

Magellan Infrastructure Fund

Fund Update: 31 December 2012

Key Facts

Portfolio Manager
Gerald Stack

Structure
Infrastructure Fund, \$A
hedged

Inception date
1 July 2007

Performance Fee¹

10.1% of excess return over the higher of the Index Relative hurdle (UBS Developed Infrastructure & Utilities Net TR Index (\$AUD Hedged)) and the Absolute Return Hurdle (Australian Government 10-year bond yield). Additionally, the Performance Fees are subject to a high water mark.

¹All fees are inclusive of the net effect of GST

Management and Administration Fee
1.06% p.a.

Buy/Sell Spread¹
0.15%/0.15%

Fund Size
AUD \$319.2 million

Performance²

	Fund %	Index % ³	Excess Return %
1 Month	1.0	2.1	-1.1
3 Months	2.9	1.7	1.2
6 Months	8.5	4.0	4.5
1 Year	15.1	9.1	6.0
2 Years (p.a.)	13.2	6.9	6.3
3 Years (p.a.)	12.7	6.5	6.2
4 Years (p.a.)	15.5	7.3	8.2
5 Years (p.a.)	3.2	-0.8	4.0
Since Inception (p.a.)	3.3	0.4	2.9
Since Inception	19.7	2.4	17.3

²Calculations are based on 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.

³UBS Developed Infrastructure & Utilities Net TR Index (\$A Hedged)

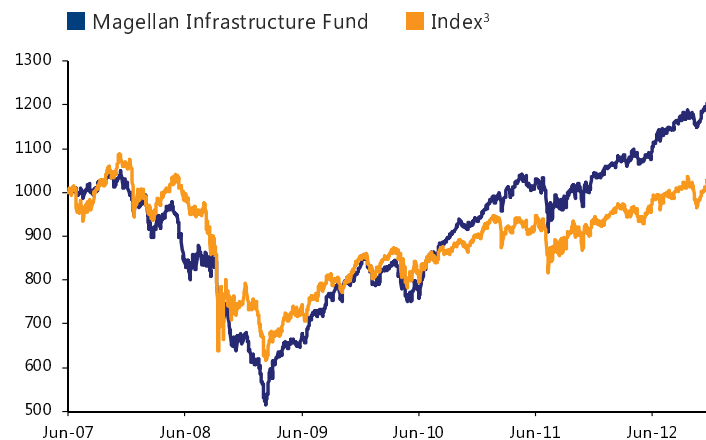
Top 10 Holdings

	Sector	% of Fund
Transurban Group	Urban Toll Roads	9.0
National Grid	Transmission and Distribution	5.5
Zurich Airport	Airports	5.3
American Water Works	Water Utilities	5.3
ITC Holdings	Transmission and Distribution	5.2
Auckland Airport	Airports	4.7
SES	Communications	4.6
Eutelsat Communications	Communications	4.5
Atlantia	Inter-Urban Toll Roads	4.4
Spark Infrastructure	Transmission and Distribution	4.1

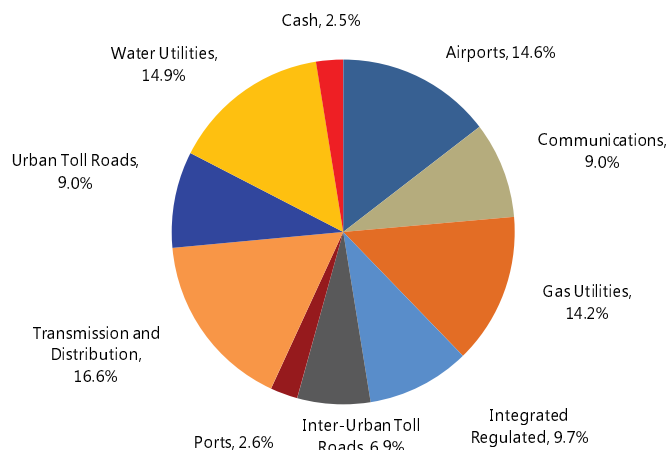
Regional Breakdown⁴

	% of Fund
North America	35.1
Europe ex-UK	23.6
United Kingdom	13.4
Developed Asia	0.0
Emerging Markets	4.8
Australia	14.2
New Zealand	6.2
Other	0.2
Cash	2.5
Total	100

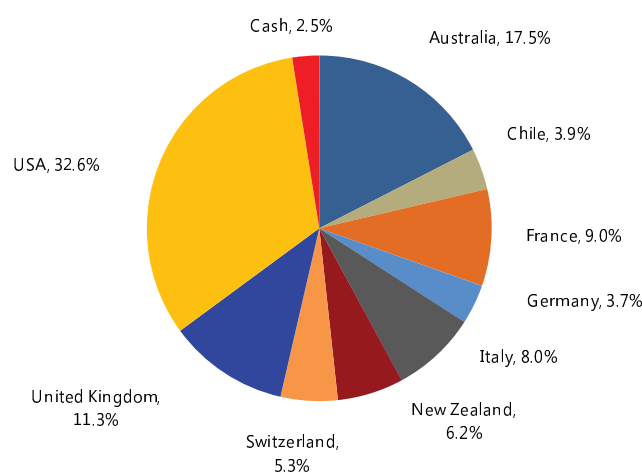
Performance Chart Growth of AUD \$1,000 (net of fees)



Industry Breakdown



Country Exposure by domicile of listing⁵



⁴Calculated on a domicile of asset basis

⁵The foreign currency exposures of the portfolio are fully hedged back into AUD. The exposures are by domicile of listing.

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Important Information: Units in the Magellan Infrastructure Fund ('Fund') are issued by Magellan Asset Management Limited (ABN 31 120 593 946, AFS Licence No 304 301). Past performance is not necessarily indicative of future results and no person guarantees the future performance of the Fund, the amount or timing of any return from it, or that it will achieve its investment objective. 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 and should read the relevant Product Disclosure Statement (PDS) prior to making any investment decisions. The PDS is available at www.magellangroup.com.au or can be obtained by calling 02 8114 1888.



Fund Commentary

For the quarter ended 31 December 2012, the Magellan Infrastructure Fund (the Fund) showed a positive return of 2.9%, which exceeded the market benchmark (the UBS Global Infrastructure & Utilities Index) by 1.2%. For the year ended 31 December 2012 the Fund showed a positive return of 15.1%, an excess over the market benchmark of 6.0%. The Portfolio consisted of 29 holdings as at 31 December 2012.

During the quarter, within the top ten holdings, the three stocks with the strongest returns in local currency were Atlantia (+16%), Zurich Airport (10%) and National Grid (5%) while the three stocks in the top ten holdings with the weakest local currency returns were American Water Works (+1%), Spark Infrastructure (+2%) and SES (+3%).

During the quarter we modestly increased our weighting to the utilities sectors (both energy and water) from a combined 52% to 56% and reduced our weighting to airports from 17% to 15%.

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