

Magellan Infrastructure Fund (Currency Hedged)

Interim Report

For the half year ended 31 December 2020

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Chairman's Report

For the half year ended 31 December 2020

Dear Unitholders,

We are pleased to present the Interim Report for Magellan Infrastructure Fund (Currency Hedged) (Managed Fund) (the "Fund"). The Fund is a managed investment scheme for which Magellan Asset Management Limited ("MAM") acts as both Responsible Entity and Investment Manager.

The Fund is quoted on the Australian Securities Exchange (ticker code: MICH) and commenced trading on 22 July 2016. As at 31 December 2020, the Fund had net assets of \$713 million and a net asset value of \$2.7564 per unit after providing for a distribution of 5.95 cents per unit for the six months ended 31 December 2020. On 24 September 2020 MAM announced a distribution policy update, to target a cash distribution yield of 4% per annum, paid semi-annually each June and December.

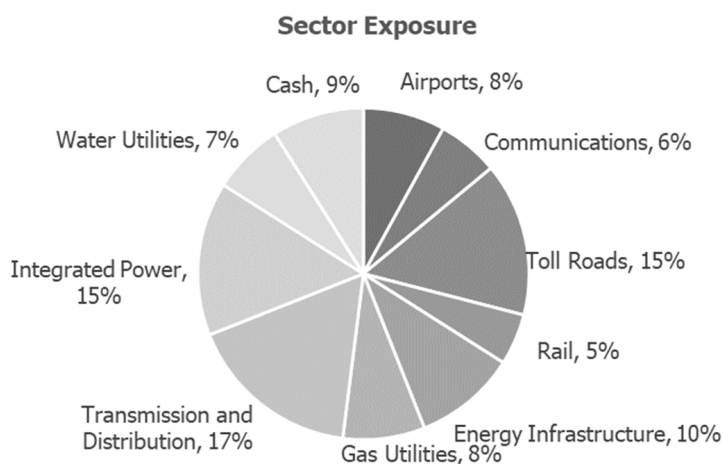
The Fund's portfolio is actively managed by MAM and mirrors, to all intents and purposes the unlisted Magellan Infrastructure Fund. MAM aims to achieve attractive risk-adjusted returns over the medium to long term for unitholders, while reducing the risk of permanent capital loss. To achieve this, the Fund invests in a portfolio of between 20 and 40 high-quality global equity stocks, as assessed by MAM, whose primary business is the ownership and operation of infrastructure assets. The Fund has the ability to manage equity market risk by holding up to 20% of its net assets in cash. Currency exposure is substantially hedged back to Australian Dollars. For the six months to 31 December 2020, the Fund returned 2.2% net of fees. This compares to the return of the index (S&P Global Infrastructure Index Hedged to Australian Dollars) of 10.6% over the same period.

MAM believes that infrastructure assets, with requisite earnings reliability and a linkage of earnings to inflation, offer an attractive, long-term investment proposition. MAM has established a proprietary classification criteria to define infrastructure which seeks to identify outstanding companies that exhibit reliable demand and stable cash flow generation and importantly, excludes companies where MAM has assessed their earnings to have material direct exposure to commodity prices, competitive pressure or sovereign risk. We believe applying a disciplined, clearly defined set of parameters to capture the desired characteristics of infrastructure provides a solid framework for generating attractive, stable returns over the long term.

We would encourage you to read our monthly and quarterly Fund Reports which provide valuable insight into our investment strategies and portfolio managers' thoughts. These are released on ASX and can also be found on our website: www.magellangroup.com.au.

As at 31 December 2020, the Fund consisted of investments in 31 companies, with the top 10 investments (listed below) representing 44.6% of the Fund. The Fund's cash position was 9% which was predominantly held in Australian Dollars. The Fund's industry exposure by source of revenues is highlighted below.

Top 10 holdings (as at 31 December 2020)	% of Fund
Transurban Group	6.0
Atmos Energy	5.0
Red Electrica	5.0
Sempra Energy	4.5
Eversource Energy	4.4
Enbridge	4.3
Aena	4.1
American Water Works	3.8
Vopak	3.8
Vinci	3.7
Top 10 Total	44.6



The following report contains relevant financial statements and information which we encourage you to read carefully.

Robert Fraser
Chairman

Sydney, 26 February 2021

Responsible Entity's Report

For the half year ended 31 December 2020

The Directors of Magellan Asset Management Limited (ABN 31 120 593 946) ("MAM"), the Responsible Entity of Magellan Infrastructure Fund (Currency Hedged) (the "Fund" or "MICH") present their half year report on the Fund 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 Fund is a registered managed scheme, domiciled in Australia, with the principal place of business at Level 36, 19 Martin Place, Sydney, New South Wales 2000 and quoted on the Australian Securities Exchange ("ASX") under the AQUA Rules (ticker code: MICH). MAM is both the Responsible Entity and the Investment Manager of the Fund.

MAM, as Responsible Entity, is responsible for overseeing the operations of the Fund. As the Investment Manager, it is responsible for selecting and managing the assets of the Fund. In addition, the Responsible Entity, on behalf of the Fund, may also provide trading liquidity to investors on the ASX under the AQUA Rules by acting as a buyer and seller of units in the Fund. The Responsible Entity has appointed an independent market participant to act as its agent to execute its market making activities.

The Fund invests in a portfolio of between 20 and 40 high quality stocks listed on global stock exchanges 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 the Fund is not overly correlated to a single company or to macroeconomic risks. The capital component of the foreign currency exposure, arising from investments in overseas markets, is substantially hedged to Australian Dollars.

The Fund's investment objectives are 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 (as detailed in the Product Disclosure Statement, issued 30 November 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, 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 Fund during the period.

Responsible Entity's Report

For the half year ended 31 December 2020

4. Review of Financial Results and Operations

4.1. Financial Results for the Period

The performance of the Fund, as represented by the results of its operations for the relevant periods ended 31 December, was as follows:

	31 Dec 2020	31 Dec 2019
Results		
Total net investment income (\$'000)	18,126	27,697
Total expenses (\$'000)	(4,281)	(3,188)
Profit/(Loss) (\$'000)	13,845	24,509
Distributions		
Distribution paid and payable (\$'000)	15,392	8,313
Distribution paid and payable (cents per unit)	5.95	4.70
Unit Price (NAV per unit) (\$)¹	2.7564	3.2501
ASX Reported (NAV per unit) (\$)²	2.8162	3.2974

¹ The Net Asset Value ("NAV") per unit represents the net assets of the Fund presented in the Statement of Financial Position at 31 December dividend by the number of units on issue at 31 December (refer Note 4 of the Financial Statements).

² The NAV per unit reported to the ASX on 8 January 2021 will differ to the NAV per unit at balance date due to distributions payable and fee accruals.

The final distribution for the year ended 30 June 2020 of 7.00 cents per unit amounting to \$15,490,000 was paid on 28 July 2020.

4.2. Total Indirect Cost Ratio ("ICR")

The ICR, for the six and 12 months ended 31 December, is the ratio of the Fund's actual management costs over the average portfolio value expressed as a percentage. Management costs, accrued within the Fund's 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.

	6 Months to 31 Dec 2020 %	12 Months to 31 Dec 2020 %	6 Months to 31 Dec 2019 %	12 Months to 31 Dec 2019 %
Management fee	0.53	1.05	0.53	1.05
Performance fee ¹	-	-	0.01	0.02
Total Indirect Cost Ratio	0.53	1.05	0.54	1.07

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.

4.3. Performance Returns

The performance returns have been calculated using the NAV per unit for the Fund, which is after fees and expenses, assuming the reinvestment of distributions at NAV per unit. The returns, calculated daily, are compounded to produce longer period returns.

	6 Months to 31 Dec 2020 %	12 Months to 31 Dec 2020 %	6 Months to 31 Dec 2019 %	12 Months to 31 Dec 2019 %
Growth return ¹	0.1	(15.2)	3.8	21.8
Distribution return ²	2.1	4.0	1.5	3.7
Total Return³	2.2	(11.2)	5.3	25.5

¹ The Growth return is calculated daily as a percentage by dividing the NAV per unit (ex-distribution) by the previous day's NAV per unit (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 NAV per unit (cum-distribution) by the previous day's NAV per unit (cum-distribution) minus 1. The daily total returns are then compounded to produce longer period returns.

Responsible Entity's Report

For the half year ended 31 December 2020

5. Strategy and Future Outlook

The Fund's investment objective is unchanged. The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. 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 Fund provides daily unit prices, monthly fund updates, quarterly portfolio disclosure and annual investor reports, which can be found in the 'Our Funds' section of the MFG website, www.magellangroup.com.au and also the ASX website. The 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 Fund

The movement in units on issue in the Fund is disclosed in Note 4 to the Financial Statements.

7. Likely Developments and Expected Results of Operations

The Fund will continue to invest in companies and businesses in accordance with the investment strategies as set out in the PDS.

The method of operating the Fund is not expected to change in the foreseeable future. However the results of the Fund's operations may be affected by a number of factors, including the performance of investment markets in which the Fund invests.

8. Subsequent Events

In a release to the ASX on 5 February 2021, the Fund reported a NAV per unit of 2.6866 and 263,557,024 units on issue as at 29 January 2021.

Other than the items disclosed throughout this 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 Fund's operations, the results of its operations, or the Fund's state of affairs in future financial periods.

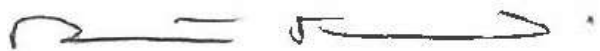
9. Rounding of Amounts

The Fund is 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 7.

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



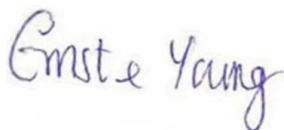
Robert Fraser
Chairman

Sydney, 26 February 2021

Auditor's independence declaration to the Directors of Magellan Asset Management Limited as the responsible entity of Magellan Infrastructure Fund (Currency Hedged)

As lead auditor for the review of the interim financial report of Magellan Infrastructure Fund (Currency Hedged) 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

Statement of Profit or Loss and Comprehensive Income

for the half year ended 31 December 2020

	Note	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Investment Income			
Dividend and distribution income		8,370	5,940
Interest income		35	86
Net change in fair value of investments		9,777	21,683
Net gains/(losses) on foreign exchange settlements, derivative contracts and cash		(133)	(12)
Other income		77	-
Total Net Investment Income		18,126	27,697
Expenses			
Management fees		3,553	2,529
Performance fees		-	51
Brokerage costs		43	41
Withholding tax on dividends and distribution income		685	567
Total Expenses		4,281	3,188
Profit/(Loss)		13,845	24,509
Other comprehensive income		-	-
Total Comprehensive Income/(Loss)		13,845	24,509
Basic Earnings Per Unit (Cents)	5	5.78	16.64
Diluted Earnings Per Unit (Cents)	5	5.78	16.64

The above Statement of Profit or Loss and Comprehensive Income should be read in conjunction with the accompanying Notes to the Financial Statements.

Statement of Financial Position

as at 31 December 2020

	Note	31 Dec 2020 \$'000	30 Jun 2020 \$'000
Assets			
Cash and cash equivalents		43,835	69,838
Receivables		3,345	4,307
Derivative assets	3	21,272	772
Investments	3	660,900	555,088
Total Assets		729,352	630,005
Liabilities			
Distributions payable		15,392	15,490
Payables		705	1,297
Derivative liabilities	3	196	3,765
Total Liabilities		16,293	20,552
Total Unitholders' Equity		713,059	609,453

The above Statement of Financial Position should be read in conjunction with the accompanying Notes to the Financial Statements.

Statement of Changes in Equity

for the half year ended 31 December 2020

	Note	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Unitholders' Equity at the beginning of the Period		609,453	369,404
Transactions with unitholders in their capacity as owners:			
Units issued		106,986	188,994
Units issued under distribution reinvestment plan (DRP)		684	275
Units redeemed		(2,517)	-
Distributions paid and payable	2	(15,392)	(8,313)
Total transactions with unitholders		89,761	180,956
Comprehensive income for the period:			
Profit/(loss)		13,845	24,509
Other comprehensive income		-	-
Total comprehensive income/(loss)		13,845	24,509
Total Unitholders' Equity at the end of the Period		713,059	574,869

The above Statement of Changes in Equity should be read in conjunction with the accompanying Notes to the Financial Statements.

Statement of Cash Flows

for the half year ended 31 December 2020

	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Cash Flows From Operating Activities		
Dividends and distributions received (net of withholding tax)	8,006	4,861
Interest received	43	94
Other income received	77	-
Interest paid	(1)	(1)
Management and performance fees paid	(3,474)	(2,381)
Brokerage costs paid	(43)	(41)
Net cash inflows/(outflows) from Operating Activities	4,608	2,532
Cash Flows From Investing Activities		
Purchase of investments	(208,837)	(203,219)
Proceeds from sale of investments	74,601	21,940
Net foreign exchange gains/(losses)	(36)	(20)
Net cash flows from settlement of forward foreign currency contracts	14,002	(1,591)
Net cash inflows/(outflows) from Investing Activities	(120,270)	(182,890)
Cash Flows From Financing Activities		
Receipts from issue of units	106,959	189,238
Payments for redemption of units	(2,517)	-
Distributions paid	(14,806)	(5,626)
Net cash inflows/(outflows) from Financing Activities	89,636	183,612
Net Increase/(Decrease) In Cash And Cash Equivalents	(26,026)	3,254
Cash and cash equivalents at the beginning of the period	69,838	17,162
Effect of exchange rate fluctuations on cash and cash equivalents	23	(1)
Cash and Cash Equivalents at the end of the Period	43,835	20,415

The above Statement 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

The Fund is a registered managed investment scheme under the *Corporations Act 2001* and is admitted to trading status on the ASX under the AQUA Rules. The Fund was registered on 31 May 2016 and in accordance with the Fund's Constitution, commenced on the date that the first unit was issued, which was 22 July 2016. The Fund terminates on the day immediately preceding the 80th anniversary of the date of commencement, unless terminated earlier in accordance with the Fund's Constitution.

MAM (ABN 31 120 593 946) is the Responsible Entity of the Fund.

This financial report was authorised for issue by the Directors of the Responsible Entity on 26 February 2021. The Directors have the power to amend and reissue this financial report.

The Fund is considered a for-profit unit trust for the purpose of this financial report.

1. Basis of Preparation

The condensed financial report is a general purpose financial report, presented in Australian Dollars, and has been prepared in accordance with AASB 134 *Interim Financial Reporting*, the *Corporations Act 2001*, other mandatory professional reporting requirements and the Fund's Constitution.

The condensed financial report does not include all the information and disclosures normally included in the annual financial report. Accordingly, this report should be read in conjunction with the 30 June 2020 Annual Report and any public announcements made during the period.

The Statement Of Financial Position is 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*.

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 Fund. The Fund has 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 Fund's 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 Fund's accounting policies and the key sources of estimation uncertainty were the same as those described in the 30 June 2020 Annual Report.

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

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:

	\$'000	CPU	Date Paid
Period ended 31 December 2020			
Prior year final distribution paid	15,490	7.00	28 Jul 2020
Interim distribution payable	15,392	5.95¹	15 Jan 2021

¹ The Fund has a TCD per annum of 4% and the TCD for the period ended 31 December 2020 was 5.95 CPU.

	\$'000	CPU	Date Paid
Period ended 31 December 2019			
Prior year final distribution paid	5,901	8.45	29 Jul 2019
Interim distribution payable	8,313	4.70	15 Jan 2020

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

On 5 January 2021 MAM announced the TCD for the six month period ended 30 June 2021 will be 5.95 CPU.

A distribution payable is recognised in the Statement Of Financial Position where the distribution has been declared but remains unpaid at balance date.

Distribution Reinvestment Plan ("DRP")

The Fund's DRP was available to eligible unitholders during the period.

Under the terms of the DRP, eligible unitholders are able to elect to reinvest all or part of their cash distributions in additional units in the Fund, free of any brokerage or other transaction costs. Units are issued and/or transferred to DRP participants at a price that is determined by MAM in accordance with the DRP Rules.

Unitholders may request their distributions to be applied as subscriptions for additional units in the Fund at the Issue Price (as determined by the Fund's Constitution). DRP details for the interim distribution are as follows:

	Interim Distribution Payable 31 Dec 2020	Final Distribution Paid 30 Jun 2020	Interim Distribution Payable 31 Dec 2019	Final Distribution Paid 30 Jun 2019
DRP issue price (\$)	2.7567	2.7674	3.2504	3.1708
DRP unitholder participation rate (%)	4.16	4.42	6.61	4.66
Number of units issued under DRP	231,085	247,300	169,168	86,683
Value of units issued under DRP (\$'000)	637	684	550	275
DRP Issue date	15 Jan 2021	28 Jul 2020	15 Jan 2020	29 Jul 2019

Notes to the Financial Statements

For the half year ended 31 December 2020

3. Investments and Derivatives

The Fund classifies its equity securities as financial assets and liabilities at fair value through profit or loss.

The Fund discloses 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, or the derivative counterparties' current credit worthiness.
- Level 3: valuation techniques using non-market observable inputs.

	31 Dec 2020 \$'000	30 Jun 2020 \$'000
Investments (Level 1)		
Australian listed equity securities	115,592	95,005
International listed equity securities:		
- United States	292,841	241,078
- Italy	47,000	52,218
- Canada	31,423	28,616
- Netherlands	27,471	26,077
- France	32,830	25,588
- Spain	65,996	51,332
- New Zealand	11,712	8,700
- Chile	-	5,536
- United Kingdom	36,035	20,938
Total Investments	660,900	555,088
Derivative Assets (Level 2)		
Forward foreign currency contracts	21,272	772
Total Derivative Assets	21,272	772
Derivative Liabilities (Level 2)		
Forward foreign currency contracts	196	3,765
Total Derivative Liabilities	196	3,765

The Fund does not hold any level 3 financial assets or liabilities. There have been no transfers between any of the three levels in the hierarchy during the period and the Fund's 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

The equity securities by domicile of primary stock exchange listing held by the Fund are:

Company Name	Domicile of Principal Exchange Listing	31 Dec 2020 \$'000	30 Jun 2020 \$'000
Transurban Group	Australia	43,957	38,579
Atmos Energy	United States	36,310	36,360
Red Electrica	Spain	36,283	31,577
Sempra Energy	United States	32,459	28,306
Eversource Energy	United States	32,057	29,232
Enbridge	Canada	31,423	28,616
Aena	Spain	29,713	19,755
American Water Works	United States	27,860	21,997
Vopak	Netherlands	27,471	26,077
Vinci	France	27,165	21,309
Crown Castle International	United States	26,979	32,782
Atlas Arteria	Australia	26,047	22,679
Xcel Energy	United States	25,624	27,122
Evergy	United States	23,804	-
United Utilities	United Kingdom	20,573	5,428
American Tower	United States	20,403	-
WEC Energy Group	United States	19,070	17,296
Snam Rete Gas	Italy	18,489	22,813
Spark Infrastructure	Australia	18,488	15,555
National Grid	United Kingdom	15,462	15,510
ASTM	Italy	14,497	12,594
Terna	Italy	14,014	16,811
CSX	United States	13,876	20,282
Norfolk Southern	United States	13,799	-
Auckland International Airport	New Zealand	11,712	8,700
Sydney Airports	Australia	11,263	7,116
APA Group	Australia	11,232	11,076
Union Pacific	United States	10,536	14,000
Alliant Energy	United States	10,064	-
Aeroports De Paris	France	5,665	4,279
AusNet Services	Australia	4,605	-
FirstEnergy	United States	-	13,701
Aguas Andinas	Chile	-	5,536
Total Investments		660,900	555,088

Notes to the Financial Statements

For the half year ended 31 December 2020

4. Unitholders' Equity

	6 Months to 31 Dec 2020 No. Of Units '000	12 Months to 30 Jun 2020 No. Of Units '000
Units on Issue		
Opening balance	221,286	118,025
Units issued	38,054	103,414
Units issued under DRP	247	256
Units redeemed	(891)	(409)
Units on Issue at end of the Period	258,696	221,286

Ordinary Units

Applications received are recorded net of entry fees. Redemptions from the Fund are recorded gross of exit fees. The Fund recognises the units issued, redeemed or switched when settled, which is the trade date.

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

- the right to receive a distribution determined in accordance with the provisions of the Fund's Constitution;
- the right to attend and vote at meetings of unitholders;
- the right to participate in the termination and winding up of the Fund; and
- the right to redeem units, subject to restrictions disclosed in the Fund's Product Disclosure Statement. Those restrictions may include where trading in units on the ASX are suspended for five consecutive business days. In this case, unitholders may apply to the Responsible Entity to make an off-market withdrawal of their investment from the Fund when the Fund is liquid. Where the Fund ceases to be liquid, units may only be withdrawn once an offer is made to all investors in the Fund in accordance with the Fund's Constitution.

There may be other circumstances where off-market withdrawals from the Fund are suspended for up to 28 days, including where:

- it is impracticable for the Responsible Entity, or the Responsible Entity is unable, to calculate the NAV of the Fund;
- the payment of withdrawal proceeds involves realising a significant portion of the Fund's assets which would, in the Responsible Entity's opinion, result in remaining investors bearing a disproportionate amount of capital gains tax or expenses, or suffering any other disadvantage or diminution of the value of units held;
- the Responsible Entity reasonably considers it would be in the interests of investors, or it is otherwise permitted by law; or
- the Responsible Entity receives withdrawal requests of an aggregate value that in its reasonable estimate exceeds 5% of the Fund's assets.

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

Notes to the Financial Statements

For the half year ended 31 December 2020

5. Earnings Per Unit

Basic Earnings Per Unit ("EPU") is calculated as profit/(loss) for the period divided by the weighted average number of units on issue. Diluted earnings per unit is calculated by adjusting the basic earnings per unit to take into account the effect of any changes in income or expense associated with dilutive potential units and the weighted average number of additional ordinary units that would have been outstanding assuming the conversion of all dilutive potential ordinary units.

	31 Dec 2020	31 Dec 2019
Basic EPU		
Profit/(loss) attributable to unitholders (\$ '000)	13,845	24,509
Weighted average number of units for basic EPU	239,551	147,291
Basic EPU (Cents)	5.78	16.64
Diluted EPU		
Profit/(loss) attributable to unitholders (\$ '000)	13,845	24,509
Weighted average number of units for diluted EPU	239,551	147,291
Diluted EPU (Cents)	5.78	16.64
Earnings Reconciliation		
Profit/(loss) used in the calculation of basic and diluted EPU (\$ '000)	13,845	24,509

As the Fund has no potential, dilutive units, basic and diluted EPU are equal.

6. Net Asset Value Per Unit

The NAV per unit represents the net assets of the Fund presented in the Statement of Financial Position at balance date divided by the number of units on issue at balance date (refer Note 4).

	31 Dec 2020	30 Jun 2020
NAV per unit	2.7564	2.7541

The NAV per unit at balance date may differ from the NAV per unit reported to the ASX due to distributions payable and fee accruals.

In a release to the ASX on 5 February 2021 the Fund reported a NAV per unit of \$2.6866 and 263,557,024 units on issue as at 29 January 2021.

7. Segment Information

An operating segment is a distinguishable component of the Fund that is engaged in business activity from which the Fund earns revenues and incurs expenses, whose operating results are regularly reviewed by the Fund's chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance, and for which discrete financial information is available. The chief operating decision maker has been determined as Dr Brett Cairns.

The Fund's investments are managed on a single portfolio basis and in one business segment being equity investment, as well as in one geographic segment being Australia. The Fund continues to have foreign exposures as it invests in companies which operate internationally.

8. Contingent Assets, Contingent Liabilities and Commitments

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

9. Subsequent Events

Other than the items disclosed throughout this financial report there have been no matters or circumstances arising after the end of the period that have significantly affected, or may significantly affect, the Fund's operations, the results of its operations, or the Fund's state of affairs in future financial periods.

Directors' Declaration

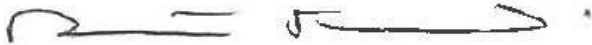
For the half year ended 31 December 2020

In the Directors' opinion:

- a. the Financial Statements and Notes on pages 8 to 17 are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the financial position of the Fund as at 31 December 2020 and of its performance as represented by the results of its operations and cash flows for the period 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 Fund will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations from the Chief Executive Officer and Chief Financial Officer which mirror section 295A of the *Corporations Act 2001* for the financial period ended 31 December 2020.

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



Robert Fraser
Chairman

Sydney, 26 February 2021

Independent auditor's review report to the unitholders of Magellan Infrastructure Fund (Currency Hedged)

Report on the interim financial report

Conclusion

We have reviewed the accompanying interim financial report of Magellan Infrastructure Fund (Currency Hedged) (the Fund), which comprises the condensed statement of financial position as at 31 December 2020, the condensed statement of profit and loss and comprehensive income, condensed statement of changes in equity and condensed statement 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 Fund is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Fund's financial position as at 31 December 2020 and of its 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 Fund's financial position as at 31 December 2020 and its 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 Fund, 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*.

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
26 February 2021

Corporate Information

Directors

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

Marcia Venegas

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Auditor

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