

MAY 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	Jon Fitch & Justin Lannen

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

Closing Share Price	\$12.29
NAV	\$15.41
Discount to NAV	(20.2)%
Quarterly Dividend <sup>2</sup>	\$0.16/share
Dividend Yield <sup>2</sup>	5.2%
Leverage Ratio	22.6%
Net Assets	\$266.8 million

### FUND MANAGEMENT

MGU's investment adviser is Macquarie Capital Investment Management LLC (the "Manager"), which is a part of Macquarie Funds Group ("MFG") 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. Founded in 1969, Macquarie operates in more than 26 countries and employs approximately 12,700 people. Assets under management total more than USD 169 billion as of March 31, 2009.

MFG is the full service fund manager of Macquarie Group. MFG has over 25 years of asset management experience, over 600 staff across 17 global locations, and over USD 50 billion in assets under management as of April 30, 2009. MFG 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.

<sup>2</sup> Based on annualized most recently declared distribution as of June 11, 2009 and closing market price on May 31, 2009.

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

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

	1 Month	3 Months	YTD	1 Year	3 Years (Annualized)	Since Inception (Annualized)
Net Asset Value (NAV) (%)	13.06	27.94	7.12	(42.82)	(4.29)	(1.80)
Share Price (%)	12.65	25.02	3.65	(52.49)	(6.97)	(8.65)

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

### MARKET REVIEW

The month was characterized by much debate about the strength and sustainability of the economic "green shoots". Most major markets saw the trend of improving sentiment and rising risk appetite of March and April continue into May. Many commentators saw early signs of improvement in the economy. Credit markets have seen improvement in certain metrics with LIBOR rates falling and credit spreads narrowing.

Major equity market indices posted solid gains for the month. Global equities as measured by the MSCI Gross World Index Total Return in USD rose 9.2%. The infrastructure sector as measured by the Macquarie Global Infrastructure Index (MGII) also participated in the market's strength, gaining 8.5%. Since this market rally began approximately three months ago, the MGII has gained 30.8% through May 31.

Economic reports released during the month were mixed, with some growth and manufacturing reports deteriorating, while a key US sentiment survey was stronger than expected. Japanese industrial production recovered somewhat, up 5%, having fallen 30% over the past year as inventories were destocked. Companies said they planned to increase output in May and June as well. The US economy contracted at a 5.7% annual rate in the March quarter, while corporate profits generally increased. Consumer confidence measures in major economies have bounced off the historically low levels recorded at the beginning of this year.

In light of continued optimism that the worst of the global recession has passed, investors switched to riskier assets including equities and non US Dollar currencies, such as the Euro, British Pound, and Canadian and Australian Dollar (the latter two as commodity prices bounced and risk appetite increased).

Commodities posted the biggest monthly rally since 1974 on expectations that an economic recovery will boost demand for fuel, metals and crops. The oil price rallied 30% to near its highest level in seven months, on US Dollar weakness, stock market optimism and hope that the 'greens shoots' among economic indicators presaged economic recovery.

### PORTFOLIO REVIEW

In line with the broad beta recovery in markets, the transportation infrastructure sectors generally performed well in May, while some defensive names which had lagged in the market bounce, also performed well. The major contributors to the Fund's strong positive return were the holdings in the Pipelines, Tollroads, Airports, Ports and Water sectors.

The Fund's holdings in UK water utilities (Severn Trent, Pennon Group and United Utilities) operate in a reliable regulatory environment. They performed well after lagging in recent months. There were a number of non-stock specific factors that contributed to sentiment, including an improvement in economic conditions and reduced concern about the possibility of deflation, given that UK water stock valuations are positively correlated to inflation. This is because both the regulated asset base and tariffs increase with inflation. The improvement in credit market conditions is also favorable for the sector.

Airports continued to participate in the rally and recover from what we would regard as oversold levels some months ago. The Fund's holdings performed strongly, on indications that passenger volumes were recovering off their Q1 lows. Aeroports de Paris, Zurich Airport and Airports of Thailand were up 12.3%, 12.5% and 22.5% respectively.

- ADP announced 1Q09 revenues increased by 4.8%, despite traffic declining by 8.6% in the quarter. The impressive revenue result was due to several factors including higher tariffs and higher levels of retail spend per passenger due to new facilities opened over the prior 12 months. Traffic fell by only 1.7% in April year on year (yoy), compared with falls of 8% and 10% in February and March respectively. While April traffic benefited from the changed timing of Easter and the spring holidays, the result did indicate that the weakest level of traffic may have passed.

## PORFOLIO COMPOSITION<sup>3</sup>

Number of Holdings	45
% in Developed Markets	89.7
% in Emerging Markets	9.3
% in Cash / Other	1.0

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

Pipelines	26.0
Toll Roads / Transportation	19.8
Airports	11.4
Electric Utility	11.3
Water	8.1
Electricity and Gas Distribution	7.6
Electricity Transmission	7.3
Electricity Generation	5.5
Other	1.0
Diversified	1.0
Cash	1.0

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

United States	23.5
Spain	11.9
Australia	8.2
United Kingdom	8.1
Germany	7.8
Italy	7.2
Canada	6.6
France	6.2
Hong Kong	5.4
Japan	5.3
Brazil	3.1
New Zealand	1.8
Switzerland	1.8
Mexico	1.3
Cash	1.0
Thailand	0.8

## TOP 10 HOLDINGS (%)

Red Eléctrica de España	4.5
Enagas	3.9
Atlantia SPA	3.9
Magellan Midstream Partners LP	3.8
Severn Trent Plc	3.6
Aéroports de Paris	3.6
Enterprise Products Partners LP	3.5
Energy Transfer Partners LP	3.5
Spark Infrastructure Group	3.4
Hamburger Hafen und Logistik	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*

- Zurich Airport reported a stronger traffic result in the context of recent passenger traffic data and other comparable airports within Europe, with a fall of only 0.7% for April year on year. Traffic at Vienna Airport, on the other hand, was down 9.5% yoy, due to its larger exposure to the slower economies of Eastern Europe. The Fund does not hold Vienna Airport.
- Airports of Thailand benefited from the market starting to factor in a return to more stable political conditions and a deferral of capital expenditures.

The Fund's Pipeline holdings in both North America and Europe continued to contribute strongly to performance in the portfolio. The electric utilities lagged the market over the month as their 'safe haven' status continued to unwind.

One of the newer stocks in the portfolio, European satellite company Eutelsat was up almost 10% on positive news. It reported sales growth of 5.6% year on year (yoy) in 1Q09 with strong demand for capacity on its satellites from PayTV operators, leading to high utilization levels. The company upgraded its full year sales growth guidance.

The Fund's second largest holding in the Electricity and Gas distribution sector, SP AusNet (SPN), announced some capital management initiatives, including an equity raising and a reduction in its distribution (as widely expected). Combined with a debt raising during the month, SPN believes these initiatives will meet its significant organic growth funding requirements, provide financial resilience and support its existing 'A' range credit rating. SPN also announced results for the year ended 31 March 2009, with total revenue up 10.8% and underlying net profit after tax from continuing operations up 5.4%. On a fully covered yield of around 10%, the stock remains an attractive holding for the Fund.

During the month the Australian Energy Regulator announced its final decision on the review of weighted average cost of capital (WACC) parameters to be applied in reset determinations for Australian electricity transmission and distribution network service providers (such as SPN and Spark Infrastructure) for the next five years. The final decision was an improvement on the draft decision, following feedback from industry and market participants (including the Manager).

The Fund is managed on a benchmark unaware basis. That said, relative to the MGII, the major positive contributors to performance were the Fund's underweight to the Electric Utilities sector, Underweight position and stock selection in "Other" infrastructure (mainly communications), stock selection in the Water sector and the overweight in the Airports sector. Among the detractors was stock selection in the Pipelines and Electricity Transmission sectors, after having contributed in recent months.

## OUTLOOK

We believe that economic conditions will remain difficult for some time, with signs of "green shoots" tempered by more downbeat economic indicators. Investors will likely remain cautious about company earnings in a weaker economic (and thus lower demand) environment. In such an environment, we expect that many infrastructure companies held by the Fund can nevertheless continue to deliver sound operational performance in keeping with their essential service nature and resilience to weak economic conditions.

The Fund aims to balance attractive long-term opportunities with shorter-term drivers of return (for example, the impact on transportation infrastructure assets of the economic downturn). As governments have demonstrated a willingness to act to stabilize the financial system and increase spending to stimulate their economies, we believe the highest risk period has most likely passed.

We believe that the attractive investment characteristics of the underlying infrastructure assets in the portfolio remain in place. It remains our view that the pricing of global listed infrastructure securities should revert more closely, over time, to reflect the fundamentals of their respective underlying infrastructure assets and thus that the Fund will ultimately benefit from owning high quality listed infrastructure securities. We believe that the Fund provides investors with an attractive vehicle to access a global portfolio of such stocks and that it can play a diversifying role in a wider portfolio.

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

 1 800 910 1434

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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 May 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.