

**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 79.29 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 the (Australian Government 10-year bond yield). Additionally, the Performance Fees are subject to a high water mark. Any Performance Fee will be reduced to the extent that it causes the total return to fall below any of the above measures. |                  |                   |

\* All fees are inclusive of the net effect of GST

**Performance<sup>†</sup>**

|                          | Fund    | Excess Return* |
|--------------------------|---------|----------------|
| 1 month                  | -6.29%  | -0.61%         |
| 3 months                 | -3.90%  | -2.02%         |
| 6 months                 | -3.07%  | -3.66%         |
| 12 months                | 16.46%  | 5.13%          |
| 2 Years (% p.a.)         | -10.26% | 1.72%          |
| Since Inception (% p.a.) | -8.77%  | -1.63%         |

\* Over benchmark

**Top Ten Holdings in Alphabetical Order**

|                   |                               |
|-------------------|-------------------------------|
| Atlantia          | Inter-Urban Toll Roads        |
| ConnectEast Group | Urban Toll Roads              |
| Fraport           | Airports                      |
| Intoll Group      | Urban Toll Roads              |
| National Grid     | Transmission and Distribution |
| NStar             | Transmission and Distribution |
| PG & E Corp       | Integrated Regulated          |
| Transurban Group  | Urban Toll Roads              |
| Westar Energy     | Integrated Regulated          |
| Zurich Airport    | Airports                      |

**Regional Breakdown \***

|                  |        |
|------------------|--------|
| Europe           | 26.04% |
| North America    | 36.90% |
| Australia        | 14.11% |
| United Kingdom   | 5.31%  |
| Asia ex-Japan    | 5.35%  |
| Emerging Markets | 0.15%  |
| Japan            | 0.00%  |
| Cash             | 12.14% |

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

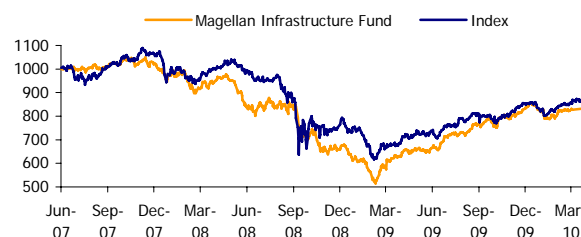
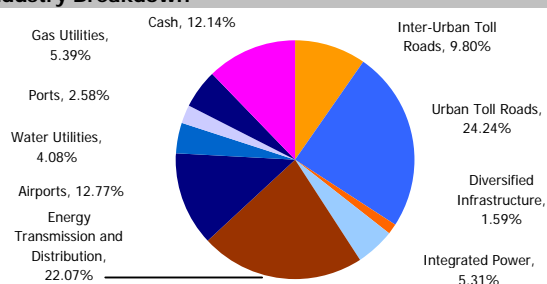
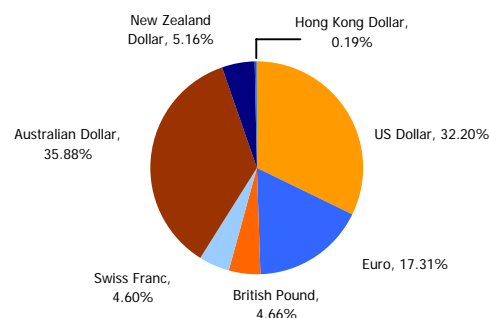
\* Calculated on a Domicile of Asset basis

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

**Portfolio Commentary**

The Fund returned -6.29% for the month compared to -5.68% for the benchmark index. The continued deterioration in European credit markets materially impacted the share prices of a range of infrastructure stocks during May, particularly those in Spain & Portugal but also in Italy, France and Germany. Recognising the potential for this to happen, in the previous month the fund effectively sold out of all Spanish and Portuguese investments and exposure to other European companies were significantly reduced.

However, the major negative impact on the portfolio during the month was the failure of the Transurban takeover, the consequent sale by Ontario Teachers of their 13% stake and the resultant fall in the Transurban share price. While this was disappointing in the short term, we believe Transurban is worth significantly more than the offer price and we remain very confident that, on a three to five year view, it will be a wonderful investment for the fund.

**Performance Chart Growth of \$1,000**

**Industry Breakdown**

**Currency Breakdown \*\***

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<sup>†</sup> 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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