



ANNUAL REPORTS

FOR THE YEAR ENDED 30 JUNE 2020

MAGELLAN GLOBAL FUND: ABN 18 387 878 844

MAGELLAN GLOBAL FUND (HEDGED): ABN 72 263 210 345

MAGELLAN INFRASTRUCTURE FUND: ABN 64 144 747 279

MAGELLAN INFRASTRUCTURE FUND (UNHEDGED): ABN 79 874 701 620

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Responsible Entity's Report

for the year ended 30 June 2020

The Directors of Magellan Asset Management Limited ("MAM") (ABN 31 120 593 946), the Responsible Entity of Magellan Global Fund, Magellan Global Fund (Hedged), Magellan Infrastructure Fund and Magellan Infrastructure Fund (Unhedged) (collectively the "Funds") present their annual reports on the Funds for the period ended 30 June 2020.

1. Directors

The following persons were Directors of MAM during the period and up to the date of this Annual Report:

Name	Directorship	Appointed
Brett Cairns	Chief Executive Officer	22 January 2007
John Eales	Non-executive Director	1 July 2017
Robert Fraser	Chairman	23 April 2014
Paul Lewis	Non-executive Director	20 December 2006
Hamish McLennan	Non-executive Director	1 March 2016
Kirsten Morton	Chief Financial Officer	5 October 2018
Karen Phin	Non-executive Director	23 April 2014

2. Principal Activity

The Funds are registered managed investment schemes domiciled in Australia. MAM is both the Responsible Entity and the Investment Manager of the Funds. The Funds' principal place of business is Level 36, 19 Martin Place, Sydney, New South Wales 2000.

Magellan Global Fund ("MGF") invests in a portfolio of between 20 and 40 high quality stocks, listed on a global stock exchange, in companies that have sustainable competitive advantages which translate into returns on capital in excess of their cost of capital for a sustained period of time. MGF invests in a concentrated portfolio of global equities which spans sectors including financial services, consumer and retail, health care, telecommunications, technology platforms, software and internet related products and services. Such a portfolio will achieve sufficient diversification to ensure MGF is not overly correlated to a single company or to macroeconomic risks. MGF aims to achieve attractive risk-adjusted returns over the medium to long term, while reducing the risk of permanent capital loss, in accordance with its investment strategy. The capital component of the foreign currency exposure, arising from investments in overseas markets, is substantially unhedged.

Magellan Global Fund (Hedged) ("MGFH") has the same investment strategy as MGF, except that the capital component of the foreign currency exposure, arising from investment in overseas markets, is substantially hedged to Australian Dollars.

Magellan Infrastructure Fund ("MIF") invests in a portfolio of between 20 and 40 high quality stocks listed on a global stock exchange whose primary business is the ownership and operation of infrastructure assets, which spans sectors including roads and airports, water and sewage, energy and communications infrastructure. Such a portfolio will achieve sufficient diversification to ensure MIF is not overly correlated to a single company or to macroeconomic risks. MIF aims to achieve attractive risk-adjusted returns over the medium to long-term, while reducing the risk of permanent capital loss, in accordance with its investment strategy. The capital component of the foreign currency exposure, arising from investments in overseas markets, is substantially hedged to Australian Dollars.

Magellan Infrastructure Fund (Unhedged) ("MIFU") has the same investment strategy as MIF, except that the capital component of the foreign currency exposure, arising from investment in overseas markets, is substantially unhedged.

The investment strategy for each of the Funds is detailed in the Product Disclosure Statements ("PDSs"), issued 18 November 2019, for each of the Funds.

3. Significant Changes In State Of Affairs

There were no significant changes in the state of affairs of the Funds during the period.

Responsible Entity's Report

for the year ended 30 June 2020

4. Review Of Operations

a) Financial Results For The Period

The performances of the Funds, as represented by the results of their operations for the periods ended 30 June, were as follows:

	Magellan Global Fund		Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Results								
Total net investment income (\$'000)	1,152,606	2,052,520	76,344	83,925	(209,277)	298,226	(72,903)	158,963
Total expenses (\$'000)	(186,184)	(172,221)	(13,199)	(9,099)	(32,662)	(24,957)	(15,723)	(11,128)
Profit/(Loss) (\$'000)	966,422	1,880,299	63,145	74,826	(241,939)	273,269	(88,626)	147,835
Distributions								
Distribution paid and payable to unitholders (\$'000) (refer Note 2 of the Financial Statements)	463,812	521,596	46,281	19,766	88,895	51,056	42,854	42,072
Distribution paid and payable (cents per unit) (refer section 4 a) (i) for components)	10.5000	11.7912	6.5000	5.5000	5.2000	3.8000	7.5000	9.4120
Unit Price								
Unit price (net asset value) (ex-distribution) (\$)	2.5204	2.4095	1.6862	1.6760	1.2528	1.4295	1.7660	1.9716
Redemption unit price (ex-distribution) (\$)	2.5186	2.4078	1.6850	1.6748	1.2509	1.4274	1.7634	1.9686

Responsible Entity's Report

for the year ended 30 June 2020

4. Review Of Operations (continued)

a) Financial Results For The Period (continued)

(i) Distribution components for interim and final distributions, which can be found in 'Our Funds' section of the MFG website, www.magellangroup.com.au, are as follows:

	Magellan Global Fund		Magellan Global Fund (Hedged)		Magellan Infrastructure Fund				Magellan Infrastructure Fund (Unhedged)			
	cents per unit		cents per unit		cents per unit				cents per unit			
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	31 Dec 2019	30 Jun 2020	31 Dec 2018	30 Jun 2019	31 Dec 2019	30 Jun 2020	31 Dec 2018	30 Jun 2019
	Final	Final	Final	Final	Interim	Final	Interim	Final	Interim	Final	Interim	Final
Domestic Income												
Interest	-	0.0042	-	-	-	-	0.0171	-	0.0656	0.0456	0.1660	0.1690
Franked dividends	-	-	-	-	-	-	-	-	0.0219	0.0123	-	0.0559
Franking credits	-	-	-	-	-	-	-	-	0.0068	0.0132	-	0.0346
Unfranked dividends	-	-	-	-	-	-	-	-	0.0354	0.0334	-	0.1530
Other income	-	0.0122	-	-	-	-	-	-	0.0205	-	0.0279	0.0383
Foreign Sourced Income	-	2.2236	-	-	-	-	0.0077	-	0.5967	0.3101	1.9561	1.5068
Foreign income tax offsets	-	0.4420	-	-	-	-	-	-	0.0855	0.4403	0.1672	0.4232
Capital Gains												
Discounted	16.2640	4.7756	0.0843	-	-	0.3059	0.0005	-	-	0.4133	-	2.6695
AMIT CGT gross up amount	16.2640	4.7756	0.0843	-	-	0.3059	0.0005	-	-	0.4133	-	2.6695
Other non-attributable amounts (tax deferred amounts)	-	-	6.3314	5.5000	2.2000	2.3882	1.5242	2.2500	2.2599	3.2720	-	-
Attribution Amount	32.5280	12.2332	6.5000	5.5000	2.2000	3.0000	1.5500	2.2500	3.0923	4.9535	2.3172	7.7198
AMIT cost base net increase	(22.0280)	-	-	-	-	-	-	-	-	-	-	-
Tax Offsets												
Franking credits	-	-	-	-	-	-	-	-	(0.0068)	(0.0132)	-	(0.0346)
Foreign income tax offsets	-	(0.4420)	-	-	-	-	-	-	(0.0855)	(0.4403)	(0.1672)	(0.4232)
Cash Distribution	10.5000	11.7912	6.5000	5.5000	2.2000	3.0000	1.5500	2.2500	3.0000	4.5000	2.1500	7.2620

The market impacts arising from the COVID-19 pandemic on the Funds, including downward movements in market prices of the portfolio, are discussed in Note 1(g) of the Financial Statements.

Responsible Entity's Report

for the year ended 30 June 2020

4. Review Of Operations (continued)

b) Total Indirect Cost Ratio ("ICR")

The ICRs, for the periods ended 30 June, are the ratios of the Funds' actual management costs over the average portfolio value expressed as a percentage. Management costs, accrued within the Funds' unit prices on a daily basis, include management and performance fees but do not include transactional and operational costs such as brokerage or foreign withholding tax.

	Magellan Global Fund		Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	%	%	%	%	%	%	%	%
Management fee	1.35	1.35	1.35	1.35	1.06	1.06	1.06	1.06
Performance fee ^(A)	0.03	0.14	0.01	0.13	0.01	0.01	-	-
Total Indirect Cost Ratio	1.38	1.49	1.36	1.48	1.07	1.07	1.06	1.06

^(A) Performance fees are calculated on six monthly measurement periods ending on 30 June and 31 December of each calendar year (refer Note 9 c) ii) and iii) to the financial statements). The Performance fees component of the ICR is calculated on an accrual basis for each measurement period.

c) Performance Returns

The performance returns for the periods ended 30 June, have been calculated using redemption unit prices for the Funds, which are after fees and expenses, assuming reinvestment of distributions at exit price. The returns are calculated daily, compounded to produce longer period returns.

	Magellan Global Fund		Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	%	%	%	%	%	%	%	%
Growth return ^(A)	4.6	14.6	0.6	10.2	(12.3)	13.3	(10.4)	14.5
Distribution return ^(B)	4.4	5.6	3.9	3.6	3.4	3.2	3.6	5.7
Total Return ^(C)	9.0	20.2	4.5	13.8	(8.9)	16.5	(6.8)	20.2

^(A) The Growth return is calculated daily as a percentage by dividing the unit price (ex-distribution) by the previous day's unit price (ex-distribution) minus 1; the daily Growth returns are then compounded to produce longer period returns

^(B) The Distribution return is calculated as a percentage by subtracting the Growth return from the Total Return

^(C) The Total Return is calculated daily as a percentage by dividing the unit price (cum-distribution) by the previous day's unit price (ex-distribution) minus 1; the daily Total Returns are then compounded to produce longer period returns.

Responsible Entity's Report

for the year ended 30 June 2020

5. Strategy And Future Outlook

On 3 August 2020, MAM announced its intention to restructure the Global Equities retail product offering which, if approved by unitholders, would result in MGF acquiring Magellan Global Equities Fund ("MGE"); and Magellan Global Trust ("MGG") on a unit-for-unit basis at net asset value and thereby form an enlarged merged MGF. If the restructure is approved, MGF's investment strategy is intended to align to the merged MGF and further details on the restructure are discussed in section 8. As the restructure only affects MGF, the investment objectives are unchanged for MGFH, MIF and MIFU.

The Funds provide daily unit prices, monthly fund updates and annual investor reports which can be found in 'Our Funds' section of the MFG website, www.magellangroup.com.au. These fund updates and investor reports include detailed discussions in relation to some investee companies from time to time along with general outlook commentary.

6. Interest In The Funds

The movement in units on issue in the Funds is disclosed in Note 8 to the Financial Statements.

7. Likely Developments And Expected Results Of Operations

The Funds will continue to invest in companies and businesses in accordance with the investment strategies as set out in the PDSs. Changes to MGF and its unitholders if the restructure (discussed at section 8) is approved, will be set out in the explanatory memorandum which is anticipated to be provided to unitholders in Q4 2020.

Notwithstanding the above, the results of the Funds' operations may be affected by a number of factors, including the performance of investment markets in which the Funds invest. Investment performance is not guaranteed and past returns should not be used to predict future returns.

8. Subsequent Events

On 3 August 2020, MAM announced a restructure proposal to simplify its Global Equities retail product offering. The restructure is proposed to occur via a consolidation of the unlisted, open-ended, MGF; the listed, open-ended MGE; and the listed, closed-ended MGG into a single fund with two unit classes, an Open Class and a Closed Class. The units of the merged trust, MGF, are intended to be quoted on the Australian Securities Exchange ("ASX").

The proposed transaction will involve a unitholder vote to amend the constitution of the MGF to facilitate the issue of closed-ended units and the quotation of the unit classes on the ASX. Under the terms of two separate but inter-conditional trust schemes MGF will, subject to the approval of the respective unitholders, acquire MGE and MGG on a unit-for-unit basis at the Net Asset Value ("NAV") per unit. Under the proposed restructure, unitholders in MGF will continue to hold their existing open-ended units. Unitholders in MGE will be offered open-ended units in MGF. Unitholders in MGG will be offered closed-ended units in MGF.

Post completion of the restructure, the enlarged MGF intends to undertake a one-for-four entitlement offer to its unitholders to subscribe for new Closed Class Units with an attached bonus three-year option. Unitholders will have the ability to subscribe for new Closed Class Units under the entitlement offer at the prevailing NAV per Unit and receive a valuable partnership benefit in the form of additional Closed Class Units worth 7.5% of the value of their subscription. Applicants who are allotted new Closed Class Units will also receive one option for each new Closed Class Unit issued under the entitlement offer with each option exercisable into one Closed Class Unit at an exercise price set at a 7.5% discount to the prevailing NAV per Unit at the time of exercise.

In addition to the entitlement offer above, MGF also proposes to issue a bonus option to Closed Class unitholders in MGF on the basis of one option for every two Closed Class Units held, with each option exercisable into one Closed Class Unit at an exercise price set at a 7.5% discount to the prevailing NAV per Unit at the time of exercise.

Magellan Financial Group Limited will pay the full costs of implementing the restructure and compensate MGF for the partnership benefits being offered under the entitlement offer and upon exercise of any options.

Additional information about the proposed restructure and relevant approvals, together with further details will be set out in the explanatory memorandum that will be provided to unitholders in advance of the meetings. Those meetings are expected to be convened in Q4 2020.

Responsible Entity's Report

for the year ended 30 June 2020

8. Subsequent Events (continued)

Other than the items disclosed throughout these Annual Reports, there have been no matters or circumstances arising after the end of the period that have significantly affected, or may significantly affect, the Funds' operations, the results of those operations, or the Funds' state of affairs in future financial periods.

9. Indemnification And Insurance Of Directors And Officers

The Directors and Officers of MAM, the Responsible Entity, in office are insured to the extent permitted by law for losses, liabilities, costs and charges in defending any legal proceedings arising out of their conduct while acting in their capacity of Directors and Officers of the Responsible Entity, other than for conduct involving a wilful breach of duty in relation to the Responsible Entity.

During the period MAM paid an insurance premium to insure the Directors and Officers of the Responsible Entity. The terms of the contract prohibit the disclosure of the premiums paid.

10. Rounding Of Amounts

The Funds are of a kind referred to in the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and consequently amounts in the Responsible Entity's Report have been rounded to the nearest thousand dollars in accordance with that Legislative Instrument, or in certain cases, the nearest dollar.

11. Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

This report is made in accordance with a resolution of the Directors of the Responsible Entity.



Robert Fraser
Chairman

Sydney, 31 August 2020



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Auditor's Independence Declaration to the Directors of Magellan Asset Management Limited as the Responsible Entity of Magellan Global Fund, Magellan Global Fund (Hedged), Magellan Infrastructure Fund and Magellan Infrastructure Fund (Unhedged), (the "Funds")

As lead auditor for the audit of the financial report of the Funds for the financial periods ended 30 June 2020, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in blue ink that reads 'Clare Sporle'.

Clare Sporle

Partner
Sydney, 31 August 2020

Statements Of Profit Or Loss And Comprehensive Income

for the year ended 30 June 2020

	Note	Magellan Global Fund		Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
		30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
Investment Income									
Dividend and distribution income		157,428	142,466	11,140	7,605	64,425	57,768	30,909	26,103
Interest income		8,948	31,656	379	1,167	836	2,076	439	1,107
Net change in fair value of investments		1,115,132	1,785,093	(8,795)	75,035	(330,279)	238,111	(101,213)	128,489
Net gains/(losses) on foreign exchange settlements, derivative contracts and cash		(128,944)	92,978	73,620	117	55,638	(40)	(3,082)	3,124
Other income		42	327	-	1	103	311	44	140
Total Net Investment Income		1,152,606	2,052,520	76,344	83,925	(209,277)	298,226	(72,903)	158,963
Expenses									
Management fees	9 c) i)	159,769	137,005	11,404	7,256	23,986	18,071	11,651	8,094
Performance fees	9 c) ii)	3,123	14,068	74	710	250	157	41	30
Brokerage fees		905	503	110	34	474	206	214	98
Withholding tax on dividends		22,387	20,645	1,611	1,099	7,952	6,523	3,817	2,906
Total Expenses		186,184	172,221	13,199	9,099	32,662	24,957	15,723	11,128
Profit/(Loss)		966,422	1,880,299	63,145	74,826	(241,939)	273,269	(88,626)	147,835
Other comprehensive income		-	-	-	-	-	-	-	-
Total Comprehensive Income/(Loss)		966,422	1,880,299	63,145	74,826	(241,939)	273,269	(88,626)	147,835

The above Statements Of Profit Or Loss And Comprehensive Income should be read in conjunction with the accompanying notes to the financial statements.

Statements Of Financial Position

as at 30 June 2020

	Note	Magellan Global Fund		Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
		30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
Assets									
Cash and cash equivalents	3	1,777,140	899,232	203,555	52,379	264,928	86,485	110,782	42,366
Receivables	5	21,646	15,132	2,116	1,365	14,909	9,967	6,649	4,575
Derivative assets	6 b)	-	-	1,040	5,174	2,146	13,901	-	-
Investments	6 a)	9,824,892	10,310,781	1,054,193	569,099	1,981,131	1,900,255	918,917	891,008
Total Assets		11,623,678	11,225,145	1,260,904	628,017	2,263,114	2,010,608	1,036,348	937,949
Liabilities									
Derivative liabilities	6 c)	-	-	12,132	-	19,943	-	-	-
Payables	7	26,692	44,879	1,938	5,893	6,671	2,054	3,062	1,978
Distributions payable	2	463,812	521,596	46,281	19,766	52,338	31,120	25,692	33,251
Total Liabilities		490,504	566,475	60,351	25,659	78,952	33,174	28,754	35,229
Total Unitholders' Equity		11,133,174	10,658,670	1,200,553	602,358	2,184,162	1,977,434	1,007,594	902,720

The above Statements Of Financial Position should be read in conjunction with the accompanying notes to the financial statements.

Statements Of Changes In Equity

for the year ended 30 June 2020

	Note	Magellan Global Fund		Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
		30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
Unitholders' Equity At Beginning Of The Period		10,658,670	9,247,330	602,358	450,168	1,977,434	1,521,884	902,720	673,777
Transactions with unitholders in their capacity as owners:									
Ordinary units:									
Issue of units		1,850,319	1,481,180	750,430	199,496	872,892	480,504	383,971	224,951
Issue of units under Dividend Reinvestment Plan and management fee rebates		84,119	125,432	2,956	6,219	14,869	17,838	5,433	2,500
Units redeemed		(1,962,544)	(1,553,975)	(172,055)	(108,585)	(350,199)	(265,005)	(153,050)	(104,271)
Distributions paid and payable	2	(463,812)	(521,596)	(46,281)	(19,766)	(88,895)	(51,056)	(42,854)	(42,072)
Total transactions with unitholders		(491,918)	(468,959)	535,050	77,364	448,667	182,281	193,500	81,108
Profit/(loss)		966,422	1,880,299	63,145	74,826	(241,939)	273,269	(88,626)	147,835
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income/(loss)		966,422	1,880,299	63,145	74,826	(241,939)	273,269	(88,626)	147,835
Total Unitholders' Equity At The End Of The Period		11,133,174	10,658,670	1,200,553	602,358	2,184,162	1,977,434	1,007,594	902,720

The above Statements Of Changes In Equity should be read in conjunction with the accompanying notes to the financial statements.

Statements Of Cash Flows

for the year ended 30 June 2020

	Note	Magellan Global Fund		Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
		30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
Cash Flows From Operating Activities									
Interest received		9,816	31,744	416	1,195	886	2,141	505	1,102
Dividends and distributions received (net of withholding tax)		132,726	125,303	9,382	6,410	53,991	52,835	25,857	23,373
Other income received		42	327	-	1	103	311	44	140
Management and performance fees paid		(167,573)	(154,699)	(11,136)	(7,379)	(22,423)	(16,723)	(10,568)	(8,928)
Other expenses paid		(1,518)	(997)	(320)	(90)	(574)	(320)	(281)	(163)
Net Cash Inflows/(Outflows) From Operating Activities	4	(26,507)	1,678	(1,658)	137	31,983	38,244	15,557	15,524
Cash Flows From Investing Activities									
Purchase of investments		(4,100,299)	(2,805,682)	(816,038)	(217,797)	(1,437,916)	(756,510)	(642,113)	(387,415)
Proceeds from sale of investments		5,707,917	2,445,142	403,518	155,566	1,150,226	586,919	514,848	248,715
Net foreign exchange gains/(losses)		(5,960)	133,160	70,190	(2)	48,488	800	1,992	5,989
Net cash flows from settlement of forward foreign currency contracts		-	-	(65,516)	(42,209)	(84,337)	(88,492)	-	-
Net Cash Inflows/(Outflows) From Investing Activities		1,601,658	(227,380)	(407,846)	(104,442)	(323,539)	(257,283)	(125,273)	(132,711)
Cash Flows From Financing Activities									
Receipts from issue of units		1,845,675	1,484,264	749,951	199,987	872,719	480,273	384,220	224,778
Payments for redemption of units		(1,957,586)	(1,555,647)	(172,216)	(108,619)	(348,202)	(265,866)	(153,240)	(103,660)
Distributions paid		(440,390)	(587,398)	(17,003)	(23,684)	(54,498)	(54,075)	(46,014)	(18,980)
Net Cash Inflows/(Outflows) From Financing Activities		(552,301)	(658,781)	560,732	67,684	470,019	160,332	184,966	102,138
Net Increase/(Decrease) In Cash And Cash Equivalents		1,022,850	(884,483)	151,228	(36,621)	178,463	(58,707)	75,250	(15,049)
Cash and cash equivalents at the beginning of the period		899,232	1,819,756	52,379	88,978	86,485	145,254	42,366	59,706
Effect of exchange rate fluctuations on cash and cash equivalents		(144,942)	(36,041)	(52)	22	(20)	(62)	(6,834)	(2,291)
Cash And Cash Equivalents At End Of Period	3	1,777,140	899,232	203,555	52,379	264,928	86,485	110,782	42,366

The Statements Of Cash Flows should be read in conjunction with the accompanying notes to the financial statements.

Notes To The Financial Statements

for the year ended 30 June 2020

Overview

The annual financial reports cover the Magellan Global Fund ("MGF"), Magellan Global Fund (Hedged) ("MGFH"), Magellan Infrastructure Fund ("MIF") and Magellan Infrastructure Fund (Unhedged) ("MIFU"), (collectively the "Funds"), as individual entities, for the period ended 30 June 2020.

The Funds are registered managed investment schemes under the *Corporations Act 2001*. In accordance with the Funds' Constitutions, they commenced on the date that their first units were issued, which is set out as follows:

Fund	Date of Commencement
Magellan Global Fund	1 July 2007
Magellan Infrastructure Fund	1 July 2007
Magellan Global Fund (Hedged)	28 June 2013
Magellan Infrastructure Fund (Unhedged)	28 June 2013

The Funds terminate on the day immediately preceding the 80th anniversary of their Date of Commencement, unless terminated earlier in accordance with the provisions of each Fund's Constitution.

Magellan Asset Management Limited ("MAM") (ABN 31 120 593 946) is the Responsible Entity of the Funds.

The financial reports were authorised for issue by the Directors of the Responsible Entity on 31 August 2020. The Directors have the power to amend and reissue the financial reports.

The Funds are considered for-profit unit trusts for the purpose of these financial reports.

1. Basis Of Preparation

These general purpose financial reports are presented in Australian Dollars and have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards ("AASB") and Interpretations issued by the Australian Accounting Standards Board, other mandatory professional reporting requirements and the Funds' Constitutions. They also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The Statements Of Financial Position are presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within 12 months, except for financial assets and liabilities at fair value through profit or loss. These fair value assets and liabilities comprise mainly investments, are managed based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. Consequently, the investments that may be realised within 12 months cannot be determined at balance date.

All amounts in the financial statements are rounded to the nearest thousand dollars (\$'000) or in certain cases, the nearest dollar, unless otherwise stated in accordance with the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*.

a) Accounting Policies

The accounting policies adopted in the preparation of these financial reports are contained within the notes to which they relate. The accounting policies adopted are consistent with those of the previous financial period. The Funds have not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Notes To The Financial Statements

for the year ended 30 June 2020

1. Basis Of Preparation (continued)

b) Foreign Currency Translation

The functional and presentation currency of the Funds is the Australian Dollar as determined in accordance with AASB 121: *The Effects of Changes in Foreign Exchange Rates*. Transactions denominated in foreign currencies are translated into Australian Dollars at the foreign currency exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Australian Dollars at the foreign currency closing exchange rate at balance date.

Foreign currency exchange differences arising on translation, and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to Australian Dollars at the foreign currency closing exchange rates at the dates that the values were determined. Foreign currency exchange differences relating to monetary items, including cash and cash equivalents, are presented separately in profit or loss.

c) Investment Income Dividend And Distribution Income

Dividend and distribution income is recognised on the applicable ex-dividend/distribution date gross of withholding tax, which is recorded as an expense in profit or loss. Dividends and distributions received are presented net of withholding tax in the Statements Of Cash Flows.

Net Change In Fair Value Of Investments

Realised and unrealised gains and losses on investments are measured at fair value through profit or loss.

Interest Income

Interest income is recognised on an accrual basis using the effective interest rate method.

d) Expenses

All expenses are recognised in profit or loss on an accruals basis.

e) Income Tax

On 5 May 2016, the Attribution Managed Investment Trust ("AMIT") regime was established under the *Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016*. The AMIT regime allows Managed Investment Trusts that meet certain requirements to make an irrevocable choice to be an AMIT. The Funds elected into the AMIT regime effective 30 June 2018.

Under current income tax legislation, the Funds are not subject to income tax provided they attribute the entirety of their taxable income to unitholders.

The Funds currently incur withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the profit or loss. The benefits of foreign withholding tax paid, and of imputation credits attaching to Australian franked dividends, are passed onto unitholders.

f) Goods And Services Tax ("GST")

The GST incurred on the costs of various services provided to the Funds by third parties, such as custodial services and management fees have been passed onto the Funds. The Funds qualify for Reduced Input Tax Credits at a rate of 55%-75% and is also eligible to recover GST on offshore transactions. Management and performance fees and other expenses have been recognised in profit or loss net of the amount of GST recoverable from the Australian Taxation Office. Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included in the Statement Of Financial Position as a receivable or payable. Cash flows are included in the Statement Of Cash Flows on a gross basis.

Notes To The Financial Statements

for the year ended 30 June 2020

1. Basis Of Preparation (continued)

g) Critical Accounting Estimates And Judgements

Whilst the deterioration of market conditions since March 2020 due to the COVID-19 pandemic resulted in a decline in prices of some of the Funds' investments and also some investment portfolio changes, the Funds have experienced very few financial reporting impacts arising from COVID-19. No asset impairments have been recorded as the Funds' investments are classified as level 1 and level 2 in the fair value hierarchy (as defined in Note 6) and marked-to-market with reference to quoted prices on stock exchanges. In addition, expected credit losses have remained unchanged on the Funds' receivables, which comprise interest on cash balances and dividends, as they have since been collected or the counterparties have been assessed to have strong credit ratings. Furthermore, no other material assets or liabilities of the Funds involved forward-looking information or variables impacted by COVID-19.

In preparing these financial statements, the Directors have taken into account the impacts of COVID-19 in making judgements, estimates and assumptions that affect the amounts reported in the financial statements. The estimates and judgements are continually evaluated and are based on historical experience and various other factors, including reasonable expectations of future events. As such, actual results could differ from those estimates.

Where listed equities have no active market the Directors determine fair value with reference to external observable information and conditions existing at balance date. Fair values may however move materially with movements in market prices (refer Note 10 c)). As the investments are valued with reference to the listed quoted prices, the Funds' financial assets are not subject to significant judgement or complexity nor are the Funds' liabilities.

h) Including Different Registered Scheme Financial Reports In A Single Document

The Funds have applied *ASIC Corporations (Related Scheme Reports) Instrument 2015/839*, which allows registered schemes with a common Responsible Entity to include their financial statements in adjacent columns in a single financial report.

2. Distributions To Unitholders

	Magellan Global Fund		Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Interim distribution paid to unitholders (\$'000)	-	-	-	-	36,557	19,936	17,162	8,821
Final distribution payable to unitholders (\$'000)	463,812	521,596	46,281	19,766	52,338	31,120	25,692	33,251
Total Distribution/Attribution To Unitholders (\$'000)	463,812	521,596	46,281	19,766	88,895	51,056	42,854	42,072
The total distribution/attribution consisted of:								
Income (\$'000)	463,812	521,596	1,200	-	10,675	332	11,245	42,072
Return of capital (\$'000)	-	-	45,081	19,766	78,220	50,724	31,609	-
AMIT cost base uplift (\$'000)	(973,034)	-	-	-	-	-	-	-
Total Distribution/Attribution (Cents Per Unit)	32.5280	11.7912	6.5000	5.5000	5.2000	3.8000	7.5000	9.4120
Total Distribution Paid Or Payable (Cents Per Unit)	10.5000	11.7912	6.5000	5.5000	5.2000	3.8000	7.5000	9.4120

Final distributions for the Funds for the six months ended 30 June 2020, shown in the table above, were paid on 14 July 2020. The interim distributions for MIF and MIFU, for the six months ended 31 December 2019, were paid on 8 January 2020.

Notes To The Financial Statements

for the year ended 30 June 2020

2. Distributions To Unitholders (continued)

Distributions are determined by the Responsible Entity of the Funds and are payable as set out in the Funds' Product Disclosure Statements. Distributable income includes capital gains arising from the disposal of financial assets and liabilities. Unrealised gains and losses on financial assets and liabilities that are recognised as income are transferred to unitholders' equity and are not assessable or distributable until realised. Net realised capital losses and tax losses are not distributed to unitholders but are retained to be offset against any realised capital gains and future assessable income respectively.

Distributions payable are recognised in the Statements Of Financial Position where the distributions have been declared but remain unpaid at balance date.

a) Distribution Reinvestment Plan ("DRP")

A DRP operated in each Fund during the current period.

Unitholders may request their distributions to be applied as subscriptions for additional units in the respective Fund at the Issue Price (as defined in the Funds' Constitutions).

DRP details for the interim and final distributions are as follows:

	Magellan Global Fund		Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
DRP issue price (final distribution - units issued 1 July) (\$)	2.5204	2.4095	1.6862	1.6760	1.2528	1.4295	1.7660	1.9716
DRP unitholder participation rate (%)	15.47	15.57	9.62	13.98	17.66	20.60	7.84	8.97
Number of units issued under DRP	28,467,291	33,702,256	2,639,076	1,648,360	7,376,331	4,484,606	1,140,547	1,511,010
Value of units issued under DRP (\$'000)	71,749	81,206	4,450	2,763	9,241	6,411	2,014	2,979
					Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
					31 December 2019	31 December 2018	31 December 2019	31 December 2018
DRP issue price (interim distribution - units issued 1 January) (\$)					1.4829	1.2183	2.0371	1.7076
DRP unitholder participation rate (%)					18.52	22.76	8.28	9.43
Number of units issued under DRP					4,565,587	3,722,635	696,956	486,650
Value of units issued under DRP (\$'000)					6,770	4,535	1,420	831

Notes To The Financial Statements

for the year ended 30 June 2020

3. Cash And Cash Equivalents

	Magellan Global Fund		Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
Cash at bank - denominated in Australian Dollars	19,071	42,832	202,268	51,854	262,606	81,771	5,326	5,357
Cash at bank - denominated in foreign currency:								
United States Dollars	1,758,013	856,344	1,227	471	2,162	1,904	105,315	35,548
British Pounds	19	19	19	19	37	38	36	37
Euros	16	23	17	20	33	2,682	33	1,353
Swiss Francs	12	14	15	15	31	30	31	29
Canadian Dollars	-	-	-	-	21	22	21	22
New Zealand Dollars	-	-	-	-	19	20	20	20
Hong Kong Dollars	9	-	9	-	19	18	-	-
Total Cash And Cash Equivalents	1,777,140	899,232	203,555	52,379	264,928	86,485	110,782	42,366

Cash comprises cash at bank. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Notes To The Financial Statements

for the year ended 30 June 2020

4. Statement Of Cash Flows Reconciliation

	Magellan Global Fund		Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
a) Reconciliation Of Cash Flows From Operating Activities								
Profit/(loss)	966,422	1,880,299	63,145	74,826	(241,939)	273,269	(88,626)	147,835
Adjusted for:								
Income entitlements reinvested	-	-	-	-	-	(1,444)	-	(631)
Net change in fair value of investments	(1,115,132)	(1,785,093)	8,795	(75,035)	330,279	(238,111)	101,213	(128,489)
Net (gains)/losses on foreign exchange settlements, derivative contracts and cash	128,982	(92,398)	(73,636)	(87)	(55,658)	48	3,066	(3,122)
Fee rebates reinvested into units in the Funds	3,122	3,045	223	331	1,745	1,831	1,034	595
Changes in operating receivables and payables								
Net (increase)/decrease in receivables and other assets	(2,098)	2,496	(304)	(154)	(2,512)	2,977	(1,220)	735
Net increase/(decrease) in payables and other liabilities	(7,803)	(6,671)	119	256	68	(326)	90	(1,399)
Net Cash Inflows/(Outflows) From Operating Activities	(26,507)	1,678	(1,658)	137	31,983	38,244	15,557	15,524
b) Non-Cash Investing And Financing Activities								
Fee rebates reinvested into units in the Funds	3,122	3,045	223	331	1,745	1,831	1,034	595
Distributions reinvested into units in the Funds	81,206	122,952	2,763	5,946	13,181	16,193	4,399	1,997
Investments purchased via income entitlements reinvested	-	-	-	-	-	(1,444)	-	(631)

Notes To The Financial Statements

for the year ended 30 June 2020

5. Receivables

	Magellan Global Fund		Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
Dividend receivable	2,435	-	257	-	9,868	6,711	4,582	3,141
Applications receivable	4,645	210	771	322	1,694	1,576	436	685
Interest receivable	2	870	25	62	57	107	1	67
Due from brokers - receivable for securities sold	-	-	-	-	2,343	-	1,117	-
Recoverable GST and foreign withholding tax	14,564	14,052	1,063	981	947	1,573	513	682
Total Receivables	21,646	15,132	2,116	1,365	14,909	9,967	6,649	4,575

Receivables comprise amounts due from brokers for sales of assets and applications for units in the Funds unsettled at balance date, dividends and trust distributions declared but not yet received, and reclaimable taxes. They are recognised and carried at amortised cost using the effective interest rate method and adjusted for changes in foreign exchange rates where applicable. A provision was deducted from receivables for uncollectible amounts based on expected credit losses. Expected credit losses are calculated as the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Funds expect to receive, discounted at an approximation of the original effective interest rate. The Funds apply the simplified approach for receivables whereby the loss allowance is based on lifetime expected credit losses at each balance date.

Ageing Analysis Of Receivables

At balance date, the Funds' receivables, excluding recoverable GST and foreign withholding tax, were due within 0 to 30 days (June 2019: 0 to 30 days). Recoverable GST is due within 30 to 90 days (June 2019: 30 to 90 days). Foreign withholding tax is due within 2 to 10 years depending on the jurisdiction (June 2019: 2 to 10 years). No amounts are impaired or past due at 30 June 2020 or 30 June 2019.

6. Investments And Derivatives

The Funds classify their equity securities, derivative assets and derivative liabilities as financial assets and liabilities at fair value through profit or loss.

The Funds disclose the fair value measurements of financial assets and financial liabilities using a three-level fair value hierarchy set out below to reflect the source of valuation inputs used when determining the fair value as follows:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of these securities is based on the closing price for the security as quoted on the relevant exchange.
- Level 2: valuation techniques using observable inputs either directly (as prices) or indirectly (derived from prices). The fair value of derivatives is based on a discounted cash flow analysis using quoted market inputs (spot and forward rates, volatility) adjusted for specific features of the instruments and applied debit and credit valuation adjustments based on the Fund's counterparties' current credit worthiness.
- Level 3: valuation techniques using non-market observable inputs.

Notes To The Financial Statements

for the year ended 30 June 2020

6. Investments And Derivatives (continued)

	Magellan Global Fund		Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
a) Investments (Level 1)								
Australian listed equity securities	-	-	-	-	339,569	375,345	157,358	175,369
International listed equity securities:								
United States	7,041,580	8,093,550	754,512	446,803	858,891	748,451	397,145	351,109
Switzerland	887,815	844,283	95,554	46,422	-	28,978	-	13,502
United Kingdom	540,080	402,687	58,457	22,177	75,114	24,905	34,877	11,545
Germany	450,080	509,415	48,660	28,416	-	-	-	-
France	129,074	235,167	13,613	12,898	90,738	114,201	42,417	53,071
Belgium	-	113,762	-	6,240	-	-	-	-
Hong Kong	776,263	-	83,397	-	-	-	-	-
Italy	-	-	-	-	187,376	161,289	87,333	76,307
Canada	-	-	-	-	101,441	147,067	47,110	68,924
New Zealand	-	-	-	-	31,534	50,934	14,819	24,130
Netherlands	-	111,917	-	6,143	93,401	114,906	43,474	54,161
Spain	-	-	-	-	182,928	105,685	84,724	49,228
Chile	-	-	-	-	20,139	28,494	9,660	13,662
Total Investments	9,824,892	10,310,781	1,054,193	569,099	1,981,131	1,900,255	918,917	891,008
b) Derivative Assets (Level 2)								
Forward foreign currency contracts	-	-	1,040	5,174	2,146	13,901	-	-
Total Derivative Assets	-	-	1,040	5,174	2,146	13,901	-	-
c) Derivative Liabilities (Level 2)								
Forward foreign currency contracts	-	-	12,132	-	19,943	-	-	-
Total Derivative Liabilities	-	-	12,132	-	19,943	-	-	-

The Funds do not hold any level 3 assets. There have been no transfers between any of the three levels in the hierarchy during the period and the Funds' policies are to recognise transfers into and out of fair value hierarchy levels as at balance date.

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value, which in the case of the Funds is the transaction price. Brokerage costs are expensed immediately in profit or loss. Subsequent to initial recognition, all financial assets and liabilities classified at fair value through profit or loss are measured at fair value. Changes in fair value are recognised in profit or loss. The net change in fair value does not include dividend or distribution income.

Purchases and sales are recognised on trade date, being the date the Funds commit to purchase or sell the asset. Financial assets are derecognised when the contractual rights to the cash flows from the assets expire or are transferred. A transfer occurs when substantially all the risks and rewards of ownership are passed to a third party. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Notes To The Financial Statements

for the year ended 30 June 2020

6. Investments And Derivatives (continued)

The fair value of equity securities traded in active markets is based on their quoted market prices at balance date without any deduction for estimated future selling costs. The quoted market price used for securities held by the Funds is the closing price for the security as quoted on the relevant stock exchange. If a quoted market price is not available on a recognised stock exchange or from a broker/dealer for non-exchange-traded financial instruments, the fair value of the instrument is estimated using valuation techniques including recent arm's length market transactions, reference to the current fair value of other instruments that are substantially the same, discounted cash flow techniques, option pricing models or any other valuation techniques commonly used by market participants.

Derivatives are contracts whose value is derived from one or more underlying price, index or other variable. Derivatives are included in the Statements Of Financial Position as an asset when the fair value at balance date is positive and classified as a liability when the fair value at balance date is negative.

7. Payables

	Note	Magellan Global Fund		Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
		30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
Management fees payable	9 c) i)	14,135	13,674	1,519	761	2,120	1,906	980	889
Performance fees payable	9 c) ii)	2,392	10,656	24	663	2	148	-	1
Due to brokers - payable for securities purchases		-	15,342	-	3,913	2,552	-	1,186	2
Redemptions payable		10,165	5,207	395	556	1,997	-	896	1,086
Total Payables		26,692	44,879	1,938	5,893	6,671	2,054	3,062	1,978

Payables comprise trade creditors and accrued expenses owing by the Funds at balance date. Amounts due to brokers relating to the purchase of investments are usually settled between two and five days after trade date. Payables and accruals are recognised at amortised cost at the point where the Funds become obliged to make payments in respect of the purchase of these goods and services.

Maturities Of Payables

At balance date, all payables mature in 0 to 30 days (June 2019: 0 to 30 days).

Notes To The Financial Statements

for the year ended 30 June 2020

8. Unitholders' Equity

	Magellan Global Fund		Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
	30 June 2020 No. of Units '000	30 June 2019 No. of Units '000	30 June 2020 No. of Units '000	30 June 2019 No. of Units '000	30 June 2020 No. of Units '000	30 June 2019 No. of Units '000	30 June 2020 No. of Units '000	30 June 2019 No. of Units '000
Units On Issue								
Units on issue at beginning of the period	4,423,598	4,399,639	359,385	296,102	1,383,107	1,208,048	457,880	392,080
Units issued	715,390	651,168	451,339	126,400	623,176	365,361	190,162	122,758
Units issued under DRP	33,702	58,460	1,648	3,909	9,050	12,959	2,208	1,164
Units redeemed	(755,435)	(685,669)	(100,361)	(67,026)	(270,736)	(203,261)	(79,318)	(58,122)
Units On Issue At End Of the Period	4,417,255	4,423,598	712,011	359,385	1,744,597	1,383,107	570,932	457,880

Applications received for units in the Funds are recorded net of entry fees. Redemptions from the Funds are recorded gross of exit fees. The Funds recognise the units issued or redeemed when settled, which is trade date.

Each unit confers upon the unitholder an equal interest in that fund and is of equal value to other units in the same fund. A unit does not confer upon the holder any interest in any particular asset or investment of the Funds. The rights of unitholders are contained in the Funds' Constitutions and include:

- the right to redeem units, subject to restrictions disclosed in the Funds' Product Disclosure Statements;
- the right to receive a distribution determined in accordance with the Funds' Constitutions;
- the right to attend and vote at meetings of unitholders; and
- the right to participate in the termination and winding up of the Funds.

There are no separate classes of units and each unit in a Fund has the same rights attaching to it as all other units of that Fund.

9. Related Parties

a) Responsible Entity

The Responsible Entity of the Funds is MAM. MAM is a wholly owned subsidiary of Magellan Financial Group Limited ("MFG") (Australian Securities Exchange ("ASX") code: MFG), the immediate and ultimate parent entity of the Responsible Entity, and both are considered to be related parties of the Funds.

b) Key Management Personnel

Key management personnel ("KMP") are those persons or corporate entities who have authority and responsibility for planning, directing and controlling the activities of the Funds. The Responsible Entity is responsible for managing the activities of the Funds and considered to be a KMP. The Funds do not employ personnel in their own right.

The Directors of MAM are considered to be KMP. The Directors of MAM during the period and up to the date of this report are: Dr Brett Cairns, Mr John Eales, Mr Robert Fraser, Mr Paul Lewis, Mr Hamish McLennan, Ms Kirsten Morton and Ms Karen Phin. The Fund did not pay any compensation to the Directors of the Responsible Entity.

Notes To The Financial Statements

for the year ended 30 June 2020

9. Related Parties (continued)

c) Responsible Entity Fees

Compensation is paid to the Responsible Entity in the form of fees as follows:

i) Management Fees

The Responsible Entity is entitled to receive management fees from the Funds for managing the assets of the Funds. The Responsible Entity pays operating expenses of the Funds, such as audit and tax compliance fees, distribution costs, investor reporting, custody and fund administration costs. Management fees are calculated monthly based on the Net Asset Value of each Fund (before fees) at the end of each month. Estimated fees are reflected in the daily unit prices of the Funds and are payable at the end of each month.

ii) Performance Fees

Performance fees are calculated on six monthly calculation periods ending on 30 June and 31 December of each year. The Responsible Entity's entitlement to a performance fee is dependent on a fund exceeding both index relative and absolute return hurdles over a given calculation period, as well as exceeding the applicable high watermark. Performance fees crystallise at the end of a calculation period, or when units are redeemed, subject to a performance fee entitlement existing at the date of redemption. The estimated daily unit price of each Fund includes a performance fee accrual equal to the amount that would be payable if it were the end of a Calculation Period. Further detail of the performance fees can be found in each of the Funds' Product Disclosure Statements ("PDSs").

iii) Total Management And Performance Fees

The fees paid/payable by the Funds are net of any applicable reduced input tax credits (refer Note 1 f)). The management and performance fees paid/payable by the Funds are as follows:

	30 June 2020		30 June 2019	
	% pa	\$	% pa	\$
Magellan Global Fund				
Management fees	1.35	159,769,107	1.35	137,004,907
Performance fees		3,123,358		14,068,131
Total Fees Expensed In The Statement Of Profit Or Loss And Comprehensive Income		162,892,465		151,073,038
Total Management And Performance Fees Payable In The Statement Of Financial Position		16,525,663		24,329,321
Magellan Global Fund (Hedged)				
Management fees	1.35	11,403,760	1.35	7,256,051
Performance fees		74,045		709,780
Total Fees Expensed In The Statement Of Profit Or Loss And Comprehensive Income		11,477,805		7,965,831
Total Management And Performance Fees Payable In The Statement Of Financial Position		1,543,115		1,423,323
Magellan Infrastructure Fund				
Management fees	1.05	23,985,799	1.05	18,070,592
Performance fees		250,137		156,687
Total Fees Expensed In The Statement Of Profit Or Loss And Comprehensive Income		24,235,936		18,227,279
Total Management And Performance Fees Payable In The Statement Of Financial Position		2,122,204		2,054,780
Magellan Infrastructure Fund (Unhedged)				
Management fees	1.05	11,650,566	1.05	8,093,823
Performance fees		40,567		29,506
Total Fees Expensed In The Statement Of Profit Or Loss And Comprehensive Income		11,691,133		8,123,329
Total Management And Performance Fees Payable In The Statement Of Financial Position		979,512		890,093

Notes To The Financial Statements

for the year ended 30 June 2020

9. Related Parties (continued)

c) Transactions With Related Parties

The number of units held and related transactions during the period by each KMP, including their personally-related parties, in the Funds is as follows:

	30 June 2020					30 June 2019				
	Units acquired (A)	Units redeemed	Units held at end of period		Distribution paid or payable (B)	Units acquired (A)	Units redeemed	Units held at end of period		Distribution paid or payable (B)
	Number	Number	Number	%	\$	Number	Number	Number	%	\$
Magellan Global Fund										
MFG	-	-	57,393,262	1.3	6,026,293	4,091,793	-	57,393,262	1.3	6,767,360
Director - Paul Lewis	24,197	-	581,324	(C)	61,039	35,253	-	557,127	(C)	65,692
Magellan Global Fund (Hedged)										
MFG	-	-	550,084	0.1	35,755	33,951	-	550,084	0.2	30,225
Magellan Infrastructure Fund										
Director - Paul Lewis	13,206	-	441,835	(C)	22,833	18,908	-	428,629	(C)	16,204

(A) Includes the reinvestment of 30 June 2018 and 30 June 2019 distributions paid in the periods ended 30 June 2019 and 30 June 2020 respectively.

(B) Represents the current period interim distribution paid and final distribution payable, comprising cash paid and DRP units issued.

(C) Less than 0.1%.

Transactions between the Funds and related parties are subject to the same terms and conditions as those entered into by other unitholders. Unless specified above, no other KMP held units in the Funds.

Notes To The Financial Statements

for the year ended 30 June 2020

10. Capital And Financial Risk Management

a) Financial Risk Management

The Funds' investment portfolios primarily comprise listed equity investments. The investment objectives of the Funds' are to achieve attractive risk-adjusted returns over the medium to long-term, whilst reducing the risk of permanent capital loss, in accordance with their investment strategies (as detailed in the current PDSs). The Funds' investing activities expose them to various types of risks including concentration risk, market risk, liquidity risk and credit risk.

Financial risk management is carried out under policies approved by the Responsible Entity. The risk management programme focuses on ensuring compliance with the Funds' PDSs and seeks to maximise the returns derived for the level of risk to which the Funds are exposed.

The following disclosures in relation to the various risks of the Funds' portfolios have been based on the Funds' direct holdings.

b) Concentration Risk

Concentration indicates the relative sensitivity of the Funds' performance to developments affecting a particular industry or geographical location. The Funds hold concentrated portfolios of investments, and the returns of the Funds may be dependent upon the performance of individual companies. The concentrated exposure may lead to increased volatility in the Funds' unit prices, and also increases the risk of poor performance.

The Funds' concentration risk is managed in accordance with the portfolio risk controls for each Fund, which are approved by MAM's Investment Committee.

c) Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as equity prices, foreign exchange rates, and interest rates.

i) Equity Price Risk

Equity price risk is the risk that the fair value of equities decreases as a result of changes in market prices, whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the market. The size and diversification of the portfolios is sufficient to ensure the Funds' returns are not overly correlated to a single company, industry specific or macroeconomic risk, but the returns of the portfolios are not expected to be perfectly correlated to any market or sector index. If equity markets as a whole rise or fall by 5%, the returns of the Funds may increase or decrease by different amounts.

For illustrative purposes an increase of 5% in the market price of each of the Fund's investments held at balance date, assuming all other variables remain constant, would have had the following impact on the Funds' net operating profit and unitholders' equity.

	Magellan Global Fund		Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
Impact on net operating profit and unitholders' equity	491,245	515,539	52,710	28,455	99,057	95,013	45,946	44,550

A decrease of 5% in the market price of each of the Funds' investments would have had an equal but opposite effect.

Notes To The Financial Statements

for the year ended 30 June 2020

10. Capital And Financial Risk Management (continued)

c) Market Risk (continued)

ii) Currency Risk

Currency risk is the risk that the fair value of financial assets and liabilities will fluctuate due to changes in foreign exchange rates. Assets and liabilities that the Funds may typically own and that can be affected by foreign exchange rate fluctuations include equities listed on foreign exchanges, cash, forward foreign currency contracts, outstanding broker settlements, and outstanding receipts of income from foreign companies.

The currency risk of MGF and MIFU is managed on an unhedged basis and therefore the returns of these funds are exposed to changes in exchange rates relative to the Australian Dollar. In exceptional circumstances the Investment Manager may elect to hedge currency exposure in these funds to a major currency. No such hedging activities were undertaken in respect of these funds during the current period.

MGFH and MIF are managed on a currency hedged basis using forward foreign currency contracts. MGFH and MIF invest in financial assets denominated in currencies other than the Australian Dollar and are therefore exposed to the risk that movements in foreign exchange rates will cause fluctuations in profit or loss. MGFH and MIF use forward foreign currency contracts to mitigate this risk by hedging the underlying exposure to financial assets denominated in currencies other than the Australian Dollar.

Due to daily changes in the fair value of underlying assets, the face value of hedging contracts will not always completely eliminate currency exposure. Where it is a strategy of the Funds substantially to eliminate currency exposure, the appropriateness of the amounts hedged is monitored daily and adjusted if the total net exposure of the funds to any individual foreign currency is greater than 5% of the net assets of the respective fund.

The Funds' total net exposure to fluctuations in foreign currency exchange rates at balance date is:

	Magellan Global Fund		Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
US Dollars	8,802,047	8,935,396	746,407	26,766	848,493	33,627	503,083	388,389
Euro	579,536	971,437	62,175	2,473	554,214	4,794	260,408	233,012
Swiss Francs	896,548	852,333	94,690	4,324	(264)	4,062	129	13,712
British Pounds	540,099	402,706	59,482	136	76,872	936	35,294	11,996
Hong Kong Dollars	776,272	-	82,476	-	19	18	-	-
Canadian Dollars	-	-	-	-	101,547	11,204	47,131	69,006
New Zealand Dollars	-	-	-	-	31,585	8,329	14,839	24,151
Chilean Pesos	-	-	-	-	21,045	(1,383)	9,659	13,662

Notes To The Financial Statements

for the year ended 30 June 2020

10. Capital And Financial Risk Management (continued)

c) Market Risk (continued)

ii) Currency Risk (continued)

For illustrative purposes the changes in profit or loss and unitholders' equity that would arise from a 5% increase or decrease in the Australian Dollar, at balance date, relative to each currency to which the Funds are exposed (based on assets and liabilities) are as follows:

	Magellan Global Fund		Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
	30 June 2020		30 June 2020		30 June 2020		30 June 2020	
	5% increase in A\$'000	5% decrease in A\$'000	5% increase in A\$'000	5% decrease in A\$'000	5% increase in A\$'000	5% decrease in A\$'000	5% increase in A\$'000	5% decrease in A\$'000
Assets and liabilities denominated in:								
US Dollars	(419,145)	463,266	(35,543)	39,285	(40,404)	44,658	(23,956)	26,478
Euro	(27,597)	30,502	(2,961)	3,272	(26,391)	29,169	(12,400)	13,706
Swiss Francs	(42,693)	47,187	(4,509)	4,984	13	(14)	(6)	7
British Pounds	(25,719)	28,426	(2,832)	3,131	(3,661)	4,046	(1,681)	1,858
Hong Kong Dollars	(36,965)	40,856	(3,927)	4,341	(1)	1	-	-
Canadian Dollars	-	-	-	-	(4,836)	5,345	(2,244)	2,481
New Zealand Dollars	-	-	-	-	(1,504)	1,662	(707)	781
Chilean Pesos	-	-	-	-	(1,002)	1,108	(460)	508
	30 June 2019		30 June 2019		30 June 2019		30 June 2019	
	5% increase in A\$'000	5% decrease in A\$'000	5% increase in A\$'000	5% decrease in A\$'000	5% increase in A\$'000	5% decrease in A\$'000	5% increase in A\$'000	5% decrease in A\$'000
Assets and liabilities denominated in:								
US Dollars	(425,495)	470,284	(1,275)	1,409	(1,601)	1,770	(18,495)	20,442
Euro	(46,259)	51,128	(118)	130	(228)	252	(11,096)	12,264
Swiss Francs	(40,587)	44,860	(206)	228	(193)	214	(653)	722
British Pounds	(19,176)	21,195	(6)	7	(45)	49	(571)	631
Hong Kong Dollars	-	-	-	-	(1)	1	-	-
Canadian Dollars	-	-	-	-	(534)	590	(3,286)	3,632
New Zealand Dollars	-	-	-	-	(397)	438	(1,150)	1,271
Chilean Pesos	-	-	-	-	66	(73)	(651)	719

Notes To The Financial Statements

for the year ended 30 June 2020

10. Capital And Financial Risk Management (continued)

c) Market Risk (continued)

iii) Interest Rate Risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The primary exposure to interest rates arises on cash balances held by the Funds, which are all held in floating interest rate accounts. Based on the Australian and US Dollar cash balances held by the Funds, an increase of 10 basis points in floating interest rates, assuming all other variables remain constant, would have increased the Funds' net operating profit and unitholders' equity at balance date as follows:

	Magellan Global Fund		Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
Australian dollar cash balances	19	38	202	52	263	83	5	5
US dollar cash balances	1,758	857	1	-	2	2	105	36
Impact on net operating profit and unitholders' equity	1,777	895	203	52	265	85	110	41

A decrease of 10 basis points in floating interest rates would have an equal but opposite effect on interest income earned. The level of cash held by the Funds may vary from time to time, depending on the level of recent capital flows into and out of the Funds, and on the Investment Manager's judgement. The cash balances held by the Funds as at balance date may therefore not be typical of the amounts of cash generally held by the Funds.

None of the Funds hold other significant cash balances exposed to interest rates in other currencies. In addition, the Funds did not have any borrowings, or other financial liabilities or assets with direct exposure to changes in interest rates.

d) Liquidity Risk

Liquidity risk is the risk that the Funds will encounter difficulty in meeting obligations associated with financial liabilities on the due date or will be forced to sell financial assets at a value which is less than they are worth.

This risk is managed by the Funds maintaining sufficient cash reserves to meet their normal operating requirements and primarily holding investments that are traded in active markets and can be readily disposed. The majority of the Funds' equity securities are considered readily realisable as they are listed on stock exchanges around the world. In addition, the Funds' Constitutions and Product Disclosure Statements allow the Responsible Entity to suspend capital withdrawals from the Funds for up to 28 days, at its discretion, if withdrawal requests would require the disposal of 5% or more of the Trust Property of the Funds, the payment of withdrawals would disadvantage remaining unitholders by imposing a disproportionate share of capital gains tax liabilities, or if the Responsible Entity reasonably considers it to be in the interests of remaining unitholders of the Funds.

Notes To The Financial Statements

for the year ended 30 June 2020

10. Capital And Financial Risk Management (continued)

d) Liquidity Risk (continued)

At balance date, the Funds had an obligation to settle payables (including distributions payable) with cash, cash equivalents and derivative assets as follows:

	Magellan Global Fund		Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
Cash and cash equivalents	1,777,140	899,232	203,555	52,379	264,928	86,485	110,782	42,366
Derivative assets	-	-	1,040	5,174	2,146	13,901	-	-
	1,777,140	899,232	204,595	57,553	267,074	100,386	110,782	42,366
Payables	26,692	44,879	1,938	5,893	6,671	2,054	3,062	1,978
Distributions payable	463,812	521,596	46,281	19,766	52,338	31,120	25,692	33,251
Derivative liabilities	-	-	12,132	-	19,943	-	-	-
	490,504	566,475	60,351	25,659	78,952	33,174	28,754	35,229

At balance date, the Funds' non-derivative financial liabilities comprised payables which mature in less than a month (June 2019: less than one month) (refer Note 7). At balance date MGFH and MIF had derivative assets and liabilities that were settled within one month (refer Note 6 b) and c)).

e) Credit Risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. Market prices generally incorporate credit assessments into valuations and risk of loss is implicitly provided for in the carrying value of financial assets and liabilities when valued at fair value. The Funds minimise concentrations of credit risk by undertaking transactions with numerous reputable brokers, and by ensuring cash balances are held with and managed by counterparties that are reputable financial intermediaries with acceptable credit ratings determined by a recognised rating agency. In addition, the credit rating and financial positions of the brokers used by the Funds are regularly monitored to mitigate further this risk. Credit risk relating to outstanding settlements is considered small due to the short settlement periods involved.

MGF and MIFU do not hold derivatives. MGFH and MIF use derivative financial instruments for currency hedging purposes. Derivatives are not used to gear (leverage) the portfolios. MGFH and MIF may have credit risk arising from forward foreign currency positions if the market value of those positions is positive (refer Note 6 b) and c)).

The Responsible Entity has appointed the Northern Trust Company ("NT") as the Funds' custodian. In acting as custodian, NT is required to comply with the relevant provisions of the *Corporations Act 2001*, applicable ASIC regulatory guides, legislative instruments and class orders relating to registered managed investment schemes property arrangements with custodians. The credit quality of NT's senior debt is rated, at balance date, by Standard & Poor's as A+ and by Moody's as A2 (June 2019: Standard & Poor's as A+ and by Moody's as A2).

At balance date, the Funds' maximum exposure to credit risk is the carrying value of the financial assets recognised in the Statements Of Financial Position.

Notes To The Financial Statements

for the year ended 30 June 2020

11. Auditor's Remuneration

The following amounts were paid or payable by the Responsible Entity on behalf of the Funds for services provided by the auditor of the Funds, Ernst & Young Australia:

	Magellan Global Fund		Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
	30 June 2020 \$	30 June 2019 \$	30 June 2020 \$	30 June 2019 \$	30 June 2020 \$	30 June 2019 \$	30 June 2020 \$	30 June 2019 \$
Audit Services								
Audit and review of financial reports	15,900	15,700	15,900	15,700	15,900	15,700	15,900	15,700
Other assurance services	1,267	1,364	1,267	1,364	1,267	1,364	1,267	1,364
Non-Audit Services								
Taxation	7,700	7,700	6,700	6,600	6,700	6,600	6,700	6,600
Total Auditor's Remuneration of Ernst & Young Australia	24,867	24,764	23,867	23,664	23,867	23,664	23,867	23,664

12. Contingent Assets, Contingent Liabilities And Commitments

At balance date, the Funds have no contingent assets, contingent liabilities or commitments (June 2019: nil).

13. Subsequent Events

On 3 August 2020, MAM announced a restructure proposal to simplify its Global Equities retail product offering. The restructure is proposed to occur via a consolidation of the unlisted, open-ended, MGF; the listed, open-ended, Magellan Global Equities Fund ("MGE"); and the listed, closed-ended Magellan Global Trust ("MGG") into a single fund with two unit classes, an Open Class and a Closed Class. The units of the merged trust, MGF, are intended to be quoted on the ASX.

The proposed transaction will involve a unitholder vote to amend the constitution of the MGF to facilitate the issue of closed-ended units and the quotation of the unit classes on the ASX. Under the terms of two separate but inter-conditional trust schemes MGF will, subject to the approval of the respective unitholders, acquire MGE and MGG on a unit-for-unit basis at the Net Asset Value ("NAV") per unit. Under the proposed restructure, unitholders in MGF will continue to hold their existing open-ended units. Unitholders in MGE will be offered open-ended units in MGF. Unitholders in MGG will be offered closed-ended units in MGF.

Post completion of the restructure, the enlarged MGF intends to undertake a one-for-four entitlement offer to its unitholders to subscribe for new Closed Class Units with an attached bonus three-year option. Unitholders will have the ability to subscribe for new Closed Class Units under the entitlement offer at the prevailing NAV per Unit and receive a valuable partnership benefit in the form of additional Closed Class Units worth 7.5% of the value of their subscription. Applicants who are allotted new Closed Class Units will also receive one option for each new Closed Class Unit issued under the entitlement offer with each option exercisable into one Closed Class Unit at an exercise price set at a 7.5% discount to the prevailing NAV per Unit at the time of exercise.

In addition to the entitlement offer above, MGF also proposes to issue a bonus option to Closed Class unitholders in MGF on the basis of one option for every two Closed Class Units held, with each option exercisable into one Closed Class Unit at an exercise price set at a 7.5% discount to the prevailing NAV per Unit at the time of exercise.

Notes To The Financial Statements

for the year ended 30 June 2020

13. Subsequent Events (continued)

MFG will pay the full costs of implementing the restructure and compensate MGF for the partnership benefits being offered under the entitlement offer and upon exercise of any options.

Additional information about the proposed restructure and relevant approvals, together with further details will be in the explanatory memorandum that will be provided to unitholders in advance of the meetings. Those meetings are expected to be convened in Q4 2020.

Other than the items disclosed throughout these Annual Reports, there have been no matters or circumstances arising after the end of the period that have significantly affected, or may significantly affect, the Funds' operations, the results of those operations, or the Funds' state of affairs in future financial periods.

Directors' Declaration

for the year ended 30 June 2020

In the opinion of the Directors, the financial statements and notes of:

Magellan Global Fund
Magellan Global Fund (Hedged)
Magellan Infrastructure Fund; and
Magellan Infrastructure Fund (Unhedged), (together "the Funds") as set out on pages 10 to 32;

- a) are in accordance with the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the financial position of the Funds as at 30 June 2020 and of their performance as represented by the results of their operations and their cash flows for the period ended on that date; and
 - ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001*, International Financial Reporting Standards as disclosed in Note 1 and other mandatory professional reporting requirements; and
- b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors of the Responsible Entity.



Robert Fraser
Chairman

Sydney, 31 August 2020



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Independent auditor's report to the unitholders of Magellan Global Fund, Magellan Global Fund (Hedged), Magellan Infrastructure Fund and Magellan Infrastructure Fund (Unhedged)

Opinion

We have audited the accompanying financial report of Magellan Global Fund, Magellan Global Fund (Hedged), Magellan Infrastructure Fund, and Magellan Infrastructure Fund (Unhedged) ("the Funds"), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

- (i) giving a true and fair view of the Funds' financial position as at 30 June 2020 and of their financial performance for the period ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The directors of Magellan Asset Management Limited (the "Responsible Entity") are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the Directors for the Financial Report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Funds' ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in blue ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in blue ink that reads 'Clare Sporle'.

Clare Sporle

Partner
Sydney, 31 August 2020

Corporate Information

Directors Of The Responsible Entity

Brett Cairns (Chief Executive Officer)
John Eales
Robert Fraser (Chairman)
Paul Lewis
Hamish McLennan
Kirsten Morton (Chief Financial Officer)
Karen Phin

Company Secretary Of The Responsible Entity

Marcia Venegas

Registered Office

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Investment Manager

Magellan Asset Management Limited

Auditor

Ernst & Young
200 George Street
Sydney NSW 2000

Unit Registrar

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