as it scored highest across all requirements and the Board of the Responsible Entity was satisfied that appropriate safeguards were in place to ensure the required independence of Ernst & Young. The next audit tender will take place within 10 years of their appointment. Ms Clare Sporle has served as lead audit partner since August 2019. In accordance with the *Corporations Act 2001* the next rotation of the lead audit partner is planned to occur after the completion of the 30 June 2024 financial year audit.

15. Contingent Assets, Contingent Liabilities and Commitments

At balance date the Funds have no contingent assets, contingent liabilities or commitments (June 2020: nil).

16. Subsequent Events

Other than the items disclosed throughout these financial reports, there have been no matters or circumstances arising after the end of the period that have significantly affected, or may significantly affect, the Funds' operations, the results of their operations, or the Funds' state of affairs in future financial periods. Asset prices move daily and intraday indicative NAV per unit and daily NAV per unit are available on the MFG website and also the Chi-X website.

Directors' Declaration

for the period ended 30 June 2021

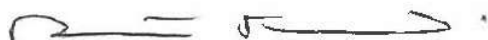
In the opinion of the Directors, the financial statements and notes of:

MFG Core International Fund,
MFG Core ESG Fund,
MFG Core Infrastructure Fund formerly Magellan Core Infrastructure Fund, (collectively the "Funds") as set out on pages 13 to 40;

- a. are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the financial position of the Funds as at 30 June 2021 and of their performance as represented by the results of their operations and their cash flows for the period ended on that date; and
 - ii. complying with Australian Accounting Standards, the *Corporations Regulations 2001*, International Financial Reporting Standards as disclosed in Note 1 and other mandatory professional reporting requirements; and
- b. there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the year ended 30 June 2021.

Signed in accordance with a resolution of the Directors of the Responsible Entity.



Robert Fraser
Chairman

Sydney, 31 August 2021



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent auditor's report to the unitholders of MFG Core International Fund, MFG Core ESG Fund and MFG Core Infrastructure Fund (formerly Magellan Core Infrastructure Fund)

Report on the audit of the financial report

Opinion

We have audited the financial report of MFG Core International Fund, MFG Core ESG Fund and MFG Core Infrastructure Fund formerly Magellan Core Infrastructure Fund (the Schemes), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Schemes is in accordance with the *Corporations Act 2001*, including:

1. giving a true and fair view of the Schemes' financial position as at 30 June 2021 and of their financial performance for the period ended on that date; and
2. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Schemes in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

1. Investment existence and valuation

Why significant

The Schemes have a significant investment portfolio consisting of listed equities. As at 30 June 2021, the fair value of these investments was 97.9% for MFG Core Infrastructure Fund, 97.9% for MFG Core ESG Fund and 96.1% for MFG Core Infrastructure Fund, of the total assets of the Scheme.

As detailed in the Schemes' accounting policy, described in Note 6 of the financial report, these financial assets are recognised at fair value through profit or loss in accordance with Australian Accounting Standards.

Pricing, exchange rates and other market drivers can have a significant impact on the value of these financial assets and the financial report. Accordingly, existence and valuation of the investment portfolio was considered a key audit matter.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Schemes' 2021 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

How our audit addressed the key audit matter

We assessed the effectiveness of the controls relating to the recognition and valuation of investments.

We obtained and considered the assurance report on the controls of the Schemes' administrator in relation to Fund Administration Services for the year ended 30 June 2021 and considered the auditor's qualifications and objectivity and the results of their procedures.

We agreed all investment holdings, including cash accounts, to third party confirmations as at 30 June 2021.

We assessed the fair value of all listed investments in the portfolios held at 30 June 2021 by comparing to independently sourced market prices.

We assessed the adequacy of the disclosures in Note 6 and 12 of the financial report in accordance with the requirements of Australian Accounting Standards.

Responsibilities of the directors for the financial report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Schemes' ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Schemes or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Schemes' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Schemes' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Schemes to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A handwritten signature in blue ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in blue ink that reads 'Clare Sporle'.

Clare Sporle

Partner

Sydney,
31 August 2021

MFG Core International Fund Unitholder Information

The distribution of unitholders of the Fund as at 25 August 2021 is presented as follows:

Distribution of Holdings	Number of Holders	Number of Units	Percentage of Units on Issue
1-1,000	13	5,267	0.14
1,001-5,000	30	79,570	2.19
5,001-10,000	21	148,365	4.08
10,001-100,000	15	371,506	10.21
100,001 and over	2	3,035,653	83.38
Total	81	3,640,361	100.00

There are no holders with less than a marketable parcel of units.

The names of the 20 largest unitholders in the Fund as at 25 August 2021 are as follows:

Holder Name	Number of Units	Percentage of Units on Issue
Magellan Financial Group	2,932,157	80.55
The Trust Company (Pta) Limited O/A Cal	103,496	2.84
Mr Brendan Riordan & Mrs Anne Riordan <Riordan Super Fund A/C>	50,000	1.37
Wai Kau Chan	47,509	1.31
Sarah Ann Thorne	30,435	0.84
V&C Lloyd Family Superannuation Pty Ltd <Lloyd Family Super Fund A/C>	28,705	0.79
Arky Investments Pty Ltd <Arky A/C>	28,591	0.79
Houstone Pty Ltd <Houstone Family Unit A/C>	28,500	0.78
Geoffrey Charles Streeton <Geoff Streeton>	25,903	0.71
R G Roden Pty Limited <Roden S/F A/C>	23,600	0.65
Hilary Jane O'Connell	21,830	0.60
Carple Pty Ltd <Giugni 16 Family A/C>	17,065	0.47
Mr Michael Fredericks & Mrs Barbara Jean Fredericks <Barbara J Fredericks Sf A/C>	15,000	0.41
Jacob Samuel Rosmarin	15,000	0.41
Matt Clarke Media Pty Ltd <Clarke Family A/C>	14,326	0.39
Dr Ross Bensley <The Bensley Super Fund A/C>	12,900	0.35
Monere Consulting Pty Ltd <Sarkar Family A/C>	12,143	0.33
Thiega Enterprises Pty Ltd <Thiega Family A/C>	10,000	0.27
Mr Donald Gerard Mcdonald & Mrs Yvonne Rae Mcdonald <Dg & Yr Mcdonald S/F A/C>	10,000	0.27
HSBC Custody Nominees (Australia) Limited	9,986	0.27
Total Units Held by the 20 Largest Unitholders	3,437,146	94.40
Total Units on Issue	3,640,361	100.00

MFG Core ESG Fund Unitholder Information

The distribution of unitholders of the Fund as at 25 August 2021 is presented as follows:

Distribution of Holdings	Number of Holders	Number of Units	Percentage of Units On Issue
1-1,000	11	5,483	0.16
1,001-5,000	14	39,497	1.14
5,001-10,000	8	58,169	1.68
10,001-100,000	15	367,780	10.61
100,001 and over	2	2,994,340	86.41
Total	50	3,465,269	100

There are no holders with less than a marketable parcel of units.

The names of the 20 largest unitholders in the Fund as at 25 August 2021 are as follows:

Holder Name	Number of Units	Percentage of Units on Issue
Magellan Financial Group	2,857,169	82.45
GK Morgan Investments	137,170	3.96
Mr Henry Boegheim & Mrs Margaret Mary Boegheim	65,538	1.89
Comsec Nominees	36,057	1.04
Mr David Fergus Sheppard & Mrs Claire Janet Sheppard	34,567	1.00
Norton Curthoys Pty Ltd <The Norton S/F A/C>	33,773	0.97
Judd Robinson Superannuation Fund Pty Limited <Judd Robinson Super A/C>	28,409	0.82
Pettmel Pty Ltd <Pettmel S/F A/C>	23,500	0.68
Fay Diane Gerber	23,347	0.67
Elisa Maree Di Marco	21,810	0.63
Jos Luck Pty Ltd <Jos Luck Family A/C>	19,807	0.57
Corimin	18,381	0.53
R G Roden Pty Limited <Roden S/F A/C>	15,266	0.44
Bgft Pty Ltd <Barkla Guyatt Family A/C>	13,788	0.40
Hsbc Custody Nominees (Australia)	11,682	0.34
Jimnal Pty Ltd <Langlands Family S/F A/C>	11,583	0.33
Michele Minogue	10,272	0.30
Joe Catt	9,818	0.28
506 Carinya Pty Ltd <Roden Family Foundation A/C>	8,651	0.25
Shalvey Super Pty Ltd <Shalvey S/F A/C>	8,522	0.25
Total Units Held by the 20 Largest Unitholders	3,389,111	97.80
Total Units on Issue	3,465,269	100.00

MFG Core Infrastructure Fund Unitholder Information

The distribution of unitholders of the Fund as at 25 August 2021 is presented as follows:

Distribution of Holdings	Number of Holders	Number of Units	Percentage of Units On Issue
1-1,000	7	3,942	0.00
1,001-5,000	19	54,563	0.03
5,001-10,000	19	136,653	0.07
10,001-100,000	32	883,985	0.46
100,001 and over	13	192,714,559	99.44
Total	90	193,793,702	100

There are no holders with less than a marketable parcel of units.

The names of the 20 largest unitholders in the Fund as at 25 August 2021 are as follows:

Holder Name	Number of Units	Percentage of Units on Issue
HSBC Custody Nominees (Australia) Limited <A/C: 1>	112,763,305	58.19
HSBC Custody Nominees (Australia) Limited	33,147,975	17.10
Public Trustee <Listed Property Securities Common Fund>	14,575,199	7.52
National Nominees <Prime Super Pty Ltd Prime Super (A/C PRMCIF)>	12,672,780	6.54
Community Trust South	8,061,689	4.16
Perpetual Trustee Company	4,773,193	2.46
T E A Custodians Limited <Trustees Executors Int Comp>	1,869,540	0.96
The Winston Churchill Memorial Trust	1,574,109	0.81
National Nominees Limited Anf Melbourne Grammar School (A/C MGMAGC)	1,534,631	0.79
Netwealth Investments <Wrap Services A/C>	1,057,067	0.55
Arild Pty Ltd <Israel Family Discretionary>	323,780	0.17
Netwealth Investments <Super Services A/C>	211,291	0.11
RM Equity	150,000	0.08
Mrs Ciara Yvonne Kelly & Mr Paul Dominic Kelly <Kelly Superannuation A/C>	100,000	0.05
Mr Vincent William Lloyd & Mrs Catherine Joy Lloyd <Lloyd Family A/C>	67,381	0.03
Mr Paul Kearnes & Mrs Diane Kearnes <Kearnes Family Super Fund A/C>	62,627	0.03
Mdsr Pty Ltd <Marshall Family Super A/C>	50,000	0.03
Mrs Carol Kenworthy & Mr Chris Kenworthy <Personnel>	49,014	0.03
Jimnic 2 Pty Ltd <Nestegg A/C>	36,597	0.02
Mr Thomas Delbosc <Delbosc Family>	35,188	0.02
Total Units Held by the 20 Largest Unitholders	193,115,366	99.65
Total Units on Issue	193,793,702	100.00

Corporate Information

Directors of the Responsible Entity

Robert Fraser - Chairman
Brett Cairns - Chief Executive Officer
John Eales AM
Colette Garnsey OAM
Paul Lewis MBE
Hamish McLennan
Kirsten Morton - Chief Financial Officer
Karen Phin

Company Secretaries of the Responsible Entity

Marcia Venegas
Mariana Kolaroski

Registered Office

Level 36, 25 Martin Place, Sydney NSW 2000
Telephone: 1800 6243 5526 (Australia), +61 2 9235 4888 (International)
Fax: +61 2 9235 4800
Email: info@magellangroup.com.au

Website

<http://www.mfgcoreseries.com.au>

Auditor

Ernst & Young
200 George Street, Sydney NSW 2000

Unit Registrar

Automic Group
Level 5, 126 Phillip Street, Sydney NSW 2000
Telephone: 1300 408 792
Fax: +61 2 8072 1409
Email: magellanfunds@automicgroup.com.au

Units

All issued units carry one vote per unit and the right to distributions.

Stock Exchange Listing

Chi-X ticker codes are as follows:

MCSG - "MSCG"
MCSE - "MSCE"
MCSI - "MSCI"