

DECEMBER 31, 2009



# Monthly Report

## MACQUARIE GLOBAL INFRASTRUCTURE TOTAL RETURN FUND (MGU)

### OVERVIEW

MGU is a closed-end fund that seeks to provide investors with a total return over the medium-to-long term consisting of income and capital growth by investing in a diversified portfolio of equity, debt, preferred or convertible securities and other instruments issued by US and non-US companies that own, operate or manage infrastructure assets, are essential service providers in nature and offer potentially attractive risk/return profiles.

Inception Date	August 26, 2005
Ticker	MGU
CUSIP	55608D101
Portfolio Managers	Andrew Maple-Brown & Jon Fitch

### STATISTICS *As of December 31, 2009*

NAV	\$19.00
Closing Share Price	\$15.85
Discount to NAV	(16.6)%
Quarterly Dividend <sup>2</sup>	\$0.16/share
Dividend Yield <sup>2</sup>	4.0%
Leverage Ratio	20.5%
Net Assets	\$329.1 million

### FUND MANAGEMENT

MGU's investment adviser is Macquarie Capital Investment Management LLC (the "Manager"), which is a part of Macquarie Funds Group and a wholly-owned, indirect subsidiary of Macquarie Group Limited ("Macquarie Group").

Macquarie Group is a global provider of banking, financial, advisory, investment and funds management services. Macquarie Group acts on behalf of institutional, corporate and retail clients and counterparties around the world.

Macquarie Funds Group is a full-service fund manager with over 25 years experience. It offers a diverse range of products including managed funds across a wide range of asset classes, funds-based structured products, hedge funds and fund of funds. Macquarie Funds Group has a global reach with a team of over 1,000 staff across 20 global locations.

<sup>2</sup> Based on annualized most recently declared distribution as of December 10, 2009 and closing market price on December 31, 2009.

### PERFORMANCE<sup>1</sup>

*All data in this report is as of December 31, 2009 (unaudited) unless noted otherwise.*

	1 Month	3 Months	YTD	1 Year	3 Years (Annualized)	Since Inception (Annualized)
Net Asset Value (NAV) (%)	4.45	7.73	36.49	36.49	(4.26)	4.08
Share Price (%)	6.78	6.14	38.15	38.15	(7.77)	(1.21)

<sup>1</sup> Past performance is not indicative of future results. Dividends are considered reinvested.

### MARKET REVIEW

Global equity markets generated positive returns for December, ensuring that 2009 equity market returns were strongly positive. Infrastructure stocks also finished the month and year with strong returns. The infrastructure sector, as measured by the Macquarie Global Infrastructure Index (MGII) in USD, returned 3.55% for the month, strongly outperforming global equities as measured by the MSCI World Index (net) in USD, which returned 1.80%. The Fund is not managed to a benchmark.

The United Nations World Economic Situation and Prospects 2010 report projects a 2.4% expansion for the global economy in 2010. It warns against premature removal of stimulus spending as it believes the recovery is "far from robust."

Abu Dhabi said it will provide USD 10 billion to help neighbor Dubai cope with its debt crisis. After being sold down last month, Dubai-based global port operator DP World recovered strongly, up 16%. As investors' immediate concerns about the debt burden of Dubai World subsided, attention shifted to some of the more encouraging macroeconomic data released during the month.

Canada's national statistical agency reported that the country's gross domestic product (GDP) expanded for the first time in a year at a 0.4% annualized rate in 3Q09, signaling that Canada's first recession since 1992 has ended. In Asia, India's economy expanded 7.9% in 3Q09 compared with 3Q08, marking its strongest growth in six quarters. Manufacturing grew 9.2%, the strongest rate since June 2007. The Bank of Japan held an unscheduled meeting and injected liquidity of 10 trillion yen into the economy.

In the US, Federal Reserve Governor Bernanke reaffirmed that interest rates would be maintained at low levels for some time yet, while in Australia, the Reserve Bank raised the official cash rate by a further 0.25% to 3.75%.

### PORTFOLIO REVIEW

Nearly all infrastructure sectors posted positive returns in December, with the more defensive regulated/contracted sectors overall, modestly outperforming the more economically sensitive user demand transportation infrastructure sectors.

The major sector contributors to the Fund's return were Pipelines, Airports, Electric Utility, and Electricity Transmission.

The Pipelines sector capped off a strong quarter and year with solid returns again this month. All of the Fund's holdings in this sector generated positive returns. Canadian pipeline company Enbridge Inc. (up over 8%) announced 2010 earnings per share guidance that was slightly ahead of market expectations and around a 12% increase over its 2009 guidance. Enbridge also declared a 15% year on year (yoy) increase in the quarterly dividend.

The Electric Utility and Electricity Transmission sectors were led by US-based Northeast Utilities and ITC Holdings (ITC) respectively. ITC was up 17% after the Midwest Independent Transmission System Operator published a study showing high voltage transmission is needed to integrate renewable energy, consistent with ITC's proposed USD 11 billion transmission line called the Green Power Express. ITC also raised its 2009/10 earnings guidance on higher than previously expected project completion. Northeast Utilities, which was up 7%, continues to execute its capital expenditure program according to plan.

Nearly all of the Fund's Airport stocks were positive in December after several months of share price consolidation:

- Auckland International Airport (AIA) was up over 9% after a positive announcement by the New Zealand Commerce Commission, which will result in AIA earning a higher return in the regulated portion of its business.
- Zurich Airport (up over 11%) reported that November traffic grew a relatively strong 3.8% yoy rate, resulting in year to date passenger numbers being down only 1.4%.

## PORTFOLIO COMPOSITION<sup>3</sup>

Number of Holdings	46
% in Developed Markets	85.3
% in Emerging Markets	15.0
% in Cash / Other	(0.3)

## BY INDUSTRY<sup>3,4</sup> (%)

Pipelines	18.9
Toll Roads	18.4
Electric Utility	13.0
Airports	12.8
Seaports	11.2
Electricity and Gas Distribution	9.1
Electricity Transmission	7.5
Water	5.0
Electricity Generation	1.9
Other	1.5
Diversified	1.0
Rail / Other Transportation	< 0.1
Cash / Other	(0.3)

## BY COUNTRY<sup>3</sup> (%)

United States	21.4
Australia	12.9
France	11.5
Spain	11.0
China	10.0
Germany	9.7
Canada	5.7
United Kingdom	3.5
Italy	3.0
Brazil	2.9
Japan	2.3
Mexico	1.6
Switzerland	1.6
New Zealand	1.1
United Arab Emirates	1.1
India	1.0
Cash / Other	(0.3)

## TOP 10 HOLDINGS (%)

Northeast Utilities	4.6
Spark Infrastructure Group	4.5
Aeroports de Paris	4.2
Red Electrica de Espana	4.0
Hamburger Hafen und Logistik	4.0
Enagas	4.0
Vinci	3.9
ITC Holdings Corp.	3.5
Enterprise Products Partners LP	3.3
Magellan Midstream Partners LP	3.2

<sup>3</sup> Based on Total Assets.

<sup>4</sup> Industry segments are based on the Manager's own evaluation of issuers and industries, and do not necessarily track any standard industry or segment classification.

## PORTFOLIO REVIEW *continued*

The one sector that detracted from performance was Rail/Other Transportation, as East Japan Railway lagged.

While the Fund is not managed to a benchmark, it outperformed the MGII in December. The major positive contributors were the stock selection in Electricity Transmission and Electric Utility. The major detractors were the overweight allocation and stock selection in Toll Roads (largely due to the underperformance of the Chinese market) and Electricity and Gas Distribution (mainly due to not holding GDF Suez, the second largest stock in the MGII) which performed strongly on some positive regulatory developments.

## OUTLOOK

Extending the very large gains from their lows of March, global equity markets finished 2009 on a strong note.

Macroeconomic data is generally improving and revisions to economic forecasts are mostly positive. The operational performance of the companies held in the Fund continues to be sound, and their balance sheets are in good shape. Finance is available to infrastructure assets and given lower base rates, all-in interest costs are not materially higher in most cases.

As we look ahead into 2010, we are cautiously optimistic, but cognizant of several issues facing equity markets. Investors will be watching closely how the economic recovery develops. The main questions relate to when and how governments and their central banks will begin to withdraw the unprecedented level of stimulus provided over the last year or so. While investors are concerned about the potential for higher inflation from the very expansionary fiscal and monetary policy in place in most countries, they are also concerned that it may be withdrawn too soon, which could risk a "double-dip" recession. Policymakers will need to make some finely balanced judgments this year.

With markets having rebounded strongly, many of the very large discounts to fundamental valuation in infrastructure stocks generated in 1Q09 that were driven by the macroeconomic environment have since narrowed. We believe the market has reverted to a more stock-specific focus. Therefore, the individual stock fundamentals, which we focus on, will be the main drivers of relative share price performance in 2010. We expect infrastructure earnings to continue being more resilient than the broader equity market, in keeping with the essential service nature of infrastructure and its ability to withstand weak economic conditions.

The Fund is well balanced across both the regulated/contracted sectors and the "user demand" transportation infrastructure sectors. The Fund also has selective exposures in the Electric Utility sector where we see particular opportunities.

## For more information on the Macquarie Global Infrastructure Total Return Fund:

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The Fund is not intended to be a complete investment program. An investment in the Fund involves risks, and the Fund may or may not be able to achieve its investment objective for a variety of reasons. The following summarizes some of the Fund's risks but does not purport to be a complete listing of all of the risks. Investors should carefully review the Fund's Prospectus and consult their own advisers. The opinions expressed herein are the opinions of the Fund's advisers as of the date of this document, are based on market conditions as of that date, and are subject to change. The opinions should not be considered advice or recommendations. Past performance is not indicative of future results.

The above commentary and outlook reflects the views of the portfolio managers through December 31, 2009 and may include forward-looking statements. The statements may include projections, estimates and descriptions of future events. These statements are subject to a variety of risks and uncertainties, which

may cause actual results to differ materially from this commentary and outlook. The portfolio managers' views are subject to change as market and other conditions warrant and should not be construed as a recommendation for any securities discussed herein.

Unlike open-end funds, closed-end funds are not continuously offered. After a one-time public offering, shares of closed-end funds are sold in the secondary market and frequently trade at a discount to net asset value.

Specific information on the Fund is provided for informational purposes only and is not intended for purposes of purchasing or selling shares of the Fund.

Adviser Risk. MCIML, the Fund's adviser, is an investment adviser with limited investment history or track record. The Fund is further dependent on Mr. Jon Fitch and Mr. Justin Lannen, portfolio managers for the Fund. There is no guarantee an adequate replacement could be found for MCIML should Mr. Fitch's and/or Mr. Lannen's services no longer be available. The Fund is also subject to risk because it is an actively managed portfolio. Industry Concentration and Infrastructure Industry Risk. The Fund will be concentrated in the infrastructure industry, and will be more susceptible to adverse economic or regulatory occurrences affecting that industry than a fund that is not concentrated in a specific industry.

Non-U.S. Investment Risk. A majority of the Fund's investments will be in non-U.S. issuers and a substantial portion of the trades

executed for the Fund will take place on foreign exchanges. Investments in securities and instruments of non-U.S. issuers involve certain considerations and risks not ordinarily associated with investments in those of U.S. issuers.

Emerging Markets Risk. In addition to non-US investment risk, investments in emerging markets may expose the fund to heightened risks that may be more volatile than investments in developed markets.

Use of Derivatives and Hedging. The Fund may use derivatives and employ a variety of hedging techniques. Derivatives can be illiquid, may disproportionately increase losses and may have a potentially large impact on the Fund's performance. Certain of the investment techniques that the Fund may employ for hedging or to increase income or total return will expose the Fund to additional risks.

Leverage Risk. The Fund expects to employ leverage as part of its investing strategy. The use of leverage will increase the volatility of the Fund and increase risk to investors. Any difficulty in maintaining the Fund's leverage could cause a diversion of cash flow and/or require liquidation of some portion of the Fund's portfolio. Restrictions imposed as a result of any leverage may directly or indirectly inhibit the Fund's ability to take actions that otherwise may be taken in an unleveraged portfolio of similar assets.

Non-Diversified Status. The Fund is non-diversified within the meaning of the Investment Company Act of 1940.