



# 2019 ANNUAL GENERAL MEETING

21 OCTOBER 2019



**Global Listed  
Infrastructure**

# 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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# FULL YEAR PROFIT FOR YEAR ENDED 30 JUNE 2019

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**\$44.9m**  
profit

**+177%**  
increase in profit

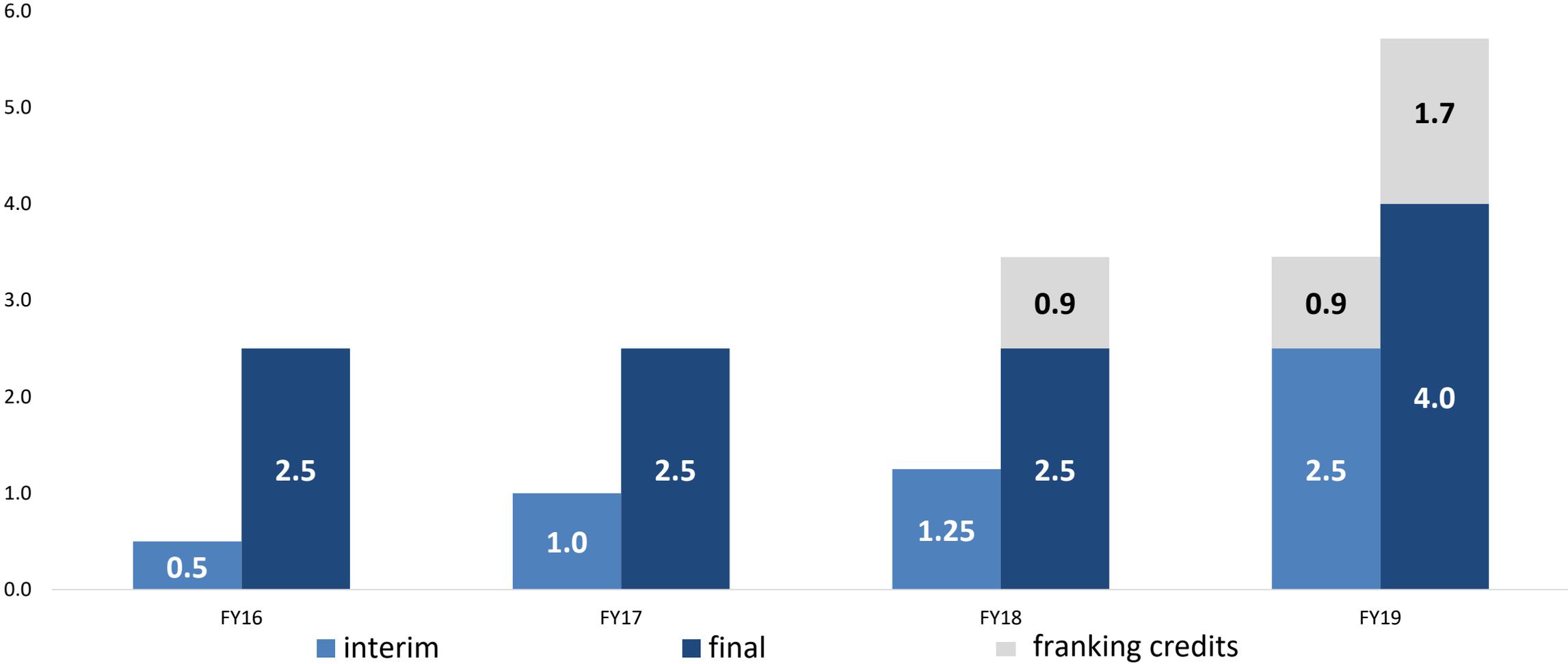
**6.5c**  
annual dividends  
fully franked

**+22.7%**  
portfolio return

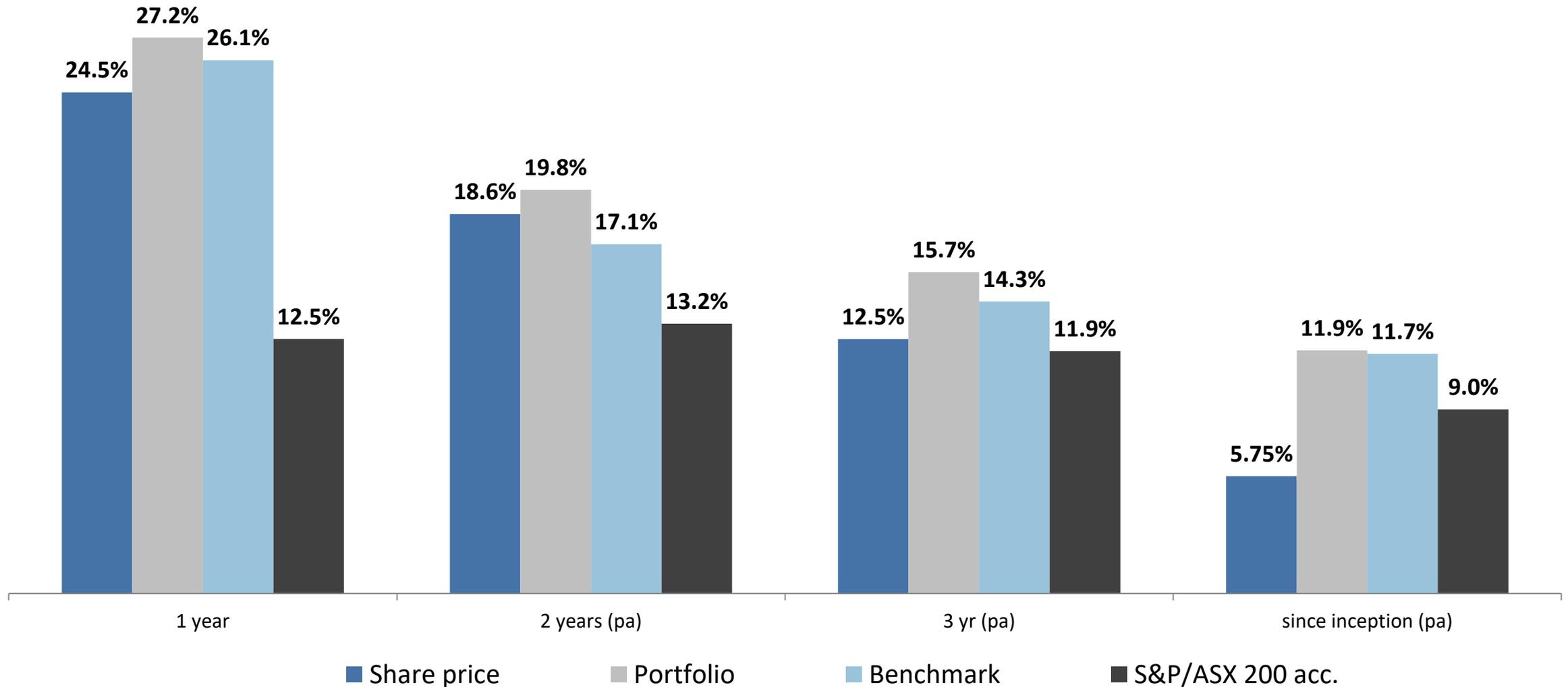
**4.0c**  
Fully franked final  
dividend

**+28.7%**  
share price return

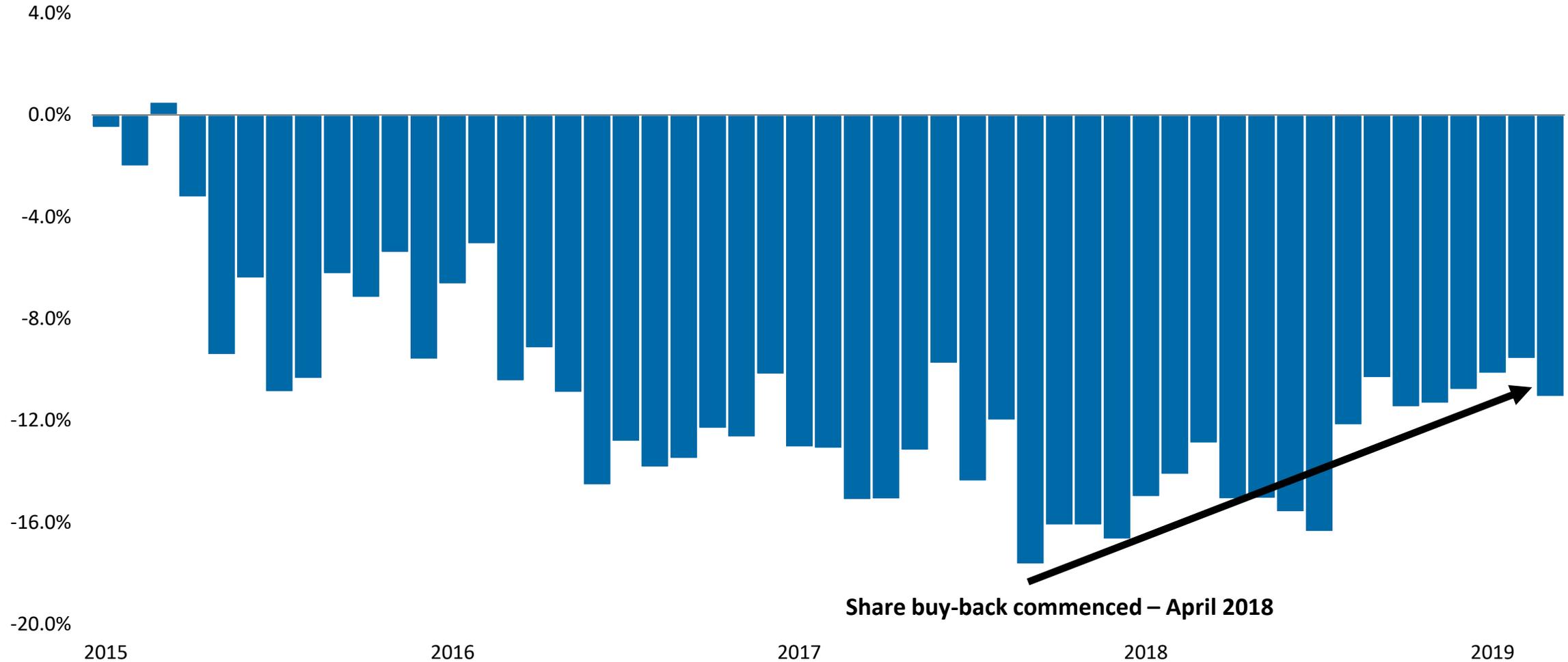
# ANNUAL DIVIDEND HISTORY CENTS PER SHARE



# INVESTMENT PERFORMANCE TO 30 SEPTEMBER 2019

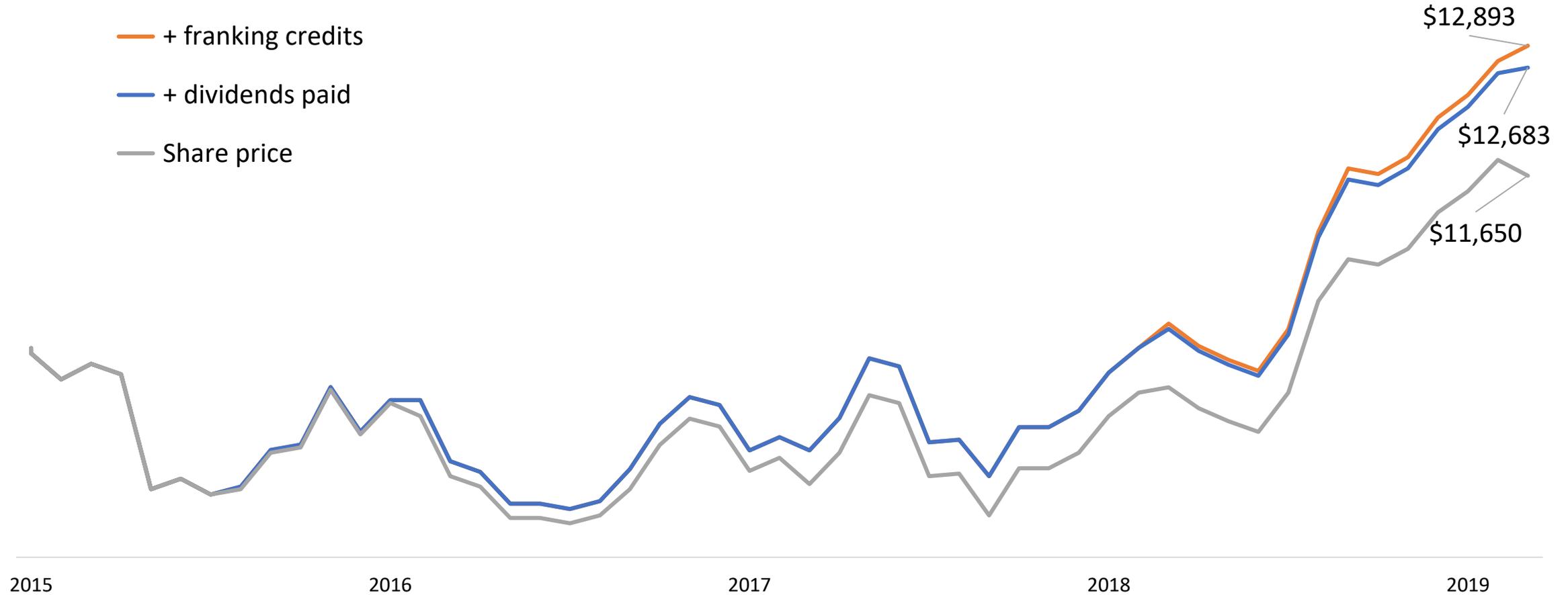


# NARROWING THE SHARE PRICE DISCOUNT TO NTA



# TOTAL RETURN SINCE INCEPTION BASED ON \$10,000 INVESTED

- + franking credits
- + dividends paid
- Share price



at 30 September 2019

# POSITIVE OUTLOOK



# GARY SIMON 1954 – 2019

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**NON-EXECUTIVE DIRECTOR**

JULY 2015 – SEPTEMBER 2019

# Argo Infrastructure opportunity



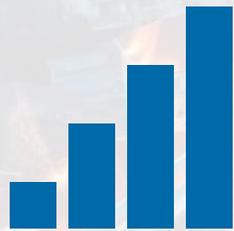
**Global  
diversification**



**Specialist global fund  
manager**



**Access infrastructure  
opportunities**



**Proven investment  
approach**



**Enhance risk-adjusted  
returns**



**Administratively simple  
global investing**

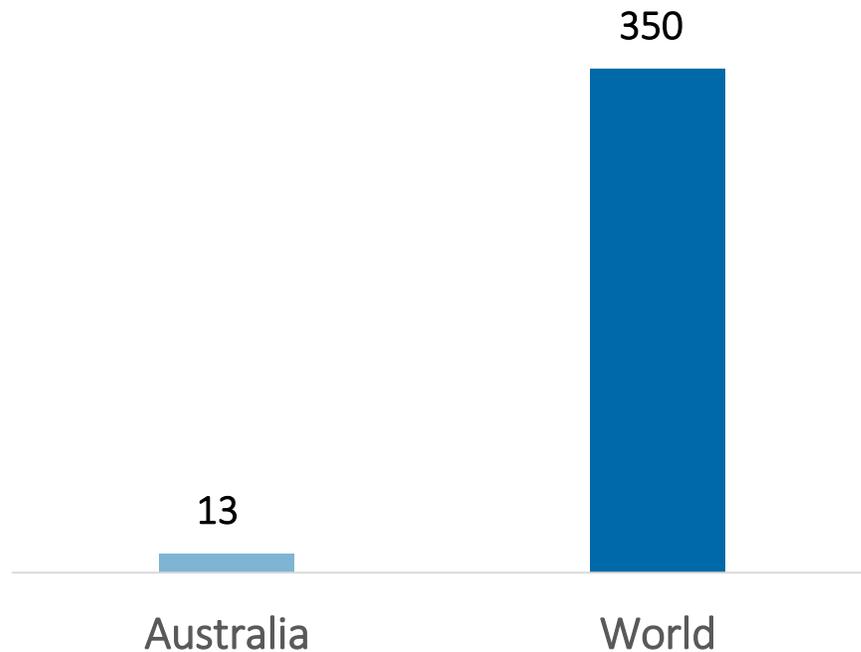


Jason Beddow  
Managing Director

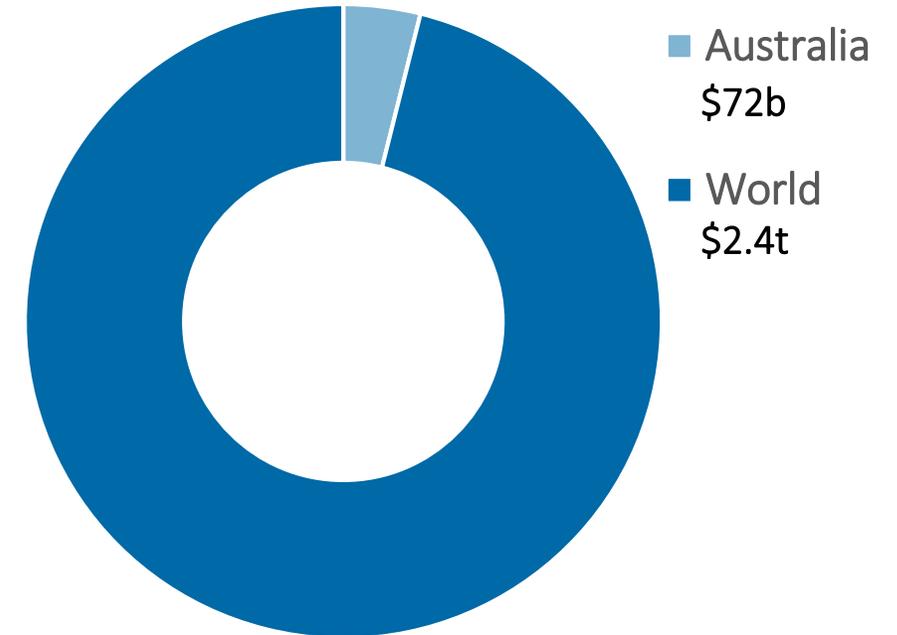


# LISTED INFRASTRUCTURE: AUST VS WORLD

## NUMBER OF COMPANIES

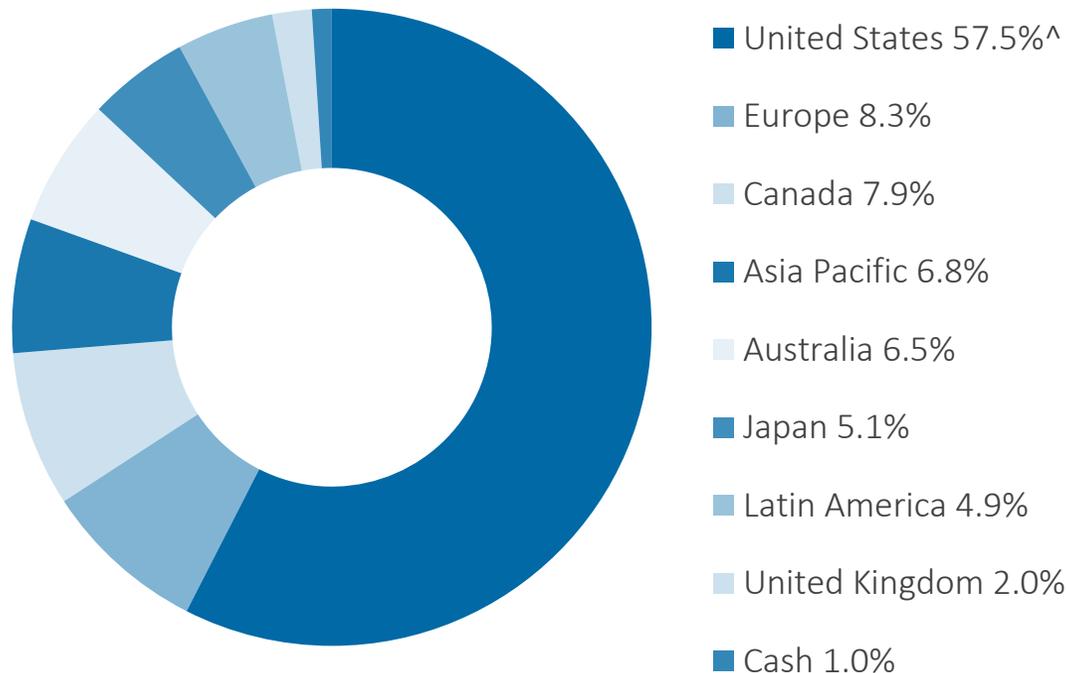


## COMBINED MARKET CAPITALISATION



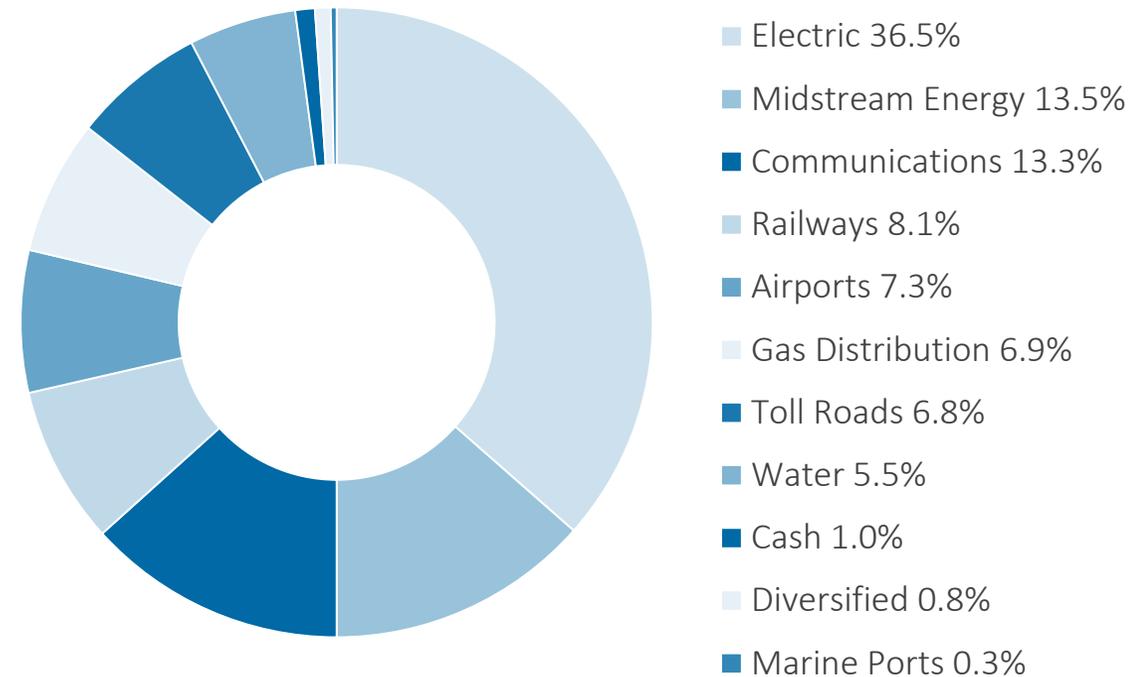
# DIVERSIFIED INFRASTRUCTURE EXPOSURE

## GEOGRAPHIC DIVERSIFICATION

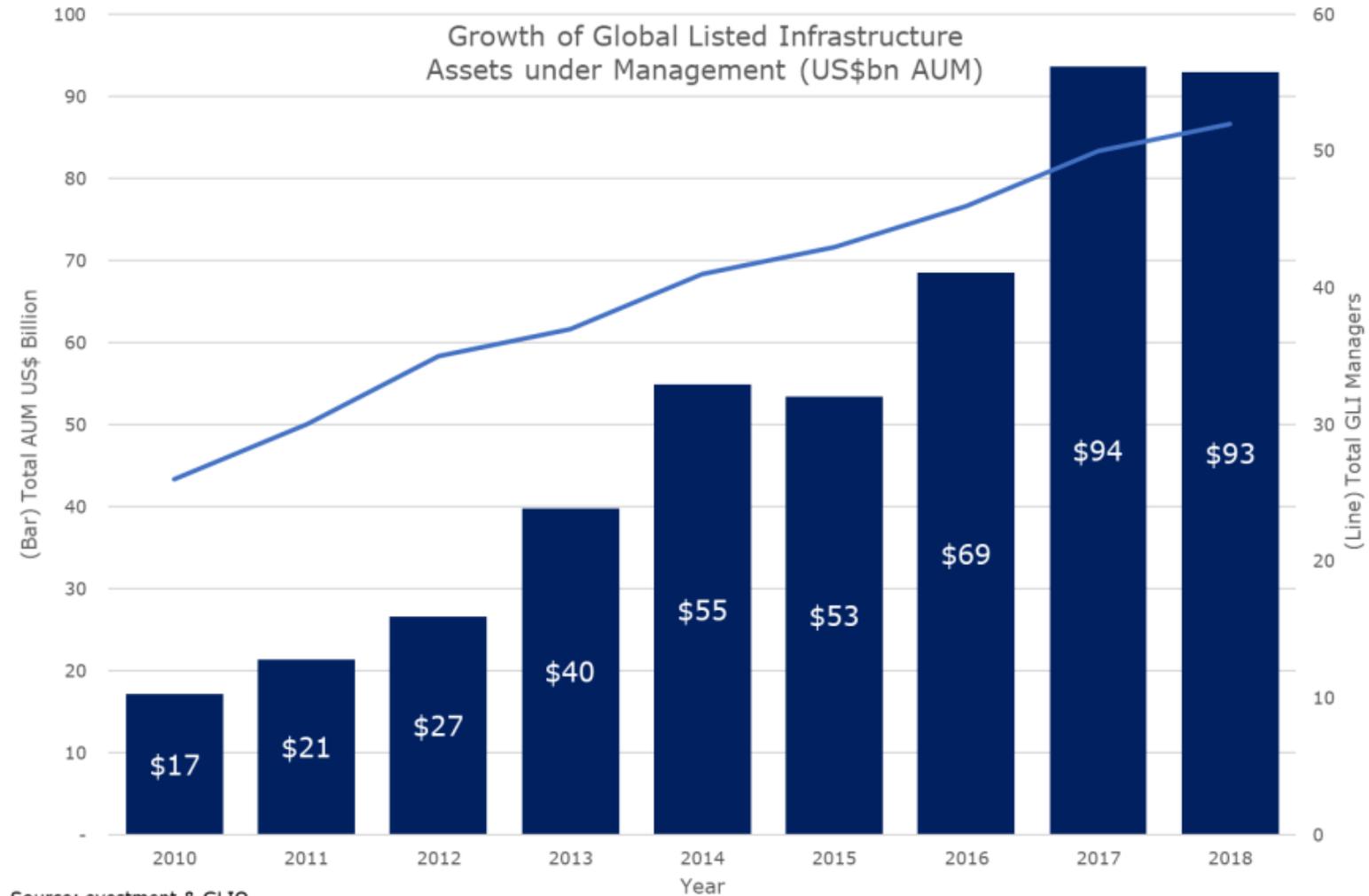


^Many large infrastructure companies are listed in the United States, although their operations and earnings are often global.

## SUBSECTOR DIVERSIFICATION



# GLOBAL LISTED INFRASTRUCTURE ASSETS UNDER MANAGEMENT WORLDWIDE



# PORTFOLIO MANAGER

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**Founded** 1986

**Headquartered** New York

**Exchange listed** NYSE (CNS)

**Employees** 300+

**Funds managed** A\$80b

**GLI funds managed** A\$10b

**Global network of investment professionals** in New York, Tokyo, Hong Kong and London



**Ben Morton**  
Senior Portfolio Manager,  
Head of Global Infrastructure



**Tyler Rosenlicht**  
Portfolio Manager



**Bob Becker**  
Portfolio Manager

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COHEN & STEERS

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cohenandsteers.com

# Argo Infrastructure opportunity



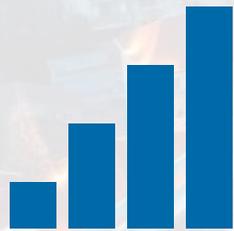
**Global  
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**Specialist global fund  
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**Access infrastructure  
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**Proven investment  
approach**



**Enhance risk-adjusted  
returns**



**Administratively simple  
global investing**



**Robert Becker**  
**Cohen & Steers**  
**Portfolio Manager**



# KEY CONSIDERATIONS FOR INVESTORS

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# INFRASTRUCTURE IS ESSENTIAL FOR ECONOMIC GROWTH

## Characteristics of Global Listed Infrastructure

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

### Communications

Wireless towers, satellites, and data centers



### Midstream Energy

Energy transportation, gathering & processing, storage



### Transportation

Toll roads, marine ports, railways and airports



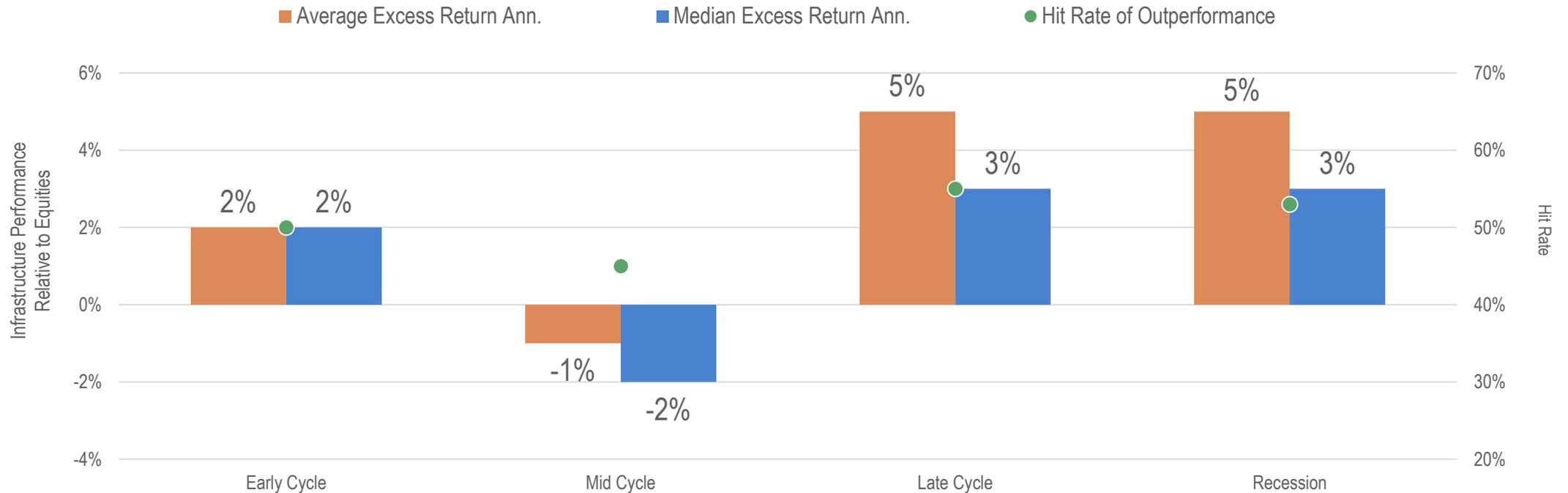
### Utilities

Electricity, natural gas, water and renewables



# MACROECONOMIC IMPACT ON INFRASTRUCTURE RETURNS

## Relative Returns vs. Equities across Business Cycles



At 31 December 2018.

# DEFENSIVE IN TIMES OF MARKET STRESS

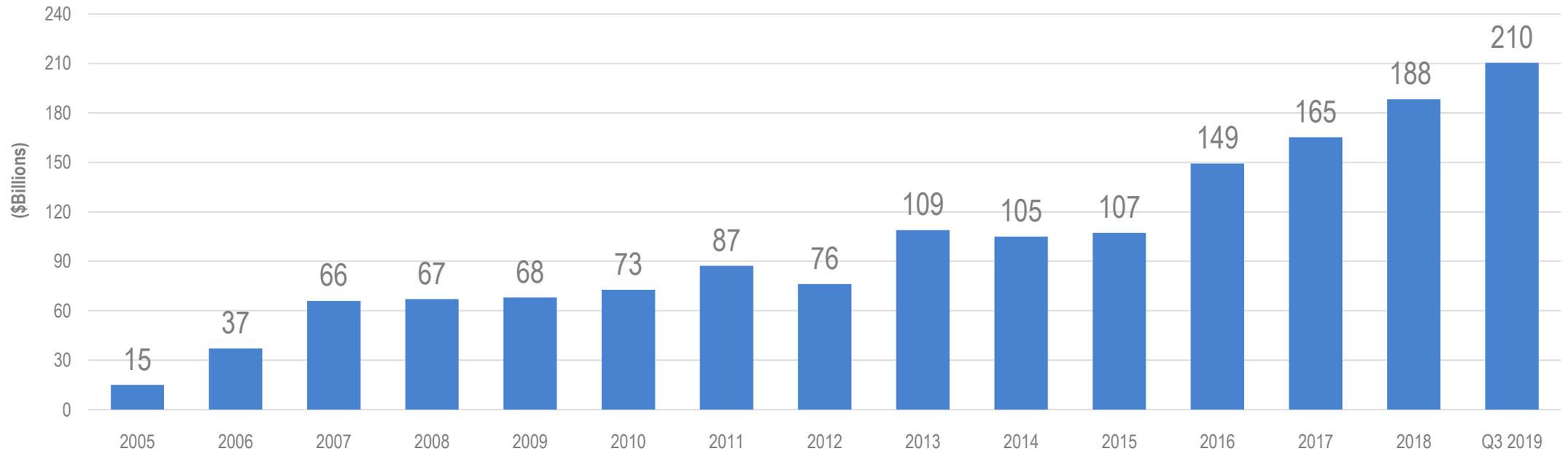
## Scenario Analysis

	Start Date	End Date	Global Listed Infrastructure (%)	Global Equities (%)	Relative Return (%)	Note
1	2/23/2007	3/5/2007	-1.29	-3.79	2.50	February Correction.
2	10/11/2007	1/22/2008	-2.16	-13.09	10.93	4th Quarter correction, US Economic data slows; banking/mortgage crisis grows.
3	9/14/2008	3/9/2009	-16.85	-29.74	12.89	Global Financial Crisis.
4	5/3/2010	5/25/2010	0.32	-0.77	1.09	May 2010 Correction. Eur debt crisis; Monetary/Resi tightening in China; Japan falls on rising Yen.
5	7/26/2011	8/8/2011	-7.99	-10.34	2.35	August 2011 Correction. Economic slowdown; Euro Crisis Flare-up; Debt ceiling debate; UST downgrade.
6	5/21/2013	6/20/2013	-2.32	-0.19	-2.13	Taper Tantrum - Fed suggests possibly reducing monetary expansion; 10 Yr. U.S. T-Bond moves up from 1.93% to 2.42%.
7	5/19/2015	2/11/2016	-2.96	-7.93	4.97	High Yield Bond Spreads Widen (+385 bps), USD Strengthens and Oil moves to lower (\$58 to \$26); Russell 1000 Growth outperforms 1000 Value by 4.6%.
8	1/26/2018	2/8/2018	-4.18	-5.56	1.38	Russell 1000 Growth outperforms 1000 Values by 3.5%; Yield on 10 Year U.S. T-Bond moves higher from 2.25% to 2.46% (+21 bps).
9	9/27/2018	12/24/2018	-3.48	-15.36	11.88	4Q 2019 Market Correction; Economic slowdown; continued trade tensions, falling oil prices, rising political disruption around the world.
<b>Average Relative Outperformance</b>					<b>5.10</b>	

At 30 September 2019 in A\$. Returns are stated gross of fees and are based on a representative portfolio.

# RECORD DRY POWDER CREATING A VALUATION FLOOR

## Private Infrastructure Dry Powder

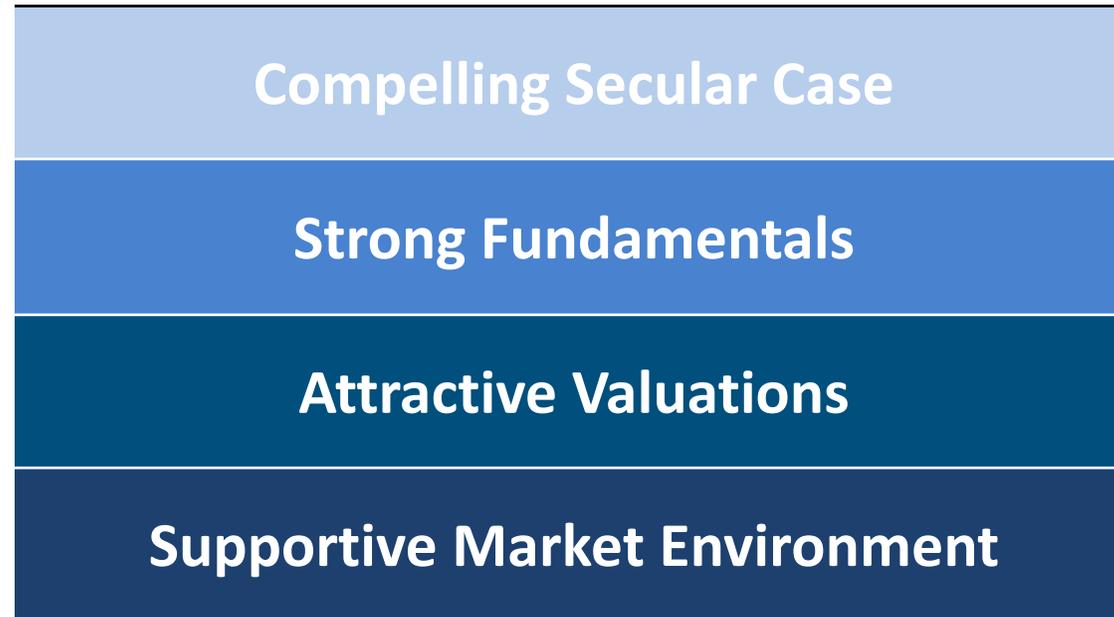


**Over \$210B in assets on the sidelines causing private investors to chase a limited number of deals, with increased competition driving down returns**

At 30 September 2019.

# WHY LISTED INFRASTRUCTURE NOW

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# COHEN & STEERS GLOBAL LISTED INFRASTRUCTURE STRATEGY

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<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>

# TOP HOLDINGS

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## Top Ten Absolute Positions

	Portfolio %
NextEra Energy Inc.	6.5
American Tower Corporation	3.4
Crown Castle International Corp.	3.4
Transurban Group	3.2
SBA Communications Corporation	3.1
Firstenergy Corp.	3.1
Alliant Energy Corporation	3.0
American Water Works Company Inc.	2.9
Norfolk Southern Corporation	2.7
Enbridge Inc.	2.7
<b>Total</b>	<b>34.2</b>

At 30 September 2019.

# KEY HOLDING – TOWERS

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## American Tower

<b>Overview</b>	<ul style="list-style-type: none"><li>• Leading global independent tower company with 40,000 towers in the US and 130,000 towers in other international markets</li><li>• Stable earnings with high growth due to 5G deployments and the global emergence of the independent tower business model</li></ul>
<b>Portfolio Weight</b>	<ul style="list-style-type: none"><li>• 3.4%</li></ul>

At 30 September 2019.

# KEY HOLDING – RAILWAYS

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## Norfolk Southern

<b>Overview</b>	<ul style="list-style-type: none"><li>• One of America's premier railroads with a transport network connecting all major ports in the Eastern US</li><li>• Strong earnings growth driven by adoption of best practices of the world's leading logistics management cos</li></ul>
<b>Portfolio Weight</b>	<ul style="list-style-type: none"><li>• 2.7%</li></ul>

At 30 September 2019.

# KEY HOLDING – DIVERSIFIED

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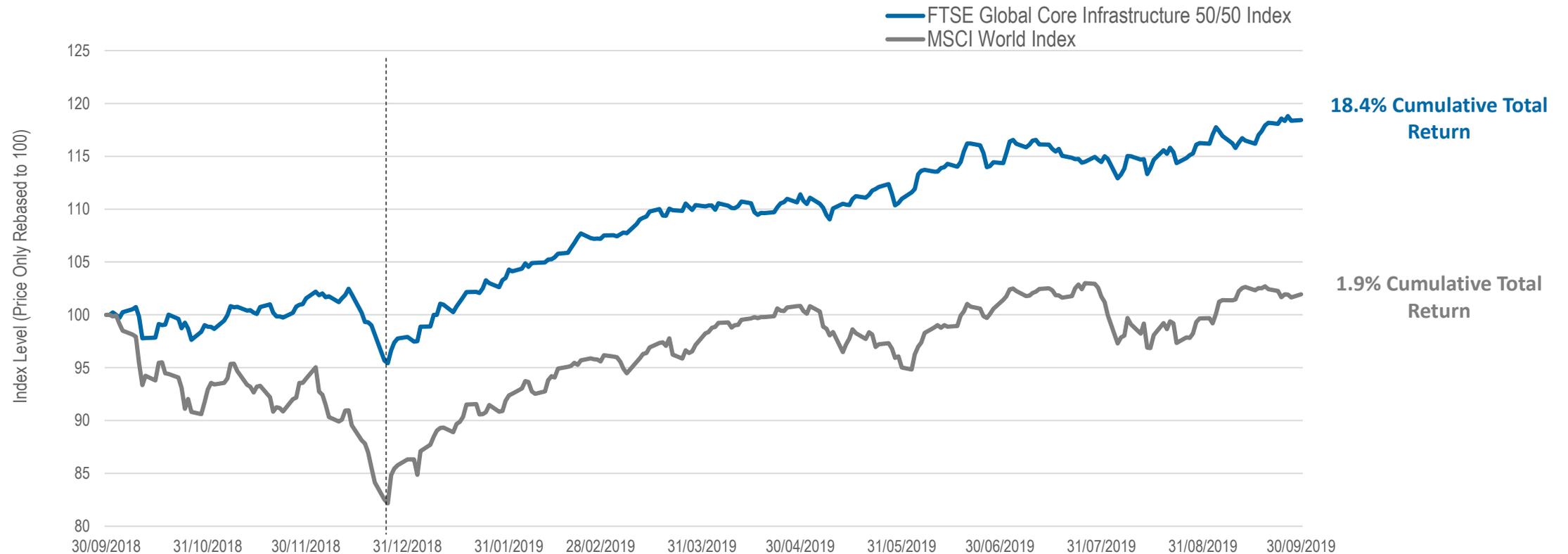
## Ørsted Energy

Overview	<ul style="list-style-type: none"><li>• The world's leading offshore wind farm developer and operator</li><li>• Strong growth in offshore wind driven by improving economics and global decarbonization</li></ul>
Portfolio Weight	<ul style="list-style-type: none"><li>• 0.8%</li></ul>

At 30 September 2019.

# INFRASTRUCTURE PERFORMANCE REMAINS STRONG FOLLOWING SIGNIFICANT DOWNSIDE PROTECTION IN LATE 2018

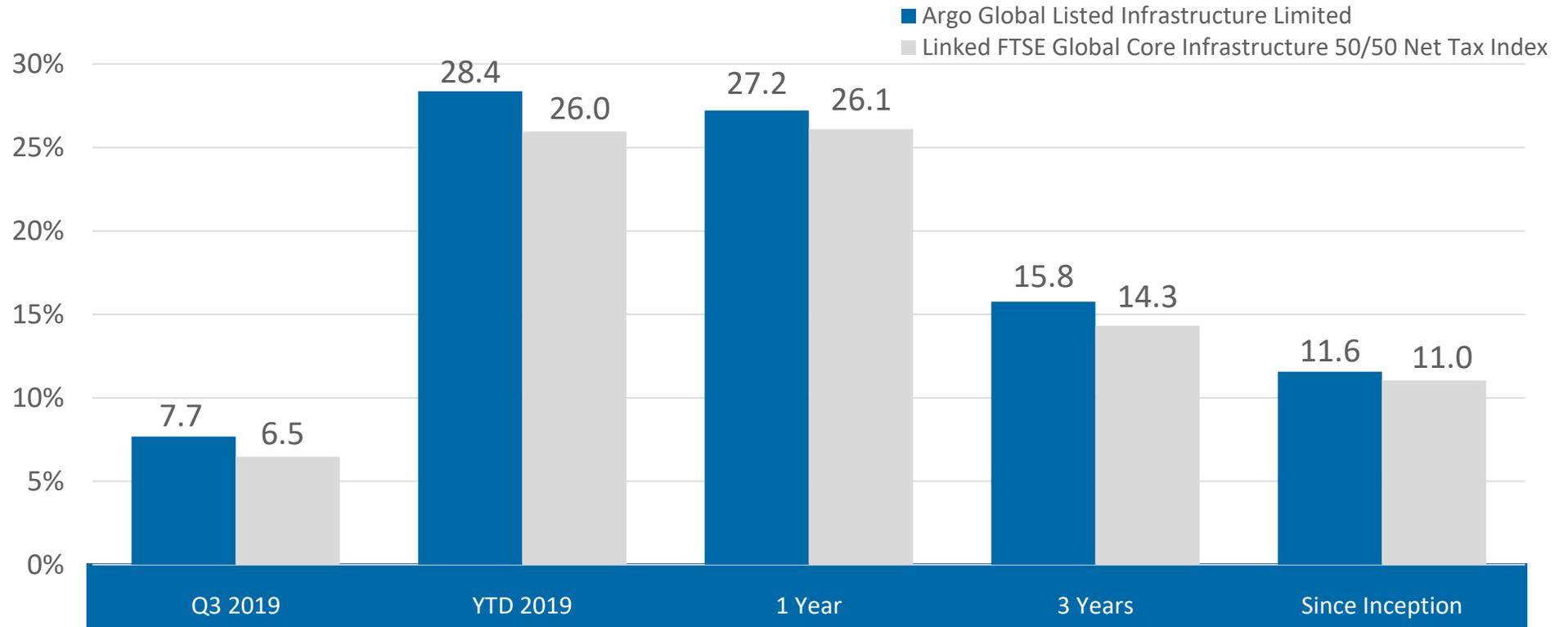
## Infrastructure Performance vs. Global Equities



At 30 September 2019 in A\$.

# PORTFOLIO PERFORMANCE

## Total Returns (%) in A\$



At 30 September 2019. Returns are stated gross of fees. Periods greater than one year are annualized.

# PORTFOLIO ATTRIBUTION

## Total Relative Performance for 1 Year: +112 Basis Points

Contributors	Basis Points	Comments
Communications	+198	Overweight SBA Communications Corp. and American Tower Corp.; out of index allocation to CyrusOne Inc.
Railways	+73	Overweight RUMO; no allocation to CSX Corp. and Canadian National Railway
Airports	+66	No allocation to Grupo Aeroportuario De Sur-B and Beijing Capital International Airport
Detractors	Basis Points	Comments
Midstream	-212	Out of index allocation to Cheniere Energy Inc. and Targa Resources Corp.
Toll Roads	-137	Out of index allocation to Eiffage SA; overweight Aleatica Sab de CV

At 30 September 2019. Returns are stated gross of fees. Argo Global Listed Infrastructure Limited portfolio vs. the FTSE Global Core Infrastructure 50/50 Net Tax Index

# GLOBAL LISTED INFRASTRUCTURE INVESTMENT TEAM

## PORTFOLIO MANAGERS

**Ben Morton**  
Senior Portfolio Manager, Head of Global Listed Infrastructure  
16/21

**Robert Becker**  
Portfolio Manager, Global Listed Infrastructure  
16/24

**Tyler Rosenlicht**  
Portfolio Manager, Head of Midstream & MLPs  
7/10

## RESEARCH ANALYSTS & ASSOCIATES

**Quynh Dang**  
Managing Analyst  
London  
8/19

**Grace Ding**  
Senior Analyst  
Hong Kong  
9/13

**Humberto Medina**  
Senior Analyst  
New York  
9/19

**Andrew Burd**  
Analyst  
New York  
1/9

**Saagar Parikh**  
Analyst  
New York  
5/10

**João Monteclaro Cesar**  
Analyst  
Hong Kong  
1/11

**Christopher DeNunzio**  
Analyst  
New York  
2/4

**Trent Mangold**  
Associate  
New York  
1/2

	Avg. years with CNS	Avg. years experience
Portfolio Managers	13	18
Analysts	5	12
Team Resources	8	21

At 7 October 2019. Returns are stated gross of fees. Periods greater than one year are annualized.

# COHEN & STEERS' COMPETITIVE ADVANTAGES

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# GLOBAL LISTED INFRASTRUCTURE OUTLOOK

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**Utilities**



**Midstream Energy**



**Transportation**



**Telecommunications**

# SUMMARY

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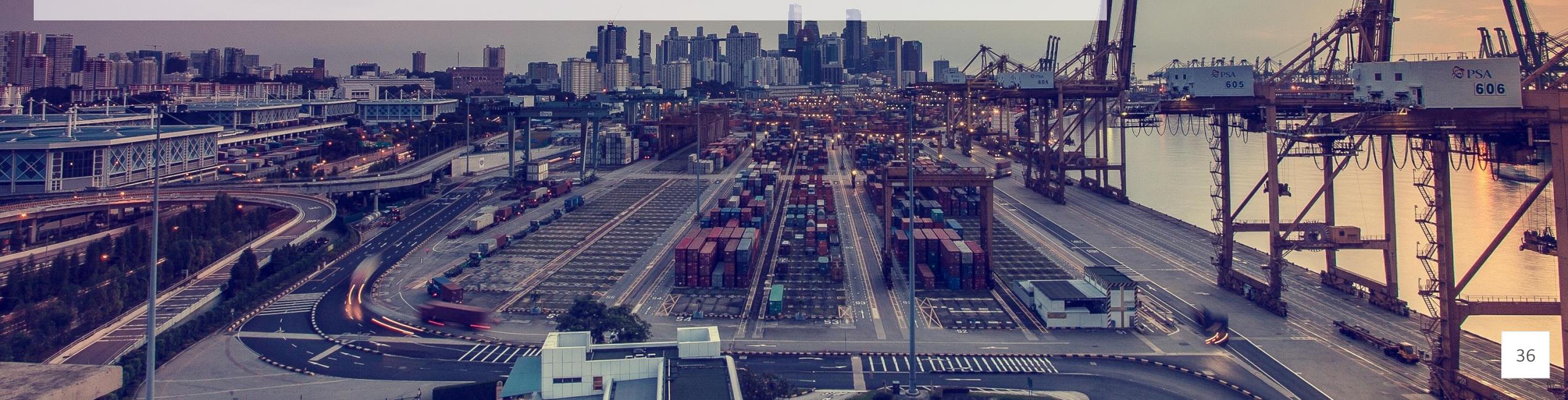
## Why Invest in Global Listed Infrastructure

- Massive infrastructure investments are needed globally
- Historically compelling risk-adjusted returns with attractive income component
- Low long-term correlations to broad stock and bond markets
- Liquidity of listed market provides ability to invest and manage a portfolio efficiently
- Access to large, diverse universe
- Investor-friendly terms compared with long lock-up periods and high fees associated with private infrastructure investments

## Why Cohen & Steers

- Cohen & Steers is a pioneer and leader in the listed real assets space; listed infrastructure is core strategy for firm
- Disciplined process that combines top-down and bottom-up research
- Strong 15-year track record, outperforming in both up and down markets
- Dedicated team with significant experience and global presence; portfolio management team in place since inception
- Ownership structure promotes independence and continuity

“ALI’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.”



# Get in touch

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(08) 8210 9555

[www.argoinfrastructure.com.au](http://www.argoinfrastructure.com.au)

