

2019 Annual General Meeting

CHAIRMAN'S ADDRESS

Delivered by Mr. Russell Higgins AO at the 4th Annual General Meeting of Argo Global Listed Infrastructure Limited (Argo Infrastructure or Company) held at the Adelaide Oval on Monday 21 October 2019 at 1.00pm.

STRONG FINANCIAL RESULTS

I am delighted to say that the strong outperformance of Argo Infrastructure's investment portfolio contributed to another record financial result for the Company in 2018-19. Reported full year profit was \$44.9 million, an increase of +177% on last year's profit of \$16.2 million.

GROWING DIVIDENDS

In August the Board was very pleased to declare a final dividend of 4.0 cents per share fully franked. Together with the 2.5 cents per share fully franked interim dividend, annual dividends paid to our shareholders increased +73% to a record high of 6.5 cents per share fully franked.

We have been able to increase dividends to shareholders every year since our 2015 initial public offering (IPO). The Board determines the dividends paid to shareholders half-yearly, bearing in mind the income received by the Company from its portfolio dividends and any realised gains on portfolio sales during the period. When realised gains occur, franking credits can be generated from the corporate tax that Argo Infrastructure pays in Australia. These franking credits will be distributed to shareholders when practicable.

The developing track record of sustainable dividends to shareholders demonstrates the steady progress the Company is making towards our long-term total return objective. We look forward to continuing this trend based on the inherent features of an actively managed portfolio of global listed infrastructure companies.

OUTPERFORMANCE AMID VOLATILITY

This time last year, we highlighted global listed infrastructure's defensive characteristics, including its ability to offer equity-like returns with lower levels of volatility. It has been pleasing to see these qualities on display over the last 12 months, especially amid the market turmoil at the end of last calendar year. Sharp falls across global equity markets in the December 2018 quarter saw broader global equities plunge -11.0% in Australian dollar terms. Local shares fared only slightly better, falling -8.2% over the period. In contrast, global infrastructure stocks displayed considerable resilience in declining by just -0.9%.

Infrastructure stocks can not only offer this downside protection, tending to fall by far less than broader equities, but they can also capture much of the upside of equity markets. This means they tend to also rise along with broader equities, although often not as sharply. When equity markets

rebounded at the start of in the 2019 calendar year, global listed infrastructure stocks also rose, demonstrating strong performance in both falling and rising markets.

Both the good performance of the portfolio manager and the attributes of the asset class in varying market conditions are reflected in the latest performance figures. Argo Infrastructure's portfolio returned +22.7% for the year to 30 September 2019, outpacing the benchmark index and comfortably outperforming the S&P/ASX200 Accumulation Index which rose by +12.5% and the MSCI World Index which increased +9.2% in Australian dollar terms, over the same period.

These figures are testament to the investment philosophy and expertise of Cohen & Steers, our specialist portfolio manager. Shortly, Cohen & Steers portfolio manager, Bob Becker, will discuss the performance in further detail, including the key factors which contributed to the investment portfolio's strong returns.

REDUCING THE SHARE PRICE DISCOUNT TO NTA

Since last year's Annual General Meeting, we have made steady progress towards narrowing the Argo Infrastructure's share price discount relative to its net tangible asset backing (NTA). Over the past 18 months the discount to NTA has contracted from -17.6% to less than 10.0%.

We believe the reduced discount reflects a number of factors, including the increasing dividend profile, the strong performance of the investment portfolio, in absolute terms and relative to the benchmark index, and increased investor demand for alternative asset classes, including those with defensive attributes. We also operated an on-market share buy-back when the discount was at its greatest.

We are working hard to promote awareness and understanding of Argo Infrastructure's benefits to new and prospective investors. Throughout the year we have presented and exhibited at various investment forums and contributed articles to a range of investor publications such as the ASX's Investor Newsletter.

STRONG SHARE PRICE PERFORMANCE

Argo Infrastructure has also performed well from a share price perspective. Over the 12 months to 30 September 2019 the share price returned +24.5% due to a confluence of factors including the narrowing discount to NTA, the performance of the portfolio and a weaker Australian dollar.

Argo Infrastructure has performed particularly well over the past year when compared with other LICs with an international focus. Independent research by Bell Potter identified Argo Infrastructure as the best performing international strategy LIC over the volatile 2018 December quarter.

POSITIVE OUTLOOK

With a strong balance sheet and no debt, the Company has entered the new financial year well-positioned to benefit from the growing global demand for private sector infrastructure investment.

Offering global diversification through a simple and liquid investment structure, the benefits of investing in Argo Infrastructure continue to attract interest from advisers and new investors alike. In the last six months, over 350 new shareholders have joined the register, with total shareholders now in excess of 9,300.

Building on recent strong performance, Argo Infrastructure's investment portfolio is up +7.7% in the first three months of financial year 2020, ahead of the benchmark index and outperforming broader global and Australian equities by +3.1% and +5.3% respectively.

Despite macroeconomic data indicating slowing global growth and the persistence of several major geo-political risks, the outlook for the asset class remains positive. Multiple factors point to a strong, long-term outlook for global listed infrastructure. It is structural, rather than cyclical, factors that drive the continued and increasing need for private sector infrastructure investment across both emerging and developed economies. With stretched balance sheets, governments globally remain unable to meet the capital requirements to deliver essential infrastructure. In our view, public funding shortfalls will continue to compel governments to incentivise the private sector to fund, build and operate infrastructure.

DIRECTORATE

Now I would like to acknowledge our fellow Board member, Gary Simon, who sadly passed away recently. Gary's passing came as a surprise to us all. An inaugural director of the Company, Gary had a critical role in Argo Infrastructure's successful initial public offering process and listing in 2015. He believed in the concept and brought his considerable skills to bear to give life to the company we are all shareholders in today. Gary was Chairman of the Audit and Risk Committee of the Board and put a great deal of energy into this task. In addition, Gary made a significant ongoing contribution to the Company through his diligence and hard work and we are all grateful for his efforts. He was articulate and widely respected. We greatly miss him.

On behalf of the Company, I want to take this opportunity to publicly extend our deepest condolences to his family.

THANK YOU

I would like to conclude by thanking Jason Beddow and the team in Australia for their continued hard work throughout the year. I also thank Bob Becker and the team at Cohen and Steers, the portfolio manager, for their outstanding performance during the year. Together these two small teams are dedicated to creating value for Argo Infrastructure's shareholders.



I would also like to thank my fellow Board members and recognise the valuable contribution they make to the Company throughout the year.

Finally, on behalf of the Board, I sincerely thank our loyal shareholders for your ongoing support. To our new shareholders, welcome to Argo Infrastructure.