

Key Facts

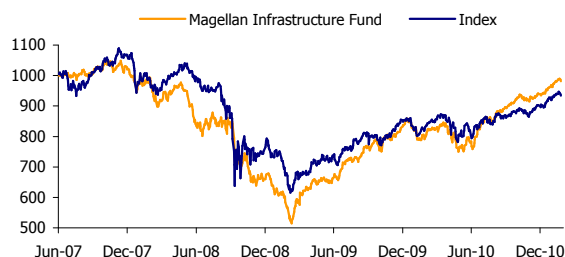
Portfolio Manager	Gerald Stack	MER/ICR*	1.06%
Structure	Infrastructure Fund, \$A hedged	Buy/Sell Spread*	0.25%/0.25%
Inception date	1 July 2007	Fund Size	\$A 148.3 million
Performance Fee*	10.10% of excess return over the higher of the Index Relative hurdle (UBS Developed Infrastructure & Utilities Net 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

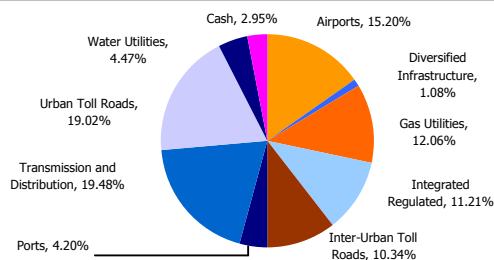
Performance[†]

	Fund	Excess Return*
1 month	2.49%	0.03%
3 months	7.79%	-1.34%
6 months	14.40%	3.08%
12 months	23.95%	9.06%
2 Years (% p.a.)	32.51%	13.86%
3 Years (% p.a.)	0.54%	1.47%
Since Inception (% p.a.)	-0.36%	1.22%
Since Inception	-1.33%	4.35%

* 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
National Grid	Transmission and Distribution
Snam Rete Gas	Gas Utilities
Transurban Group	Urban Toll Roads
Westar Energy	Integrated Regulated
Wisconsin Energy	Integrated Regulated
Zurich Airport	Airports

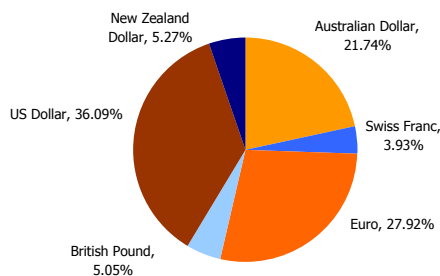
Industry Breakdown

Regional Breakdown *

Europe	32.98%
North America	37.25%
Australia	14.79%
United Kingdom	6.60%
Asia ex-Japan	5.23%
Emerging Markets	0.21%
Japan	0.00%
Cash	2.95%

TOTAL	100.00%
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* Calculated on a Domicile of Asset basis

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

Currency Breakdown **

Portfolio Commentary

During February, the Magellan Infrastructure Fund generated a net return of 2.49% compared to the benchmark index return of 2.46%.

February witnessed the reporting of 2010 annual results and 2011 half year results for the majority of the Fund's investments. Results have been strong with companies recording robust, but not spectacular, revenue and earnings growth, as we expect from companies in the infrastructure and utilities sector. Amongst the most noteworthy included Transurban, which recorded an increase in earnings of 9.7% at the EBITDA line for the half year, and American Water Works, which recorded a 20% increase in operating income.

In the early months of 2011 infrastructure companies – toll roads, airports and ports – have continued to record robust in underlying patronage – cars, passengers and containers. For example, for the month of January, Frankfurt Airport recorded passenger growth of 5.2% compared to the same month in 2010 while Zurich Airport recorded 5.1%, Sydney Airport recorded 4.0% and Auckland Airport recorded 0.6%. During the early months of 2011 regulated utilities have continued to enjoy stable regulatory frameworks and the outlook for such companies is for modest and reliable earnings growth.

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[†] 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.

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