



ARGO GLOBAL LISTED INFRASTRUCTURE LIMITED

ABN 23 604 986 914

2016 Annual General Meeting MANAGING DIRECTOR'S ADDRESS

Delivered by Mr. Jason Beddow at the 1st Annual General Meeting of Argo Global Listed Infrastructure Limited (AGLI or Company) held at the Adelaide Oval on Wednesday 26 October 2016 at 12.30pm.

I also welcome you to Argo Global Listed Infrastructure Limited's inaugural Annual General meeting.

The Chairman has spoken about AGLI and its first year of operation as a company, its investment performance and dividends and why we believe Global Infrastructure is an attractive asset class for investors to have some exposure to in their portfolio.

I will be brief, as you will also hear from the Senior Vice President and Portfolio Manager from Cohen & Steers, Bob Becker, on what is happening in infrastructure markets globally and in AGLI's portfolio. However, I would like to highlight some of the day to day functions that the Argo team is responsible for and the interaction between Argo and Cohen & Steers as we monitor their activities on your behalf.

Portfolio Manager - Cohen & Steers

I recently attended Cohen & Steers' Real Assets Investor Conference in New York. There were over 150 people in attendance, with many clients and investors from around the world, representing some large sovereign wealth and pension funds.

It was a very professional and comprehensive conference and I came away more confident than ever in Cohen & Steers' capabilities as a global manager. The focused culture specialising in real assets, including real estate securities, listed infrastructure, commodities and natural resource equities, is evident from the top down and the organisation is genuine about delivering superior performance and service to clients.

I also spent some time with the joint Portfolio Managers and our account managers at the Cohen & Steers office. This also reaffirmed why we chose the firm to act as Portfolio Manager, including their long term track record, being a major specialist in the sector with extensive resources, and having a global analytical presence.

I speak with at least one of the Portfolio Managers on a regular basis as part of our formal portfolio review process. AGLI also has two account managers, who liaise with me or other members of our management team regularly on any other matters. Management believes that Cohen & Steers are performing

reasonably well in a difficult investment environment and we have confidence in their ability over time to add value to the portfolio.

Other key service providers

State Street acts as the custodian of AGLI's assets. State Street is a major global custodian for the international funds management industry, providing investment management services for over US\$2.5 trillion of assets. A specialist custodian is necessary due to the multiple geographies and currencies, differing tax rules and the complexity of the financial reporting. Cohen & Steers has a global relationship with State Street and this has benefited AGLI.

Through State Street's online portal we can access all details about AGLI's portfolio, including what trades have been made, performance and a full ledger for accounting and reconciliations. The system also monitors the benchmark mandate.

AGLI's share registry is run by Computershare, which is one of the world's leading share registry operators. Computershare also manage Argo's registry and we are very satisfied with their service offering.

Portfolio Performance

The performance chart shows that global listed infrastructure has produced favourable returns since inception and for this calendar year to date, outperforming broader global equity markets, as measured by the MSCI World Index and the Australian S&P/ASX 200 Accumulation Index. We feel this is very encouraging considering the volatility in global equity markets and we remain confident in the asset class.

I also wanted to clarify a couple of points about AGLI's performance. The Company listed on 3 July 2015, starting with 100% cash from the IPO proceeds and we undertook to invest the portfolio within 30 days. This was the month following the Greek vote to remain in the E.U. and the benchmark infrastructure index rallied 6.8% in July 2015. AGLI had the benefit of a small part of this upside as it became invested throughout the month and returned a 2.3% increase in asset value. However, due to this large move in July, which could be called unfortunate timing, AGLI's performance since inception lags the benchmark return for the same period.

The published NTA return of AGLI is inclusive of all management fees, other costs and all tax paid. It should also be remembered that the starting NTA for AGLI was \$1.955, after all costs of the IPO were paid. We think this is a fair measure to assess AGLI by, as it represents the funds initially invested.

Currency

I would now like to touch on the impact of currency.

Due to AGLI's international investment activities and its Australian domicile, the Company's returns are impacted by foreign exchange translation on transactions during the year and balances at each period

end. The portfolio is unhedged for currency, to assist the objective of providing returns which are uncorrelated to the Australian equity market.

The A\$/US\$ translation is the most influential currency, impacting about 65% of AGLI's asset value. In general, decreases in the A\$ are beneficial to AGLI's portfolio value and vice versa. The A\$ is currently trading at virtually the same level against the US\$ as when AGLI first listed, although during the year it fell over 10% to US\$0.69 in January and has since rallied 12%, largely on the back of stronger commodity prices and terms of trade, despite the two rate cuts from the Reserve Bank of Australia.

However, a number of other currencies also affect the portfolio, as it is invested across 15-20 countries. Notably, the A\$ has strengthened over 20% against the British Pound, due largely to the UK's decision to leave the European Union.

Shareholder communication

One of the benefits of listed investment companies is transparency. In addition to the regular announcements required by the ASX, we also distribute additional information, predominantly by electronic means, to interested shareholders and other investors.

We encourage you to visit the AGLI website and register your email address to receive Company information, including the monthly NTA and quarterly investment reports, white papers on the infrastructure sector from Cohen & Steers, research, ratings and any other relevant information. We currently service over 4,000 shareholders in this way, who are receiving this information on the same day it is released to the ASX. It is also a very efficient and cost effective method of distribution compared to posting hard copy information.

Marketing

We are continuing our efforts to increase awareness and understanding of the AGLI story. I regularly present to retail brokers and financial planning groups, and we continue to educate potential investors about the benefits of diversification and about global listed infrastructure and AGLI specifically. Common feedback from these meetings is that AGLI shareholders are generally comfortable with the long-term appeal of their investment, although we would all like to see the share price trade closer to NTA, and there is a general interest in the level of future dividends.

AGLI will be presenting at the Association of Independently Owned Financial Professionals' (AIOFP) national conference in November, to an audience of over 100 planning groups and advisors.

In terms of broker research coverage, Bell Potter Securities has recently included AGLI in its publications which analyse the listed investment company sector. Independent Research has also begun a comprehensive new publication called the 'LIC Monthly Update' which includes AGLI. In addition, AGLI is now rated by one of the major investment rating agencies, Lonsec Research. Overall, this increasing level of research coverage will help promote the Company to potential investors.

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In conclusion, we believe the infrastructure sector is well positioned for steady growth, with investors likely to continue to be drawn to the sector for its predictable cash flows and diversification benefits.

Before I hand over to AGLI's Portfolio Manager, I would also like to make a closing comment to acknowledge the efforts of our team at Argo, who are managing AGLI, and the contribution from the Non-executive Directors, who continue to advise and support us.