



25 October 2021

Company Announcements  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

### Annual General Meeting

Please find attached the Chairman's Address, Managing Director's Address and the accompanying presentation slides for today's Annual General Meeting of Argo Global Listed Infrastructure Limited (ASX: ALI).

Yours faithfully,

Tim Binks  
Company Secretary



## 2021 Annual General Meeting

### Chairman's address

Delivered by Mr Russell Higgins AO at the 6th Annual General Meeting of Argo Global Listed Infrastructure Limited (Argo Infrastructure or Company) held online on Monday 25 October 2021 at 12.30pm (Adelaide time).

#### Introduction

Although the COVID-19 pandemic is still impacting our everyday lives, it is somewhat comforting that since last year's AGM, there are now effective vaccines and more than 70% of Australians aged 16 and over are now vaccinated. It was in the second half of 2020 that successful vaccines were first approved in the USA and mass manufacturing commenced. Global share markets reacted extremely positively to this development as investors chased growth and other stocks which would benefit from re-opening economies, while shying away from the infrastructure sector's more defensive qualities.

However, the path to reopening has not been as smooth as markets exuberantly priced in initially, with the delta variant of the coronavirus leading to further lockdowns in many countries. Throughout this period, global listed infrastructure has provided steady gains and importantly been 'true to label' whilst broader equity markets have raced ahead, albeit with some volatility.

Argo Infrastructure's investment approach, business model and operations have remained unchanged throughout the pandemic and our people have been able to work remotely as required.

#### Financial results

For financial year 2021, Argo Infrastructure reported a profit of \$18.8 million. While the dividend payouts from broader global equities fell sharply due to the pandemic, the income generated by our portfolio was only slightly down on the previous year, illustrating the resilience of infrastructure returns.

Argo Infrastructure remains in a strong financial position with more than \$350 million in assets at 30 June and no debt.

#### Record fully franked dividend

The Company was again able to raise dividends, increasing full year dividends by 6.7% to 8 cents per share fully franked, representing another record high payment to our shareholders.

Argo Infrastructure continues its track record of generating sustainable total returns to shareholders, with dividends paid since inception now totaling 32.25 cents per share. Furthermore, this year's final dividend was the seventh successive fully franked dividend.

A key benefit of investing in international assets through our Australian listed investment company (LIC) structure is our ability to generate franking credits for Australian investors when we pay company tax in Australia on income received and on realised gains.

Argo Infrastructure's dividends are derived from realised gains on sales from the portfolio and from dividends received from the companies in our portfolio. Dividends are not paid from unrealised gains. This helps safeguard the sustainability of future dividends as well as the capital position of the Company.

### **Investment performance**

The global listed infrastructure sector returned a solid increase of 8.7% for the financial year, while Argo Infrastructure's investment portfolio rose by 9.2%, providing another year of index outperformance by our Portfolio Manager, Cohen & Steers.

The Australian dollar appreciated from US\$0.69 to US\$0.75 over the financial year providing a headwind to our returns. Nevertheless, every one of the 10 infrastructure subsectors generated positive returns in Australian dollar terms. The more economically sensitive subsectors were the strongest performers during the year, with marine ports jumping 53.0%, midstream energy up 27.5% and railways 16.1%. In contrast, the performance of the more defensive subsectors such as utilities were subdued, with water up 2.1%, gas 3.6% and electric 4.0%.

### **Reducing the share price discount to NTA backing**

The share prices of many listed investment companies (LICs) which invest in global equities tend to trade at substantial discounts to NTA due to a number of factors.

In mid-2018, Argo Infrastructure shares were trading on the ASX at a discount of around 15-20%. At that time the company was in its early stage and was just starting to establish its reputation. Since then, our track record of increasing, reliable fully franked dividends and continued portfolio outperformance have contributed to substantial progress in reducing the difference between the Company's share price and its net tangible asset (NTA) backing per share. By August 2019, the discount was under 10% and now it is around 2-3% and often trades at parity with NTA.

### **Independent research ratings**

Argo Infrastructure's demonstrated track record of performance has occasioned a lift in our research ratings. Independent investment ratings firm Lonsec recently published its latest research report on Argo Infrastructure, upgrading the Company from an 'Investment Grade' to 'Recommended' rating – the second highest rating offered by Lonsec. In addition, Independent Investment Research initiated coverage of Argo Infrastructure in August, assigning a 'Recommended' rating.

## Share Purchase Plan

Earlier this month we offered our second Share Purchase Plan (SPP) to shareholders. These offers are very popular as a way of increasing your holding by up to \$30,000 without the need to pay brokerage fees. The SPP was well supported, with 2,460 or 26.4% of our shareholders participating to raise \$31 million. The additional funds were able to be invested almost immediately given the large and liquid nature of the global listed infrastructure sector.

## Outlook

Over the past 20 months we have seen a period of massive fiscal stimulus, at or near zero interest rates and large quantitative easing or bond buying programs by Central Banks. We may see some volatility in markets as these policy settings are unwound. It is during periods of volatility that the relatively stable and defensive characteristics of infrastructure tend to be noticed most.

Although the threat of inflation and higher interest rates will impact some infrastructure subsectors, President Biden's US infrastructure package and tax changes will be a clear positive. Longer term, we see secular trends such as the digital transformation of economies and the transition to renewable energy will be significant drivers for the sector.

As a closed-end listed investment company with no debt, Argo Infrastructure is well placed to benefit from the long-term growth and income potential of the global listed infrastructure sector.

## Thank you

In conclusion, I would like to thank Jason Beddow and his team for their ongoing efforts. I also thank our Portfolio Manager, Cohen & Steers and the firm's team of investment professionals based in offices around the world.

I would like to thank my fellow Board members for their valuable contributions to the Company through what has been another challenging year.

Most importantly, I sincerely thank our loyal shareholders and to our new shareholders, welcome to Argo Infrastructure.



## 2021 Annual General Meeting Managing Director's Address

Delivered by Mr Jason Beddow at the 6th Annual General Meeting of Argo Global Listed Infrastructure Limited (Argo Infrastructure or Company) held online on Monday 25 October 2021 at 12.30pm (Adelaide time).

### Merger and acquisition activity

Recent high profile takeover bids for several Australian listed infrastructure companies have brought the asset class to the forefront of investors' minds. As options to invest in infrastructure via the Australian Securities Exchange (ASX) potentially dwindle, it has sharpened the focus on offshore opportunities to gain exposure to the asset class.

Australians have long had opportunities to invest in domestic listed infrastructure companies. In fact, Australia was at the forefront of the asset class with the privatisation of numerous high-profile government-owned assets, particularly toll roads, airports and utilities.

However, with Sydney Airport, Spark Infrastructure and AusNet Services currently subject to takeover bids, opportunities for Australians to invest in domestic listed infrastructure are likely to diminish. If successfully completed, these transactions would reduce the aggregate market capitalisation of ASX-listed infrastructure companies by approximately 30%. Furthermore, there would be less than ten Australian listed infrastructure companies.

There are around 30 times more listed infrastructure companies outside of Australia with a combined market capitalisation roughly double the size of the ASX. The global asset class is highly diversified, spanning both developed and emerging markets. It also offers exposure to a range of infrastructure subsectors not represented on the ASX, such as water utilities and communications towers. As the world continues on the path of decarbonisation, many of the world's large, listed energy utilities are deriving a significant portion of their revenues from renewable power generation.

Shortly, you will hear from Ben Morton, Head of Global Infrastructure at Cohen & Steers which manages Argo Infrastructure's portfolio. He will describe how merger and acquisition activity in the Australian infrastructure space is part of a broader global trend, reflecting the strong demand for high-quality infrastructure assets globally. Also, the factors driving this demand, as well as other thematics currently impacting the asset class.

With its listed investment company structure, Argo Infrastructure provides simple, straightforward access to the large and diverse global listed infrastructure universe.

**Thank you**

I would like to thank the hard-working Argo team responsible for managing Argo Infrastructure. I also acknowledge the contribution from the Chairman and Non-executive Directors.

I wish all our shareholders well for the coming months. We thank you for your continued support and the trust that you have placed in us. I hope we will be able meet with you in person sometime in 2022.



# Annual General Meeting





# Board of Directors



**Russell Higgins AO**  
Non-executive Chairman



**Jason Beddow**  
Managing Director



**Joycelyn Morton**  
Non-executive Director



**Mark Hall**  
Non-executive Director



**Andrea Slattery**  
Non-executive Director



“Argo Infrastructure's objective is to provide a total return for long-term investors, consisting of capital growth and dividend income, from a global listed infrastructure portfolio which can provide diversification benefits for Australian investors.”



# 2021 highlights



Net assets at  
30 June 2021

**\$351m**

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Full year dividends,  
fully franked

**8.0c**

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NTA per share at  
30 June 2021

**\$2.35**

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Consecutive fully  
franked dividends paid

**7**

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Portfolio performance for  
12 months to 30 June 2021

**+9.2%**

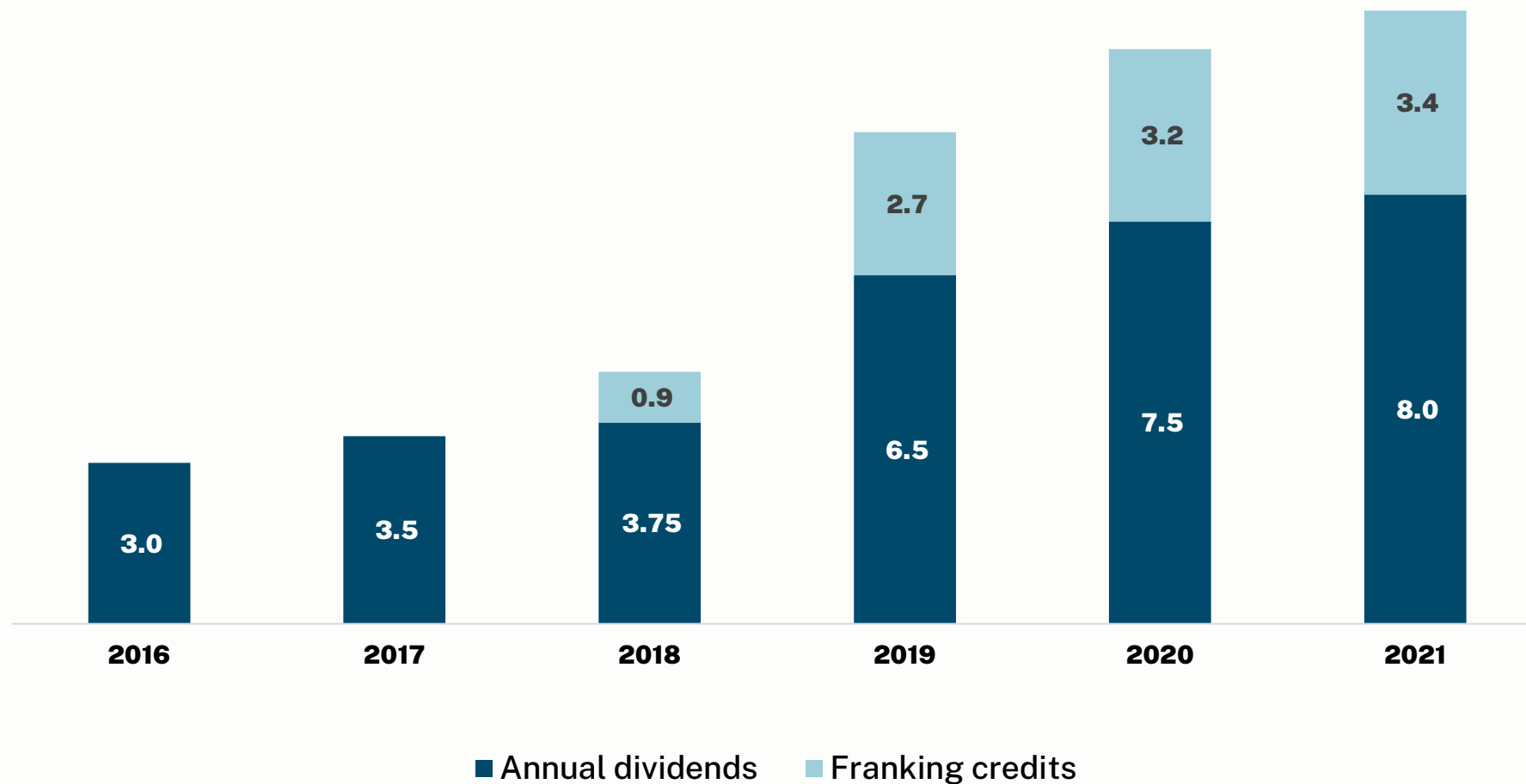
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Shareholders

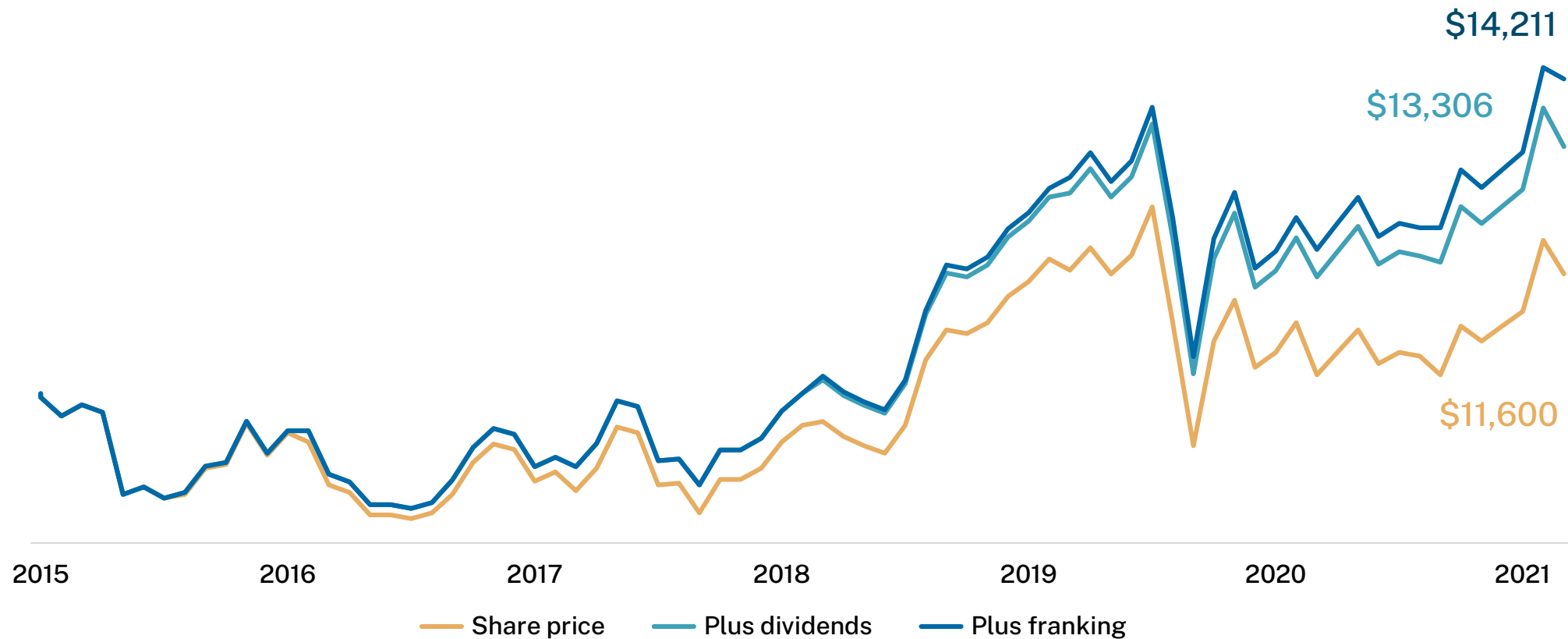
**9,441**

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# Annual dividends cents per share



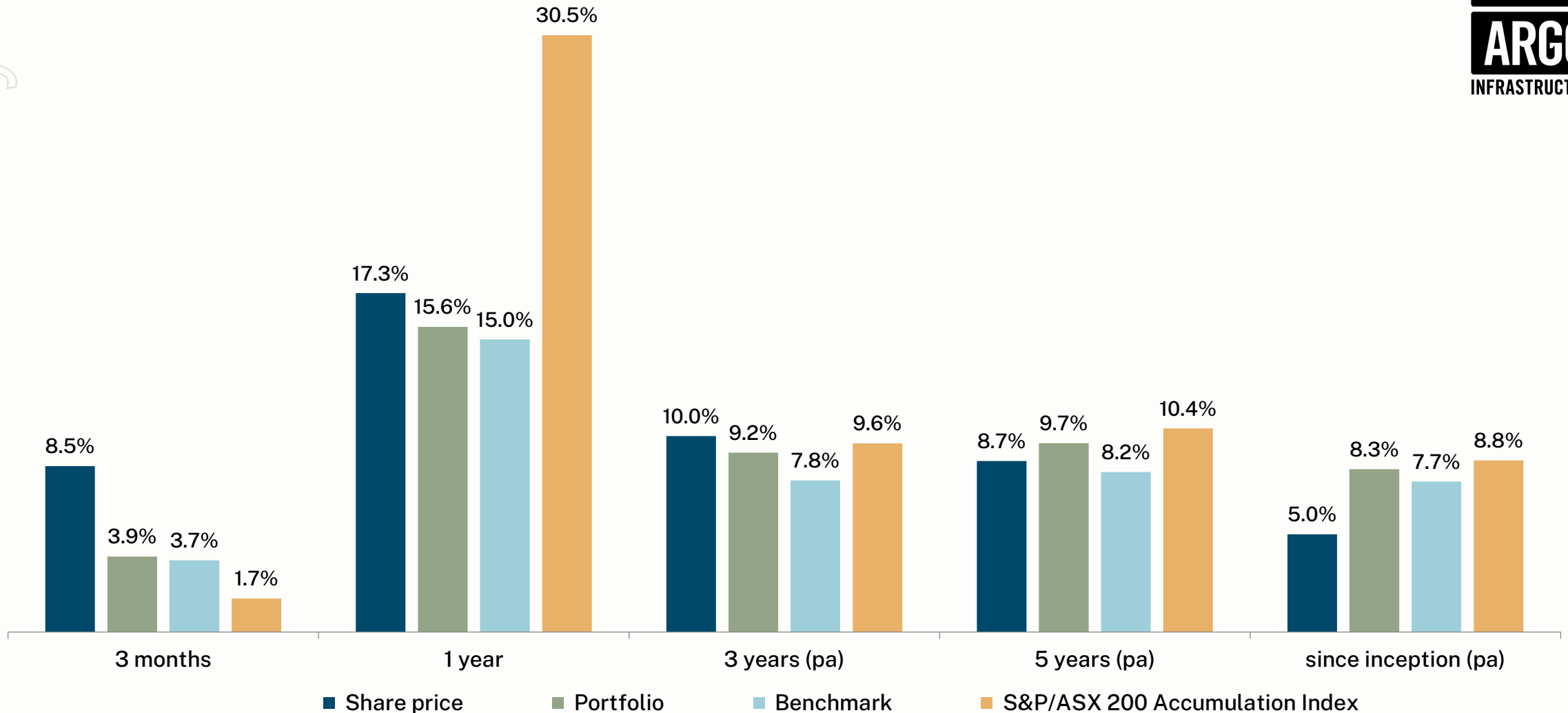
# Shareholder returns \$10,000 invested



Figures above are since inception (July 2015) to 30 September 2021

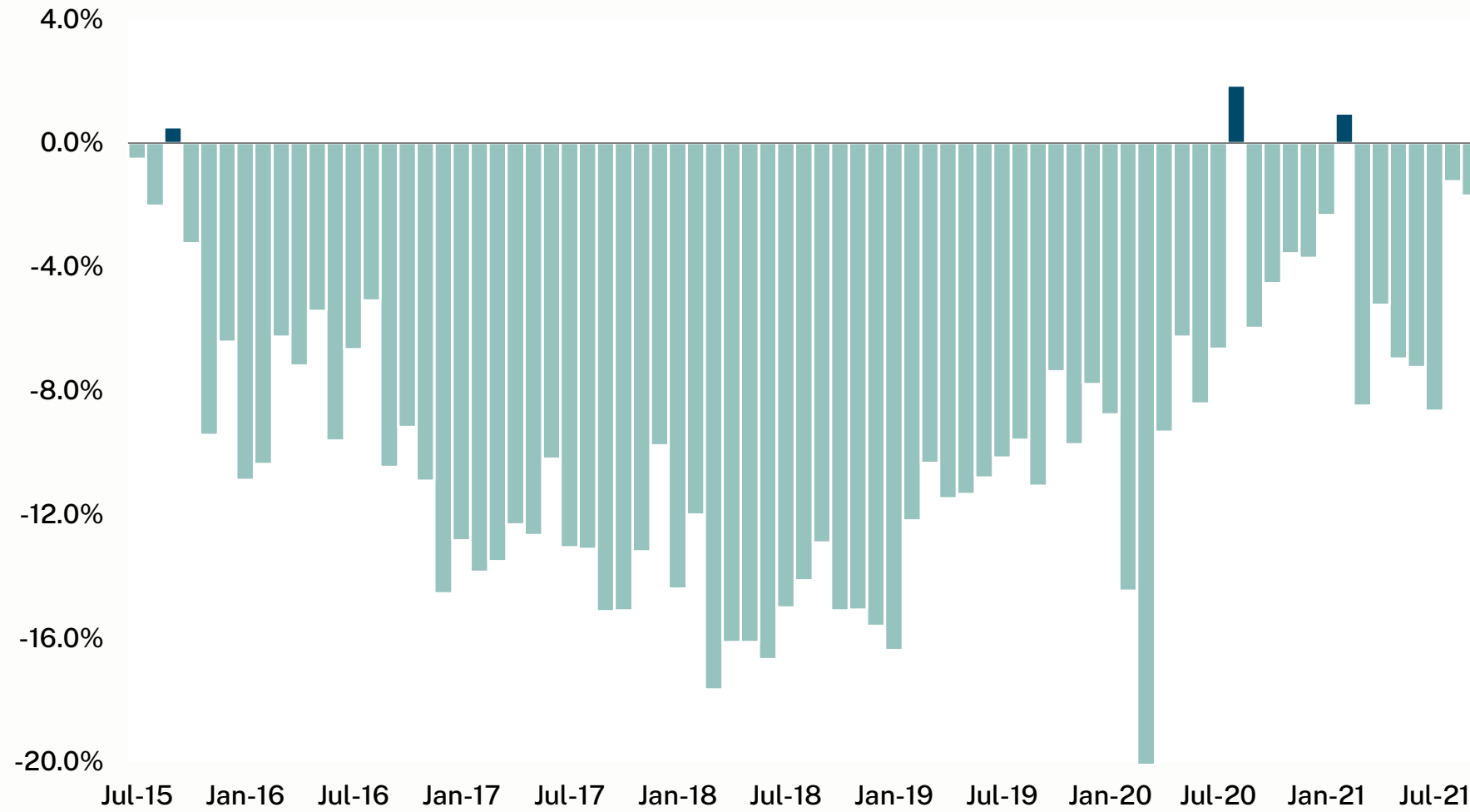


# Total returns percentage per annum



Figures above are to 30 September 2021

# Share price relative to NTA



Figures above are to 30 September 2021

# Shareholder benefits



Global  
diversification



Specialist global fund  
manager



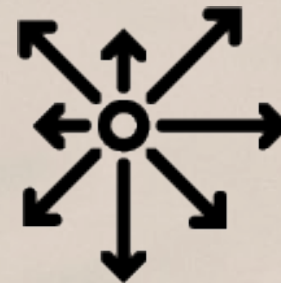
Access infrastructure  
opportunities



Proven investment  
approach



Enhance risk-  
adjusted returns



Simple global  
investing



# Outlook





# Mergers and acquisitions

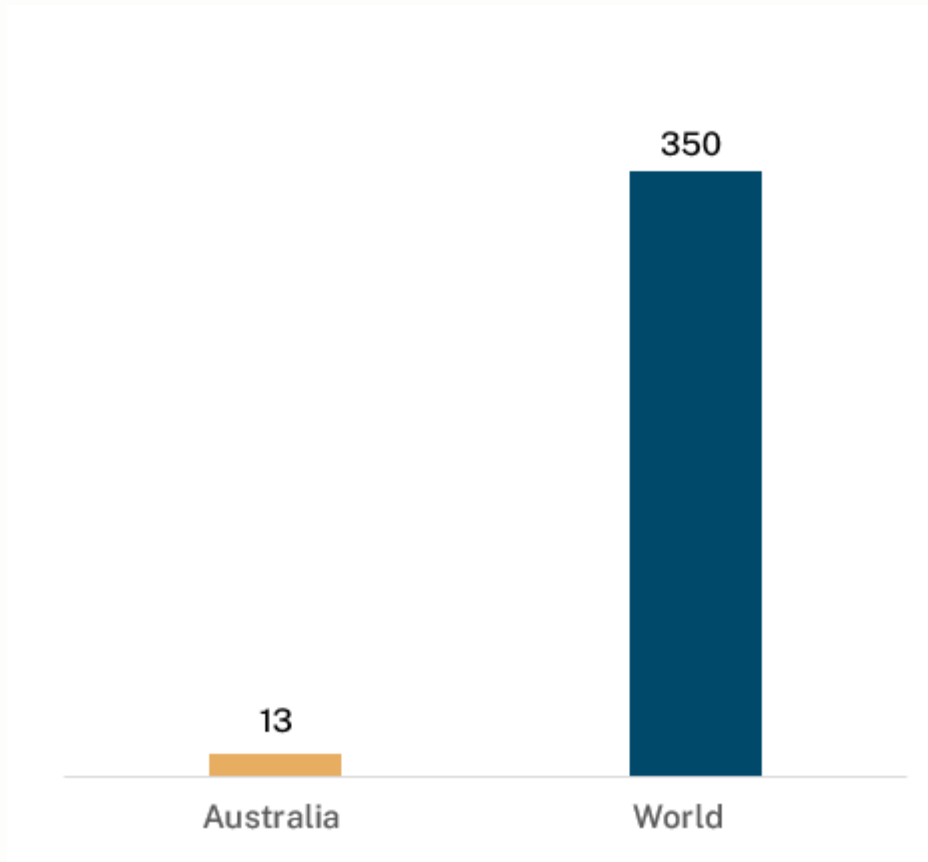


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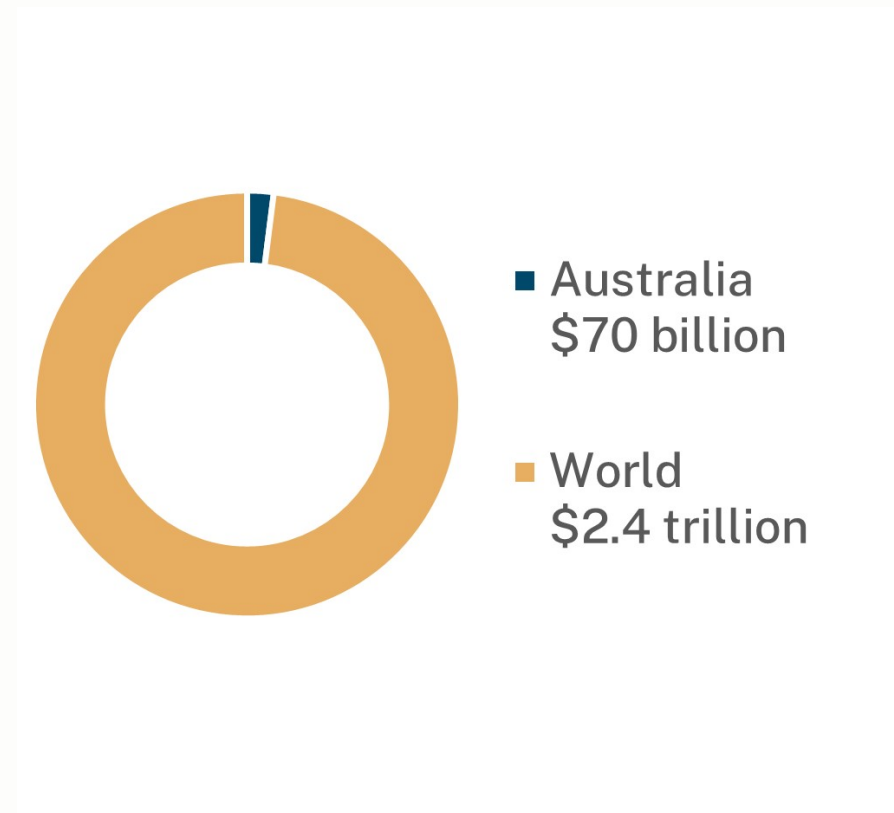


# Overseas opportunities

## Number of stocks



## Market capitalisation



Figures above are approximate



## Get in touch

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