

# Magellan Select Infrastructure

## Strategy Update: 31 May 2013

Portfolio Manager  
Gerald Stack / Dennis Eagar

Total Infrastructure Assets<sup>1</sup>  
AUD \$2,473.5 million

Inception date  
1 July 2007

Composite Size<sup>2</sup>  
AUD \$392.1 million

### AUD Hedged Gross Performance<sup>2</sup>

|                        | Composite % | Index % <sup>3</sup> | Excess Return % |
|------------------------|-------------|----------------------|-----------------|
| 1 Month                | -1.5        | -4.6                 | 3.1             |
| 3 Months               | 5.4         | 5.8                  | -0.4            |
| 6 Months               | 12.3        | 13.5                 | -1.2            |
| 1 Year                 | 24.9        | 21.2                 | 3.7             |
| 3 Years (p.a.)         | 21.5        | 12.2                 | 9.3             |
| 5 Years (p.a.)         | 8.1         | 1.8                  | 6.3             |
| Since Inception (p.a.) | 6.1         | 2.2                  | 3.9             |
| Since Inception        | 41.7        | 13.8                 | 27.9            |

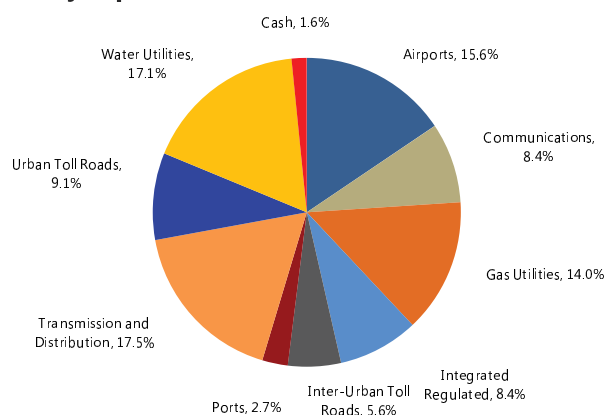
### AUD Hedged Gross Performance - Calendar Year<sup>2</sup>

|                  | Composite % | Index % <sup>3</sup> | Excess Return % |
|------------------|-------------|----------------------|-----------------|
| 2007 (part year) | 2.7         | 6.5                  | -3.8            |
| 2008             | -33.4       | -27.5                | -5.9            |
| 2009             | 25.5        | 10.0                 | 15.5            |
| 2010             | 13.0        | 5.7                  | 7.3             |
| 2011             | 12.4        | 4.7                  | 7.7             |
| 2012             | 16.8        | 9.1                  | 7.7             |
| 2013             | 11.2        | 11.1                 | 0.1             |

### AUD Hedged Risk Measures Since Inception<sup>2</sup>

|                                     |        |
|-------------------------------------|--------|
| Upside Capture                      | 0.9    |
| Downside Capture                    | 0.7    |
| Beta                                | 0.8    |
| Information Ratio (p.a.)            | 0.4    |
| Tracking Error (p.a.)               | 9.8%   |
| Worst Drawdown - Composite          | -45.6% |
| Worst Drawdown - Index <sup>3</sup> | -37.4% |

### Industry Exposure<sup>4</sup>

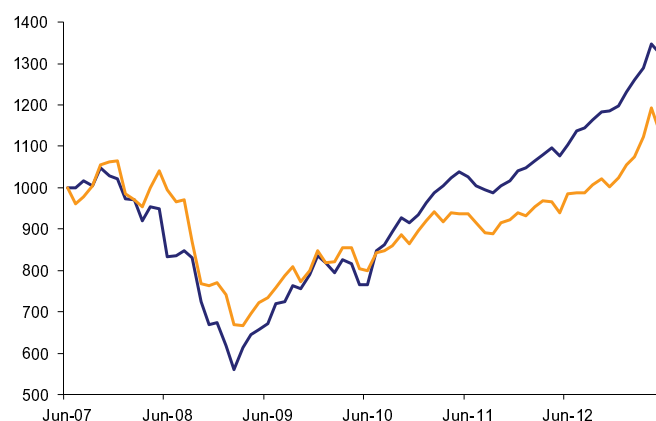


### Top 10 Holdings<sup>4</sup>

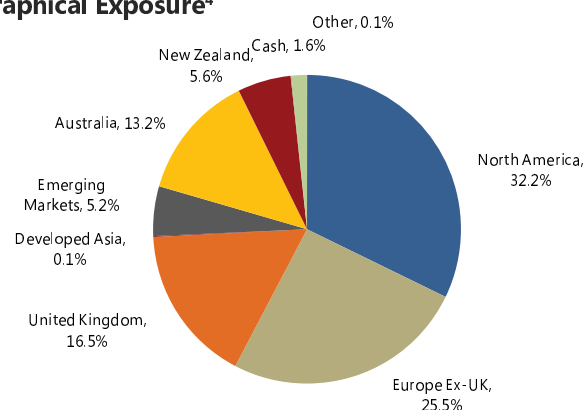
| in Alphabetical Order   | Sector                        |
|-------------------------|-------------------------------|
| American Water Works    | Water Utilities               |
| Auckland Airport        | Airports                      |
| Eutelsat Communications | Communications                |
| Fraport                 | Airports                      |
| ITC Holdings            | Transmission and Distribution |
| National Grid           | Transmission and Distribution |
| SES                     | Communications                |
| Severn Trent            | Water Utilities               |
| Transurban Group        | Urban Toll Roads              |
| Zurich Airport          | Airports                      |

### Performance Chart Growth of AUD \$1,000

Select Infrastructure Hedged in AUD Composite<sup>2</sup> Index<sup>3</sup>



### Geographical Exposure<sup>4</sup>



<sup>1</sup> Comprised of the total Firm Infrastructure assets, comprising the Select Infrastructure strategy and Core Infrastructure strategy.

<sup>2</sup> Returns and risk measures are for the Select Infrastructure Hedged in AUD Composite. \*Refer overleaf for further information.

<sup>3</sup> Index: UBS Developed Infrastructure & Utilities Net TR Index (\$AUD Hedged). Source: UBS

<sup>4</sup> Representative Portfolio. ^Refer overleaf for further information.

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Performance is compared to the UBS Developed Infrastructure & Utilities Index Net Total Return (\$A Hedged) which is a market capitalisation weighted index that is designed to measure the equity performance of listed Infrastructure and Utility stocks. Index results assume the reinvestment of all distributions of capital gain and net investment income using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. The index is hedged to Australian dollars.

## GIPS® DISCLOSURE

\* Magellan claims compliance with the Global Investment Performance Standards (GIPS®).

For the purpose of complying with GIPS, the Firm is defined as all discretionary portfolios managed by Magellan.

The Select Infrastructure composite is a global strategy investing in strictly defined or "pure" infrastructure companies (typically 80-120). The composite is hedged to Australian dollars with Forward contracts.

To achieve investment objectives, the composite may also use derivative financial instruments including, but not limited to, options, swaps, futures and forwards. Derivatives are subject to the risk of changes in the market price of the underlying securities instruments, and the risk of the loss due to changes in interest rates. The use of certain derivatives may have a leveraging effect, which may increase the volatility of the composite and may reduce its returns.

A list of composites and descriptions, as well as policies for valuing investments, calculating performance, and preparing compliant presentations are available upon request by emailing [data@magellan.com.au](mailto:data@magellan.com.au)

^ The representative portfolio is an account in the composite that closely reflects the portfolio management style of the strategy. Performance is not a consideration in the selection of the representative portfolio. The characteristics of the representative portfolio may differ from those of the composite and of the other accounts in the composite. Information regarding the representative portfolio and the other accounts in the composite is available upon request.

Industry and Geographical Exposures are calculated on a look through basis based on underlying revenue exposure of individual companies held within the portfolio.

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