

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 153.6 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	1.76%	4.51%
3 months	7.42%	5.10%
6 months	12.41%	5.90%
12 months	21.46%	14.27%
2 Years (% p.a.)	27.73%	10.43%
3 Years (% p.a.)	2.95%	4.22%
Since Inception (% p.a.)	0.11%	2.38%
Since Inception	0.41%	8.68%

* Over benchmark

Top Ten Holdings in Alphabetical Order

American Water Works	Water Utilities
Atlantia	Diversified Infrastructure
Auckland Airport	Airports
ConnectEast Group	Urban Toll Roads
Fraport	Airports
Macquarie Atlas Roads	Inter-Urban Toll Roads
National Grid	Transmission and Distribution
Snam Rete Gas	Gas Utilities
Transurban Group	Urban Toll Roads
Westar Energy	Integrated Regulated

Regional Breakdown *

Europe	32.67%
North America	37.39%
Australia	14.50%
United Kingdom	6.63%
Asia ex-Japan	5.39%
Emerging Markets	0.20%
Japan	0.00%
Cash	3.23%

TOTAL	100.00%
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* Calculated on a Domicile of Asset basis

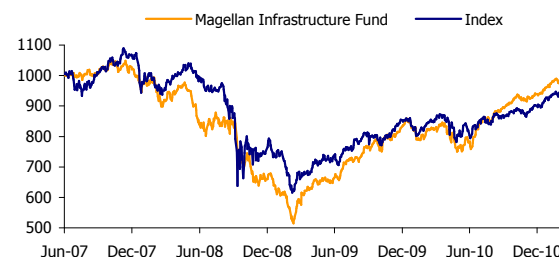
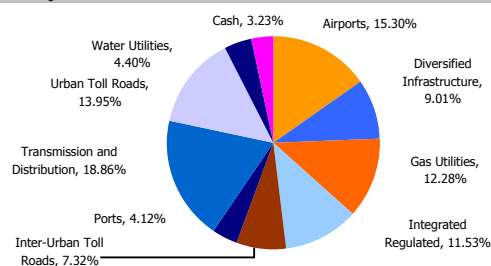
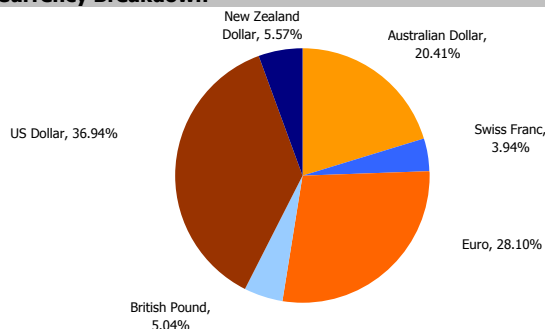
** The foreign currency exposures of the portfolio are fully hedged back into AUD

Portfolio Commentary

During March, the Magellan Infrastructure Fund (the Fund) generated a net return of 1.76% compared to the benchmark index return of -2.75%.

Avoiding Japan was the driver of out-performance of the Fund during the month. The outlook for a number of Japanese infrastructure and utilities was negatively affected as a consequence of the earthquakes, the resultant tsunami and subsequent problems with the Fukushima nuclear power plant. The Fund has not invested in Japan due to Magellan's view that the system of utility earnings regulation that prevails in Japan does not allow Japanese utilities (and other regulated companies) to generate earnings with appropriate reliability.

The prospects for quality infrastructure assets remain robust. This was underlined by the release of 2010 results for Italian toll roads Atlantia and SIAS during the month which both showed improving traffic trends, particularly truck traffic, along with impressive financial results. Similarly, the 2010 results for Fraport (Frankfurt Airport) and Zurich Airport released during the month also showed a trend of improving passenger numbers and financial returns. Regulated utilities continue to demonstrate stable financial returns as is expected under stable regulatory frameworks.

Performance Chart Growth of \$1,000

Industry Breakdown

Currency Breakdown **

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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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