

**Key Facts**

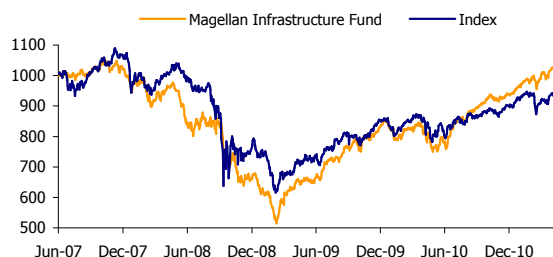
Portfolio Manager	Gerald Stack	MER/ICR*	1.06%
Structure	Infrastructure Fund, \$A hedged	Buy/Sell Spread*	0.25%/0.25%
Inception date	1 July 2007	Fund Size	\$A 165.0 million
Performance Fee*	10.10% of excess return over the higher of the Index Relative hurdle (UBS Developed Infrastructure & Utilities Net 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

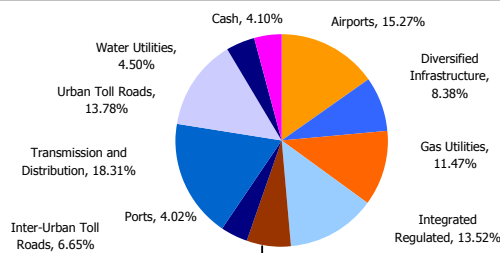
**Performance<sup>†</sup>**

	Fund	Excess Return*
1 month	1.37%	1.65%
3 months	5.26%	5.97%
6 months	13.46%	5.10%
12 months	35.76%	19.50%
2 Years (% p.a.)	25.74%	11.97%
3 Years (% p.a.)	3.02%	6.44%
Since Inception (% p.a.)	0.97%	2.63%
Since Inception	3.86%	10.20%

\* Over benchmark

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

**Top Ten Holdings** in Alphabetical Order

American Water Works	Water Utilities
Atlantia	Diversified Infrastructure
Auckland Airport	Airports
ConnectEast Group	Urban Toll Roads
Fraport	Airports
National Grid	Transmission and Distribution
Transurban Group	Urban Toll Roads
Westar Energy	Integrated Regulated
Wisconsin Energy	Integrated Regulated
Zurich Airport	Airports

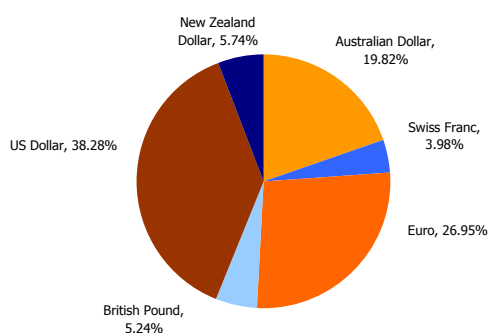
**Industry Breakdown**

**Regional Breakdown \***

Europe	31.11%
North America	38.20%
Australia	14.36%
United Kingdom	6.56%
Asia ex-Japan	5.50%
Emerging Markets	0.18%
Japan	0.00%
Cash	4.10%

**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 May, the Magellan Infrastructure Fund (the Fund) generated a net return of 1.37% compared to the benchmark return of -0.28%.

During the first 5 months of 2011 the infrastructure and utility companies that the Fund has invested in have generally demonstrated operating and financial performance in line with Magellan's expectations (i.e. performance has been reliable and earnings margins have been robust).

Key influences on the benchmark index during May, and indeed during the initial 5 months of 2011, were the poor performance of both Japanese electricity companies and competitive power companies in Europe and the US. The Fund has not invested in these sectors as Magellan does not believe that they generate reliable returns. The regulation of Japanese utilities does not lend itself to reliable financial returns while competitive power generation companies are exposed to both competition and commodity price volatility.

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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.

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](http://www.magellangroup.com.au) or by calling 02 8114 1888.