Argo Global Listed Infrastructure

COHEN & STEERS

Quarterly Investment Report / 30 June 2017

Argo Global Listed Infrastructure Limited (AGLI) is a listed investment company which was established in 2015 to provide investors with exposure to a diversified portfolio of securities in the global listed infrastructure sector, contained within the simple and easily tradeable structure of an ASX-listed investment company. The investment objective is to provide shareholders with a mix of long-term capital growth and dividend income.

Overview

Global listed infrastructure generated another positive total return in the June quarter and outpaced the broader global stock markets. Economic growth in Europe continues to strengthen and the outlook for Japan is improving. In the US, the Federal Reserve responded to the improving economic picture and falling unemployment by raising its benchmark short-term interest rate by 0.25%.

AGLI's NTA improved by over 3% for the second quarter in a row and finished the financial year at $2.06, slightly narrowing the share price discount to NTA. Further improvement of the discount to NTA is a key focus for AGLI going forward. The Company's Dividend Reinvestment Plan (DRP) has been amended to allow on-market purchases of the stock required for DRP participants (rather than issuing new shares), and other measures are being considered for use in the near term.

Within the global listed infrastructure universe, nearly all subsectors improved during the June quarter, led by airports which jumped over 20% in A$ terms, supported by improving economic momentum and rising passenger traffic in Europe, which benefited AENA and Aeroports de Paris in particular. The communications subsector rose 7.5% amid reports that US telecommunication carriers are likely to ramp up their network build-out plans in the second half of this year.

Toll roads also performed well, rising 6.6%, aided by potential consolidation within the industry following Atlantia's tender offer to acquire Abertis Infraestructuras. Both stocks are held in AGLI's portfolio.

Utilities benefited from a favorable global interest rate backdrop, as well as the improving attractiveness of European equities in general. Several European gas distribution companies outperformed, including Italgas, Enagas and Gas Natural SDG. Among electric utilities, Japan's Kyushu Electric Power gained more than 14% after a court ruling permitted the company to bring two of its nuclear reactors back online.

The notable underperforming subsector was midstream energy (mostly pipelines), which fell 2.1%, weighed down by the weak and volatile oil price due to lingering concerns that increased US drilling activity could undermine OPEC's efforts to stabilize oil markets through production cuts.

Outlook comments

We remain optimistic that the economic strength experienced in recent months will continue, albeit at a somewhat slower pace. In the US, uncertainty has replaced some of the enthusiasm that initially greeted the Trump administration's pro-growth policies, specifically around the timing and likelihood of potential tax cuts and a major infrastructure spending plan. However, we believe regulatory changes could still have positive implications for US infrastructure subsectors such as midstream energy, as the new administration has already made noteworthy moves to speed up Federal pipeline approvals.

In the portfolio, we have become more favorably disposed towards continental Europe, reflecting our view that the region's economic momentum and political outlook is improving.

We have become slightly more cautious within the midstream energy subsector. We believe OPEC's production cuts appear to have set a floor under the price of oil, reducing counterparty risk for midstream energy companies. However, it may take longer than expected for oil markets to reach equilibrium.

Our active re-weighting investment process has also seen us reduce exposure to freight railways following their strong recent performance. We also maintain a cautious approach to utilities in the US, due to their vulnerability to rising interest rates.

Stock snapshot

TransCanada

- Owns and operates extensive networks of natural gas and crude oil pipelines across Canada, US and Mexico
- Supplies over 25% of the North American continent's daily gas needs
- Also produces and stores natural gas, crude oil and other petroleum products
- Power generation assets include solar, wind and nuclear facilities
- Low-risk assets that produce predictable and sustainable growth in earnings, cash flow and dividends
- Extensive short and long term development projects

www.transcanada.com/en

Investment objective

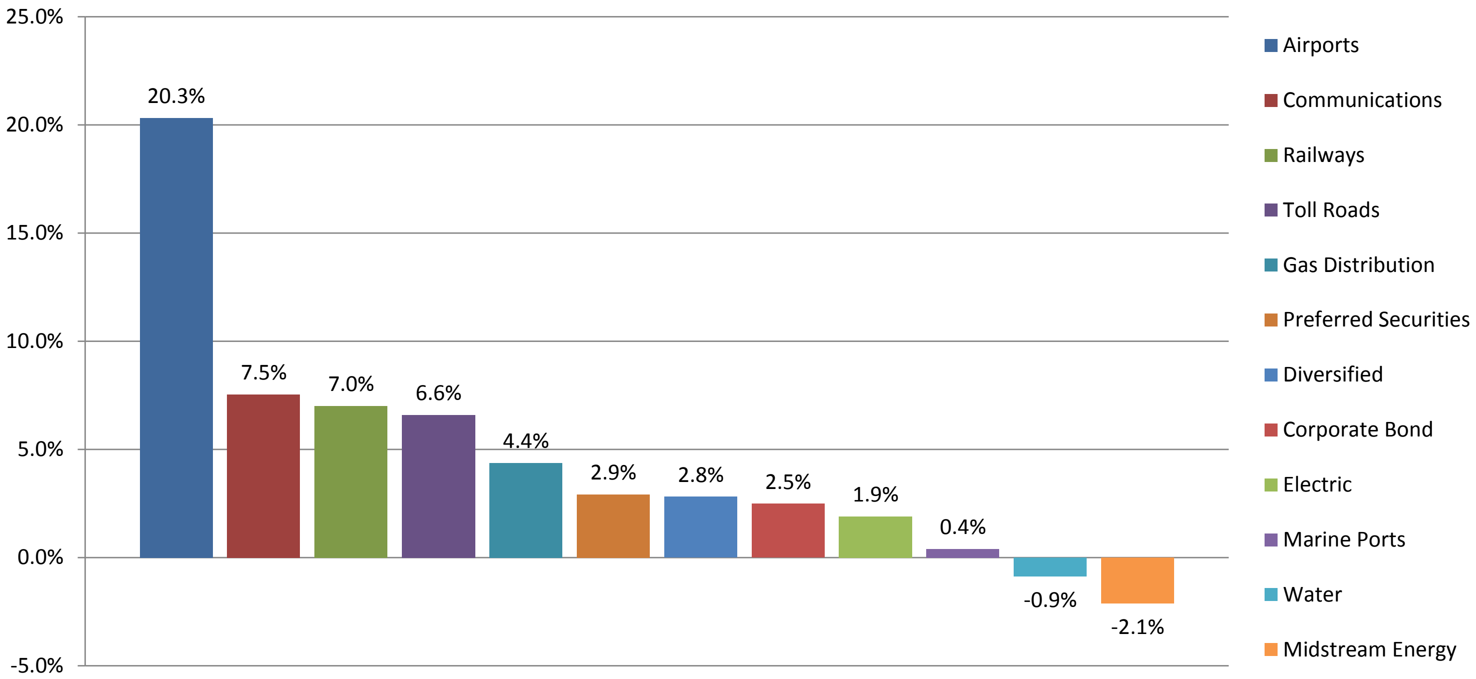
AGLI's investment strategy seeks to benefit from growing demand for infrastructure investment, historical underinvestment in infrastructure, and the continued privatisation of traditionally government-owned assets and services. In particular, the strategy seeks to maximise total return and provide stable dividend yields and low long-term correlation to other asset classes such as Australian equities.

AGLI invests in infrastructure companies that not only enjoy the typical sector characteristics of direct infrastructure investment, but also have the additional benefits of being publicly listed, including liquidity, transparency, diversification and daily market pricing.

The global listed infrastructure universe allows exposure to a much broader range of industries than is available from Australian infrastructure stocks. AGLI invests in communications towers, pipelines, airports, marine ports, toll roads, railways, water, renewable energy and utilities. The individual companies within those subsectors are selected using fundamental research and valuation models.

Index performance by subsector (A$)

for the quarter ended 30 June 2017



Index: Blended Benchmark: 90% FTSE Global Core Infrastructure 50/50 Net + 10% BofA ML Fixed Rate Preferred Index (in A$)

Source: BI-SAM Technologies, Inc. This analysis is to provide insight into the various factors contributing to the total return against results of the index. These are not the official results of the index. The information presented above does not represent the performance of any fund or other account managed or serviced by Cohen & Steers, and there is no guarantee that investors will experience the type of performance listed above. An investor cannot invest directly in an index, and index performance does not reflect the deduction of fees, expenses or taxes. Data quoted represents past performance, which is no guarantee of future results.

Top 10 portfolio holdings

as at 30 June 2017

Security Name	Country of listing	Subsector	Portfolio %	Index %
NextEra Energy	US	Integrated Electric	4.6	2.7
American Tower	US	Communication Towers	4.0	2.8
Crown Castle International	US	Communication Towers	3.8	1.9
TransCanada	CAN	Midstream Energy	3.4	2.1
Sempra Energy	US	Gas Distribution	3.0	1.2
Xcel Energy	US	Regulated Electric	3.0	1.0
CMS Energy	US	Regulated Electric	2.8	0.5
Atlantia	ITALY	Toll Roads	2.5	2.2
Kinder Morgan	US	Midstream Energy	2.5	1.9
CLP Holdings	HK	Regulated Electric	2.5	0.7
			32.1	**17.0**

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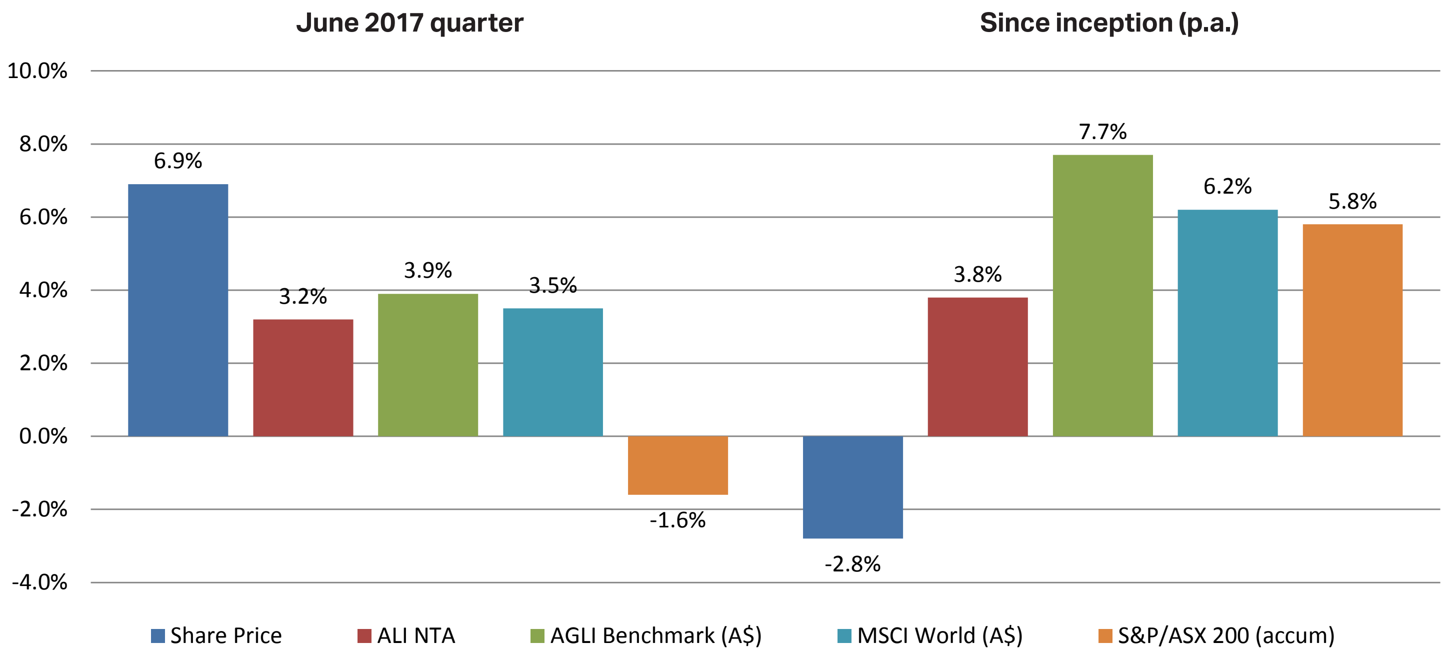
Investment performance

Global listed infrastructure continued to produce positive returns in the June 2017 quarter. AGLI's share price discount to NTA contracted slightly during the quarter.

We remain confident in the long term growth prospects for AGLI, which provides a unique direct exposure to international listed infrastructure companies.

AGLI's investment performance is updated as part of the monthly NTA release and is also updated monthly on the website www.argoinfrastructure.com.au, which remains the best source for information on the company.



AGLI Benchmark - the A$ blended benchmark of 90% of the FTSE Global Core Infrastructure 50/50 Index and 10% of the Merrill Lynch Fixed Rate Preferred Securities Index

Inception date is 3 July 2015.

Past performance is no guarantee of future results. The views and opinions in the preceding commentary are as of the date of publication and are subject to change. There is no guarantee that any market forecast set forth in this presentation will be realized. This material should not be relied upon as investment advice, does not constitute a recommendation to buy or sell a security or other investment and is not intended to predict the performance of any investment.

Sector classification of securities in the index determined by the investment advisor.

This index information is not representative of any Cohen & Steers account and no such account will seek to replicate an index. You cannot invest directly in an index.

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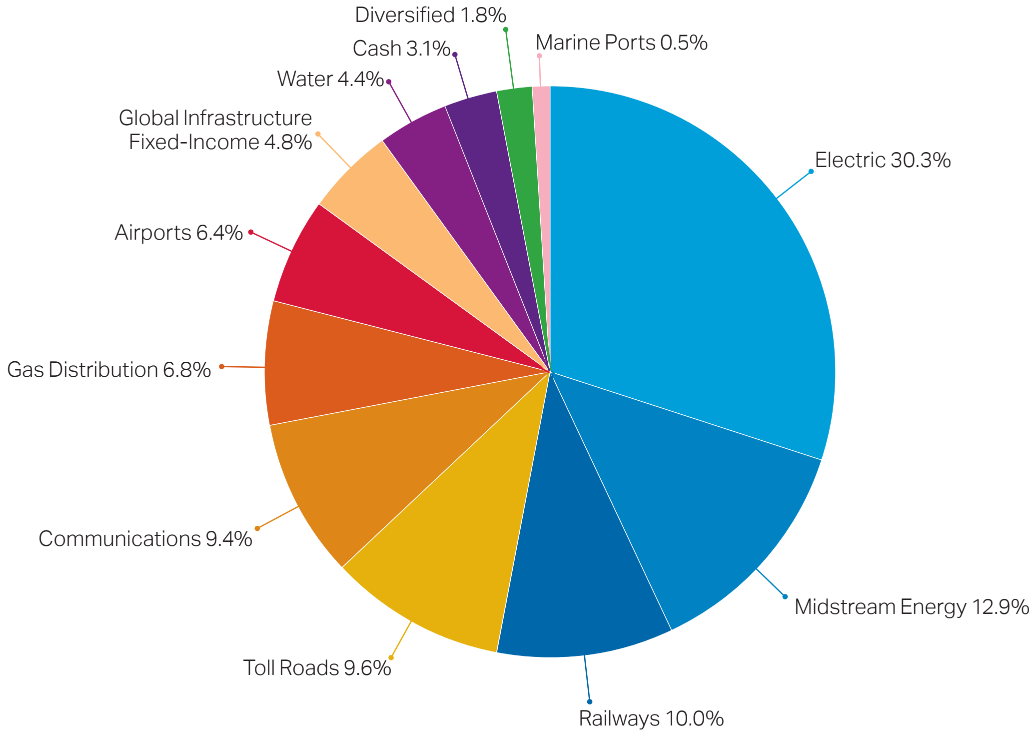
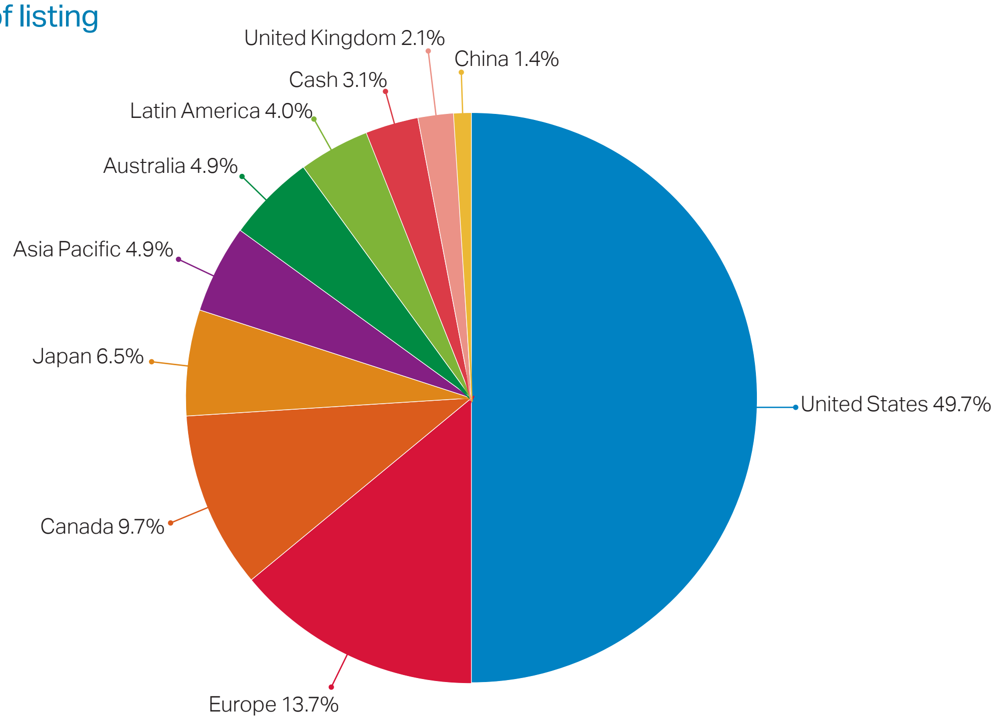
Subsector diversification



Geographic diversification by country/region of listing



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