


Fund Update

31 October 2010

Key Facts

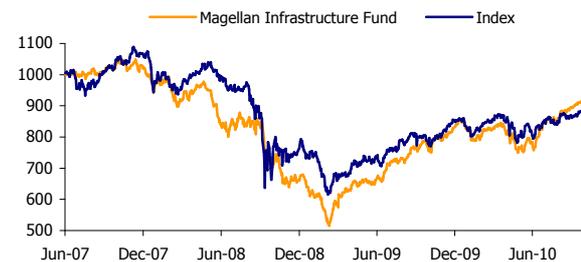
| | | | |
|-------------------|---|------------------|-------------------|
| Portfolio Manager | Gerald Stack | MER/ICR* | 1.06% |
| Structure | Infrastructure Fund, \$A hedged | Buy/Sell Spread* | 0.25%/0.25% |
| Inception date | 1 July 2007 | Fund Size | \$A 101.8 million |
| Performance Fee* | 10.10% of excess return over the higher of the Index Relative hurdle (UBS Developed Infrastructure & Utilities Net TR Index (\$A Hedged)) and the Absolute Return Hurdle (Australian Government 10-year bond yield). Additionally, the Performance Fees are subject to a high water mark. | | |

* All fees are inclusive of the net effect of GST

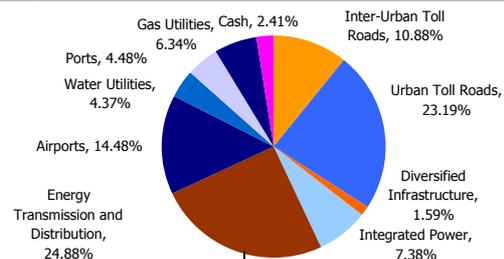
Performance[†]

| | Fund | Excess Return* |
|--------------------------|--------|----------------|
| 1 month | 3.83% | 0.87% |
| 3 months | 9.58% | 4.36% |
| 6 months | 13.60% | 9.78% |
| 12 months | 22.43% | 7.85% |
| 2 Years (% p.a.) | 13.06% | 5.72% |
| 3 Years (% p.a.) | -3.96% | 1.69% |
| Since Inception (% p.a.) | -2.23% | 1.31% |
| Since Inception | -7.26% | 4.07% |

* Over benchmark

Performance Chart Growth of \$1,000

Top Ten Holdings in Alphabetical Order

| | |
|----------------------|-------------------------------|
| American Water Works | Water Utilities |
| Atlantia | Inter-Urban Toll Roads |
| ConnectEast Group | Urban Toll Roads |
| Fraport | Airports |
| Intoll Group | Urban Toll Roads |
| National Grid | Transmission and Distribution |
| PG & E Corp | Integrated Regulated |
| Transurban Group | Urban Toll Roads |
| Wisconsin Energy | Integrated Regulated |
| Zurich Airport | Airports |

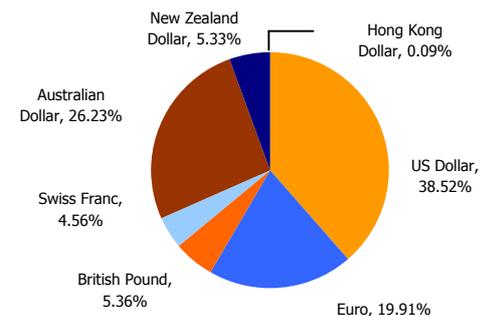
Industry Breakdown

Regional Breakdown *

| | |
|------------------|--------|
| Europe | 30.34% |
| North America | 40.11% |
| Australia | 14.60% |
| United Kingdom | 6.87% |
| Asia ex-Japan | 5.42% |
| Emerging Markets | 0.23% |
| Japan | 0.00% |
| Cash | 2.42% |

| | |
|-------|---------|
| TOTAL | 100.00% |
|-------|---------|

* Calculated on a Domicile of Asset basis

** The foreign currency exposures of the portfolio are fully hedged back into AUD

Currency Breakdown **

Portfolio Commentary

The Fund returned 3.83% for the month of October compared to 2.96% for the benchmark index. October witnessed strong underlying performance from the Toll Road and Airport sectors. By way of example, in the Airport sector, Heathrow recorded 7.2% passenger growth over October 2009, while Frankfurt and Zurich Airports recorded 8.5% and 8.2% passenger growth respectively. Similarly, Transurban announced during the month that its portfolio of roads had recorded revenue growth of 14.8% for the September quarter and ConnectEast had growth in trips during October of 7.9%.

CONTACT US

+61 2 8114 1888

info@magellangroup.com.au

[†] Calculations are based on exit price to 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.

Important Information: Units in Magellan Infrastructure Fund are issued by Magellan Asset Management Limited (ABN 31 120 593 946, AFS Licence No 304 301). 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 prior to making any investment decisions and should read the relevant Product Disclosure Statement (PDS) available at www.magellangroup.com.au or by calling 02 8114 1888.