

Macquarie Global Infrastructure Total Return Fund Inc.
Form DEFA14A
June 01, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

(Amendment No. __)

Filed by Registrant [X]

Filed by a Party other than the Registrant []

Check the appropriate box:

- [] Preliminary Proxy Statement
- [] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- [] Definitive Proxy Statement
- [X] Definitive Additional Materials
- [] Soliciting Material Pursuant to Sec. 240. 14a-12

MACQUARIE GLOBAL INFRASTRUCTURE TOTAL RETURN FUND INC.
(Name of Registrant as Specified In Its Charter)

ALPS Fund Services, Inc.

1290 Broadway, Suite 1100

Denver, Colorado 80203

303-623-2577

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required

[] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

[] Fee paid previously with preliminary materials.

Edgar Filing: Macquarie Global Infrastructure Total Return Fund Inc. - Form DEFA14A

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- 1) Amount Previously Paid:
- 2) Form, Schedule or Registration Statement No.:
- 3) Filing Party:
- 4) Date Filed:

Macquarie Global Infrastructure Total Return Fund
Macquarie Capital Investment Management LLC
June 1, 2012

Important Notice

2

This document has been created by Macquarie Capital Investment Management LLC (MCIM) for informational purposes only. This document does not carry any right of publication or disclosure. Neither this document nor any of its contents may be used for any purpose without the consent of MCIM.

MGU's investment objective is to provide its common stockholders a high level of total return consisting of dividends and other income, subject to market risk. An investment in common stock represents an indirect investment in the portfolio of securities held by the Fund, which fluctuates. Because the Fund concentrates its investments in the infrastructure industry, the Fund will be more susceptible to adverse events affecting that industry than a more diversified fund. Infrastructure issuers are typically subject to a variety of factors that may affect their performance, including high interest costs in connection with capital construction programs, costs associated with environmental and other regulatory requirements, and surplus capacity, increased competition from other providers of services, uncertainties concerning the cost of energy and the

Infrastructure issuers may be subject to regulation by various governmental authorities and may also be affected by government service interruption due to environmental, operational or other mishaps, the imposition of special tariffs and changes in tax law. This industry also has some special features that cause certain risks to be more prevalent than in other industry sectors. As a result, the Fund's common stock may be worth more or less than the original investment or the Fund's net asset value.

Investments in closed-end funds involve risk, and you should consider this Fund only as a long-term investment option. Closed-end funds are generally not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market. Shares of closed-end funds frequently trade at a discount to the net asset value. The price of the Fund's stock is determined by market forces beyond the control of the Fund. Therefore, the Fund cannot predict whether its stock will trade at, below or above net asset value. Certain statements contained in this document may be forward-looking in nature. Such statements represent management's current expectations at the time the statements are made, with regard to the matters addressed. All forward-looking statements are subject to risks and uncertainties that may cause them to differ materially from those expressed in, or implied by, such statements. Management does not undertake any obligation to update or revise such statements, whether as a result of new information, future events, or otherwise.

The information in this document reflects prevailing market conditions and our judgment as of this date, which are subject to change. Do not rely on this information, or any information relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources. Past performance is not indicative of future results. No representation or warranty is made as to the efficacy of any particular strategy or investment achieved. An investment is not a deposit and is not insured by the Federal Deposit Insurance Corporation or any other governmental agency. Other than Macquarie Bank Limited ABN 46 008 583 542 ("MBL"), none of the entities noted in this document are authorized under the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of Macquarie. We do not provide assurance in respect of the obligations of these entities. There is no assurance that any fund mentioned herein would be a subsidiary or division of Macquarie.

Macquarie Global Infrastructure Total Return Fund (MGU)

Macquarie Global Infrastructure Total Return Fund (MGU) is a specialty closed-end fund focused primarily on investing globally in equity securities in the infrastructure space.

The
Fund
is
a
unique
global
infrastructure

product
that
is,
and
consistently
has
been, marketed to long-term investors
MGU s
performance
has
been
strong
especially
since
the
credit
crisis
with
a
three-year
market price total return of 97.1% as of April 30, 2012
MGU
has
meaningfully
increased
its
distribution
for
the
past
two
years
once
management
felt
it
was
prudent.
Since
that
time
the
distribution
has
increased
50%

The Fund s discount has also been steadily narrowing. We believe the market is reacting to the effects of strong performance and dividend yield

The Fund has three independent Directors who have been with the Fund since its inception and who are experienced in finance as well as infrastructure investing. MGU s

Directors do not serve as directors of any other funds and are not aligned with any stockholder special interest group. From inception, each Director of MGU has been strongly supported by stockholders, and has received an affirmative vote in excess of 80% of the Fund's outstanding shares

3

Past performance is no indication of future performance

4
Macquarie Global Infrastructure Total Return Fund (MGU)
Investment Objective*
The Fund's investment objective is to provide to its common shareholders (stockholders) a high level of total return consisting of dividends and other income, and capital appreciation. The Fund invests at least 80% of its assets in equity and equity-like securities issued by US and non US issuers
Fund Launched
August 26, 2005 (NYSE: MGU)
Investment Strategy
We invest in companies that own and/or operate physical infrastructure assets such as toll

roads,
airports,
seaports,
utilities
and
pipelines.

We
generally
do
not
hold
infrastructure
support

companies such as construction, steel firms, or engineering firms. This purity of definition of our investable universe underpins our principle investment philosophy

Disciplined proprietary investment strategy focused on rigorous fundamental bottom-up research

Global portfolio is diversified by country and sub-sector

About the Manager

The
Fund
is
managed
by
Macquarie
Capital
Investment
Management
LLC

(MCIM),
a
division

of Macquarie Group. Macquarie Group is a global provider of banking, financial, advisory, investment and fund management services, listed in Australia

MCIM has extensive experience and expertise in infrastructure investing

Dedicated
global
listed
infrastructure
manager

with
\$2.9B
assets
under
management**

Large, experienced thirteen-member investment team including seven CFA s

Teams located in New York and Sydney provide global coverage to the Fund

Bottom-up process leverages information advantage generated by investment team

*There can be no assurance that the investment objective will be achieved. The investment program is speculative and entails

**As of April 30, 2012

Macquarie Global Infrastructure Total Return Fund (MGU)

Andrew Maple-Brown

Portfolio Manager

Brad Frishberg

-

Chief Investment Officer of MCIM (Interested Director)

5

Education:

Bachelor

of

Engineering

(1st
Class
Hons,
Mechanical)
(University
of
Sydney),
Bachelor
of
Commerce

(University of Sydney), Masters of Applied Finance (Macquarie University, Sydney);

Experience: Andrew joined the Infrastructure Securities team in 2007 as a Portfolio Manager. Andrew joined the Macquarie Group in 2001 in the Debt Markets division, where his focus was primarily on infrastructure transactions, particularly public-private partnerships. Prior to Macquarie, Andrew spent over 4 years at Lend Lease in its Project Finance group.

Education:

M.A.
Economics
(Trinity
College),

B.A.
Business
Economics
(Brown
University),
Chartered
Financial Analyst (CFA)

Experience: Brad Frishberg joined Macquarie in 2009 as the head of Macquarie's Infrastructure Securities business and its Chief Investment Officer. Prior to joining Macquarie in 2009, he was managing director and U.S. equity portfolio manager at J.P. Morgan Asset Management, where over a period of 13 years he was responsible

for
managing
portfolios
and
businesses

in
London,
Tokyo,
and
New
York.

Brad
began
his
career

at Aetna Asset Management as an international analyst and then as a portfolio manager for Japanese equity and fixed income.

The
Fund's
performance
has
been
strong.
For
periods
ending
April
30,

2012:

The Fund's three year market price total return was 97.14%.

The one year return was 1.44%

Year to date return was 9.99%

Over the same periods, the S&P Global Infrastructure Index, the index hand-picked by Western for comparison purposes in their filing, had three, one and year to date returns of only 51.63%, (4.68%) and 6.77%, respectively

6

MGU Facts

Sources: ALPS, Bloomberg

Past performance is no indication of future performance

MGU Facts

As of April 30, 2012

YTD

1 Year

3 Year

5 Year

Since

Inception

Returns are Total Returns in USD (%)

Macquarie Global Infrastructure Total Return Fund (Market)

9.99

1.44
97.14
-13.99
24.50
Macquarie Global Infrastructure Index
2
3.08
-4.56
36.84
-6.82
45.55
S&P Global Infrastructure Index
6.77
-4.68
51.63
-8.65
45.46
MSCI World Index
10.30
-4.63
54.52
-8.57
25.31
Peer Group (Market)*
8.92
.36
91.92
1.17
43.65
Sources:
1
ALPS,
2
Bloomberg
Past
performance
is
no
indication
of
future
performance
Fund
Inception
August
26,
2005
* Peer
Group
includes

BQY,
BUI,
INF,
GLQ,
UTF,
GLU,
LOR,
MFD
and
MGU.

Please
note
that
the
Peer
Group
includes
a
very
limited
selection
set
as
there
are
few
global
listed
infrastructure
Closed
End
Funds
in
the
market.

Market Price Data

7
2
2
2
1

8

Sources:

ALPS,

Bloomberg

Past performance is no indication of future performance

Fund Inception August 26, 2005

* Peer

Group

includes

BQY,

BUI,

INF,
GLQ,
UTF,
GLU,
LOR,
MFD
and
MGU.
Please
note
that
the
Peer
Group
includes
a
very
limited
selection
set
as
there
are
few
global
listed
infrastructure

Closed End Funds in the market.

MGU Facts

As of April 30, 2012

YTD

1 Year

3 Year

5 Year

Since

Inception

Returns are Total Returns in USD (%)

Macquarie Global Infrastructure Total Return Fund (NAV)

1

10.67

-1.89

78.58

-8.22

47.51

Macquarie Global Infrastructure Index

2

3.08

-4.56

36.84

-6.82

45.55

S&P Global Infrastructure Index

2

6.77

-4.68

51.63

-8.65

45.46

MSCI World Index

2

10.30

-4.63

54.52

-8.57

25.31

Peer Group (NAV)*

2

7.78

-2.70

66.86

-4.07

36.51

NAV Data

2

1

MGU Peer Group
MGU Facts
Fund Name
Ticker
Inception Date
Fund Type
Brookfield Global Listed Infrastructure Income Fund
INF
08/25/2011
Listed Infrastructure Income
Black Rock Utility and Infrastructure Trust

BUI
11/22/2011
Utilities and Infrastructure
Cohen & Steers Infrastructure Fund
UTF
03/24/2004
Converted to Infrastructure January 2010
Macquarie/First
Trust
Global
Infrastructure/Utilities Dividend & Income Fund
MFD
03/25/2004
Infrastructure including Fixed Income
BlackRock S&P Quality Rankings Global Equity Managed Trust
BQY
05/25/2004
Equity Growth
Clough Global Equity Fund
GLQ
04/26/2005
Global Equity
Gabelli Global Utility & Income Trust
GLU
05/25/2004
Utilities
Lazard World Dividend & Income
LOR
06/27/2005
Global Equity
9

MGU Facts

The Fund has meaningfully increased its quarterly distributions to stockholders:

As the global financial crisis began to take its toll on global economies and markets in 2008-09, the Board, with the recommendation of Management, determined that it was prudent to reduce the Fund's distributions based on the multiple exogenous risks that existed at that time

When the Board and Management believed that those risks had begun to diminish as reflected in greater stability in the markets and global economies, the Fund began prudently raising its distributions in a responsible manner consistent with the Fund's investment program

Since 2010, the Fund's quarterly distribution has been raised three times for an aggregate increase of 50% (from \$0.16 to \$0.24 per share per quarter)

Past performance is no indication of future performance

11
MGU Facts
MGU s
regular
quarterly
distribution
has
been
increased
by
50%

since

September

2010

Past performance is no indication of future performance

MGU Quarterly Regular Distributions

MGU Facts

The Fund's discount has been steadily narrowing

For periods ending April 30, 2012, the Fund has seen its discount shrink over each of the last three years

it has narrowed 8.3% over the last three years; 5.8% over the last two years; and 2.9% over the last year

12

Past performance is no indication of future performance

13

MGU Facts

Source: ALPS, Bloomberg

Past performance is not an indication of future performance

MGU's discount has steadily narrowed over the last three years

MGU Share Price Premium/Discount

(Inception

April 2012)

Items for Consideration

Two matters will be considered at the June 21, 2012 annual stockholder meeting

Election of Class I Director

Stockholder Proposal regarding voting standard for director elections

14

Class I Director Election
What is the Board Proposing?
To
re-elect
Gordon
A.
Baird
as
Class
I
Director.

Mr.
Baird
is
an
independent,
experienced
and
highly
qualified
Director
who has served as a Director of the Fund since its inception

Education:

Chartered Financial Analyst
Emory University, Economics

Overview of Experience:

Mr. Baird has served as a Director of the Fund since its inception, and does not serve on the board of any other registered funds

Mr. Baird is an independent Director and has never held a position with the Macquarie Group

Mr. Baird has extensive infrastructure and fund experience

Since

2011,

Mr.

Baird

has

been

an

advisor

to

Thomas

H.

Lee

Partners

L.P.,

a

Boston-based

private

equity

firm.

Prior

to his involvement with Thomas H. Lee Partners L.P., from 2003 to 2011, Mr. Baird had been the Chief Executive Officer and Member of the Board of Directors of Paramax Capital Partners LLC, an asset management firm

specializing

exclusively

in

the

financial

services

industry.

Prior

to

this,
Mr.
Baird
worked
as
a
private
equity
analyst
in
the investment
management group at State Street Bank and Trust Company and the ABS securitization group at State
Street Capital Corporation. Additionally, Mr. Baird is a member of the New York Securities Analyst Society and the
Association for Investment Management and Research
15

Class I Director Election

Mr. Baird has extensive experience in evaluating and valuing infrastructure companies, including experience with:

Due diligence on electric power generation facilities in Guangdong province China while at State Street Boston Capital Corp

Due diligence on the Hong Kong container port facility while assistant vice president at State Street Bank and Trust Company

Emerging market project finance securitization strategies at Citigroup Global Markets

Cell tower financing proposal at State Street Bank and Trust Company

Advising banks on project finance loans and exposures while a Director in the FIG Group at Citigroup Global Markets

Valued gas and commodity limited partnership investments for clients of State Street Bank and Trust Company

Valued the international container shipping portfolio business of Fortune 100 company

Mr. Baird has extensive investment, closed-end fund and registered investment adviser experience, which includes:

20+ years of investing and banking experience

Former Chief Executive Officer and Board member of a SEC registered investment adviser

Former private equity analyst following banking, media, defense companies

Managed, invested in and served as a member of the board of directors of multiple closed end, unregistered private funds since 2003

Extensive accounting and tax knowledge including knowledge of taxation of master limited partnerships, domestic and off-shore investment funds, cross border transactions and withholding tax considerations and Passive Foreign Investment Company rules

16

Class I Director Election

What is Western Proposing?

In contrast to Mr. Baird, Western's director nominee, Robert H. Daniels, to the Fund's knowledge, has no significant experience with infrastructure assets and has never served as a director to a registered fund

Western states in a filing with the SEC that if its director nominee were elected, he would propose that the Board consider replacing the Fund's investment manager

A director nominee taking such an extreme position on the Fund's investment manager despite never having served in any capacity with respect to the Fund, never, to our knowledge, having served as a director to a registered fund, and having, to the Fund's knowledge, no significant experience with infrastructure

assets
generally,
raises
the
question
whether
the
director
nominee
fails
to
appreciate

his fiduciary duty to the Fund and its stockholders to be informed prior to taking or suggesting any action

17

Mr. Baird, the Board's Director Nominee, is highly qualified, experienced and independent, and will fairly and objectively consider the interests of all stockholders in helping determine the future direction of the Fund

Stockholder Proposal
Original
Fund
Structure.
The
Fund
was
originally
offered
to
investors

with
a
majority
voting
provision

as an integral part of its structure. The Board approved, and the Fund's stockholders have historically embraced, the majority voting provision as an element of the closed-end fund structure, which is integral to properly implementing the Fund's global infrastructure investment strategy

Stability
and
Continuity.

In
accordance
with
the
Fund's
Bylaws,
each
Director
has
from
inception

been elected by a majority of the Fund's outstanding shares of Common Stock. The Board is structured this way to provide stability and continuity. That stability enhances long-term planning and has allowed the Fund to attract and retain highly qualified Directors who are familiar with the Fund, its business and investment strategy, who understand the complexities of global infrastructure investing, and who are able to exercise informed business judgment in the oversight of the Fund

18

Stockholder Proposal: to request the Board to take the necessary steps to amend the Bylaws so that when Board elections are contested with more nominees than open seats, a plurality of votes cast will be sufficient for election

The Board strongly opposes the Stockholder Proposal. The Fund and its stockholders have been well served by the majority voting provision in the Fund's Bylaws. The Board believes the majority voting provision is in the best interests of the Fund and its stockholders for the following reasons

Stockholder Proposal

19

Enhanced Independence.

shares enhances the independence of Non-Interested Directors by providing them with the ability to remain in office until a clear majority of all stockholders elects a new Director. This provides additional independence from Fund management as well as special interests groups who may have an agenda contrary to the long-term interests of all stockholders. As a result, Non-Interested Directors are able to make decisions that are in the best interest of the Fund, and not management or those special interests groups

Accountability to Stockholders.

in a context where every stockholder counts - as opposed to permitting a Director to be elected by

significantly less than a majority of the Fund's outstanding shares - increases the Director's accountability to stockholders. The majority voting provision in the Fund's Bylaws ensures that each Director is accountable to all of the Fund's stockholders.

All Stockholders Are Considered.

excess of 80% of the Fund's outstanding shares. The majority voting provision ensures that, prior to a new director assuming office, that director must receive a clear consensus of the majority of all the Fund's outstanding shares of Common Stock. The Board is concerned that the stockholder's proposal could adversely impact the Fund and its stockholders by lowering the standards required to elect a Director

Electing Directors by a vote of a majority of all the Fund's outstanding

The Board believes that the ability to vote for or against a Director

From inception, each Director has received an affirmative vote in

Stockholder Proposal

While
this
proposal
has
been
presented
in
isolation,
it
is

part
of
Western's
tactics
to
pressure
the
Fund

into taking what it believes are detrimental short-term actions designed to benefit Western and the hedge funds they advise at the expense of the Fund's long-term investors

While Western positions itself to be representing the interests of all stockholders, the Fund believes that they are simply seeking to use the system for their own benefit. Importantly, Western is a fiduciary only to the hedge funds they manage, and owes no similar duty to the Fund's stockholders

20