



Magellan Global Fund (Hedged), Magellan Infrastructure Fund, Magellan Infrastructure Fund (Unhedged)

Interim Reports

For the half year ended 31 December 2020

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 half year ended 31 December 2020

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

1. Directors

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

			Appointed
Robert Fraser	Chairman		23 April 2014
Brett Cairns	Chief Executive Officer		22 January 2007
John Eales	Non-executive Director		1 July 2017
Colette Garnsey	Non-executive Director		30 November 2020
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, with the principal place of business at Level 36, 19 Martin Place, Sydney, New South Wales 2000. MAM is both the Responsible Entity and the Investment Manager of the Funds.

The primary objectives of MGFH are to achieve attractive risk-adjusted returns over the medium to long-term, while reducing the risk of permanent capital loss. MGFH offers investors an opportunity to invest in a specialised and focused global equity fund. The aim is to invest 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. MGFH endeavours to acquire these companies at discounts to their assessed intrinsic value. MGFH's portfolio comprises 20 to 40 investments and believe such a portfolio will achieve sufficient diversification to ensure the MGFH is not overly correlated to a single company, or to industry specific or macroeconomic risks. MGFH's intention is to substantially hedge the capital component of the foreign currency exposure of MGFH arising from investments in overseas markets back to Australian Dollars.

MIF offers investors an opportunity to invest in a specialised and focused global infrastructure Fund. MIF's investment universe is any entity listed on a global stock exchange whose primary business is the ownership and operation of infrastructure assets. The primary objectives of tMIF is to achieve attractive risk-adjusted returns over the medium to long-term, while reducing the risk of permanent capital loss. MIF invests in companies that generate the dominant part of their earnings from the ownership of infrastructure assets and endeavour to acquire these companies at discounts to their assessed intrinsic value. MIF's portfolio comprises 20 to 40 investments and believe such a portfolio will achieve sufficient diversification to ensure MIF is not overly correlated to a single company or to macroeconomic risks. MIF's intention is to substantially hedge the capital component of the foreign currency exposure of the Fund arising from investments in overseas markets back to Australian Dollars.

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 30 November 2020, for each of the Funds.

Responsible Entity's Report

for the half year ended 31 December 2020

3. Significant Changes in State of Affairs

On 24 September 2020 MAM announced a distribution policy update, to target a cash distribution yield of 4% per annum, for each fund, paid semi-annually each June and December (refer Note 2 to the Financial Statements).

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

4. Review of Operations

4.1. Financial Results for the Period

The performance of the Funds, as represented by the results of their operations for the periods ended 31 December, were as follows:

	Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Results						
Total net investment income (\$'000)	127,642	59,113	65,496	129,470	(37,613)	53,685
Total expenses (\$'000)	(10,707)	(5,541)	(14,984)	(15,146)	(6,460)	(7,188)
Profit/(Loss) (\$'000)	116,935	53,572	50,512	114,324	(44,073)	46,497
Distributions						
Distribution paid and payable (\$'000)	28,439	- ¹	52,601	36,557	22,926	17,162
Distribution paid and payable (cents per unit)	3.3200	- ¹	2.7100	2.2000	3.8100	3.0000
Unit Price						
Unit price (net asset value) (ex-distribution) (\$)	1.8102	1.8078	1.2519	1.4829	1.6528	2.0371
Redemption unit price (ex-distribution) (\$)	1.8089	1.8065	1.2500	1.4807	1.6503	2.0340

¹ As MGFH made its first interim distribution in December 2020 there is no prior December comparative.

Final distributions for the year ended 30 June 2020, and paid on 14 July 2020, are as follows:

- MGFH: \$46,281,000 or 6.500 CPU,
- MIF: \$52,338,000 or 3.000 CPU, and
- MIFU: \$25,692,000 or 4.500 CPU.

Responsible Entity's Report

for the half year ended 31 December 2020

4.2. Total Indirect Cost Ratio ("ICR")

The ICR is the ratio of the Funds' actual management costs over the average portfolio values 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 (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
	6 Months to 31 Dec 2020 %	6 Months to 31 Dec 2019 %	6 Months to 31 Dec 2020 %	6 Months to 31 Dec 2019 %	6 Months to 31 Dec 2020 %	6 Months to 31 Dec 2019 %
Management fee	0.68	0.68	0.53	0.53	0.53	0.53
Performance fee ¹	-	0.01	-	0.01	-	-
Total Indirect Cost Ratio	0.68	0.69	0.53	0.54	0.53	0.53

	12 Months to 31 Dec 2020 %	12 Months to 31 Dec 2019 %	12 Months to 31 Dec 2020 %	12 Months to 31 Dec 2019 %	12 Months to 31 Dec 2020 %	12 Months to 31 Dec 2019 %
	Management fee	1.35	1.35	1.05	1.05	1.05
Performance fee ¹	-	0.11	-	0.02	-	0.01
Total Indirect Cost Ratio	1.35	1.46	1.05	1.07	1.05	1.06

¹ Performance fees are calculated on six monthly measurement periods ending on 30 June and 31 December of each calendar year. The Performance fees component of the ICR is calculated on an accrual basis for each measurement period.

Responsible Entity's Report

for the half year ended 31 December 2020

4.3. Performance Returns

The performance returns 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 (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
	6 Months to 31 Dec 2020 %	6 Months to 31 Dec 2019 %	6 Months to 31 Dec 2020 %	6 Months to 31 Dec 2019 %	6 Months to 31 Dec 2020 %	6 Months to 31 Dec 2019 %
Growth return ¹	7.3	7.9	(0.1)	3.7	(6.5)	3.4
Distribution return ²	2.0	-	2.2	1.6	2.2	1.5
Total Return³	9.3	7.9	2.1	5.3	(4.3)	4.9

	12 Months to 31 Dec 2020 %	12 Months to 31 Dec 2019 %	12 Months to 31 Dec 2020 %	12 Months to 31 Dec 2019 %	12 Months to 31 Dec 2020 %	12 Months to 31 Dec 2019 %
	Growth return ¹	0.1	22.9	(15.6)	21.7	(18.9)
Distribution return ²	5.8	4.0	3.9	3.8	4.0	6.2
Total Return³	5.9	26.9	(11.7)	25.5	(14.9)	25.5

¹ 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.

² The Distribution return is calculated as a percentage by subtracting the Growth return from the Total Return.

³ 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.

5. Strategy and Future Outlook

The Funds' investment objective is unchanged. The results of the Funds' operations will be affected by a number of factors, including the performance of investment markets in which the Funds invest. Therefore, investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

The Funds provide daily unit prices, monthly fund updates and annual investor reports which can be found in the 'Our Funds' section of the Magellan Financial Group Limited ("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 movements in units on issue of the Funds is disclosed in Note 4 to the Financial Statements.

Responsible Entity's Report

for the half year ended 31 December 2020

7. Likely Developments and Expected Results of Operations

The Funds will continue to invest in companies and businesses in accordance with the investment strategy as set out in their PDSs.

The method of operating the Funds is not expected to change in the foreseeable future. However 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

Other than the items disclosed throughout the Responsible Entity's Report, 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.

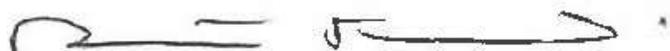
9. Rounding of Amounts

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.

10. 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 page 8.

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



Robert Fraser

Chairman

Sydney, 26 February 2021



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's independence declaration to the Directors of Magellan Asset Management Limited as the responsible entity of Magellan Global Fund (Hedged), Magellan Infrastructure Fund, and Magellan Infrastructure Fund (Unhedged) (the "Funds")

As lead auditor for the review of the interim financial report of the Funds for the interim period ended 31 December 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

Ernst & Young

Clare Sporle
Partner
26 February 2021

Statements of Profit or Loss and Comprehensive Income

for the half year ended 31 December 2020

	Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Investment Income						
Dividend and distribution income	6,440	3,801	29,283	27,179	12,713	13,040
Interest income	99	222	278	473	3	346
Net change in fair value of investments	120,962	55,161	36,180	101,814	(40,878)	40,162
Net gains/(losses) on foreign exchange settlements, derivative contracts and cash	53	(71)	(559)	(1)	(9,593)	137
Other income	88	-	314	5	142	-
Total Net Investment Income	127,642	59,113	65,496	129,470	(37,613)	53,685
Expenses						
Management fees	9,657	4,849	12,450	12,138	5,380	5,813
Performance fees	48	52	-	248	-	41
Brokerage fees	47	33	128	114	43	65
Withholding tax on dividends and distributions	955	607	2,406	2,646	1,037	1,269
Total Expenses	10,707	5,541	14,984	15,146	6,460	7,188
Profit/(Loss)	116,935	53,572	50,512	114,324	(44,073)	46,497
Other comprehensive income	-	-	-	-	-	-
Total Comprehensive Income/(Loss)	116,935	53,572	50,512	114,324	(44,073)	46,497

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 31 December 2020

	Note	Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
		31 Dec 2020 \$'000	30 Jun 2020 \$'000	31 Dec 2020 \$'000	30 Jun 2020 \$'000	31 Dec 2020 \$'000	30 Jun 2020 \$'000
Assets							
Cash and cash equivalents		121,366	203,555	160,959	264,928	66,133	110,782
Receivables		15,320	2,116	9,184	14,909	4,615	6,649
Derivative assets	3	56,232	1,040	69,333	2,146	-	-
Investments	3	1,396,176	1,054,193	2,254,032	1,981,131	948,060	918,917
Total Assets		1,589,094	1,260,904	2,493,508	2,263,114	1,018,808	1,036,348
Liabilities							
Distributions payable	2	28,439	46,281	52,601	52,338	22,926	25,692
Payables		9,996	1,938	10,631	6,671	1,368	3,062
Derivative liabilities	3	181	12,132	579	19,943	-	-
Total Liabilities		38,616	60,351	63,811	78,952	24,294	28,754
Total Unitholders' Equity		1,550,478	1,200,553	2,429,697	2,184,162	994,514	1,007,594

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 half year ended 31 December 2020

	Note	Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
		31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Unitholders' Equity At beginning Of The Period		1,200,553	602,358	2,184,162	1,977,434	1,007,594	902,720
Transactions with unitholders in their capacity as owners:							
Ordinary units:							
Issue of units		408,504	214,077	492,084	509,790	147,270	279,215
Issue of units under Dividend Reinvestment Plan and management fee rebates		4,531	2,879	9,774	7,333	2,445	3,454
Units redeemed		(151,606)	(78,435)	(254,234)	(108,223)	(95,796)	(49,390)
Distributions paid and payable	2	(28,439)	-	(52,601)	(36,557)	(22,926)	(17,162)
Total transactions with unitholders		232,990	138,521	195,023	372,343	30,993	216,117
Profit/(loss)		116,935	53,572	50,512	114,324	(44,073)	46,497
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income/(loss)		116,935	53,572	50,512	114,324	(44,073)	46,497
Total Unitholders' Equity at the end of the Period		1,550,478	794,451	2,429,697	2,464,101	994,514	1,165,334

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 half year ended 31 December 2020

	Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Cash Flows From Operating Activities						
Dividends and distributions received (net of withholding tax)	5,217	3,181	28,461	24,167	12,727	11,489
Interest received	124	254	335	512	4	373
Other income received	88	-	314	5	142	-
Management and performance fees paid	(9,314)	(5,189)	(11,670)	(11,106)	(4,918)	(5,159)
Brokerage fees paid	(47)	(33)	(128)	(114)	(43)	(65)
Net Cash Inflows/(Outflows) from Operating Activities	(3,932)	(1,787)	17,312	13,464	7,912	6,638
Cash Flows From Investing Activities						
Purchase of investments	(442,496)	(266,743)	(611,571)	(495,775)	(181,745)	(279,990)
Proceeds from sale of investments	97,043	157,713	249,476	109,793	111,807	76,302
Net foreign exchange gains/(losses)	118	65	(226)	(40)	(14,809)	797
Net cash flows from settlement of forward foreign currency contracts	50,924	(9,109)	46,311	(155)	-	-
Net Cash Inflows/(Outflows) from Investing Activities	(294,411)	(118,074)	(316,010)	(386,177)	(84,747)	(202,891)
Cash Flows From Financing Activities						
Receipts from issue of units	409,261	213,837	493,702	511,296	147,041	279,311
Payments for redemption of units	(151,353)	(78,937)	(255,897)	(108,056)	(96,322)	(50,229)
Distributions paid	(41,831)	(17,003)	(43,097)	(24,709)	(23,678)	(30,272)
Net Cash Inflows/(Outflows) from Financing Activities	216,077	117,897	194,708	378,531	27,041	198,810
Net Increase/(Decrease) in Cash and Cash Equivalents	(82,266)	(1,964)	(103,990)	5,818	(49,794)	2,557
Cash and cash equivalents at the beginning of the period	203,555	52,379	264,928	86,485	110,782	42,366
Effect of exchange rate fluctuations on cash and cash equivalents	77	(28)	21	(31)	5,145	(661)
Cash and Cash Equivalents at the end of the Period	121,366	50,387	160,959	92,272	66,133	44,262

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 half year ended 31 December 2020

Overview

These half year financial reports are for the Funds, as individual entities, for the period ended 31 December 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:

	Date Of Commencement
Magellan Global Fund (Hedged)	28 June 2013
Magellan Infrastructure Fund	1 July 2007
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.

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 26 February 2021. 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 interim financial reports.

1. Basis of Preparation

The condensed interim financial reports are general purpose financial reports, presented in Australian Dollars, and have been prepared in accordance with AASB 134 *Interim Financial Reporting*, the *Corporations Act 2001*, other mandatory professional reporting requirements and the Funds' Constitutions.

These condensed interim financial reports do not include all the information and disclosures normally included in the annual financial reports. Accordingly, these reports should be read in conjunction with the 30 June 2020 Annual Reports and any public announcements made during the period.

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 that 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 reporting 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*.

Notes to the Financial Statements

for the half year ended 31 December 2020

1.1. Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period except for the adoption of the revised Conceptual Framework ("Conceptual Framework") on 1 July 2020. The Conceptual Framework included amendments to the definition and recognition criteria for assets, liabilities, income and expenses, guidance on measurement and derecognition, and other relevant financial reporting concepts and resulted in no impact on the Funds. The Funds have not early adopted any accounting standard, interpretation or amendment that has been issued but is not yet effective at balance date.

1.2. Critical Accounting Estimates and Judgements

In applying the Funds' accounting policies, a number of estimates and assumptions have been made concerning the future. The Directors base their judgements and estimates on historical experience and various other factors they believe to be reasonable under the circumstances, but which are inherently uncertain and unpredictable. As a result, actual results could differ from those estimates.

The significant judgements made by the Directors in applying the Funds' accounting policies and the key sources of estimation uncertainty were the same as those described in the 30 June 2020 Annual Reports.

The impacts of the COVID-19 pandemic on the Funds were disclosed in Note 1(g) of the Funds' 2020 Annual Reports and remain broadly unchanged at the date of these financial reports. Despite the pandemic continuing throughout the period of this report, there have been no new adverse impacts on the Funds' financial results or risks arising from COVID-19 and the Funds' operations and service providers are operating efficiently and largely unaffected. Whilst share market and currency volatility remains, the Funds have not recorded any impairments of its investments during the period ended 31 December 2020 nor experienced any recovery issues with the Funds' receivables, which comprised mainly dividends and distributions.

Investments are valued with reference to listed quoted prices. Derivatives are fair valued using valuation techniques, for example pricing models, which are validated and periodically reviewed by MAM. Cash continues to be held with strongly rated financial institutions. As such the Funds' financial assets and liabilities are not subject to significant judgement or complexity.

1.3. 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.

Notes to the Financial Statements

for the half year ended 31 December 2020

2. Distributions to Unitholders

Distributions for the periods ended 31 December are as follows:

	Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)		Date Paid
	\$'000	CPU	\$'000	CPU	\$'000	CPU	
Period ended 31 December 2020							
Prior year final distribution paid	46,281	6.500	52,338	3.000	25,692	4.500	14 Jul 2020
Interim distribution payable	28,439	3.320 ¹	52,601	2.710 ²	22,926	3.810 ³	15 Jan 2021

¹ MGFH has a Target Cash Distribution ("TCD") per annum of 4% and the TCD for the period ended 31 December 2020 was 3.32 CPU.

² MIF has a TCD per annum of 4% and the TCD for the period ended 31 December 2020 was 2.71 CPU.

³ MIFU has a TCD per annum of 4% and the TCD for the period ended 31 December 2020 was 3.81 CPU.

	Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)		Date Paid
	\$'000	CPU	\$'000	CPU	\$'000	CPU	
Period ended 31 December 2019							
Prior year final distribution paid	19,766	5.500	31,120	2.250	33,251	7.262	12 Jul 2019
Interim distribution payable	- ¹	- ¹	36,557	2.200	17,162	3.000	8 Jan 2020

¹ As MGFH made its first interim distribution in December 2020 there is no prior December comparative.

The TCD for each period will be determined by using the average of the month-end NAV per unit over a two year rolling period ending on the last Business Day of the prior distribution period.

On 5 Jan 2021 MAM advised, on the ASX, the TCD for the six month period ended 30 June 2021 will be:

- MGFH: 3.43 CPU,
- MIF: 2.71 CPU, and
- MIFU: 3.79 CPU.

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

Notes to the Financial Statements

for the half year ended 31 December 2020

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 distributions are as follows:

	Magellan Global Fund (Hedged) ¹		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
	Dec 2020	Dec 2019	Dec 2020	Dec 2019	Dec 2020	Dec 2019
DRP issue price (\$)	1.8102	-	1.2519	1.4829	1.6528	2.0371
DRP unitholder participation rate (%)	10.44	-	12.33	18.52	7.36	8.28
Number of units issued under DRP	1,639,455	-	5,179,757	4,565,587	1,019,691	696,956
Value of units issued under DRP (\$'000)	2,968	-	6,485	6,770	1,685	1,420
DRP issue date	1 Jan 2021	-	1 Jan 2021	1 Jan 2020	1 Jan 2021	1 Jan 2020

¹ As MGFH made its first interim distribution in December 2020 there is no prior December comparative.

3. 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 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 half year ended 31 December 2020

Details of Investments and Derivatives

	Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
	31 Dec 2020 \$'000	30 Jun 2020 \$'000	31 Dec 2020 \$'000	30 Jun 2020 \$'000	31 Dec 2020 \$'000	30 Jun 2020 \$'000
Investments (Level 1)						
Australian listed equity securities	-	-	392,606	339,569	165,821	157,358
International listed equity securities:						
United States	1,048,726	754,512	993,977	858,891	418,854	397,145
Switzerland	117,536	95,554	-	-	-	-
United Kingdom	62,438	58,457	121,779	75,114	51,623	34,877
Germany	58,755	48,660	-	-	-	-
France	20,973	13,613	113,967	90,738	47,574	42,417
Hong Kong	87,748	83,397	-	-	-	-
Italy	-	-	160,599	187,376	67,920	87,333
Canada	-	-	107,629	101,441	45,036	47,110
New Zealand	-	-	39,847	31,534	17,126	14,819
Netherlands	-	-	93,823	93,401	39,121	43,474
Spain	-	-	229,805	182,928	94,985	84,724
Chile	-	-	-	20,139	-	9,660
Total Investments	1,396,176	1,054,193	2,254,032	1,981,131	948,060	918,917
Derivative Assets (Level 2)						
Forward foreign currency contracts	56,232	1,040	69,333	2,146	-	-
Total Derivative Assets	56,232	1,040	69,333	2,146	-	-
Derivative Liabilities (Level 2)						
Forward foreign currency contracts	181	12,132	579	19,943	-	-
Total Derivative Liabilities	181	12,132	579	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' policy is to recognise transfers into and out of fair value hierarchy levels as at balance date.

Notes to the Financial Statements

for the half year ended 31 December 2020

4. Unitholders' Equity

	Magellan Global Fund (Hedged)		Magellan Infrastructure Fund		Magellan Infrastructure Fund (Unhedged)	
	6 Months To 31 Dec 2020	12 Months To 30 Jun 2020	6 Months To 31 Dec 2020	12 Months To 30 Jun 2020	6 Months To 31 Dec 2020	12 Months To 30 Jun 2020
	No. of Units '000	No. of Units '000	No. of Units '000	No. of Units '000	No. of Units '000	No. of Units '000
Units On Issue						
Opening balance	712,011	359,385	1,744,597	1,383,107	570,932	457,880
Units issued	225,901	451,339	386,884	623,176	84,339	190,162
Units issued under DRP and management fee rebates	2,685	1,648	7,802	9,050	1,390	2,208
Units redeemed	(84,005)	(100,361)	(198,281)	(270,736)	(54,919)	(79,318)
Units on Issue at the end of the Period	856,592	712,011	1,941,002	1,744,597	601,742	570,932

5. Contingent Assets, Contingent Liabilities and Commitments

At balance date the Funds have no contingent assets, contingent liabilities or commitments (June 2020: nil).

6. Subsequent Events

Other than the items disclosed throughout these financial 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 their operations, or the Funds' state of affairs in future financial periods. Asset prices move daily and daily unit prices are available on the MFG website, www.magellangroup.com.au.

Directors' Declaration

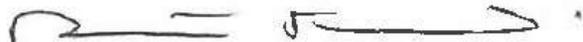
for the half year ended 31 December 2020

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

Magellan Global Fund (Hedged)
Magellan Infrastructure Fund; and
Magellan Infrastructure Fund (Unhedged), (collectively the "Funds") as set out on pages 9 to 18;

- 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 31 December 2020 and of their performance as represented by the results of their operations and their cash flows for the half year ended on that date; and
 - ii. complying with Australian Accounting Standards, the *Corporations Regulations 2001* 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, 26 February 2021



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

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

Report on the interim financial report

Conclusion

We have reviewed the accompanying interim financial report of Magellan Global Fund (Hedged), Magellan Infrastructure Fund and Magellan Infrastructure Fund (Unhedged) (the Funds), which comprises the condensed statements of financial position as at 31 December 2020, the condensed statements of profit and loss and comprehensive income, condensed statements of changes in equity and condensed statements of cash flows for the interim period ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the interim financial report of the Funds is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Funds' financial position as at 31 December 2020 and of their financial performance for the interim period ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the interim financial report

The Directors of the Responsible Entity are responsible for the preparation of the interim 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 interim financial report that is free from material misstatement, whether due to fraud or error.

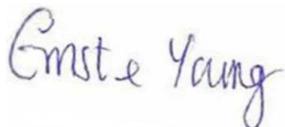
Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Funds' financial positions as at 31 December 2020 and their financial performance for the interim period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Funds, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Ernst & Young



Clare Sporle
Partner
Sydney
26 February 2021

Corporate Information

Directors Of The Responsible Entity

Robert Fraser - Chairman
Brett Cairns - Chief Executive Officer
John Eales
Colette Garnsey
Paul Lewis
Hamish McLennan
Kirsten Morton - Chief Financial Officer
Karen Phin

Company Secretary Of The Responsible Entity

Marcia Venegas

Registered Office

Level 36, MLC Centre
19 Martin Place
Sydney NSW 2000
Telephone: 1800 6243 5526 (Australia), +61 2 9235 4888 (International)
Fax: +61 2 9235 4800
Email: info@magellangroup.com.au

Auditor

Ernst & Young
200 George Street
Sydney NSW 2000

Unit Registrar

Mainstream Fund Services Pty Ltd
Level 1, 51 – 57 Pitt Street
Sydney NSW 2000
Telephone: 1300 127 780 (Australia),
+61 2 8259 8566 (International), 0800 787 621 (NZ)
Fax: +61 2 9247 2822
Email: magellanfunds@mainstreamgroup.com

Website

<http://www.magellangroup.com.au>