



24 October 2022

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,

A handwritten signature in black ink, appearing to read "Tim Binks".

Tim Binks  
Company Secretary



## 2022 Annual General Meeting Chairman's Address

*Delivered by Mr. Russell Higgins AO at the seventh Annual General Meeting of Argo Global Listed Infrastructure Limited (Argo Infrastructure or Company) at the Adelaide Convention Centre on Monday 24 October 2022 at 12.30pm.*

### Infrastructure strength amid volatility

Global listed infrastructure has again proved resilient amid turbulent global market conditions. Volatility driven by various macro-economic challenges and geopolitical risks, has focused investor attention on the inherent characteristics of infrastructure stocks, including their reliable income streams and pricing mechanisms which are often inflation-linked. The asset class delivered a positive return for the 2022 financial year, gaining +12.3% in Australian dollar terms, decisively outperforming broader global and local equities which retreated over the period.

### Strong investment performance

Argo Infrastructure's portfolio performed even better, returning +13.2% for the financial year, well ahead of Australian shares, which fell -6.5%, to further demonstrate the diversification benefits of our portfolio of global listed infrastructure companies.

As the portfolio is unhedged for currency, the depreciation of the Australian dollar, which declined from US\$0.75 to US\$0.69 over the year, bolstered performance. In the wake of Russia's invasion of Ukraine and the ensuing energy supply issues, the strongest performing subsector within the portfolio was midstream energy, which consists of pipelines and storage assets. The gas distribution subsector was also impacted by the war in Europe, with worldwide demand for natural gas driving investor interest in companies that own gas distribution assets, including Sempra Energy – one of our top 10 holdings.

### Financial results

Argo Infrastructure reported a profit for the financial year of \$29.9 million, an increase of +59.9% due largely to the strong performance of the investment portfolio, coupled with positive currency effects. It is important to remember that the Company's reported profit can fluctuate as investment income includes

unrealised gains (and losses) in the portfolio's value from one period to the next, as required by the accounting standards.

Argo Infrastructure continues to be in a strong financial position with approximately \$400 million in assets and no debt.

### **Fully franked dividends**

In August, the Board was pleased to declare a fully franked final dividend of 4.5 cents per share. The final dividend marks our ninth consecutive fully franked dividend, and together with the interim dividend of 3.5 cents per share, shareholders received fully franked annual dividends of 8 cents per share.

Argo Infrastructure has now paid out 40.25 cents per share in dividends, reflecting our continuing commitment and track record of delivering sustainable total returns to our shareholders.

This also demonstrates a significant benefit of investing in international assets via Argo Infrastructure's listed investment company (LIC) structure – and that is our ability to generate franking credits because we pay tax in Australia. This is a unique advantage not offered by other managed investments that invest in offshore assets (such as trusts) or when investing directly overseas.

### **Successful SPP**

We offered our third Share Purchase Plan (SPP) to shareholders earlier this month. The SPP again proved popular with our many smaller, retail shareholders, providing them with an opportunity to increase their holding by up to \$30,000 without paying any brokerage. The SPP raised \$21 million with just over 1,800 or 19% of our shareholders participating. Due to the large and highly liquid nature of the global listed infrastructure universe, the funds raised can be deployed almost immediately.

We will continue to take a careful and disciplined approach to Argo Infrastructure's capital management. We have raised additional capital via an SPP for three years in a row and we would like to continue to grow the size of the Company. However, this has only been possible as we have judged market conditions to be suitable and the Argo Infrastructure share price has been trading close to NTA. We would not consider undertaking capital raisings if our shares were trading at a large discount to NTA.

### **Independent research**

Pleasingly, Argo Infrastructure's performance track record has again been recognised by independent research houses Lonsec and Independent Investment

Research (IIR). Following an in-depth review, Lonsec recently reaffirmed its 'Recommended' rating for the Company, which is its second highest rating.

Similarly, IIR maintains its 'Recommended' rating for Argo Infrastructure. You can find the latest independent research reports on our website under the 'News & Insights' section.

### **Environmental, Social and Governance**

Investor focus on environmental, social and corporate governance (ESG) factors continues to increase, including in the global listed infrastructure space. Argo Infrastructure's Portfolio Manager, Cohen & Steers, is acutely aware that ESG factors can present both risks and opportunities which can influence a company's long-term financial sustainability.

As you will hear shortly from Ben Morton at Cohen & Steers, the assessment of ESG factors is embedded into their analysis of companies. The importance placed on this aspect of their investment approach is reflected in their appointment of a dedicated Head of ESG. In addition, Cohen & Steers has established an ESG Investment Committee and, within the infrastructure team specifically, assigned the role of Captain of ESG to one of their senior portfolio managers.

### **Share price relative to NTA**

For some months now, Argo Infrastructure's share price has consistently traded at or above its per share net tangible asset (NTA) backing. This is particularly pleasing given that LICs offering exposure to global assets often trade at generous discounts to their NTA backing and, on average, at a greater discount than their counterparts offering exposure to Australian assets.

The improvement in the performance of our share price relative to our NTA can be attributed to a combination of factors, including the strong performance of the asset class, our established dividend track record and the range of communication and marketing initiatives we undertake.

### **Directorate**

On 30 June 2022, Mrs. Andrea Slattery retired from the Board after seven years of dedicated and diligent service. As a founding Independent Non-executive Director, Andrea played an integral role in the establishment and development of the Company, including the IPO process which was at the time, the largest listed investment company to be floated on the ASX.

On behalf of the Board, I would like to take this opportunity to formally thank Andrea for her contribution to Argo Infrastructure.

Following a search process, Ms. Fiona Hele was appointed as an Independent, Non-executive Director with effect from 1 July 2022. I am pleased to introduce Fiona to shareholders today. She has more than 25 years' experience advising public and private organisations, including on strategy, growth and risk management. Her company director roles include relevant experience in the infrastructure sector.

### Outlook

During the recent market turbulence, Argo Infrastructure again proved it is less volatile than the broader Australian share market. This low correlation to local shares demonstrates one of the Company's diversification benefits.

The global economy is grappling with a range of geopolitical and macroeconomic challenges which are weighing on sentiment. The outlook continues to be heavily reliant on how governments and central bankers navigate these challenges, including unwinding extraordinary stimulus measures and monetary policy settings.

Beyond these current challenges, the outlook for global listed infrastructure is positive, with continuing investment in the development of major infrastructure projects worldwide, particularly renewable power generation. Other secular trends, such as digitisation of the global economy will drive demand for the infrastructure needed to facilitate this process. In addition, significant private investor appetite for infrastructure exposure is supporting valuations for listed and unlisted assets.

### Thank you

I would like to conclude by thanking our Managing Director, Jason Beddow, and his team for their hard work. I would also like to thank Argo Infrastructure's Portfolio Manager Ben Morton and his team at Cohen & Steers in their offices around the world.

Thank you also to my fellow Board members for your continued commitment and valuable contributions.

Most importantly, I thank our loyal shareholders and to all new shareholders, a warm welcome to Argo Infrastructure.



## 2022 Annual General Meeting Managing Director's Address

*Delivered by Mr. Jason Beddow at the seventh Annual General Meeting of Argo Global Listed Infrastructure Limited (Argo Infrastructure or Company) held at the Adelaide Convention Centre on Monday 24 October 2022 at 12.30pm.*

### Fewer local listed infrastructure opportunities

It is great to again be holding our AGM in person and to have the opportunity to meet with some of our shareholders face-to-face.

When I addressed the AGM this time last year, several ASX-listed infrastructure companies were subject to takeover bids. The most high-profile of these was the offer to acquire Sydney Airport. The bid was ultimately successful, and Sydney Airport was de-listed earlier this year.

The takeover of several other ASX-listed infrastructure companies in the last 12 months, such as Spark Infrastructure and AusNet Services, leaves just a handful of domestic infrastructure stocks to invest in. Those that remain, represent just a few types of infrastructure assets.

### Sydney Airport takeover and delisting

Globally, institutional investors continue to increase their allocations to infrastructure investments. However, with limited infrastructure investment options, these investors have sought access to the underlying assets of listed infrastructure companies by purchasing the entire company and taking it private. Many of these acquirers have shown they are prepared to pay handsomely for these businesses.

The \$23.6 billion takeover of Sydney Airport by a consortium of private investors illustrates this trend. Sydney Airport was sold to a conglomerate of private institutional investors at a premium of +50.6% to its market price at the time of the first bid in July 2021.

Looking ahead, we expect there will continue to be a strong appetite for infrastructure assets which will further support infrastructure valuations, in both the listed and unlisted space.

### Offshore opportunities

When we launched Argo Infrastructure a little over seven years ago, there were more than 15 Australian infrastructure stocks listed on the ASX. With so few remaining, looking offshore to get exposure to the asset class has never been more compelling or necessary in our view.

Outside Australia, there are hundreds of infrastructure stocks with a combined market capitalisation that dwarfs the entire Australian share market. These companies give access to a range of infrastructure asset types and span numerous geographies, across developed and emerging economies. Argo Infrastructure gives investors access to this large and diversified asset class through a single ASX trade.

I am pleased with how the Company has matured since its IPO in 2015. Argo Infrastructure has continued to grow and has provided the diversification and subsequent returns to shareholders that we believed it would when it was established. Our shareholders continue to benefit from both a specialist global infrastructure manager in Cohen & Steers and a trusted local manager with expertise in listed investment company management in Argo.

You will shortly hear from Ben Morton, Head of Global Infrastructure at Cohen & Steers. He will discuss current infrastructure and investment trends, such as the impact of inflation and rising rates, as well as specific stocks and the opportunities in the asset class.

### Thank you

I would like to acknowledge the efforts of the whole Argo team again this year.

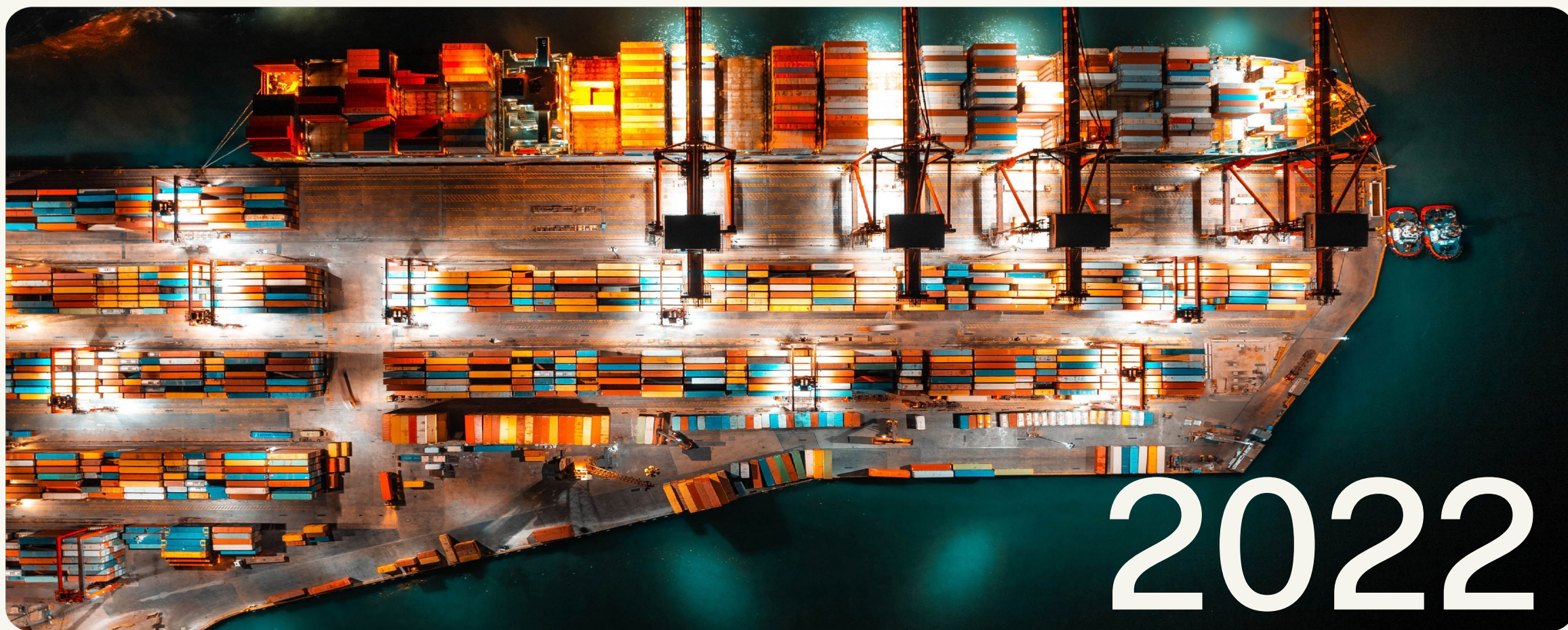
I also acknowledge the contribution from the Chairman and Non-executive Directors and I look forward to working with them over the year ahead.

I would also like to personally thank Andrea for her contribution to the Company during her time on the Board.

I wish all our shareholders well for the coming months. We thank you for your continued support and I look forward to meeting more of you in person throughout 2023.



# Annual General Meeting





# Board of Directors



**Russell Higgins AO**  
Non-executive Chairman



**Jason Beddow**  
Managing Director



**Joycelyn Morton**  
Non-executive Director

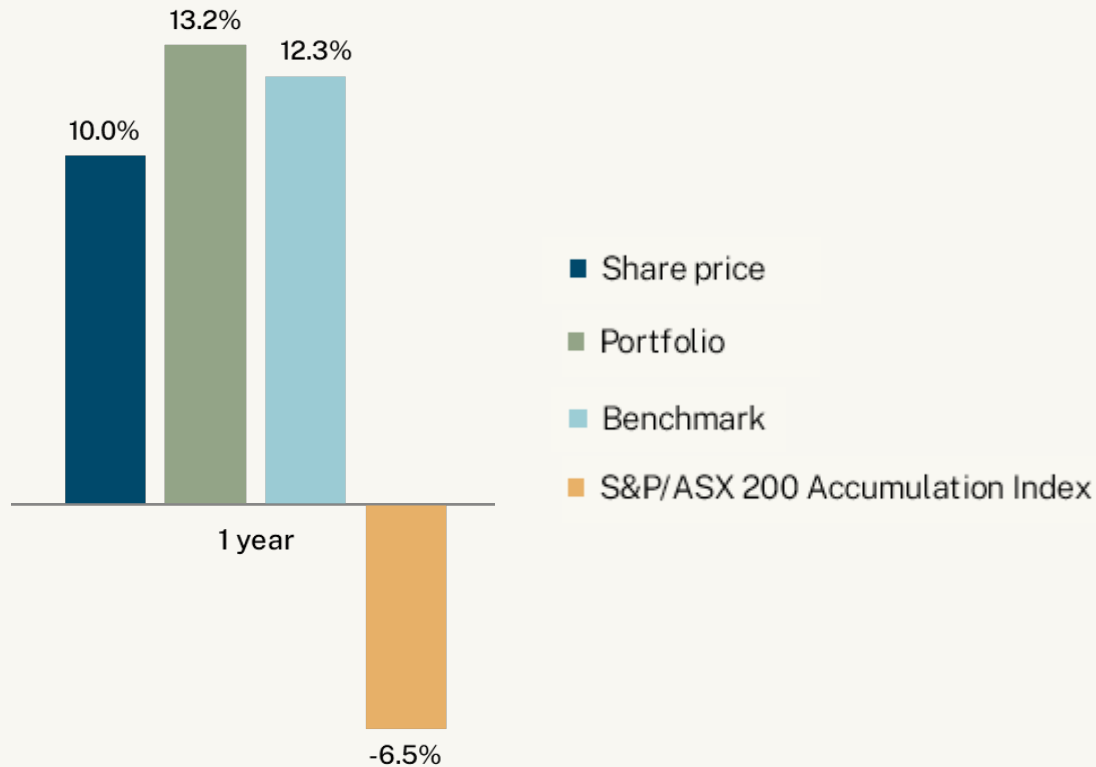


**Mark Hall**  
Non-executive Director



**Fiona Hele**  
Non-executive Director

# Total returns per annum



Strong  
outperformance  
relative to the  
benchmark index  
and Australian  
equities

# 2022 highlights

## Net assets

\$400m

At 30 June 2022  
\$351 million in 2021

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## Portfolio performance

+13.2%

Year ended 30 June 2022

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## Full year dividends

8.0c

Fully franked, per share  
8.0c per share in 2021

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## Full franked dividends

9

Consecutive fully franked  
dividends paid

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## Shareholders

9,334

At 30 June 2022

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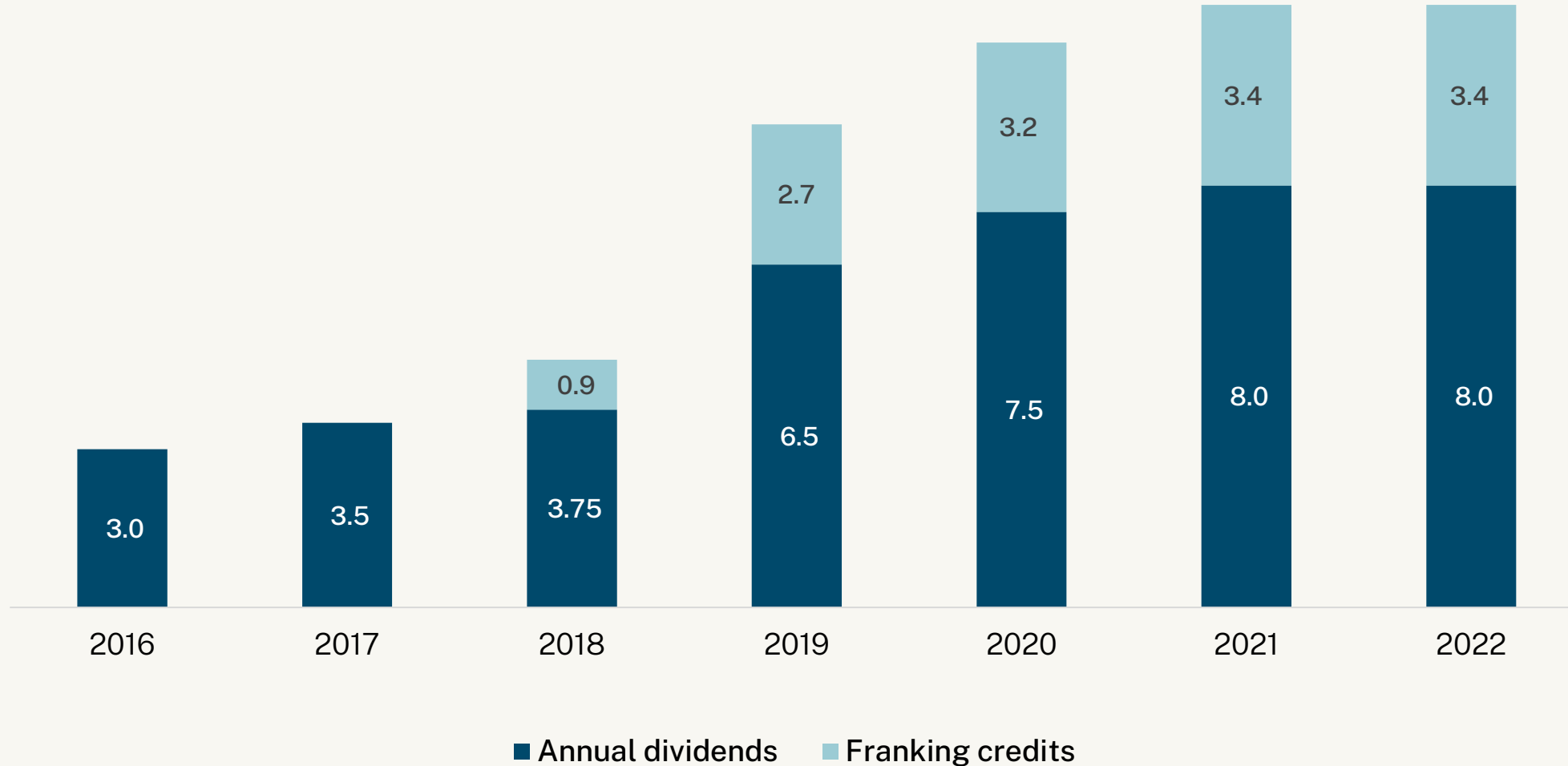
## Total dividends

40.25c

Per share, paid since inception

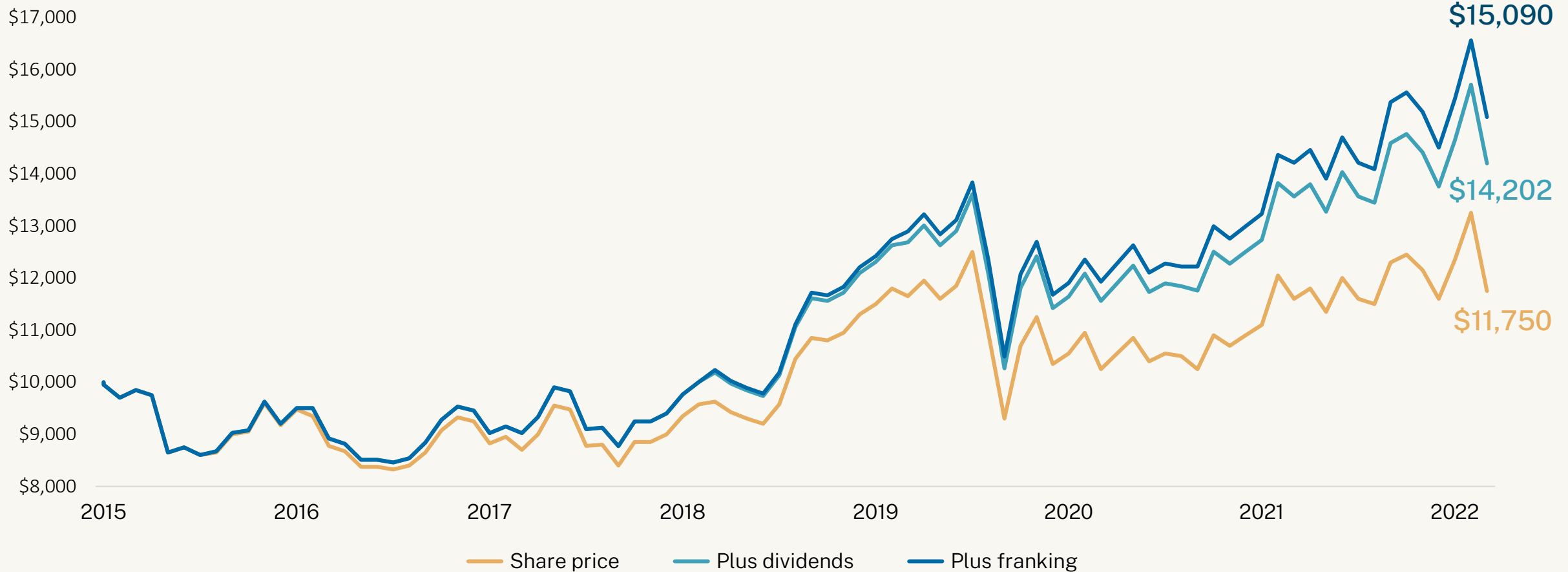
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# Annual dividends cents per share



# Shareholder returns

\$10,000 invested



Figures above are since inception (July 2015) to 30 September 2022.



# Share Purchase Plans

2022

**\$21 million**

Capital raised

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**1,801**

Shareholders participated

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**19.1%**

Of shareholders participated

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2021

**\$31 million**

Capital raised

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**2,460**

Shareholders participated

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**26.4%**

Of shareholders participated

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2020

**\$23 million**

Capital raised

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**2,133**

Shareholders participated

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**22.4%**

Of shareholders participated

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# Independent research

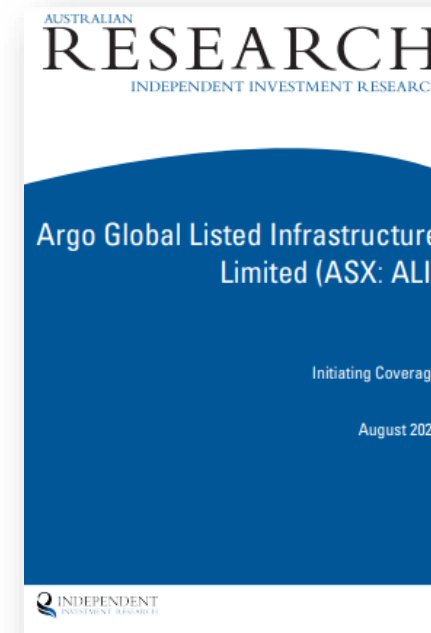
# Lonsec

‘Recommended’



 **INDEPENDENT**  
INVESTMENT RESEARCH

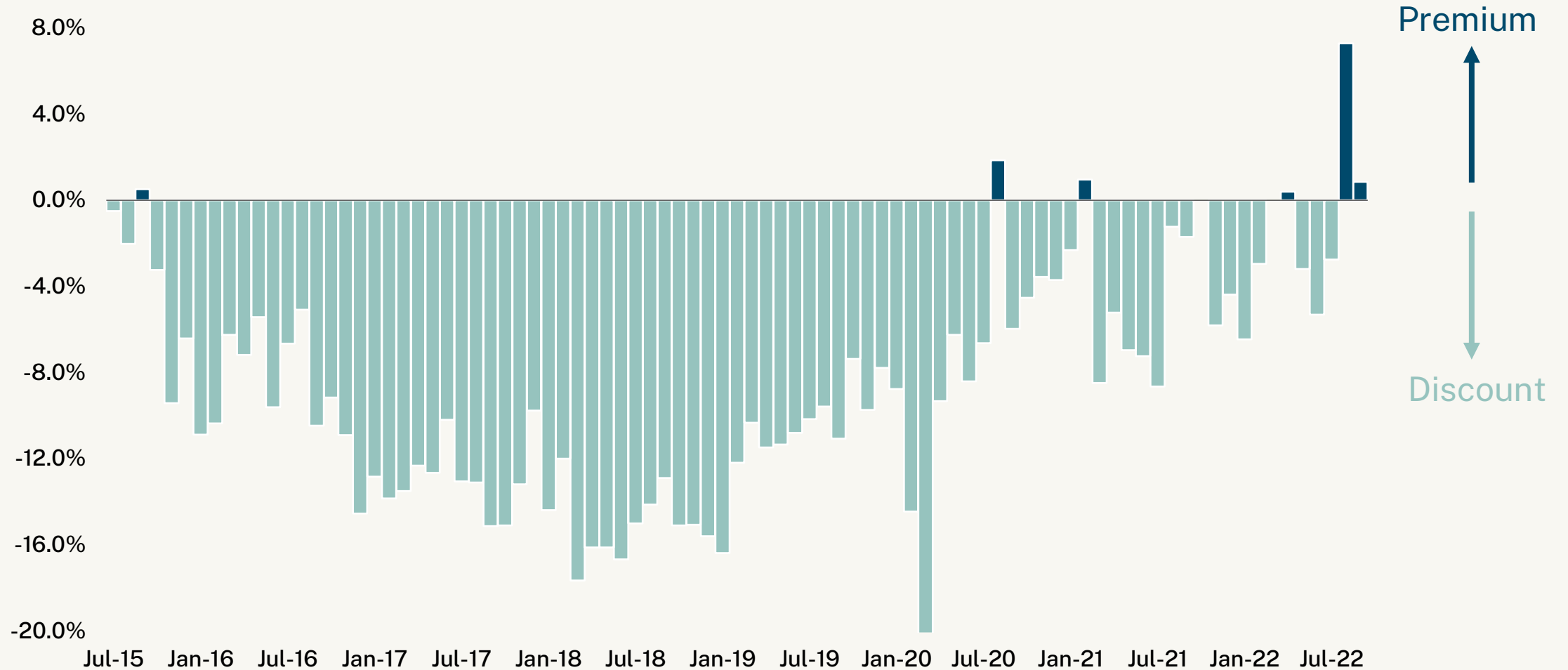
‘Recommended’



Environmental,  
social & governance  
factors are  
integrated into the  
investment process



# Share price relative to NTA



Figures above are to 30 September 2022





# Outlook



# Shareholder benefits



Global  
diversification



Specialist global fund  
manager



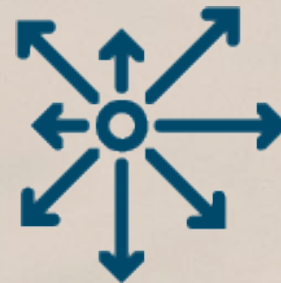
Access infrastructure  
opportunities



Proven investment  
approach



Enhance risk-  
adjusted returns



Simple global  
investing



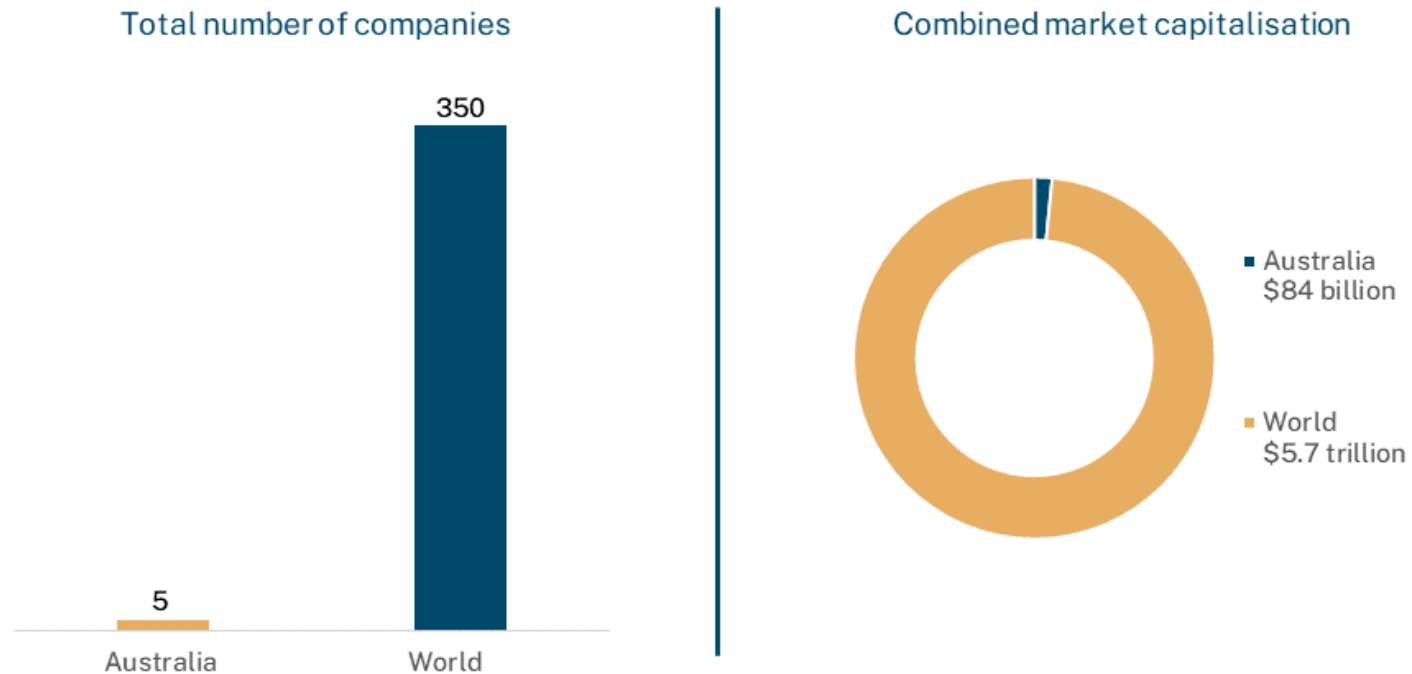


# Sydney Airport takeover and delisting



# Offshore opportunities

Listed infrastructure: Australia versus the world



# Our Portfolio Manager



**Ben Morton**

*BAS, MES*  
Senior Portfolio Manager



**Thuy Quynh Dang**

*BA*  
Portfolio Manager



**Tyler Rosenlicht**

*BA, MBA*  
Portfolio Manager



**COHEN & STEERS**

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.





ARGO



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**ARGO**

**INFRASTRUCTURE**