4Q08 Review of Macquarie NexGen Global Infrastructure Corporation (MNF.CN)

Macquarie Funds Group
Macquarie Capital Investment Management (Australia) Ltd.

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Agenda

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Summary

- The Macquarie NexGen Global Infrastructure Corporation ("MNF" or "Fund") commenced investing on March 23, 2007
- As of December 31, 2008, approximately 99.0% of the Fund's Total Asset Value was invested in the securities of 42 infrastructure companies
- The Fund is geographically diversified, with investments in the securities of infrastructure companies listed in 17 countries
- The Fund is invested in the securities of infrastructure companies which own and/or operate a range of infrastructure assets, including pipelines, electricity generation, transmission and distribution assets, airports, water utilities, ports and toll roads
- Since inception, the Net Asset Value ("NAV")(1) has decreased 40.0% from $9.35 (March 23, 2007) to $5.62 (December 31, 2008). Over the same period, the Benchmark(2) index decreased 16.9%*
- During the quarter, the NAV decreased 8.9% from $6.16 (September 30, 2008) to $5.62, while the Benchmark increased 0.5% over the same period*
- Total NAV of the Fund as of December 31, 2008 was $41.8m*

(1) References to Net Asset Value (NAV) reflect Class A and B shares on a consolidated basis.
(2) MCIMAL estimates. MCIMAL has selected the Macquarie Global Infrastructure Index (the "Index" or "Benchmark") as a benchmark to compare the performance of MNF.
* Unless otherwise indicated, all references to currency is to Canadian dollars (CAD). The Total NAV has been adjusted to reflect the annual redemption that took place over the quarter-end.
Source: State Street and MCIMAL

Market Performance

> Global equity markets experienced a period of high volatility through mid-November, followed by consolidation and modest rebound in December

> By quarter-end, the totality of government measures announced in recent months, including financial support packages, interest rate cuts and major fiscal stimulus package announcements gave some comfort to investors after three very weak months in global equity markets

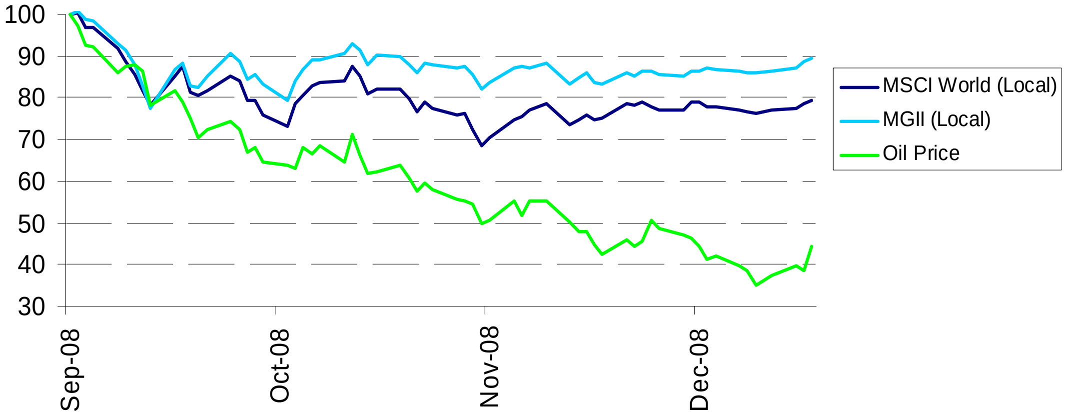
> CBOE Volatility Index (VIX) declined from over 80 in November to approximately 40 by quarter-end

> 2008 was the worst year for equities since 1931.The slide began in late 2007 and the sell-off intensified later in 2008, when numerous bank failures were reported and the dislocation in credit markets intensified.

> For the year, the credit market concerns, the global economic slowdown and slump in commodity prices saw the MSCI World Index down 38% (in local currency terms) and the MSCI Emerging Markets Index down 47%(in local currency terms).

> The oil price continued its decline on the expectation of lower demand during the global economic slowdown; after a particularly volatile year, the oil price fell a net 54% in 2008, the first annual decline since 2001.

MSCI World (Local) vs Macquarie Global Infrastructure Index (Local) vs Oil Price



Source: Bloomberg

4Q08 Fund Performance

> The last 4 months of 2008 in particular were highly volatile and very weak

> Financial sector write-downs, capital raisings, failures and numerous large government financial support packages

> Significantly slower global economic growth, ongoing credit market dislocation

> Fiscal stimulus measures and interest rate cuts

> Ongoing market scrutiny of leverage, refinancing risk and capital structure

> ‘User demand’ sectors - airports, tollroads and ports – underperformed on weak economic outlook, despite sharp fall in oil price

> Pipelines outperformed (notwithstanding volatility), along with electricity transmission and generation

> Financial system issues & economic outlook dominated markets - disconnect between solid operational performance and weak share prices

(1) References to Net Asset Value (NAV) reflect Class A and B shares on a consolidated basis.
Source: State Street and MCIMAL

2008 Fund Performance

- MCIMAL believes that MNF experienced negative performance during 2008 for three main reasons:
  - The global infrastructure sector was not immune from the weakness and historically high volatility in global equity markets brought on by credit market dislocation, financial sector concerns and the global economic slowdown; as a result, a significant disconnect developed for the Fund's holdings between their market price performance and their generally sound operational performance
  - Transportation infrastructure holdings were negatively affected by the spike in oil prices in 1H08 and concerns about the impact of slower economic growth in 2H08
  - The Fund's leverage negatively affected the Fund's performance as leverage magnified returns to the downside

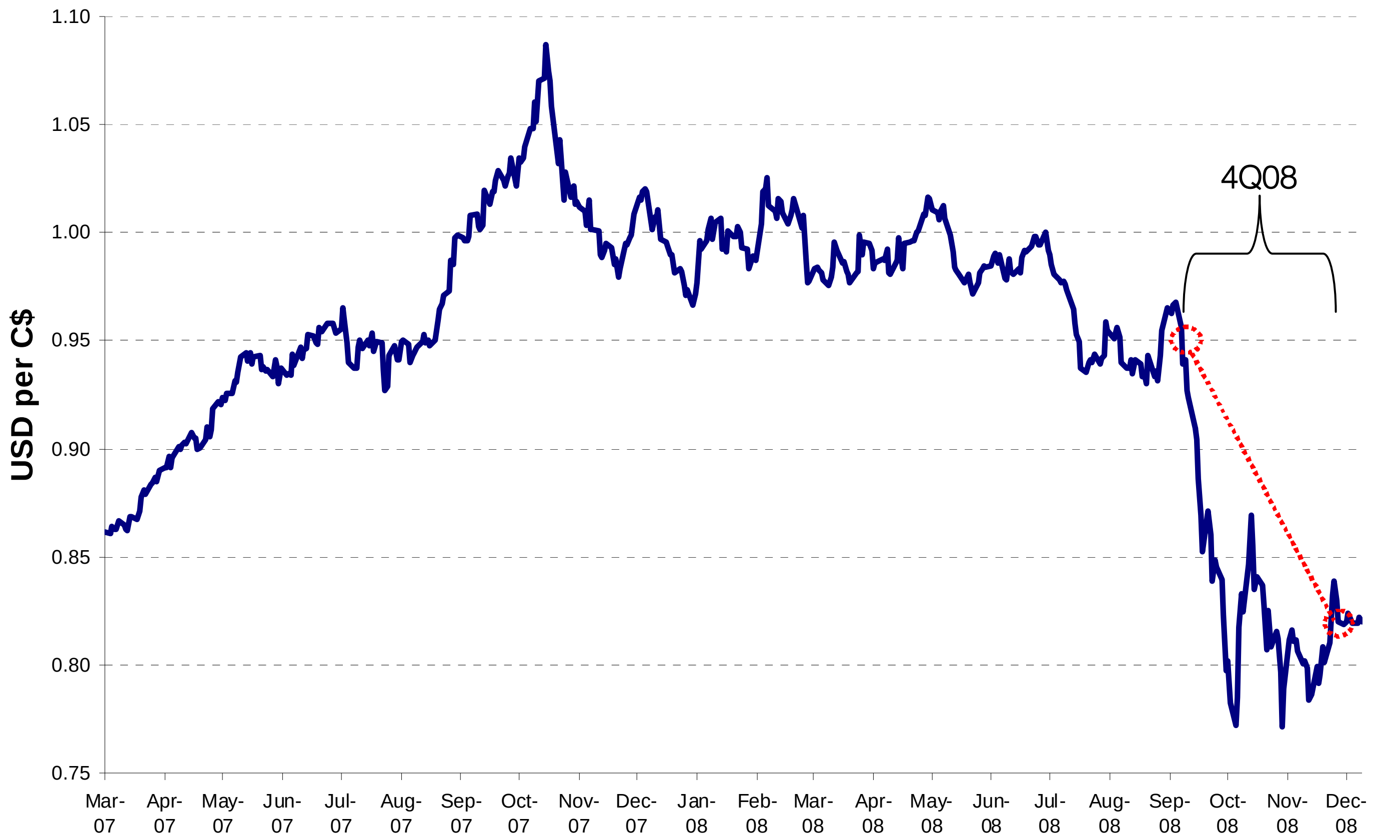
(1) References to Net Asset Value (NAV) reflect Class A and B shares on a consolidated basis.
Source: State Street and MCIMAL

MGII Performance

- MCIMAL selected the Macquarie Global Infrastructure Index in USD converted to CAD (“MGII” or “Benchmark”) to serve as a benchmark to compare the performance of MNF
- However, the Fund is managed with a “benchmark unaware” approach
- The MGII is calculated daily by FTSE on a local currency or USD basis
- The Index consists of stocks with an infrastructure/utilities based bias currently in the FTSE Global All-Cap Index
- As of December 31, 2008, the MGII comprised 234 constituents with a combined market cap of approximately US$1.25 trillion
- The main difference between the MGII and the Fund is that the MGII is dominated by integrated utility companies
- In 2008, the MGII benefited from strong returns among its large cap stocks (mainly utilities) as a result of first rising energy prices and later a flight to large cap defensives by investors

Currency Performance

- The Fund is not hedged for foreign currency movements
- As such, the portfolio has been impacted by the volatility of the Canadian dollar
- The USD appreciated versus the CAD in the December quarter, and the CAD was exceptionally weak during the quarter against the major world currencies including 25% weaker against the Yen. The GBP was one of very few developed market currencies that depreciated against the CAD.
- Overall, currency movements added to performance in 4Q08



Source: Bloomberg and MCIMAL

Key Themes:
Sound Operational Performance from the Portfolio’s Holdings

> US pipeline entities generally continued to see growth in earnings and distributions

> Electric utilities reported earnings broadly in line with market expectations

> Regulated water and electricity businesses continue to display defensive characteristics and have low demand risk, virtually uncorrelated to the economy

> Tollroad traffic volume is dependant on local factors –traffic data is mixed across the portfolio. It is important to note that lower traffic volume does not necessarily imply lower earnings if tolls have increased (usually as a function of inflation)

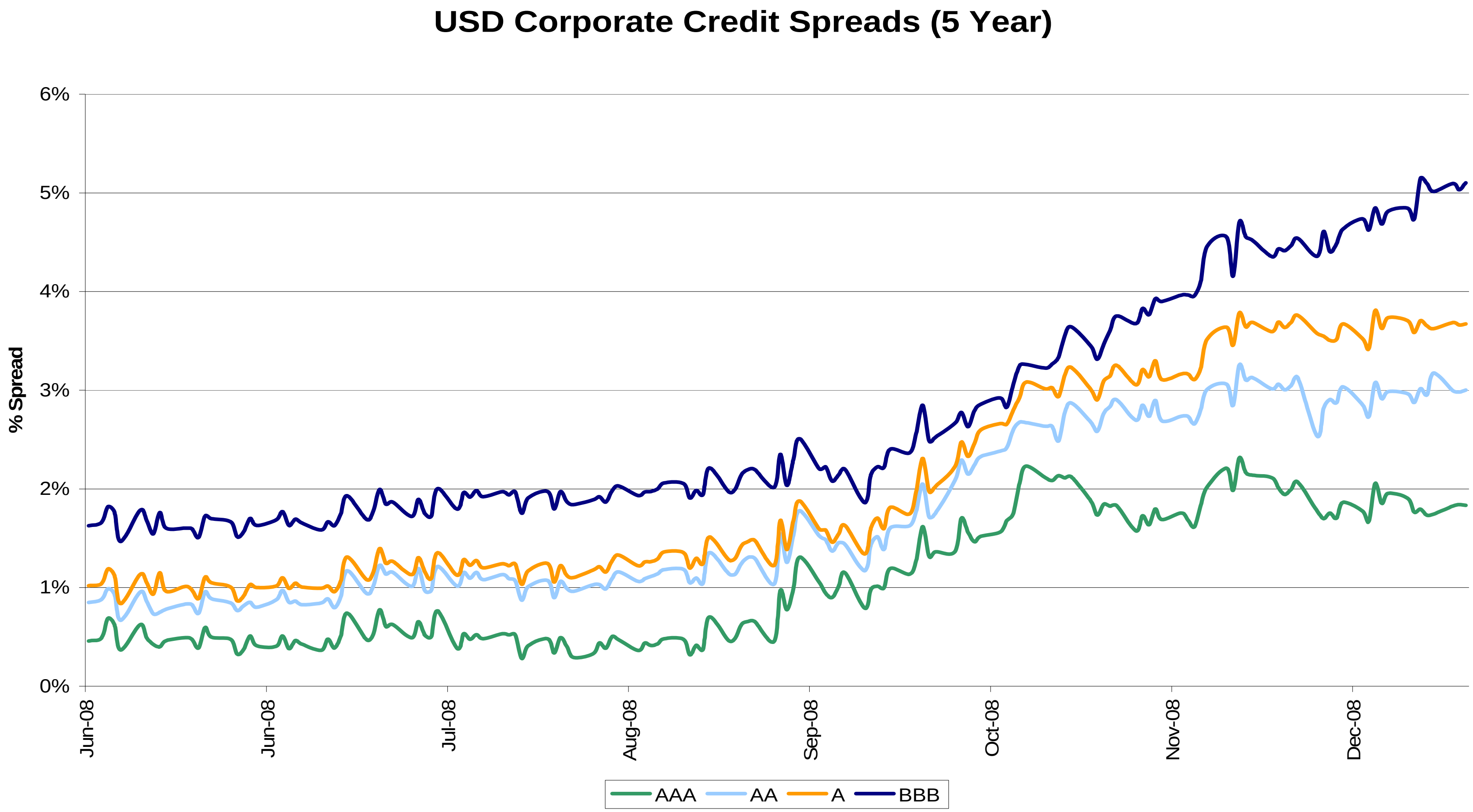
> Airport passenger traffic is below long-term trend, but generally in line with softer expectations. However, 2009 is expected to be negative in most cases

> Seaport volume growth has weakened and is expected, in many cases, to turn negative in 2009, consistent with weak economic growth




Key Themes:
Corporate Spreads Remain Significantly Wider Post-Lehman

- Corporate credit spreads remain very wide, but debt markets remain open for quality infrastructure companies



Source: Bloomberg

Key Themes:
Listed Infrastructure Market Still at a Discount

- Current market pricing at substantial discount to recent comparable transactions.
- Very recent unlisted transactions (e.g. Chicago Midway Airport, London City Airport, Brisbane Airport) have been at a significant multiple premium to the listed market.

	Average Transaction EV/EBITDA Multiple	Average Portfolio Trading EV/EBITDA Multiple
Tollroads	19.9x	11.0x
Airports	18.9x	9.3x
Seaports	17.4x	7.5x

Source: MCIMAL estimates. The average transaction multiple is based on 16 airport, 6 seaport and 9 tollroad transactions observed by MCIMAL over the last 3 years. The average trading multiple is based on the stocks currently within the model portfolio whose assets are predominantly operating tollroads, airports or seaports, using the manager's forward EBITDA forecast and stock prices as at December 31, 2008.

Changes to Portfolio in 2H08

- > Consistent with the Fund's investment objective and process, the Manager has tilted the Fund defensively in light of recent market developments and downgraded economic growth expectations by:
  - > Decreasing exposure to Australia
  - > Increasing exposure to the United States
  - > Increasing weighting in more defensive regulated assets, such as water utilities
  - > Decreasing weighting in GDP-sensitive names

Portfolio Breakdown as of December 31, 2008

Country	% Weight
United States	18.4
Spain	11.2
Australia	10.7
United Kingdom	8.0
Canada	7.7
France	6.8
Italy	6.5
Germany	6.2
Japan	5.9
China	5.4
Brazil	3.0
Switzerland	2.2
Mexico	1.8
Korea	1.6
New Zealand	1.4
United Arab Emirates	1.2
Thailand	1.0
Cash	1.0

Infrastructure Sector	% Weight
Pipelines	28.5
Toll Roads / Transportation	18.9
Electricity and Gas Distribution	10.6
Airports	9.8
Electric Utility	9.7
Water	7.9
Electricity Transmission	7.5
Electricity Generation	4.4
Diversified	1.7
Cash	1.0

Source: MCIMAL

Top Ten Holdings as of December 31, 2008

Rank	Stock	Industry	Type	Country	% of Portfolio
1	Red Electrica de Espana	Electricity Transmission	Regulated / Contracted	Spain	4.3
2	Energy Transfer Partners LP	Pipelines	Regulated / Contracted	United States	4.0
3	Enagas	Pipelines	Regulated / Contracted	Spain	4.0
4	Enterprise Products Partners LP	Pipelines	Regulated / Contracted	United States	3.8
5	Tokyo Gas Co.	Electricity and Gas Distribution	Regulated / Contracted	Japan	3.7
6	Enbridge Inc	Pipelines	Regulated / Contracted	Canada	3.7
7	E.ON AG	Electric Utility	Regulated / Contracted	Germany	3.6
8	Aeroports De Paris	Airports	User Demand	France	3.4
9	Electricite de France	Electric Utility	Regulated / Contracted	France	3.4
10	SP AusNet	Electricity and Gas Distribution	Regulated / Contracted	Australia	3.2

Source: MCIMAL
Portfolio weightings are as of December 31, 2008.

Infrastructure Sector Outlook

- The long-term prospects for infrastructure remain sound, with the United States, China and several other developed countries expected to include the private sector in implementing recently announced infrastructure spending packages
- These spending packages may create opportunities for companies in the listed infrastructure sector
- Given the additional demands on governments' finances as a result of the economic downturn, the emerging trend of governments selling and leasing infrastructure assets to private operators may accelerate
- We expect that the listed infrastructure sector will continue to grow in tandem with the unlisted infrastructure sector, where significant funds have already been raised and where investors are seeking suitable investment opportunities
- We believe that given the prices prevailing at year-end, many listed infrastructure stocks were trading at a discount to both our valuations and the valuations of comparable assets in the unlisted sector (based on recent transaction data)

Portfolio Outlook

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> Further volatility can be expected in the near to medium term as macroeconomic developments unfold, and companies across the broad equity market continue to downgrade guidance and/or report earnings that reflect the impact of the slowdown in growth.

> The listed infrastructure sector will continue to be affected by global market volatility, stemming from the financial system instability, elevated dislocation in credit markets and weaker global economic outlook

> In this difficult economic and credit environment, where risk remains elevated, we believe it is particularly important to hold high quality stocks that are well positioned in their respective businesses.

> Important to balance the attractive long-term opportunities with the shorter-term drivers of return (for example, the impact on 'user demand' assets of the economic downturn). The Fund seeks to hold high quality infrastructure stocks that are well positioned in their respective businesses.

> We expect markets to seek "earnings certainty" as economies slow further. Thus the Fund has been tilted in recent months toward the regulated/contracted sectors (e.g. Pipelines, Electric Utility, Water, and Electricity & Gas Distribution).

> The Fund also retains exposure to quality user demand infrastructure assets that we believe are well placed to perform when markets normalize.

> Divergence between operational performance and share price performance has been exacerbated by market volatility. We believe that owning high quality listed infrastructure securities at a time of significant listed equity market weakness will ultimately reward investors