



# Welcome to the 2018 Annual General Meeting



# Disclaimer



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*ASCO's Financial Services Guide is available on request or at [www.argoinfrastructure.com.au](http://www.argoinfrastructure.com.au).*

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# Financial results

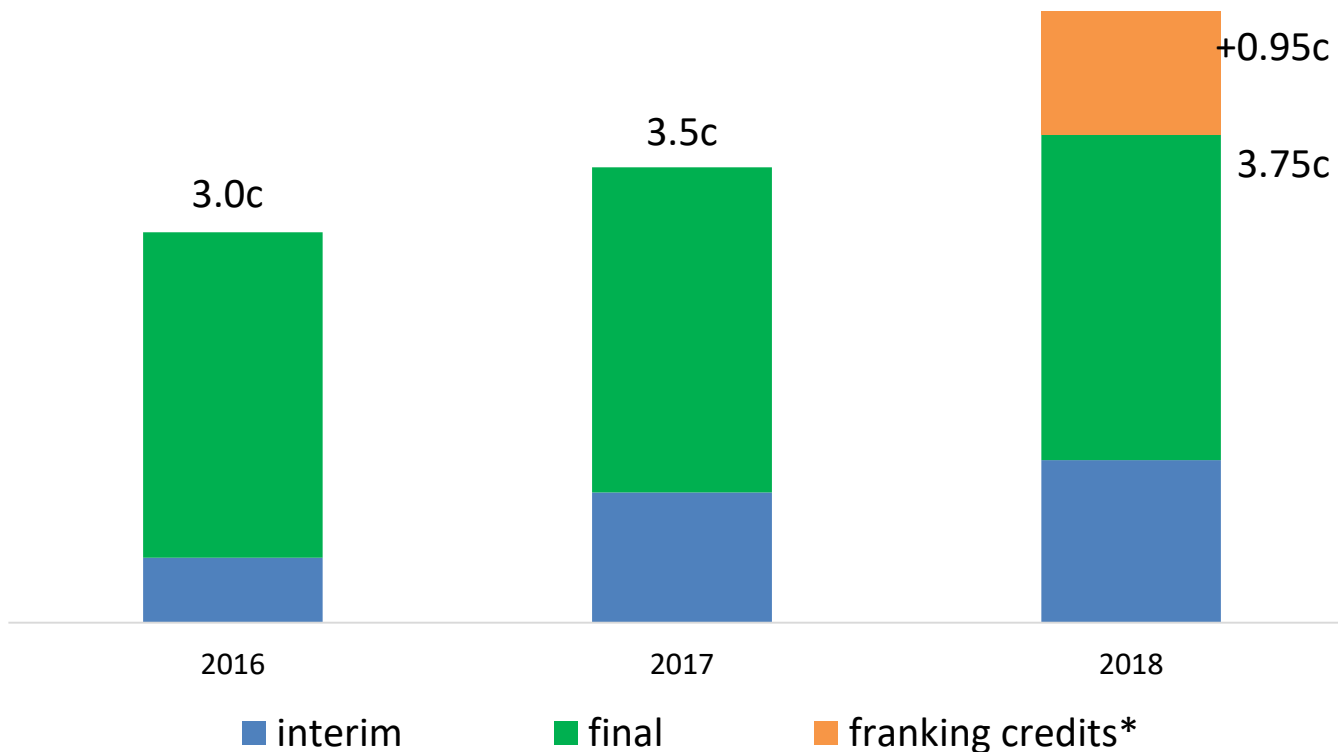
*year ended 30 June 2018*



	2018	2017
Profit	<b>\$16.2 million</b>	\$7.8 million
Total dividends per share	<b>3.75 cents</b>	3.5 cents
Net tangible asset backing (NTA) per share, after costs and tax	<b>\$2.16</b>	\$2.06

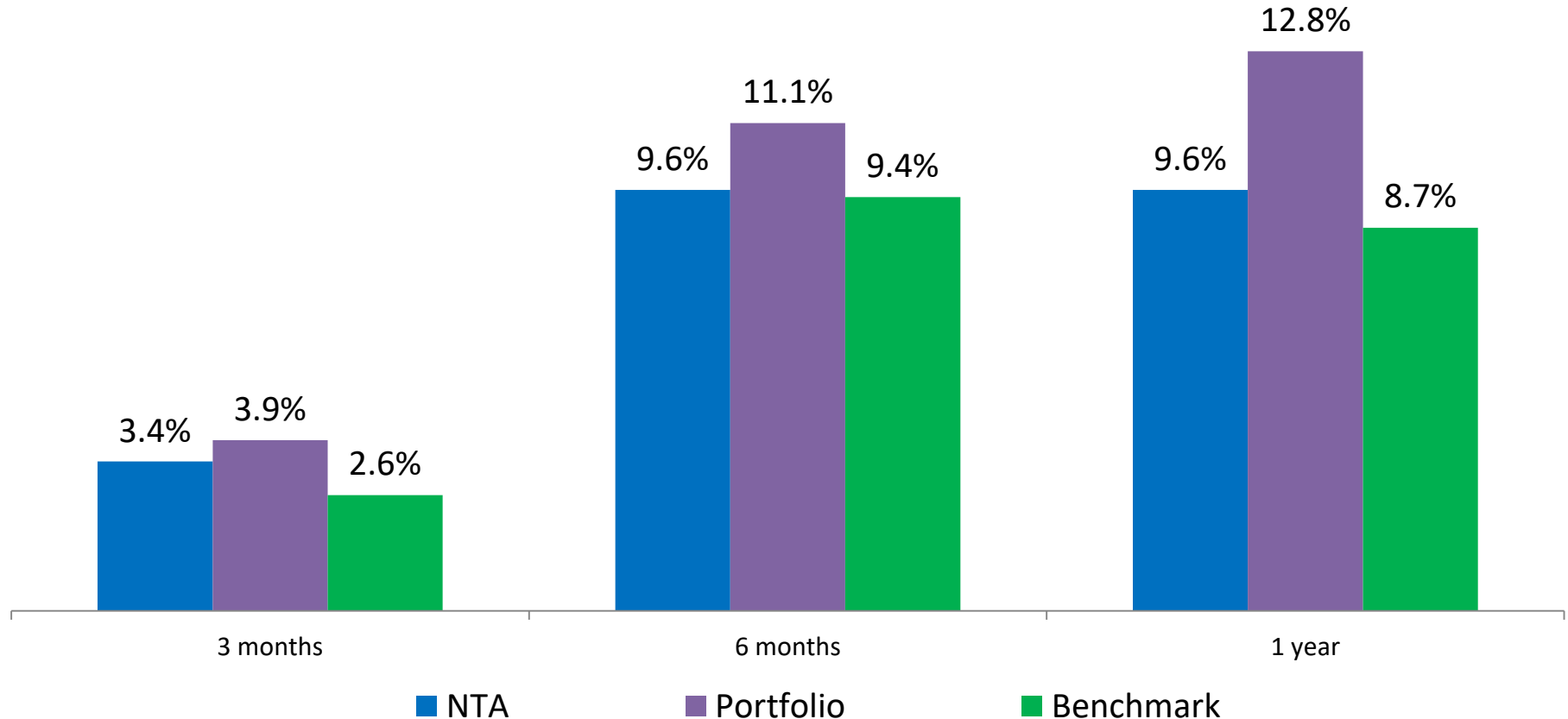
# Dividends

*first fully franked dividend paid in September*



\* the 2018 final dividend was fully franked

# Total returns *to 30 September 2018*



# Positive progress – share price

since inception based on \$10,000 invested

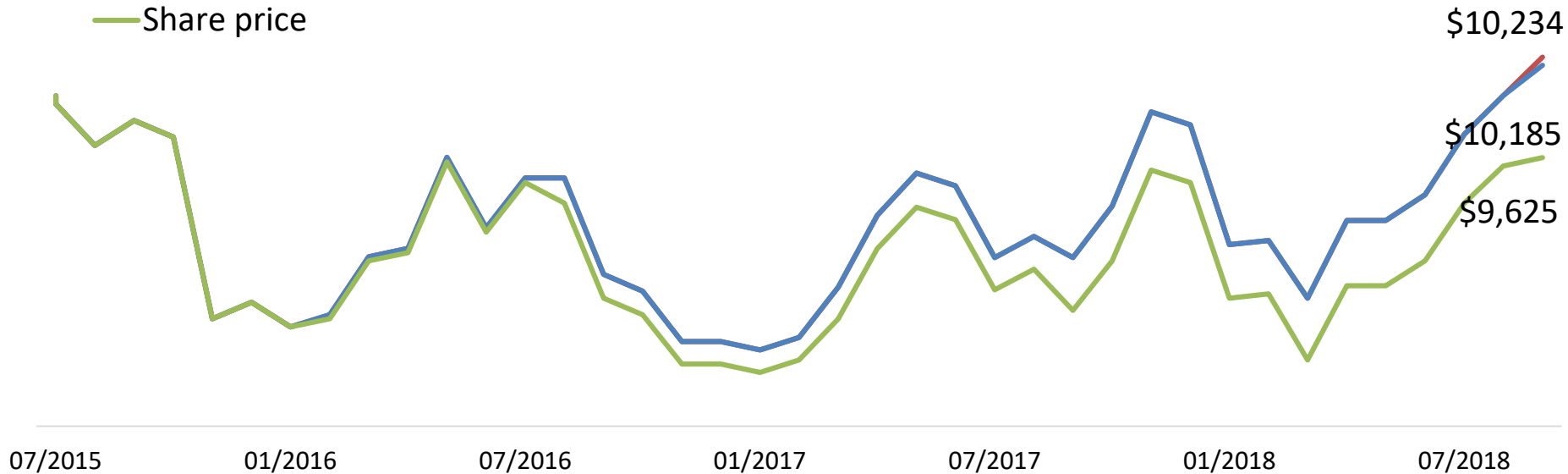


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— + franking credits

— + dividends paid

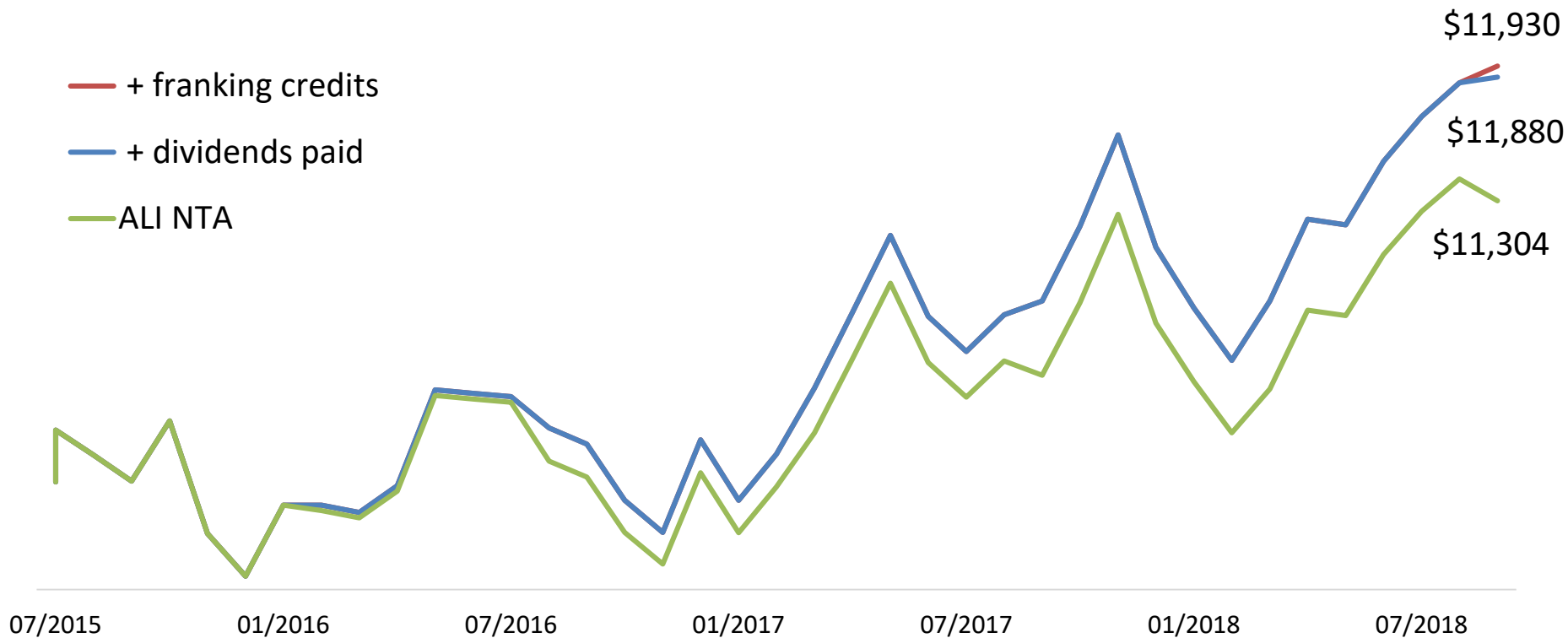
— Share price



# Positive progress - NTA since inception based on \$10,000 invested



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# Narrowing the share price/NTA discount



- On market buy-back (since April 2018)
- Dividend Reinvestment Plan on market
- Increased marketing and communication



# Opposition to the removal of refundable franking credits



# Survey results



Diversification most  
important



Followed by  
infrastructure exposure



80% invested based on  
own research

92%

Long-term  
shareholders

# Directorate



# Market outlook



“AGLI’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 provides diversification benefits for Australian investors”

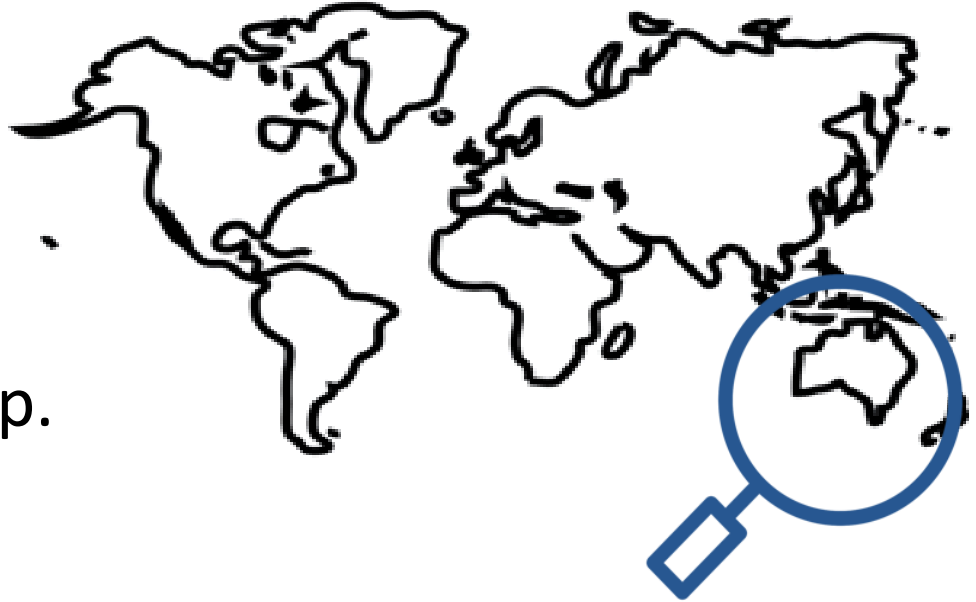


# Listed infrastructure in Australia



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- 13 companies
- Mature, expensive sector
- \$94 billion market cap.
- Limited assets



# Access global opportunities



- 350 companies
- 16 countries
- Developed and emerging markets
- \$2.4 trillion market cap.
- All assets types



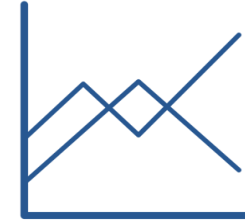
# Benefits of LISTED infrastructure



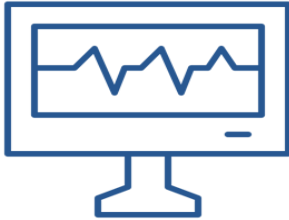
Transparency



Liquidity



Low correlation with  
broader equities



Low volatility



Daily pricing



Diversification



# Cohen & Steers, Inc. (NYSE:CNS)

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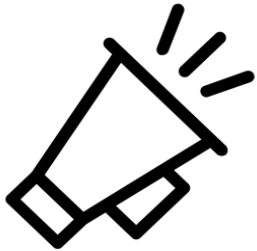
COHEN  
& STEERS



Independent Research



Weekly NTA and  
Investment Updates



Results Announcements



Quarterly Investment  
Report



Research Papers  
and Videos



Shareholder Presentations

# AGLI opportunity



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Global diversification



Specialist global  
fund manager



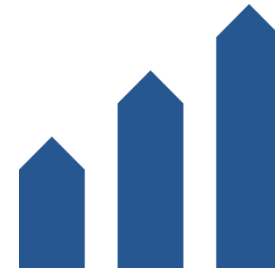
Access opportunities



Proven investment  
approach



Enhance risk  
adjusted returns



Exposure to  
growth trends

# **Argo Global Listed Infrastructure Limited**

Robert Becker—Senior Vice President,  
Portfolio Manager, Cohen & Steers



# Key Considerations for Investors



**Why Global Listed  
Infrastructure?**

**Why Now?**

**Why  
Cohen & Steers?**

# Infrastructure Is Essential for Economic Growth

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## Characteristics of Global Listed Infrastructure

- |                          |                                       |
|--------------------------|---------------------------------------|
| • Long-lived real assets | • Often regulated or concession-based |
| • High barriers to entry | • Inflation-linked pricing            |

### Communications

Wireless towers and satellites



### Midstream Energy

Energy transportation, gathering & processing, storage



### Transportation

Toll roads, marine ports, railways and airports



### Utilities

Electricity, natural gas, water and renewables



At September 30, 2018.

# Key Infrastructure Themes



Rising Interest Rates



Macroeconomic Backdrop



Record Dry Powder

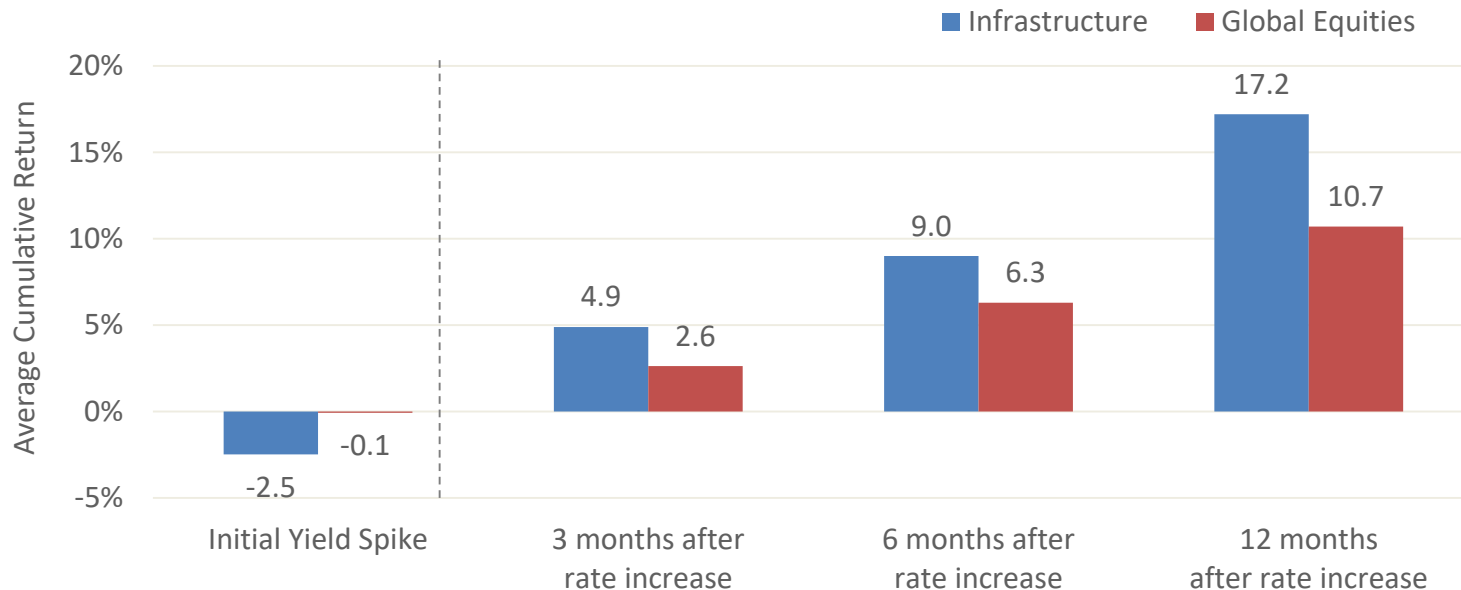


At September 30, 2018.

# Infrastructure Has Historically Shown Resilience After Interest Rate Increases



Infrastructure has often lagged global equities during periods where rates increase...

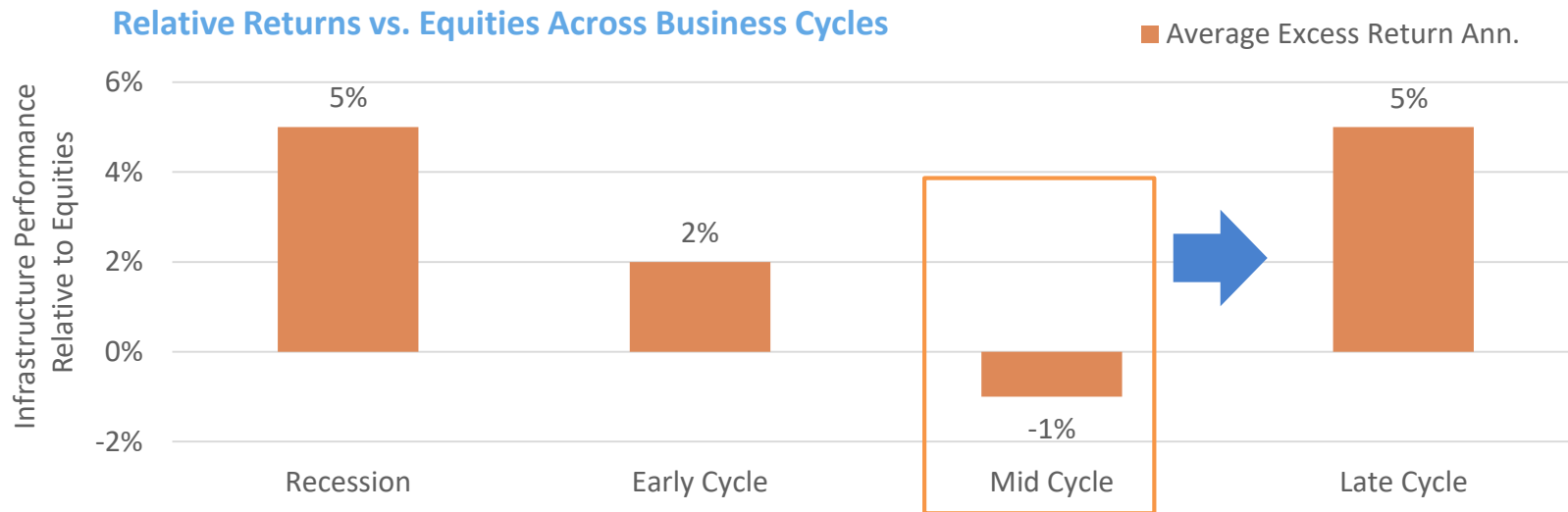


...But has historically outperformed after the initial reaction

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# Macroeconomic Impact on Infrastructure Returns

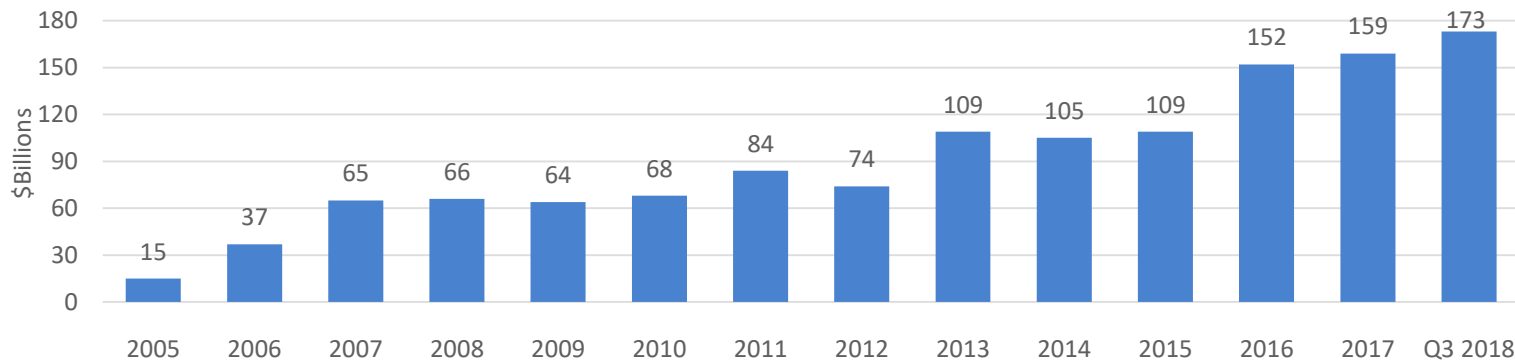


At December 31, 2017.

# Record Dry Powder Creating a Valuation Floor



## Private Infrastructure Dry Powder



**Over \$170B in assets on the sidelines causing private investors to chase a limited number of deals, with increased competition driving down returns**

At September 30, 2018.

# Why Listed Infrastructure Now



**Compelling Secular Case**

**Strong Fundamentals**

**Attractive Valuations**

**Supportive Market Environment**

At September 30, 2018.

# Cohen & Steers Global Listed Infrastructure Strategy



<b>Objective</b>	<ul style="list-style-type: none"><li>• Maximize total return with a balance of capital appreciation and income</li><li>• Outperform benchmark</li></ul>
<b>Philosophy</b>	<ul style="list-style-type: none"><li>• Returns are generally driven by underlying asset values</li><li>• Access to a diversified portfolio of infrastructure without committing high levels of capital needed for private investments</li><li>• Inefficient markets provide opportunities for active managers to add value</li><li>• Management teams able to create value beyond the underlying assets</li></ul>
<b>Approach</b>	<ul style="list-style-type: none"><li>• Combines proprietary top-down, macro-level sector and country analysis and bottom-up, company-level research</li><li>• Diversification within a portfolio by sub-sector and geographic region</li></ul>

At September 30, 2018.

# Global Listed Infrastructure Top Holdings



Top Ten Absolute Positions	Portfolio %
NextEra Energy	5.6
American Tower	4.2
Enbridge	3.7
Crown Castle International	3.2
Union Pacific	3.0
Norfolk Southern	2.9
Kinder Morgan	2.6
FirstEnergy	2.5
Atmos Energy	2.5
American Water Works Company	2.5
<b>Total</b>	<b>32.7</b>

At September 30, 2018.

# Key Holding—Electric Utilities



## NextEra Energy

### Overview

- Provides sustainable energy generation and distribution services
- Generates electricity through wind, solar, and natural gas
- Through its subsidiaries, also operates multiple commercial nuclear power units
- 5.3 million customers

### Portfolio Weight

- 5.6%

At September 30, 2018.

# Key Holding—Towers



## Crown Castle International

### Overview

- Largest U.S. wireless tower company with nearly 40,000 towers
- Core business is leasing space on its wireless towers primarily to wireless carriers, government agencies and broadband data providers

### Portfolio Weight

- 3.2%

At September 30, 2018.

# Key Holding—Railways



## Union Pacific

### Overview

- One of America's leading transportation companies, headquartered in Omaha, Nebraska
- Principal operating company, Union Pacific Railroad, is North America's premier railroad franchise, covering 23 states across the western two-thirds of the United States

### Portfolio Weight

- 3.0%

At September 30, 2018.



# Key Holding—Midstream



## Cheniere Energy

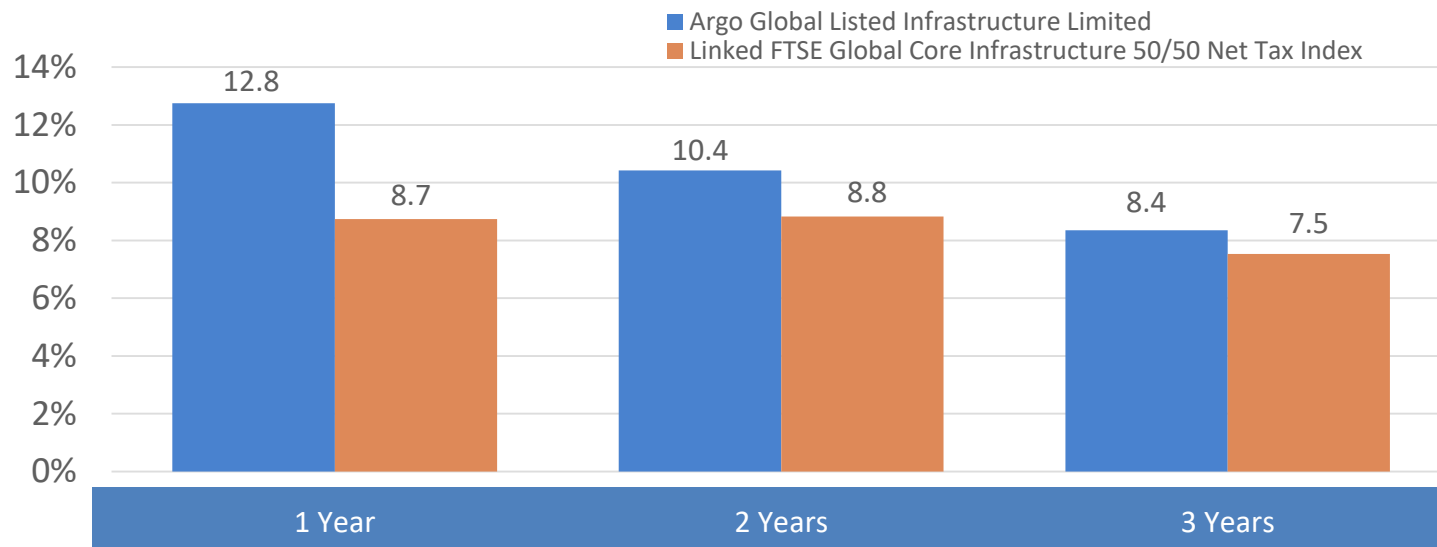
Overview	<ul style="list-style-type: none"><li>• Leading producer of liquefied natural gas (LNG) in the U.S.</li><li>• Cheniere's operations, construction and development support energy and economic development across the U.S.</li><li>• By 2020, Cheniere is expected to be a top-5 global provider of LNG</li></ul>
Portfolio Weight	<ul style="list-style-type: none"><li>• 2.0%</li></ul>

At September 30, 2018.

# Portfolio Performance



## Total Returns (%) in A\$



At September 30, 2018.

# Portfolio Attribution



## Total Relative Performance for the 1-Year Period: +401 Basis Points

Contributors	Basis Points	Comments
Midstream	+199 bps	Out-of-index allocation to Cheniere Energy; overweight Oneok; underweight TransCanada
Toll Roads	+93 bps	No allocation to CCR; underweight Atlantia
Marine Ports	+ 71 bps	No allocation to Adani Ports or China Merchants
Detractors	Basis Points	Comments
Diversified	-44 bps	Underweight Macquarie Infrastructure; no allocation to DONG Energy
Water	-30 bps	Overweight Sabesp
Airports	-25 bps	Overweight AENA and Fraport

At September 30, 2018.

# Global Listed Infrastructure Investment Team



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Joseph Harvey, President & CIO  
26/31

## PORTFOLIO MANAGERS

**Robert Becker**

Co-Head, Portfolio Manager  
15/23



**Ben Morton**

Co-Head, Portfolio Manager  
15/20



London ●

New York ●

**Tyler Rosenlicht**

Portfolio Manager  
6/9



Hong Kong ●

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**Sophia Sciabica**

Associate  
New York  
1/2



At September 30, 2018.  
Years with CNS/Years of experience.

	Avg. years with CNS	Avg. years experience
Co-Head Portfolio Managers	15	22
Portfolio Managers	12	17
Analysts	5	12

# Cohen & Steers' Competitive Advantages



## Global Listed Infrastructure

<b>Experienced Global Investment Team</b>	<b>Track Record</b>
<b>Substantial Market Position</b>	<b>Dedicated Real Assets Manager</b>
<b>Rigorous and Disciplined Investment Process</b>	<b>Employee Ownership Advantage</b>

At September 30, 2018.

# Outlook

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U.S. Business  
Cycle

Global  
Business  
Cycle

Market  
Implications



Utilities



Midstream Energy



Transportation



Telecommunications



At September 30, 2018.

# Key Takeaways



## Why Global Listed Infrastructure?

Essential services, unique characteristics and downside protection

## Why Now?

Global policy imperative, private capital creating a valuation floor

## Why Cohen & Steers?

Experienced, specialist global investment team. Rigorous and disciplined investment process and strong track record

## Get in touch

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