

Shareholder Update

For the half-year ended 31 December 2018



JASON BEDDOW

Managing Director

BEng, GdipAppFin(Seclnst)

Dear valued shareholder,

On behalf of the Board, I am very pleased that Argo Global Listed Infrastructure Limited (AGLI) has delivered a record fully franked interim dividend to shareholders. We are delighted the portfolio outperformed both its infrastructure sector benchmark and broader equity markets for the half-year to 31 December 2018.

The strong performance of the portfolio amid volatile market conditions underscores the resilience of global listed infrastructure companies and the defensive nature of the asset class.

If you would like to receive financial results and other important company updates on the day they are announced, I encourage you to sign up to AGLI's email distribution list via our website. See further details on page 3.

AGLI's profit for the half-year was \$5.7 million, down from \$7.2 million for the previous half-year result. I again highlight that Australian Accounting Standards require AGLI's operating income and realised profits and losses be added to, or reduced by, changes in the market value of the assets. This can lead to large variations in our reported profit from one period to the next. A summary of the financial results is provided in the table below.

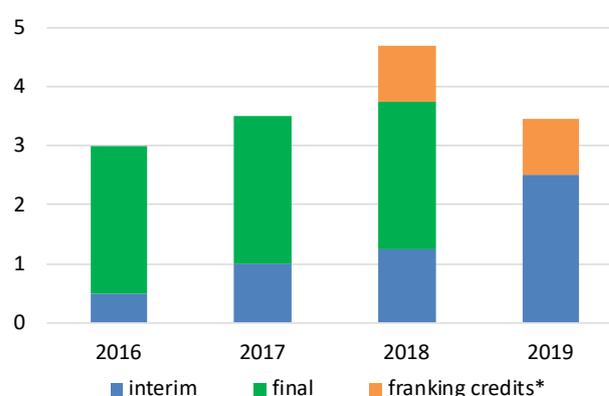
FINANCIAL RESULTS	Half-year to 31.12.18	Half-year to 31.12.17
Profit	\$5.7 million	\$7.2 million
Interim dividend per share (fully franked)	2.5 cents	1.25 cents*
Net tangible asset backing (NTA per share, after all costs and tax)	\$2.18	\$2.10

* Unfranked last year

INTERIM DIVIDEND DOUBLED

The Board was pleased to declare its second fully franked dividend of 2.5c per share, double the 1.25c per share (unfranked) dividend for the previous year's first half. This continues the steady progress we are making towards AGLI's objective of generating sustainably growing total returns for shareholders consisting of dividends and long-term capital growth.

ANNUAL DIVIDENDS HISTORY cents per share



*AGLI's last two dividends have been fully franked.



INFRASTRUCTURE DISPLAYS RESILIENCE

Following a prolonged period of steady gains, global equity markets fell sharply towards the end of 2018 as fears of slowing global economic growth, tightening credit conditions and ongoing US/China trade tensions weighed on sentiment.

The MSCI World Index posted steep falls, ending the December quarter down -11.0% in A\$ terms. Australia's share market fared only slightly better with the S&P/ASX 200 Index down -8.2% in the three months to 31 December 2018.

In contrast, global listed infrastructure companies displayed considerable resilience, outperforming broader equity markets as investors repositioned their portfolios away from riskier investments and towards more defensive assets. The relative performance of global listed infrastructure is consistent with the asset class' historically low correlation to broader equity markets which provides investors with some downside protection. This means that in falling markets, global listed infrastructure stocks typically outperform broader equities.

Amid considerable market weakness during the December quarter, AGLI's portfolio declined just -0.9% to outperform broader global equities by +7.5% and Australian shares by +9.7%.

AGLI's share price also performed well during the quarter, down just -4.4% to close at \$1.84 on 31 December 2018.

Bell Potter's recently published quarterly Listed Investment Companies (LIC) research report identified AGLI as the best performing global equity LIC from a share price perspective for the December quarter.

PERFORMANCE total return since inception based on \$10,000 invested



CONTINUED OUTPERFORMANCE

The 2019 calendar year has started very well for AGLI, building on the defensive outperformance of late 2018. AGLI's latest month-end NTA at 28 February 2019 was \$2.38 per share, up +8.9% since the start of the calendar year, benefiting from a rebound in global equity markets. On the same day, the share price closed at a record high of \$2.09.

In addition to significantly outperforming broader equity markets, AGLI's portfolio is producing superior returns to the infrastructure sector benchmark. See the latest performance figures to 28 February 2019 in the table below.

These strong performance numbers reflect the expertise of our specialist New York-based portfolio manager, Cohen & Steers. As AGLI is unhedged for currency, the portfolio has also benefited from the weaker Australian dollar.

ACCUMULATED PERFORMANCE	12 months to 28.2.19
Infrastructure:	
Share price return	+21.2%
NTA return	+21.1%
Portfolio return	+24.4%
Infrastructure sector-Benchmark index (A\$)*	+22.4%
Broader equities:	
World- MSCI World Index (A\$)	+10.0%
Australia- S&P/ASX 200 Accumulation Index	+7.1%

* FTSE Global Core Infrastructure 50/50 Index (in A\$)



MARKET OUTLOOK

Although global equity markets have experienced a positive start to 2019, rallying strongly since the December lows, we remain cautious. In our view, investors can expect volatility to continue throughout 2019 as the primary trends driving instability last year are likely to persist, including trade-related issues, stalling Brexit negotiations and soft Chinese economic data.

With political risks persisting and expectations of more modest global growth, our portfolio continues to be positioned defensively.

Despite the prospect of slowing global economic growth in 2019, the long-term outlook for the asset class remains positive, supported by the continued and growing need for infrastructure investment across both emerging and developed economies. With stretched balance sheets, governments around the world are unable to meet the capital requirements to deliver essential infrastructure. In the US alone, it is estimated approximately US\$2 trillion of infrastructure needed over the next decade is currently unfunded. In our view, funding shortfalls will increasingly see governments turn to the private sector for investment.

AGLI's portfolio manager, Cohen & Steers, expects that infrastructure companies will generally maintain solid revenue growth and valuations should continue to see support from the substantial cache of private capital seeking infrastructure investments. As there are relatively few infrastructure assets available for sale globally, private transactions have generally occurred at significant premiums to the current cash flow multiples of listed infrastructure companies.

Recent volatility in global equity markets has confirmed our belief in the strong investment characteristics and diversification benefits of global listed infrastructure. We continue to believe that the asset class provides an attractive investment opportunity with defensive qualities and stable, long-term returns.

SHARE PRICE DISCOUNT TO NTA

We remain focused on ensuring AGLI's share price reflects the underlying value of the shares and we continue to implement a range of initiatives aimed at achieving this objective, including operating an on-market buy-back and promoting awareness and understanding of the benefits of investing in AGLI through increased marketing and communications.

I encourage you to sign up to AGLI's email distribution list to receive latest company news and announcements as they happen, as well as our investment and market insights.

Join our distribution list by clicking on the 'subscribe' button on our website: argoinfrastructure.com.au.

If you have any questions or comments, please don't hesitate to contact us by telephone on 08 8210 9555 or by email to invest@argoinfrastructure.com.au.

On behalf of the Board, I thank you for your ongoing and loyal support of AGLI.

Yours faithfully,



Jason Beddow

Managing Director

“ 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. ”

