



# 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 September 30, 2009*

NAV	\$17.81
Closing Share Price	\$15.08
Discount to NAV	(15.3)%
Quarterly Dividend <sup>2</sup>	\$0.16/share
Dividend Yield <sup>2</sup>	4.2%
Leverage Ratio	20.2%
Net Assets	\$308.4 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 70 office locations in 26 countries, employs more than 12,500 people as of June 30, 2009, and has assets under management of over USD190 billion as of July 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 19 global locations, and over USD 67 billion in assets under management as of July 31, 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 September 10, 2009 and closing market price on September 30, 2009.

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

*All data in this report is as of September 30, 2009 (unaudited) unless noted otherwise.*

	1 Month	3 Months	YTD	1 Year	3 Years (Annualized)	Since Inception (Annualized)
Net Asset Value (NAV) (%)	7.48	17.67	26.69	(4.25)	(2.84)	2.46
Share Price (%)	10.38	20.22	30.15	5.39	(5.20)	(2.72)

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

### MARKET REVIEW

Global equity markets posted their seventh straight monthly gain in September. Broader market indices moved higher as cash continued to move from the sidelines into equities as investor optimism remained high, even amid some weak economic reports late in the month.

The infrastructure sector, as measured by the Macquarie Global Infrastructure Index (MGI) Total Return in USD returned 3.7% in September, while global equities, as measured by the MSCI World Index Total Return in USD returned 4.0%. The Fund is not managed to a benchmark.

In the US, the economic outlook is mixed. While retail trade, homebuilding and manufacturing output are improving, employment continues to fall. House prices appear to be stabilizing, while price and wage inflation remain low.

After market concerns about the possibility of causing slower economic growth, the China Banking Regulatory Commission clarified that it will only gradually phase in stricter capital requirements designed to slow the rate of loan growth and assist maintain credit quality.

The European Central Bank modestly revised its growth forecasts up for this year and next, which could see Europe return to positive growth, albeit very slight, in 2010.

At the end of a two-day summit, leaders from the Group of 20 nations (G-20) said they plan to cooperate in a number of areas including an overhaul of financial regulations, maintaining stability in financial markets and encouraging economic growth, among other goals. The leaders also agreed that it would be premature to withdraw stimulus from their economies at this relatively early stage of the economic recovery.

### PORTFOLIO REVIEW

Infrastructure stocks made further gains as the broader equity markets continued to rebound. Australian infrastructure holdings were strong, benefiting from the generally buoyant Australian equity market, some corporate activity and improving credit markets.

As has been the case for much of the rally since March, the major sector contributors to the Fund's return were its holdings in the transportation infrastructure sectors of Airports, Tollroads, and Seaports, along with Electricity & Gas Distribution and Pipelines.

The Airport sector continues to show improvement at both the industry-wide and stock-specific levels. Airports Council International (ACI) reported that global airport passenger traffic in July 2009 showed signs of stabilization. Total traffic worldwide was down by only 1.2% year on year (yoy) in July 2009, which reflects an "improved growth trend", compared to the declines of 5% in June 2009 and 8% in May 2009. Notably, Beijing Capital International Airport announced passenger traffic was up 40% in August 2009, compared with August 2008 which covered the Olympic Games last year. The stock was up 12% for the month. Indicative of improved market sentiment to the sector, every airport in the portfolio posted a positive return for the month.

Tollroads continued to generally experience positive trends in both traffic volume and share prices:

- French concessions and contracting company Vinci announced resilient results for 1H09 as well as a major acquisition for its contracting business.
- Italian tollroad operator Atlantia reported positive traffic growth over the summer months of July and August. Traffic rose 0.9% yoy with light vehicles recording a rise of 2.2%, while heavy vehicles declined only -4.4%, a significant improvement over 1H09 traffic. The figures bode well for traffic performance in 2H09.

In the Seaports sector, DP World benefited from growing optimism about global growth and world trade and also the decision by the government-controlled Dubai World, which owns 77% of the company, to end talks with an undisclosed private equity firm about a sale (indicating that the government is not a forced seller of quality assets). Shares of DP World rose 27% for the month.

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

Number of Holdings	42
% in Developed Markets	86.7
% in Emerging Markets	13.4
% in Cash / Other	(0.1)

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

Pipelines	17.2
Electric Utility	15.6
Toll Roads	15.2
Airports	11.4
Electricity & Gas Distribution	10.0
Seaports	8.0
Electricity Transmission	7.8
Water	6.3
Electricity Generation	3.8
Rail / Other Transportation	2.6
Diversified	1.1
Other	1.1
Cash / Other	(0.1)

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

United States	19.4
Australia	11.1
Germany	9.4
France	9.3
Spain	9.3
China	8.4
Italy	8.1
Canada	5.4
Japan	5.4
United Kingdom	5.0
United Arab Emirates	2.4
Brazil	2.1
Switzerland	1.8
New Zealand	1.3
Mexico	1.2
India	0.5
Cash / Other	(0.1)

## TOP 10 HOLDINGS (%)

Spark Infrastructure Group	4.5
Hamburger Hafen und Logistik	4.2
Atlantia	4.0
SP AusNet	4.0
Red Electrica de Espana	3.9
Aeroports de Paris Group	3.7
E.ON	3.7
Exelon Corp.	3.5
Enagas	3.4
Northeast Utilities	3.4

<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*

In the Electricity & Gas Distribution sector, SP AusNet and Spark Infrastructure performed strongly, up 15% and 9% respectively. Spark Infrastructure announced that its CitiPower subsidiary completed the refinancing of AUD 175 million of debt that was due to mature in February 2010, through a new 3-year bank facility.

The Water and Electricity Generation sectors lagged relative to the other sectors and were basically flat on an absolute basis.

Relative to the MGII, the major positive contributors were stock selection in Electricity & Gas Distribution, the overweight allocation and stock selection in Seaports, the underweight allocation and stock selection in Electric Utilities, and the overweight allocation in Airports. The major detractors from relative performance were stock selection in Water and Electricity Generation.

## OUTLOOK

We believe that the global economic recovery is likely to proceed modestly, with the potential for setbacks along the way. U.S. Federal Reserve Chairman Ben Bernanke's recent statement noted that: "Even though from a technical perspective the recession is very likely over at this point, it's still going to feel like a very weak economy for some time." The European Central Bank noted that "uncertainty remains exceptionally high".

The extent to which the improving economic indicators are being driven by more transitory factors, such as an inventory rebuilding process and short-term fiscal initiatives by governments and their central banks, will become clearer over time.

While investors are dealing with conflicting macroeconomic data, many of the Fund's holdings are continuing to deliver sound operational performance and earnings transparency, in keeping with their essential service nature and resilience to weak economic conditions.

While markets have rallied strongly since March, current valuations for listed infrastructure stocks do not appear stretched based on our earnings forecasts. We believe that the divergent performance between infrastructure sectors from the 2008 dislocation is still providing absolute and relative return opportunities. The user demand infrastructure sectors have rallied hard this year, and so in some cases better relative value is re-emerging in some of the regulated/contracted infrastructure sectors. The Fund holds strategically well positioned, high quality infrastructure stocks and is well balanced across the spectrum of infrastructure sectors.

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

 1 800 910 1434

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### DISCLAIMER

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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 September 30, 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.