

Magellan Infrastructure Fund

Fund Update: 30 June 2013

Key Facts

Portfolio Manager
Gerald Stack

Structure
Infrastructure Fund, \$A
hedged

Inception date
1 July 2007

Management and
Administration Fee ¹
1.05% p.a.

Buy/Sell Spread¹
0.15%/0.15%

Fund Size
AUD \$462.7 million

Performance Fee¹

10.0% of excess return over the higher of the Index Relative hurdle (UBS Developed Infrastructure and Utilities Net Total Return Index (hedged to AUD)) and the Absolute Return Hurdle (the yield of 10-year Australian Government Bonds). Additionally, the Performance Fees are subject to a high water mark.

¹All fees are exclusive of the net effect of GST

Performance²

	Fund %	Index % ³	Excess Return %
1 Month	-2.0	-1.0	-1.0
3 Months	0.8	0.4	0.4
6 Months	8.5	10.0	-1.5
1 Year	17.7	14.4	3.3
2 Years (p.a.)	12.5	9.6	2.9
3 Years (p.a.)	19.2	12.0	7.2
4 Years (p.a.)	17.9	11.3	6.6
5 Years (p.a.)	9.3	2.5	6.8
Since Inception (p.a.)	4.5	2.0	2.5
Since Inception	30.0	12.6	17.4

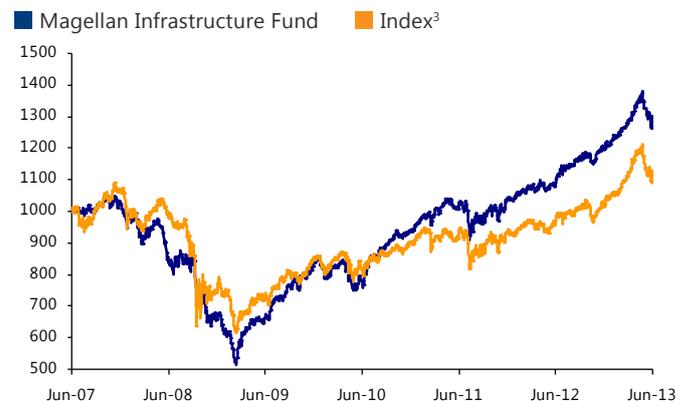
Top 10 Holdings

	Sector	% of Fund
Transurban Group	Urban Toll Roads	8.3
National Grid	Transmission and Distribution	6.6
American Water Works	Water Utilities	5.2
Auckland Airport	Airports	4.9
Zurich Airport	Airports	4.8
SES	Communications	4.8
ITC Holdings	Transmission and Distribution	4.6
Fraport	Airports	4.3
Severn Trent	Water Utilities	4.0
Atlantia	Inter-Urban Toll Roads	3.9

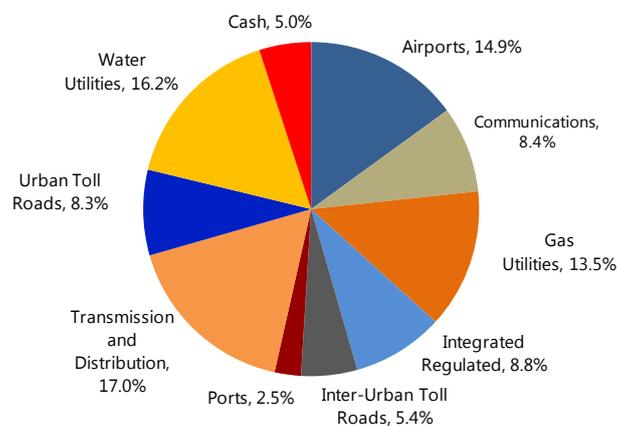
Regional Breakdown⁴

	% of Fund
North America	32.3
Europe ex-UK	24.5
United Kingdom	15.7
Developed Asia	0.1
Emerging Markets	5.0
Australia	12.3
New Zealand	4.9
Other	0.2
Cash	5.0
Total	100

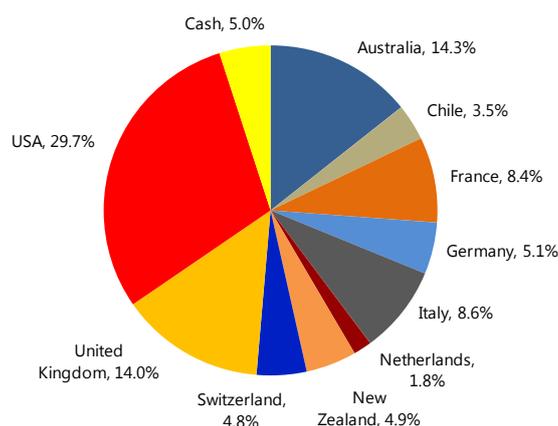
Performance Chart Growth of AUD \$1,000²



Industry Breakdown



Country Exposure by domicile of listing⁵



²Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax, member fees and entry fees (if applicable) Fund Inception 1 July 2007.

³UBS Developed Infrastructure and Utilities Net Total Return Index (hedged to AUD)

⁴Calculated on a domicile of asset basis

⁵The exposures are by domicile of listing. It is the Fund's intention to substantially hedge the capital component of the foreign currency exposure of the Fund arising from investments in overseas markets back to Australian Dollars.

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Important Information: Units in the Magellan Infrastructure Fund ("Fund") are issued by Magellan Asset Management Limited (ABN 31 120 593 946, AFS Licence No 304 301). Past performance is not necessarily indicative of future results and no person guarantees the future performance of the Fund, the amount or timing of any return from it, or that it will achieve its investment objective. This material has been provided for general information purposes and must not be construed as investment advice. This material has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person. Investors should consider obtaining professional investment advice tailored to their specific circumstances and should read the relevant Product Disclosure Statement (PDS) prior to making any investment decisions. The PDS is available at www.magellangroup.com.au or can be obtained by calling 02 8114 1888.



Fund Commentary

During the June 2013 quarter, the Fund generated a net return of 0.8% against the benchmark UBS Developed Infrastructure and Utilities Net Total Return Index (hedged to AUD) return of 0.4%.

The Fund's performance was the result of two opposing strong trends. Very good results were achieved from the Fund's toll road and airport exposures, up 9.5% and 6.5% respectively for the quarter. Offsetting these results was an approximate 13% negative return from the Fund's two satellite communications companies, in our view, a market reaction to a combination of a rise in prevailing interest rates and a modest reduction in guidance by one of those companies. The rise in prevailing interest rates also led to a pull back in the share prices of US utilities in the Fund.

For those stocks included in the benchmark index but excluded from Magellan's universe of investable infrastructure stocks, the June quarter saw a strong recovery in the share prices of stocks that had been very poor performers in recent years. Japanese stocks were up over 23% on average while the rail sector was up by more than 6% during the period.

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