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24 March 2017

Dear Shareholder,

Letter to shareholders for the half-year ended 31 December 2016

The Directors of Argo Global Listed Infrastructure Limited (AGLI or Company) are pleased to increase the interim dividend to 1.0 cent per share unfranked, up from 0.5 cent per share for last year's interim dividend.

Summary of financial results by half-year since inception

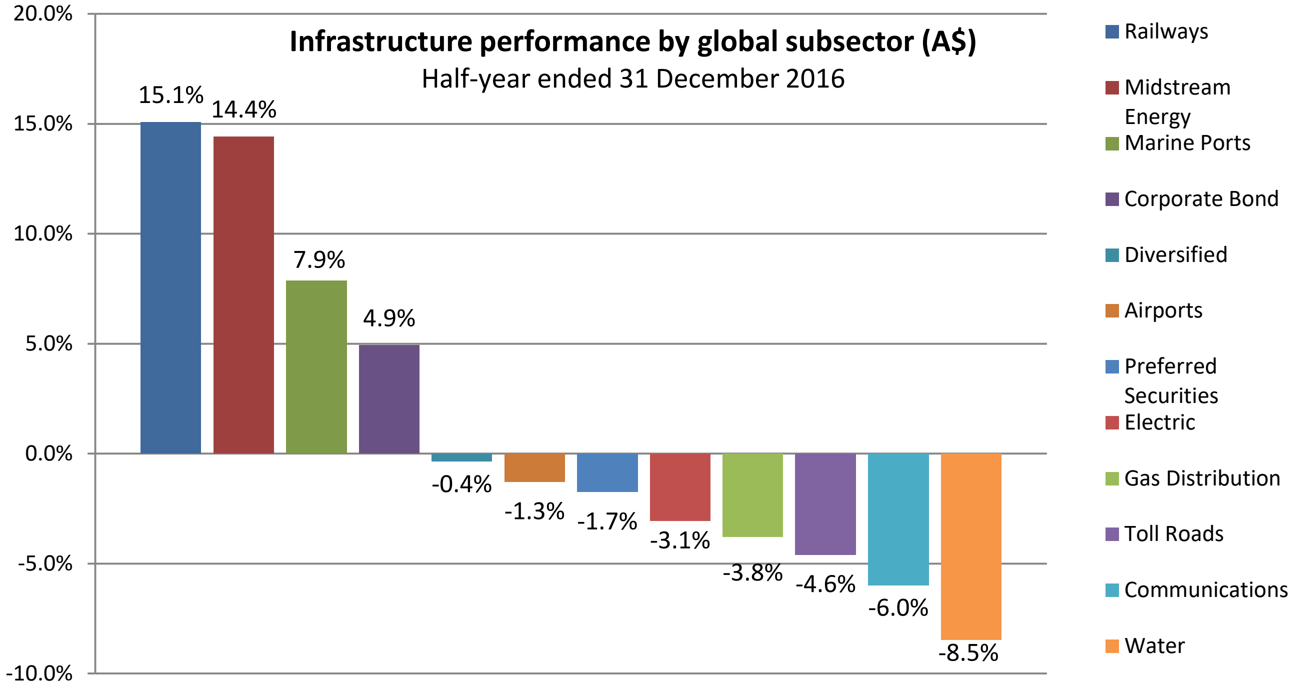
	31 Dec 2015	*30 June 2016*	***31 Dec 2016***
Profit	-$9.7 million	+$19.2 million	**-$4.2 million**
Dividend per share (unfranked)	0.5 cent	2.5 cents	**1.0 cent**
Net tangible asset backing (NTA) per share, pre-tax	$1.87	$2.03	**$1.96**

As this table shows, AGLI's reported profit can be volatile due to fluctuations in markets and currencies, as accounting standards require that changes in the portfolio's market value from period to period are included in the profit figure. However, the Company's dividends are not aligned to reported profit, but are currently based on the portfolio's dividend income less operating expenses and tax, which has a more consistent profile.

Overview

The Company's global portfolio of listed infrastructure securities, which is actively managed by the US-based investment manager, Cohen & Steers, lagged the strong performance of broader equity markets during the half-year. The unexpectedly positive reaction of equity markets to Donald Trump's victory in the US election resulted in a surge in cyclical stocks in the sectors which typically benefit from increased economic growth. In a relative sense, this optimism negatively impacted the infrastructure sector, due to its mostly defensive nature.

However, within the global listed infrastructure sector, which has a broader scope than the Australian sector, there are some subsectors which are more sensitive to economic activity, such as freight railways and marine ports. These subsectors improved during the half-year, mitigating the underperformance of the more defensive subsectors such as gas, electric and water utilities, as highlighted in the following chart.



Investment portfolio performance

The following table provides return statistics for AGLI's portfolio, its infrastructure sector benchmark index and the broader global equity markets, in A$ for various periods ended 31 December 2016. It should be noted that AGLI's total portfolio 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 share market indices do not take account of any costs.

Accumulated performance	*6 months*	*1 year*	*since inception (per annum)*
AGLI portfolio return (based on pre-tax NTA after costs)	-2.1%	+6.6%	+2.0%
AGLI infrastructure sector benchmark index*	+0.0%	+10.5%	+9.2%
MSCI World equity index (A$)	+9.8%	+8.0%	+8.0%

** 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).*

The global listed infrastructure sector was generally weaker in local currency terms during the half-year, although a weaker Australian dollar saw AGLI's benchmark finish flat for the period.

It is still early days in terms of performance for AGLI, which has a long-term investment objective. The short-term performance so far is tracking behind the benchmark, and while this is disappointing, we have confidence that the portfolio manager's investment process and long-term track record of outperformance will deliver improvement as the measurement periods get longer.

In AGLI's first 18 months, markets have endured high levels of volatility, including the impact of significant political changes globally. Cautious investor sentiment in this environment has pushed the share prices of many listed investment companies to discounts to their underlying NTA per share, including AGLI. However, long-term investors may see AGLI's discount to NTA of approximately 10% as a buying opportunity and we are experiencing increased enquiries about the Company and the global listed infrastructure sector generally.

Top 10 holdings at 31 December 2016

stock	*country of listing*	*subsector*	*% of portfolio*
NextEra Energy	US	Integrated Electric	4.2%
TransCanada	Canada	Midstream Energy	3.8%
Union Pacific	US	Freight Rails	3.6%
Crown Castle International	US	Communications	3.5%
Transurban	Australia	Toll Roads	3.2%
PG&E	US	Regulated Electric	3.2%
American Tower	US	Communications	3.2%
Sempra Energy	US	Gas Distribution	2.9%
Kinder Morgan	US	Midstream Energy	2.9%
CMS Energy	US	Regulated Electric	2.7%

Stock focus – NextEra Energy

NEXTera ENERGY

→ Currently AGLI's largest holding
→ One of the largest solar and wind power generators in the world
→ Owns and operates Florida Power & Light, the 3rd largest electric utility in the US, which has been in operation since 1925 and has over 4.8 million customers
→ Integrated business model, combining a high quality utility in an area of continuing population growth with low-risk, long-term contracted energy generation assets located across North America
→ Diversified range of generation sources also includes natural gas and nuclear plants
→ Over US$80 billion in assets
→ www.nexteraenergy.com

Options expiry

At the time of AGLI's initial public offering (IPO) in 2015, IPO subscribers were issued with one free option for every share subscribed for. Each option is exercisable into one fully paid ordinary share in the Company, upon payment of the exercise price of $2.00 per share. These options expire on 31 March 2017 and a letter to all option holders advising them of their alternative courses of action has been distributed.

At the time of writing, the last traded price of AGLI shares was $1.70, indicating that investors who seek to increase their exposure to the Company should consider buying AGLI shares on market, rather than exercising their options at $2.00. However, the market price should be monitored for any significant changes and we recommend that you seek independent financial advice if you are unsure whether to exercise your options prior to 31 March 2017.

Outlook

Infrastructure is very much on the political agenda in the United States, Europe and Australia. In particular, infrastructure investment in the US may get a boost from President Trump's plan to spend up to US$1 trillion repairing, upgrading and expanding US infrastructure.

However, infrastructure investment is of long duration and takes place over a number of years. In addition, policy uncertainties may result in higher volatility until there is more clarity about what President Trump will actually deliver.

The long-term prospects for global listed infrastructure are underpinned by the need for infrastructure development all over the world, due to population growth and increasing standards of living. Many governments are indebted and are incentivising the private sector to develop and operate infrastructure by offering privatisation opportunities and accommodative regulatory environments which allow companies to earn reasonable returns on what are generally long-term, inflation-linked contracts.

We firmly believe that AGLI can bring important diversification benefits to Australian equity investors from an asset class, geographic and currency perspective. AGLI is a closed-end listed investment company with no debt, and is well placed to benefit from the long-term growth and income potential of the global listed infrastructure sector which remains compelling.

Yours faithfully,
ARGO INVESTMENTS LIMITED

Jason Beddow
Managing Director