

Key Facts

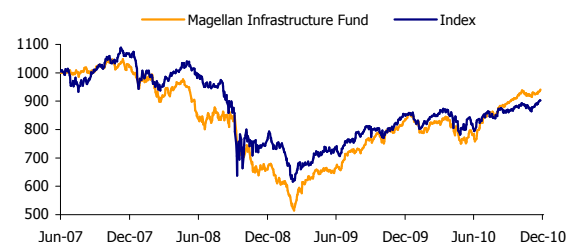
Portfolio Manager	Gerald Stack	MER/ICR*	1.06%
Structure	Infrastructure Fund, \$A hedged	Buy/Sell Spread*	0.25%/0.25%
Inception date	1 July 2007	Fund Size	\$A 136.4 million
Performance Fee*	10.10% of excess return over the higher of the Index Relative hurdle (UBS Developed Infrastructure & Utilities Net 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

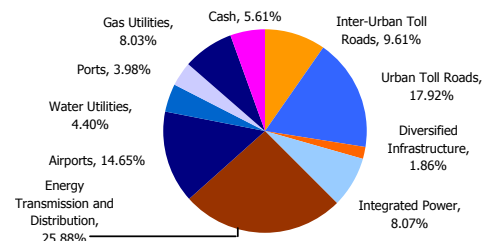
Performance[†]

	Fund	Excess Return*
1 month	2.10%	-1.61%
3 months	4.64%	0.55%
6 months	21.89%	9.93%
12 months	11.74%	6.08%
2 Years (% p.a.)	17.78%	10.00%
3 Years (% p.a.)	-2.93%	2.65%
Since Inception (% p.a.)	-1.91%	1.16%
Since Inception	-6.53%	3.82%

* 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
Macquarie Atlas Roads	Urban Toll Roads
National Grid	Transmission and Distribution
Transurban Group	Urban Toll Roads
Westar Energy	Integrated Regulated
Wisconsin Energy	Integrated Regulated
Zurich Airport	Airports

Industry Breakdown

Regional Breakdown *

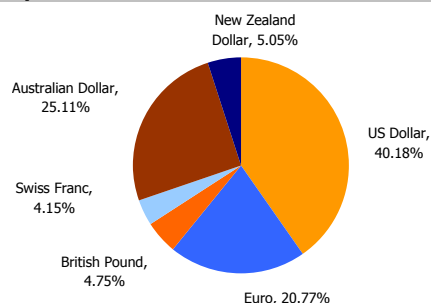
Europe	30.98%
North America	37.18%
Australia	14.64%
United Kingdom	6.35%
Asia ex-Japan	5.05%
Emerging Markets	0.20%
Japan	0.00%
Cash	5.61%

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

During December, the Fund generated a net return of 2.10% compared to the benchmark index return of 3.71%.

Airports exhibited strong underlying performance during December – a continuation of the trend of recent months. The Fund's three major airport investments – Auckland International Airport, Frankfurt Airport and Flughafen Zuerich (Zurich Airport) – announced passenger growth for November 2010 compared to November 2009 of 3.0%, 5.6% and 4.7% respectively.

A factor behind the underperformance of the Fund compared to the benchmark was the strong share price performance of unregulated utilities, as the Fund does not own any unregulated utilities. During December, the record cold levels recorded across the northern hemisphere saw energy prices rise, and as these companies face relatively fixed input costs, this led to positive share price performance for many unregulated utility stocks. Magellan typically avoids the unregulated utilities as their earnings are linked to volatile commodity prices.

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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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