Argo Global Listed Infrastructure Limited

ABN 23 604 986 914

Appendix 4E

Preliminary Final Report
for the year ended 30 June 2017
(previous corresponding period being
the year ended 30 June 2016)

ARGO GLOBAL LISTED INFRASTRUCTURE LIMITED ABN 23 604 986 914

RESULTS FOR ANNOUNCEMENT TO THE MARKET
YEAR ENDED 30 JUNE 2017

(Comparative figures being the period ended 30 June 2016)

				2017 $A'000	2016 $A'000
Revenue from operating activities	down	16.7%	to	15,350	18,425
Profit for the year	down	18.5%	to	7,794	9,564

Dividends

Interim unfranked dividend paid 24 March 2017	1.0 cent
Final unfranked dividend payable 29 September 2017	2.5 cents
Total	3.5 cents

The Company's Dividend Reinvestment Plan will operate for the final dividend. Shares issued under the DRP will be allocated based on the volume weighted average ex-dividend market price of the shares traded on the record date and the three business days following the record date.

The DRP Terms and Conditions can be accessed at the Company's website at www.argoinfrastructure.com.au.

The record date for determining entitlements to the final dividend	11 September 2017
The election date for determining participation in the Dividend Reinvestment Plan	12 September 2017

Previous corresponding period	
Interim unfranked dividend paid 18 March 2016	0.5 cent
Final unfranked dividend paid 14 September 2016	2.5 cents
Total	3.0 cents

Net Tangible Asset (NTA) Backing

	June 2017	June 2016
NTA per share [1]	$2.06	$2.03
NTA after unrealised tax provision [2]	$2.04	$2.03

1. This figure allows for all costs incurred, including company tax and any tax payable on gains realised from portfolio sales.
2. Under ASX Listing Rules, the Company is also required to calculate the NTA per share after providing for estimated tax on unealised gains/losses in the portfolio (tax that may arise should the entire portfolio be disposed of on the above date).

ARGO GLOBAL LISTED INFRASTRUCTURE LIMITED
ACN 604 986 914

ASX/Media Release

28 August 2017

AGLI increases annual dividends

Argo Global Listed Infrastructure Limited (AGLI or Company) is a listed investment company with a market capitalisation of over $250 million. AGLI provides investors with access to a global universe of infrastructure companies. Its objective is to provide a total return for long-term investors, consisting of capital growth and dividend income, and to provide important diversification benefits for Australian investors.

AGLI has declared a final dividend of 2.5 cents per share unfranked, bringing full year dividends to 3.5 cents per share, up from 3.0 cents last year.

The Company recorded a profit of $7.8 million for the year ended 30 June 2017.

Summary of financial results

	30 June 2017	*30 June 2016*
Profit*	**$7.8 million**	$9.6 million
Final dividend per share (unfranked)	**2.5 cents**	2.5 cents
Full year dividends per share (unfranked)	**3.5 cents**	3.0 cents
Net tangible asset backing (NTA) per share, after costs and tax	**$2.06**	$2.03

** under Australian Accounting Standards, AGLI's operating income and realised profits and losses are added to, or reduced by, changes in the market value of the Company's assets. This can lead to large variations in reported profit from any one period to the next.*

Overview

AGLI's Managing Director, Jason Beddow, said "AGLI's second year of operations was a positive one in an eventful year. The surprise Brexit vote in late June 2016 set the scene for a year of political uncertainty in Europe. Markets largely shrugged off this outcome, although the British pound fell sharply at the time.

In November, equity markets reacted positively to Donald Trump's victory in the US election and this helped drive strong market gains in most regions this year, although in a relative sense, this investor optimism hindered the global listed infrastructure sector due to its mostly defensive nature. In absolute terms, infrastructure still delivered solid outcomes overall, with nearly every subsector producing positive returns."

Within infrastructure, the subsectors which are most sensitive to economic activity were the best performers during the year, especially airports, railways and marine ports. Airports benefited from improving economic momentum and passenger traffic in Europe particularly, and railways were strongest in North America, where a number of freight rail companies reported strong earnings. In addition, toll roads, midstream energy and communication tower subsectors all delivered positive returns. Around half of AGLI's portfolio was invested in relatively defensive subsectors such as electric, gas and water utilities, and the underperformance of these subsectors, due to investor preferences for riskier investments, reduced relative returns.

This sensitivity of earnings and performance across the infrastructure sub-sectors highlights the need for a specialist infrastructure manager with a well-resourced team to take advantage of these diverse characteristics at different times of the economic cycle.

About Infrastructure

Over the past decade, investor interest in having an infrastructure allocation has surged amid a growing emphasis and desire for broader diversification. The listed infrastructure market offers an increasingly popular way to access infrastructure assets, combining the key investment attributes of private infrastructure with the benefits of liquidity and daily pricing.

Infrastructure companies own long-life assets that provide essential services and facilitate economic progress vital to everyday life. While the assets themselves are very different, they are generally united by having monopolistic business models, with limited competition and high barriers to entry due to the capital-intensive nature of their respective industries. They also typically have resilient, inelastic demand - their customers will continue to pay for electricity and water, for instance, regardless of the economic landscape. Infrastructure companies tend to have more predictable income streams than global equities, often linked to inflation. As a result, many infrastructure businesses have historically shown the versatility to perform well in periods of both rising and easing inflation, as well as through different points in the economic cycle.

Investment Performance

AGLI's relative investment performance this year was a tale of two contrasting halves. The exuberance following Trump's election led to infrastructure underperforming the very strong broader equity markets in the first half of the financial year, but in the second half, the sector outperformed equity indices.

This is highlighted in the table below, which also shows a low correlation between the returns of the global infrastructure sector and the Australian equity market, emphasizing the diversification benefits that a holding in AGLI can add to a portfolio dominated by Australian equities.

Accumulated performance	*6 months to 31 Dec 2016*	*6 months to 30 June 2017*
Infrastructure:		
AGLI - NTA return after costs and tax	-2.1%	+5.6%
AGLI - Share price return	-7.5%	+11.1%
Infrastructure sector - benchmark index*	+0.0%	+6.3%
Broader equities:		
World - MSCI World equity index (A$)	+9.8%	+4.5%
Australia - S&P ASX200 Accum. Index	+10.6%	+3.2%

** The AGLI benchmark is 90% of the FTSE Global Core Infrastructure 50/50 Index (net return AUD) and 10% of the BofA Merrill Lynch Fixed Rate Preferred Securities Index (POP1)(AUD).*

It should be noted that AGLI's total NTA return performance, measured by the movement in NTA per share assuming dividends paid are reinvested, is calculated after deducting all administration expenses and tax paid, whereas the market indices do not take account of these costs.

On-market Buy-back

The AGLI share price is trading at a discount to the Company's NTA backing per share. While this is not uncommon among listed investment companies, the Board has introduced measures to help reduce the discount. For example, the Dividend Reinvestment Plan (DRP) has been amended to allow the Company to buy on-market the shares required for allocation to DRP participants, rather than issuing new shares.

In addition, an on-market buy-back has been announced with the full year result, to allow the Company to buy back and cancel shares when considered beneficial in the future.

Outlook

AGLI’s New York-based specialist portfolio manager, Cohen & Steers Inc, remains optimistic that the economic strength experienced in recent months will continue, albeit at a somewhat slower rate. In the US, uncertainty has replaced the initial enthusiasm which greeted President Trump's pro-growth policies, particularly around the timing and likelihood of potential tax cuts and a major infrastructure spending plan.

Australia was one of the early adopters of listed infrastructure allocations, as we were among the first to privatise transportation infrastructure assets, giving local investors greater familiarity with infrastructure owned by listed entities. A number of these entities have been very successful over a long period of time, growing into some of Australia’s largest listed companies. We believe that the expansion of the listed infrastructure market is only beginning in other regions of the world and these are the opportunities to which AGLI can provide exposure.

Mr Beddow said “We firmly believe that AGLI can bring important diversification benefits to Australian equity investors from an asset class, geographic and currency perspective, particularly if the Australian economic and political environment becomes more uncertain.”

Media contact:
Jason Beddow
Managing Director
02 8274 4702 or 0409 900 709

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2017

	Note	2017 $'000	Period from 26 March 2015 to 30 June 2016 $'000
Investment income			
Dividends and distributions		9,488	9,169
Interest		443	573
Net foreign exchange losses		(104)	(1,362)
Change in fair value of financial instruments held at fair value through profit or loss (realised and unrealised)		5,523	10,045
Total investment income		15,350	18,425
Expenses			
Management fees	18, 20	(3,413)	(3,371)
Custody and administration fees		(234)	(272)
Directors' fees		(163)	(194)
Registry fees		(144)	(142)
Transaction costs		(285)	(573)
Other expenses		(347)	(260)
Total expenses		(4,586)	(4,812)
Net profit before income tax		10,764	13,613
Income tax expense	3	(2,970)	(4,049)
Net profit after income tax		7,794	9,564
Other comprehensive income		-	-
Total comprehensive income for the year		7,794	9,564
		cents	cents
Earnings per share			
Basic earnings per share	4	5.44	8.41
Diluted earnings per share	4	5.44	8.41

(to be read in conjunction with the accompanying notes)

Statement of Financial Position

as at 30 June 2017

	Note	2017 $'000	2016 $'000
Current Assets			
Cash and cash equivalents	5	5,528	1,713
Receivables		1,467	1,225
Receivables – trade settlements		3,585	1,713
Financial assets held at fair value through profit or loss	6,8	287,467	288,600
Total Current Assets		298,047	293,251
Current Liabilities			
Payables		378	353
Payables – trade settlements		1,179	2,197
Financial liabilities held at fair value through profit or loss	7,8	-	2
Total Current Liabilities		1,557	2,552
Non-Current Liabilities			
Deferred tax liability	3	2,796	699
Total Non-Current Liabilities		2,796	699
Total Liabilities		4,353	3,251
Net Assets		293,694	290,000
Equity			
Contributed equity	9	282,062	281,151
Profit reserve	10	18,102	8,371
Retained earnings	11	(6,470)	478
Total Equity		293,694	290,000

(to be read in conjunction with the accompanying notes)

Statement of Changes in Equity

for the year ended 30 June 2017

	Note	Contributed equity $'000	Profit reserve $'000	Retained earnings $'000	Total $'000
Balance as at 1 July 2016		281,151	8,371	478	290,000
Total comprehensive income for the year		-	-	7,794	7,794
Transfer of profits during the year	10,11	-	14,742	(14,742)	-
Dividends paid	12	-	(5,011)	-	(5,011)
Dividend reinvestment plan	9	210	-	-	210
Shares issued on exercise of options	9	718	-	-	718
Cost of shares issued net of tax	9	(17)	-	-	(17)
Balance as at 30 June 2017		282,062	18,102	(6,470)	293,694

for the period from 26 March 2015 to 30 June 2016

	Note	Contributed equity $'000	Profit reserve $'000	Retained earnings $'000	Total $'000
Balance as at 26 March 2015		-	-	-	-
Total comprehensive income for the period		-	-	9,564	9,564
Transfer of profits during the period	10,11	-	8,371	(8,371)	-
Dividend paid	12	-	-	(715)	(715)
Shares issued under IPO	9	286,127	-	-	286,127
Dividend reinvestment plan	9	14	-	-	14
Shares issued on exercise of options	9	66	-	-	66
Cost of shares issued net of tax	9	(5,056)	-	-	(5,056)
Balance as at 30 June 2016		281,151	8,371	478	290,000

(to be read in conjunction with the accompanying notes)

Statement of Cash Flows

for the year ended 30 June 2017

	Note	2017 $'000	Period from 26 March 2015 to 30 June 2016 $'000
Cash flows from operating activities			
Proceeds from sale of financial instruments held at fair value through profit or loss		150,564	136,567
Purchase of financial instruments held at fair value through profit or loss		(146,884)	(414,674)
Net foreign exchange loss		(96)	(1,378)
Interest received		498	467
Dividends and distributions received		8,455	6,976
GST recovered		343	702
Management fees paid		(3,393)	(3,091)
Custody fees paid		(234)	(250)
Other expenses paid		(1,330)	(1,895)
Net cash inflow/(outflow) from operating activities	14	7,923	(276,576)
Cash flows from financing activities			
Proceeds from issue of shares at IPO		-	286,127
Proceeds from exercise of options		701	66
Dividend paid – net of Dividend Reinvestment Plan		(4,801)	(701)
Share issue transaction costs		-	(7,212)
Net cash (outflow)/inflow from financing activities		(4,100)	278,280
Net increase in cash and cash equivalents		3,823	1,704
Cash and cash equivalents at the beginning of the year		1,713	-
Effect of foreign currency exchange rate changes on cash and cash equivalents		(8)	9
Cash and cash equivalents at the end of the year	5	5,528	1,713

(to be read in conjunction with the accompanying notes)

Contents of the Notes to the Financial Statements

for the year ended 30 June 2017

Notes to the Financial Statements

for the year ended 30 June 2017

1. GENERAL INFORMATION

This financial report is for Argo Global Listed Infrastructure Limited (AGLI or Company) for the year ended 30 June 2017.

The Company is a for-profit entity limited by shares, incorporated and domiciled in Australia. Its shares (ASX code: ALI) are publicly traded on the Australian Securities Exchange.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) Basis of preparation

This financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and other mandatory professional reporting requirements. The financial report has been prepared on a historical cost basis, except for financial assets and financial liabilities held at fair value through profit or loss, that have been measured at fair value. All amounts are presented in Australian dollars, unless otherwise noted.

The financial report complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(b) Financial instruments

(i) Classification

The Company's investments are classified as 'Financial instruments designated at fair value through profit or loss upon initial recognition'.

These include financial assets that are not held for trading purposes and which may be sold. These are investments in exchange traded debt and equity instruments.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Company's documented investment strategy.

(ii) Recognition/derecognition

The Company recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date. Investments are derecognised when the right to receive cash flows from the investments has expired or the Company has transferred substantially all risks and rewards of ownership.

(iii) **Measurement**

Financial assets and liabilities held at fair value through profit or loss

At initial recognition, the Company measures a financial instrument at its fair value. Transaction costs of these financial assets and liabilities are expensed in the Statement of Profit or Loss and Other Comprehensive Income.

Subsequent to initial recognition, all financial assets and financial liabilities are measured at fair value. Realised and unrealised gains and losses arising from changes in fair value are included in the Statement of Profit or Loss and Other Comprehensive Income in the year in which they arise.

Other financial assets and liabilities

The fair value of cash and cash equivalents, other receivables and amounts due from brokers is the carrying amount.

Other financial liabilities are initially measured at fair value and subsequently at amortised cost.

(iv) **Fair value measurement principles**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets and liabilities traded in active markets is subsequently based on quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets and liabilities held by the Company is the last traded price.

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

Further details on how the fair values of financial instruments are determined are disclosed in Notes 6, 7 and 8.

(v) **Offsetting**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(c) **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(d) **Receivable/payable - trade settlements**

These amounts represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date, and for equities, are normally settled within two business days.

(e) **Receivables**

Receivables are recognised when a right to receive payment is established. Uncollectable debts are written off.

(f) **Payables**

Payables and trade creditors are recognised when the Company becomes liable.

(g) **Investment income**

Dividend income is recognised on the ex-dividend date, with any related foreign withholding tax recorded as an income tax expense.

Interest income is recognised in the Statement of Profit or Loss and Other Comprehensive Income using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

Trust distributions are recognised on a present entitlement basis.

Other income is brought to account on an accruals basis.

(h) **Expenses**

Company expenses are recognised in the Statement of Profit or Loss and Other Comprehensive Income on an accrual basis.

(i) **Income tax**

The Company is subject to income tax at 30% on taxable income for the year ended 30 June 2017. From 1 July 2017 the Company's income tax rate has reduced to 27.5%.

The Company may incur withholding tax imposed by certain countries on investment income. Such income will be recorded gross of withholding tax in investment income, with the withholding tax expense included as part of income tax expense. Income tax expense comprises current and deferred tax.

Income tax expense is recognised in net profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted. Due to a change in the company tax rate from 1 July 2017, the deferred tax balances at 30 June 2017 are calculated at a tax rate of 27.5% (2016: 30%).

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A deferred tax liability is recognised when there is a taxable temporary difference between the tax base of an asset or liability and its corresponding carrying amount in the Statement of Financial Position. This arises when the carrying amount of an asset exceeds its tax base.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(j) **Foreign currency translation**

(i) **Functional and presentation currency**

The financial statements are presented in Australian dollars which is the Company's functional currency.

(ii) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the Statement of Profit or Loss and Other Comprehensive Income on a net basis within change in fair value of financial instruments held at fair value through profit or loss.

(k) **Dividends**

Dividends are recognised as a liability in the year in which they are declared.

(l) **Goods and Services Tax (GST)**

The Company is registered for GST. The issue or redemption of shares in the Company and, where applicable, the receipt of any distributions will not be subject to GST. The Company may be required to pay GST on management and other fees, charges, costs and expenses incurred by the Company. However, the Company may be entitled to input tax credits and reduced input tax credits in respect of the GST incurred.

Revenues, expenses, assets and liabilities are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

(m) **Earnings per share**

Basic and diluted earnings per share are calculated by dividing profit attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(n) **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(o) **Share options**

Share options are measured at the fair value of the options at the date of issue within equity.

(p) **Segment reporting**

Operating segments are reported in a manner consistent with the Company's internal reporting provided to Directors.

(q) **Rounding of amounts**

The Company is an entity of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars in accordance with that ASIC Corporations Instrument, unless otherwise indicated.

(r) **Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances, but which are inherently uncertain and unpredictable, the result of which forms the basis of the carrying values of assets and liabilities. As such, actual results could differ from those estimates.

(s) **New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2017 reporting period and have not been early adopted by the Company. The assessment of the impact to the Company of any new standards and interpretations is set out below:

AASB 9 *Financial Instruments* (and applicable amendments)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018 but is available for early adoption.

The Company does not expect this to have a significant impact on the recognition and measurement of financial instruments as they are carried at fair value through profit or loss.

The derecognition rules have not been changed from the previous requirements, and the Company does not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the investments are all held at fair value through profit or loss, the change in impairment rules will not impact the Company.

The future impact of accounting standards AASB 15 *Revenue from Contracts with Customers and* AASB 16 *Leases* on the Company's financial statements have been assessed and the impact when they become operative is not expected to be material.

There are no other standards that are not yet effective and that are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

3. INCOME TAX

	2017 $'000	Period from 26 March 2015 to 30 June 2016 $'000
(a) **Reconciliation of income tax expense to prima facie tax payable:**		
Profit before income tax	10,764	13,613
Prima facie tax expense calculated at 30% (2016: 30%)	3,229	4,084
Tax effect of franked dividends received	(29)	(35)
Change in tax rate - deferred tax liability	(262)	-
Other	32	-
Income tax expense	2,970	4,049
(b) **Income tax expense composition:**		
Current income tax	866	1,193
Deferred income tax	2,104	2,856
	2,970	4,049
(c) **Income tax benefits recognised directly to equity:**		
Increase in deferred tax assets (share issue costs)	(7)	(2,157)
(d) **Deferred tax liabilities:**		
The balance comprises temporary differences attributed to:		
Dividends and distributions receivable	243	261
Unrealised gains on investments	3,445	1,830
	3,688	2,091
Offset by deferred tax assets:		
Foreign tax credits receivable	(90)	(97)
Costs associated with the issue of shares	(802)	(1,295)
	(892)	(1,392)
Net deferred tax liabilities	2,796	699

		2017 $'000	2016 $'000
	Movements:		
	Balance at the beginning of the year	699	-
	Charged to equity	(7)	(2,157)
	Charged to profit or loss	2,104	2,856
	Balance at the end of the year	2,796	699
(e)	**Imputation credits:**		
	Total imputation credits available in subsequent financial years based on a tax rate of 30%	83	31

The above amount represents the balance of imputation credits adjusted for income tax paid/payable and franked dividends receivable.

The Company's ability to pay franked dividends is dependent upon receipt of franked dividends and the Company paying tax.

4. EARNINGS PER SHARE

	2017	Period from 26 March 2015 to 30 June 2016
	number '000	number '000
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share	143,289	113,724
	$'000	$'000
Profit for the year used in the calculation of basic and diluted earnings per share	7,794	9,564
	cents	cents
Basic earnings per share	5.44	8.41
Diluted earnings per share	5.44	8.41

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares on issue for the year.

Diluted earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares on issue and ordinary shares that the Company expects to issue through the exercise of outstanding options for the reporting period. In the calculation of diluted earnings per share, options are not considered to have a dilutive effect, as the average market price of ordinary shares of the Company during the period did not exceed the exercise price of the options.

At the end of the year there were no outstanding securities that are dilutive in nature for the Company.

5. CASH AND CASH EQUIVALENTS

	2017 $'000	2016 $'000
Cash at bank	5,528	1,713
Total	5,528	1,713

These accounts are earning a floating interest rate of between 0.01% and 1.75% at 30 June 2017 (2016: 0.00% and 0.15%).

6. FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	2017 $'000	2016 $'000
Designated at fair value through profit or loss:		
Equity securities	249,440	251,313
Unit trusts	27,357	28,901
Interest bearing securities	10,667	8,377
	287,464	288,591
Held for trading:		
Derivatives (Note 8)	3	9
	3	9
Total	287,467	288,600

As at 30 June 2017, the Company did not hold any security that accounted more than 5% of its total investments. There were 3,832 investment transactions during the financial year.

The Company has not used hedging to reduce the impact of volatility in currency exposures on the investment portfolio.

The Company is a listed investment company that invests in tradeable global listed infrastructure securities. Due to the nature of its business, the Company will always be subject to market risk as it invests its capital in securities which have fluctuating market prices. The Company's portfolio is diversified to reduce risk but market risk cannot be completely eliminated.

Risk exposures relating to financial assets held at fair value through profit or loss are included in Note 16.

7. FINANCIAL LIABILITIES HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	2017 $'000	2016 $'000
Held for trading:		
Derivatives (Note 8)	-	2
Total	-	2

Risk exposures relating to financial liabilities held at fair value through profit or loss is included in Note 16.

8. DERIVATIVE FINANCIAL INSTRUMENTS

The Company holds foreign currency derivative instruments as at 30 June 2017.

Foreign currency contracts are primarily used by the Company to economically hedge against foreign currency exchange rate risks on settlement of purchases and sales of its non-Australian dollar denominated trading securities. The Company agrees to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. The Company recognises a gain or loss equal to the change in fair value at the end of each reporting period.

The Company's derivative financial instruments at year end are detailed below:

		Fair values	
30 June 2017	**Contract/notional** $'000	**Assets** $'000	**Liabilities** $'000
Foreign currency contracts	1,529	3	-
Total	1,529	3	-

30 June 2016			
Foreign currency contracts	2,362	9	2
Total	2,362	9	2

9. CONTRIBUTED EQUITY

Ordinary shareholders are entitled to receive dividends as declared and are also entitled to one vote per share at shareholders' meetings.

	2017	Period from 26 March 2015 to 30 June 2016	2017	Period from 26 March 2015 to 30 June 2016
	number	number	$'000	$'000
Opening balance	143,104,638	-	281,151	-
Shares issued on incorporation	-	100	-	-
Share issued in IPO	-	143,063,214	-	286,127
Dividend reinvestment plan(1)	119,815	8,324	210	14
Options exercised at $2.00 per share(2)	358,852	33,000	718	66
Cost of issued capital, net of tax	-	-	(17)	(5,056)
Closing balance	143,583,305	143,104,638	282,062	281,151

(1) On 14 September 2016, 79,106 shares were allotted at $1.78 per share pursuant to the Dividend Reinvestment Plan in operation for the final dividend paid for the period ended 30 June 2016.

On 24 March 2017, 40,709 shares were allotted at $1.71 per share pursuant to the Dividend Reinvestment Plan in operation for the interim dividend paid for the year ended 30 June 2017.

(2) During the year 358,852 options that were on issue were exercised at $2.00 per share. The remaining 142,671,362 unexercised options lapsed on 31 March 2017.

10. PROFIT RESERVE

The profit reserve is made up of amounts allocated from retained earnings that are preserved for future dividend payments.

	2017	2016
	$'000	$'000
Balance at the beginning of the year	8,371	-
Transferred from retained earnings	14,742	8,371
Dividends paid	(5,011)	-
Balance at the end of the year	18,102	8,371

11. RETAINED EARNINGS

	2017 $'000	2016 $'000
Balance at the beginning of the year	478	-
Profit for the year	7,794	9,564
Transfer of profits during the year	(14,742)	(8,371)
Dividend paid	-	(715)
Balance at the end of the year	(6,470)	478

12. DIVIDENDS

	2017 $'000	Period from 26 March 2015 to 30 June 2016 $'000
(a) **Dividend paid during the year**		
Final dividend for the period ended 30 June 2016 of 2.5 cents unfranked, paid 14 September 2016	3,578	-
Interim dividend for the year ended 30 June 2017 of 1.0 cent unfranked, paid 24 March 2017 (2016: 0.5 cents unfranked)	1,433	715
Total dividends paid	5,011	715
(b) **Dividend declared after balance date**		
Since the end of the financial year, the Directors have declared the following dividend which has not been recognised as a liability at the end of the financial year:		
Final dividend for the year ended 30 June 2017 of 2.5 cents unfranked, payable 29 September 2017 (2016: 2.5 cents unfranked).	3,590	3,578

13. CAPITAL MANAGEMENT

The Company's objective in managing capital and investments is to maximise compound after-tax returns for shareholders over time by investing in an investment portfolio in accordance with the Company's investment strategy.

The Company recognises that its capital position and market price will fluctuate in accordance with market conditions and, in order to adjust the capital structure, it may vary the amount of dividends paid, issue new shares or buy back its own shares from time to time.

A breakdown of the Company's equity and changes in equity is provided in the Statement of Changes in Equity and Note 9.

14. RECONCILIATION OF PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017	**Period from 26 March 2015 to 30 June 2016**
	$'000	$'000
Net profit after income tax	7,794	9,564
Purchase of financial instruments held at fair value through profit or loss	(146,884)	(414,674)
Proceeds from sale of financial instruments held at fair value through profit or loss	150,564	136,567
Net gains on financial instruments held at fair value through profit or loss	(5,523)	(10,052)
Net interest	84	43
Net change in receivables	(242)	(1,225)
Net change in payables	25	353
Net change in deferred tax liabilities	2,097	2,857
Effects of foreign currency exchange rate changes on cash and cash equivalents	8	(9)
Net cash inflow/(outflow) from operating activities	7,923	(276,576)

15. SEGMENT INFORMATION

The Company is managed as a whole and is considered to have a single operating segment, being investment in global listed infrastructure securities. There is no further division of the Company or internal segment reporting used by the Directors when making strategic, investment or resource allocation decisions.

The Company is domiciled in Australia and derives its revenue from its international investment portfolio through the receipt of dividends, distributions, interest and any profits on the revaluation or sale of its investments.

The portfolio of global listed infrastructure securities has the following geographical diversification:

	2017 A$'000	2017 %	2016 A$'000	2016 %
United States of America	147,390	51.3	160,360	55.6
Canada	28,623	9.9	25,555	8.9
Japan	19,344	6.7	13,542	4.7
Italy	17,356	6.1	16,696	5.8
Australia	14,472	5.0	15,607	5.4
Other countries	60,282	21.0	56,840	19.6
Total	287,467	100.0	288,600	100.0%

16. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Company's overall risk management program focuses on ensuring compliance with the Company's investment strategy and seeks to maximise the returns derived for the level of risk to which the Company is exposed. The Company may use derivative financial instruments to alter certain risk exposures.

Financial risk management is carried out by the Portfolio Manager under a management agreement approved by the Board of Directors.

The Company uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

(a) **Market risk**

(i) **Price risk**

Price risk arises from investments held by the Company for which prices in the future are uncertain. The performance of these investments is influenced by many factors which are difficult to predict, including economic growth rates, inflation, interest rates and regulatory changes. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates.

The Company has an active approach to a concentrated portfolio across 50-100 securities, with 80%-100% of the portfolio invested in global listed infrastructure securities, and 0%- 20% invested in global infrastructure fixed income securities. The portfolio is further diversified across infrastructure subsectors and countries, both developed and emerging, based upon the combined top-down and bottom-up analysis undertaken by the Portfolio Manager. The Company manages price risk through ensuring that all investment activities are undertaken in accordance with this investment strategy.

The table at Note 16(b) summarises the sensitivity of the Company's assets and liabilities to price risk. The analysis is based on the assumption that the markets in which the Company invests increased/decreased by 10% (2016: 10%).

(ii) **Foreign exchange risk**

Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuates due to changes in exchange rates.

The tables below summarises the fair value of the Company's financial assets and liabilities, which are denominated in a currency other than Australian dollars.

30 June 2017	**US dollars**	**Euro**	**Canadian dollars**	**All other foreign currencies**	**Total**
	A$'000	A$'000	A$'000	A$'000	A$'000
Assets					
Cash and cash equivalents	97	-	-	220	317
Receivables	400	79	111	355	945
Receivables – trade settlements	3,585	-	-	-	3,585
Financial assets held at fair value through profit or loss	161,386	33,668	22,397	55,544	272,995
Liabilities					
Payables – trade settlements	(239)	-	-	(940)	(1,179)
Financial liabilities held at fair value through profit or loss	-	-	-	-	-
Total	165,229	33,747	22,508	55,179	276,663

30 June 2016	US dollars	Euro	Canadian dollars	All other foreign currencies	Total
	A$'000	A$'000	A$'000	A$'000	A$'000
Assets					
Cash and cash equivalents	209	-	8	380	597
Receivables	450	69	103	260	882
Receivables – trade settlements	128	-	-	1,585	1,713
Financial assets held at fair value through profit or loss	175,222	28,149	22,784	46,838	272,993
Liabilities					
Payables – trade settlements	-	(125)	-	(2,072)	(2,197)
Financial liabilities held at fair value through profit or loss	-	(1)	-	(1)	(2)
Total	176,009	28,092	22,895	46,990	273,986

The table at Note 16(b) summarises the sensitivity of the Company's assets and liabilities to foreign exchange risk. The analysis is based on the assumption that the Australian dollar weakened/strengthened by 10% (2016:10%) against the foreign currencies to which the Company is exposed.

(iii) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The majority of the Company's financial assets and liabilities are non-interest bearing except for cash and cash equivalents. Hence the impact of interest rate risk on net profit/(loss) is not considered to be material to the Company.

The following tables summarises the Company's exposure to interest rate risk.

30 June 2017	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
Assets				
Cash and cash equivalents	5,528	-	-	5,528
Receivables	-	-	1,467	1,467
Receivables – trade settlements	-	-	3,585	3,585
Financial assets held at fair value through profit and loss	10,661	6	276,800	287,467
Liabilities				
Payables	-	-	(378)	(378)
Payables – trade settlements	-	-	(1,179)	(1,179)
Deferred tax liability	-	-	(2,796)	(2,796)
Total	16,189	6	277,499	293,694

30 June 2016				
Assets				
Cash and cash equivalents	1,713	-	-	1,713
Receivables	-	-	1,225	1,225
Receivables – trade settlements	-	-	1,713	1,713
Financial assets held at fair value through profit and loss	5,234	3,143	280,223	288,600
Liabilities				
Payables	-	-	(353)	(353)
Payables – trade settlements	-	-	(2,197)	(2,197)
Financial liabilities held at fair value through profit and loss	-	-	(2)	(2)
Deferred tax liability	-	-	(699)	(699)
Total	6,947	3,143	279,910	290,000

The table at Note 16(b) summarises the sensitivity of the Company's assets and liabilities to interest rate risk. The analysis is based on assumption that interest rates increased/decreased by 1.0% (2016: 1.25%).

(b) **Summarised sensitivity analysis**

The following tables summarises the sensitivity of the Company's net profit and net assets attributable to shareholders subjected to price risk, interest rate risk and foreign exchange risks.

The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in foreign exchange rates and the historical correlation of the Company's investments with relevant benchmarks and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Company invests. As a result, historical variations in risk variables should not be used to predict future variances.

30 June 2017	**+100bps**	**-100bps**
	$'000	$'000
Interest rate risk on fixed and floating rate interest securities	162	(162)

	+10%	**-10%**
	$'000	$'000
Price risk on non-interest bearing securities	27,680	(27,680)
US dollars	16,523	(16,523)
Euro	3,375	(3,375)
Canadian dollars	2,251	(2,251)
Other currencies	5,518	(5,518)
Total foreign exchange risk	27,667	(27,667)

30 June 2016	**+100bps**	**-100bps**
	$'000	$'000
Interest rate risk on fixed and floating rate interest securities	126	(126)

	+10%	**-10%**
	$'000	$'000
Price risk on non-interest bearing securities	28,021	(28,021)

30 June 2016	+10%	-10%
	$'000	$'000
US dollars	17,601	(17,601)
Euro	2,810	(2,810)
Canadian dollars	2,290	(2,290)
Other currencies	4,698	(4,698)
Total foreign exchange risk	27,399	(27,399)

(c) **Credit risk**

Credit risk is the risk that a counterparty will be unable to pay its contractual obligations in full when they fall due, causing a financial loss to the Company.

The Company does not have a significant concentration of credit risk that arises from an exposure to a single counterparty or group of counterparties having similar characteristics. The main concentration of credit risk, to which the Company is exposed, arises from cash and cash equivalents and amounts due from brokers. None of these assets are impaired nor past their due date. The maximum exposure to credit risk at the reporting date is the carrying amount disclosed in the Statement of Financial Position.

The Company does not consider counterparty risk to be significant, as the Company only trades with recognised and creditworthy third parties.

(d) **Liquidity risk**

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Portfolio Manager monitors the Company's cash-flow requirements daily taking into account upcoming income, expenses and investment activities. The assets of the Company are largely in the form of listed securities which are considered readily convertible to cash.

(i) **Maturities of non-derivative financial liabilities**

The tables below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date.

30 June 2017	Less than 1 month	1-6 months	6-12 months	Over 12 months	No stated maturity	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Payables	378	-	-	-	-	378
Due to brokers	1,179	-	-	-	-	1,179
Total	1,557	-	-	-	-	1,557

30 June 2016

Payables	353	-	-	-	-	353
Due to brokers	2,197	-	-	-	-	2,197
Total	2,550	-	-	-	-	2,550

(ii) **Maturities of net settled derivative financial instruments**

The tables below analyses the Company's net settled derivative financial instruments based on their contractual maturity. The Company may, at its discretion, settle financial instruments prior to their original contractual settlement date, in accordance with its investment strategy, where permitted by the terms and conditions of the relevant instruments.

30 June 2017	Less than 1 month $'000	1-6 months $'000	6-12 months $'000	Over 12 months $'000	No stated maturity $'000	Total $'000
Foreign currency contracts	3	-	-	-	-	3

30 June 2016

Foreign currency contracts	7	-	-	-	-	7

17. FAIR VALUE MEASUREMENT

The Company discloses fair value measurements by level of the following fair value hierarchy:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(a) **Fair value in an active market (Level 1)**

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the financial year without any deduction for estimated future selling costs. The quoted market price used for financial assets and liabilities held by the Company is the last traded price.

The Company values its investments in accordance with the accounting policies set out in Note 2 to the financial statements. For the majority of its investments, the Company relies on information provided by independent pricing services for the valuation of its investments.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(b) **Valuation techniques used to derive Level 2 and Level 3 fair value**

The fair value of financial assets and liabilities that are not exchange-traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the financial year applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the financial year. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Company would receive or pay to terminate the contract at the end of the financial year taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Company holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

(c) **Recognised fair value measurement**

The tables below sets out the Company's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy.

30 June 2017	**Level 1** $'000	**Level 2** $'000	**Level 3** $'000	**Total** $'000
Financial assets				
Financial assets designated at fair value through profit or loss:				
Equity securities	249,440	-	-	249,440
Unit trusts	27,357	-	-	27,357
Interest bearing securities	-	10,667	-	10,667
Financial assets held for trading:				
Derivatives	-	3	-	3
Total	276,797	10,670	-	287,467

30 June 2016				
Financial assets				
Financial assets designated at fair value through profit or loss:				
Equity securities	251,313	-	-	251,313
Unit trusts	28,901	-	-	28,901
Interest bearing securities	-	8,377	-	8,377
Financial assets held for trading:				
Derivatives	-	9	-	9
Total	280,214	8,386	-	288,600
Financial liabilities				
Derivatives	-	2	-	2
Total	-	2	-	2

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the financial year.

(i) **Transfers between levels**
There were no transfers between the levels of the fair value hierarchy for the year ended 30 June 2017 and the period ended 30 June 2016.

(ii) **Fair value measurements using significant unobservable inputs (Level 3)**
The Company did not hold any financial instruments with fair value measurements using significant unobservable inputs during the year ended 30 June 2017 and the period ended 30 June 2016.

(iii) **Fair values of other financial instruments**
The Company did not hold any financial instruments which were not measured at fair value in the Statement of Financial Position. Due to their short-term nature, the carrying amounts of receivables and payables are assumed to approximate fair value.

18. MANAGEMENT FEES

Under the Management Agreement with the Manager, Argo Service Company Pty Ltd, the Company must pay a management fee based on funds under management at the following annual rates:

- 1.20% (plus GST) of the portfolio value up to and including $500 million;
- 1.10% (plus GST) of the portfolio value above $500 million and up to and including $1 billion; and
- 1.00% (plus GST) of the portfolio value above $1 billion.

The management fee is calculated at month end and paid monthly in arrears. There is no additional performance fee charged. The Manager is responsible for paying 50% of its management fee to the Portfolio Manager pursuant to the Portfolio Management Agreement with Cohen & Steers.

19. AUDITOR'S REMUNERATION

During the year the following fees were paid or payable for services provided by the Auditor.

	2017 $	Period from 26 March 2015 to 30 June 2016 $
(a) Auditor services		
Audit and review of financial reports	89,760	93,687
(b) Non-audit services		
Professional services – accounting and taxation services	14,586	60,500
Total	104,346	154,187

20. RELATED PARTY TRANSACTIONS

Argo Service Company Pty Ltd (ASCO)

The Company has engaged ASCO (a wholly owned subsidiary of Argo Investments Limited) to manage the affairs of the Company including investment management of the portfolio and providing the services of the Managing Director, Company Secretary, Chief Financial Officer and any other administrative support services required by the Company. ASCO earns a management fee for managing the Company. Fees of $3,412,835 were paid or payable to ASCO for the year ended to 30 June 2017 (30 June 2016: $3,371,418). Management fees of $300,000 were payable at balance date (30 June 2016: $280,000).

Argo Investments Limited (Argo)

Argo holds 12,500,100 shares in the Company. Argo held 12,500,000 options that were exercisable into shares at $2.00 per option on or before 31 March 2017. The options were not exercised and lapsed on 31 March 2017.

Key management personnel

The Key Management Personnel (KMP) of the Company comprise the Non-executive Directors, Mr. J. Beddow (Managing Director), Mr. T.C.A. Binks (Company Secretary) and Mr. A.B. Hill (Chief Financial Officer). Mr. Beddow, Mr. Binks and Mr. Hill are remunerated under service agreements with the Manager, ASCO.

The following remuneration was paid or payable by the Company to the Non-executive Directors:

	2017 $	Period from 26 March 2015 to 30 June 2016 $
Short-term employment benefits (Directors' fees)	149,200	177,434
Post-employment (superannuation)	14,174	16,857
	163,374	194,291

Three of the five Directors of the Company are also Directors of Argo.

21. CONTINGENT ASSETS, LIABILITIES AND COMMITMENTS

The Company has no material commitments, contingent assets or liabilities as at 30 June 2017.

22. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No matters or circumstances have occurred subsequent to the financial year end that have significantly affected, or may affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Audit of Accounts

The accounts for the year ended 30 June 2017 are in the process of being audited.