



23 October 2023

Company Announcements  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

### Annual General Meeting 2023

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



## 2023 Annual General Meeting Chairman's Address

*Delivered by Mr. Russell Higgins AO at the eighth Annual General Meeting of Argo Global Listed Infrastructure Limited (Argo Infrastructure or Company) at the Adelaide Convention Centre on Monday 23 October 2023 at 12.30pm.*

### Financial results

For the 2023 financial year, Argo Infrastructure delivered a solid performance and record high annual dividends.

Argo Infrastructure's full year profit was \$9.6 million. This was lower than the prior year, largely reflecting the decline in the market value of Argo Infrastructure's investment portfolio, in line with the broader infrastructure asset class. Accounting standards require that changes in the value of the portfolio be treated as a profit or a loss. As a result, reported profit can fluctuate significantly from one year to the next and may not reflect the level of income generated by the portfolio, as was the case this year.

Income received from companies in the investment portfolio this year increased by 22.5% to \$14.4 million. It is this income, together with realised capital gains and the tax we pay on them, that enables us to pay franked dividends.

### Record fully franked annual dividends

In August, the Board was pleased to declare a fully franked final dividend of 4.5 cents per share. Together with the interim dividend of 4.0 cents per share, annual fully franked dividends increased to 8.5 cents per share, marking a record high for the Company.

Total dividends paid to our shareholders since the Company was founded now total 48.75 cents per share. Furthermore, the final dividend marks Argo Infrastructure's eleventh consecutive fully franked dividend out of the 16 dividends paid since inception.

### **Investment performance**

Globally investors have favoured growth-style investments, particularly technology stocks over the last year, and as a result, global listed infrastructure has lagged the strong performance of broader global equities. Over the 12 months to 30 September 2023, Argo Infrastructure's portfolio return, before fees and in Australian dollar terms, was flat. This is in line with the performance of our benchmark infrastructure index which was similarly flat, increasing just +0.1% in Australian dollar terms over the same period.

Argo Infrastructure's Managing Director, Jason Beddow, and Cohen & Steers' Portfolio Manager, Ben Morton, will further discuss the factors contributing to the subdued performance of global listed infrastructure last year, particularly relative to broader global equities.

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

The discount of Argo Infrastructure's share price relative to its net tangible assets (NTA) backing has narrowed over recent years and, on some occasions, traded at a premium. Over the past six months this discount has widened again to be in the high single digit range. Over this period all listed investment companies (LICs) have experienced this phenomenon to some extent, which has coincided with the rapid rise in interest rates making term deposits viable investments once again.

However, we acknowledge that the recent performance of the NTA and share price has been disappointing, largely reflecting the overall weakness of the asset class.

### **Independent research**

Independent research firm, Lonsec, recently published its 2023 report on Argo Infrastructure. I am pleased to advise you that Lonsec reaffirmed its 'recommended' rating for the third consecutive year. In addition, Independent Investment Research (IIR), another research house, has maintained its 'recommended' rating for the Company.

### **Shareholder survey results**

We recently conducted an online survey of our shareholders. The purpose was to better understand Argo Infrastructure's shareholders and how we can improve our communication and engagement.

We would like to share the key findings of the survey with you today:

- 60% of respondents have been Argo Infrastructure shareholders since the Company's inception in 2015;
- More than three quarters have been shareholders for three or more years;
- The top three reasons shareholders own Argo Infrastructure shares are (in order):
  1. Seeking global diversification for their investment portfolio
  2. Gaining exposure to infrastructure
  3. Receiving fully franked dividends
- 70% of respondents rated our overall shareholder engagement and communications as 'very good' or 'excellent', and 97% described the quantity of information provided as 'about right';
- Emails are by far the most popular form of communication, with 86% of shareholders nominating emails as their preferred method of accessing information about the Company; and
- 84% of our shareholders would recommend Argo Infrastructure to other investors.

Thank you to all those who completed the survey. If you did not have the opportunity to participate, or you have further comments or suggestions, we welcome your feedback. You can be in touch with the team at Argo Infrastructure at any time. Contact details will be provided at the end of today's presentation.

## Outlook

While the 'higher for longer' interest rate environment is a headwind for global infrastructure stocks currently, the outlook for the asset class over the longer-term is supported by several factors.

Some of the structural changes occurring in the global economy are a boon for infrastructure and necessitate major investment in projects across the world. For example, the rapid digitisation of society will require more supporting infrastructure, such as data centres and communications towers.

Similarly, the enormous task of transitioning to net zero emissions will see the world's largest economies ploughing large sums into energy infrastructure. We are seeing this play out in the United States with the Inflation Reduction Act mandating massive government expenditure in this space.

In addition, the urbanisation of populations in emerging economies will require investment in new projects across the full spectrum of infrastructure subsectors, from water utilities to airports.

With just a handful of Australian infrastructure stocks remaining on the ASX, we offer investors broader access to these and other long-term global infrastructure trends. Furthermore, we remain the only Australian listed investment company that provides exposure to the large and diverse universe of global infrastructure stocks.

Argo Infrastructure has established a track record of providing diversification benefits to investors in Australian equities and we remain focussed on providing shareholders with a steady and sustainable stream of fully franked dividend income.

I can assure shareholders that Argo Infrastructure remains in a strong financial position with approximately \$400 million of assets and no debt.

### **Thank you**

I would like to conclude my formal remarks today by thanking our Managing Director, Jason Beddow, and the team for their ongoing hard work. I would also like to thank Ben Morton and Cohen & Steers.

I also thank my fellow Board members for their valuable contributions over the last year.

Finally, on behalf of the Board, I warmly thank our loyal shareholders. To our new shareholders, welcome to Argo Infrastructure.



## 2023 Annual General Meeting Managing Director's Address

*Delivered by Mr. Jason Beddow at the eighth Annual General Meeting of Argo Global Listed Infrastructure Limited (Argo Infrastructure or Company) held at the Adelaide Convention Centre on Monday 23 October 2023 at 12.30pm.*

### **Rising rates and the asset class**

The rapid tightening of monetary policy over the last 12 to 18 months has weighed on returns from more indebted, long-duration investments, including global infrastructure stocks. This is particularly the case for utilities which can carry considerable debt due to their reliable income derived from the provision of essential services. As electric, water and gas utilities dominate the global listed infrastructure universe, their recent poor performance has been a significant drag on the performance of the overall asset class.

In the wake of the steepest interest rate hikes in recent history, the relative underperformance of utilities, and global listed infrastructure more broadly, is not unexpected. As the monetary cycle matures and interest rates are potentially cut, it follows that returns from global infrastructure stocks will revert to average long-term returns. That said, the timing and pace at which interest rates may fall is unknown.

### **Local infrastructure stocks underperform**

The underperformance of the asset class relative to broader equities also extends to Australian infrastructure stocks. Among the remaining locally listed infrastructure companies, there are three salient examples of this trend: APA Group (ASX code: APA), Transurban Group (ASX code: TCL) and Atlas Arteria (ASX code: ALX).

These companies have all seen their share prices materially underperform the broader Australian share market over the period since the Reserve Bank of Australia started aggressively raising rates in May of last year.

The underperformance of these infrastructure stocks also demonstrates the low correlation of global listed infrastructure with local equities. Historically, the asset class also displays this attribute during share market downturns.

This was illustrated in financial year 2022 when the Australian share market fell by -6.5%. In contrast, global listed infrastructure gained +12.3% (in A\$ terms) outperforming local shares by +18.3%.

We believe global listed infrastructure's low correlation to the Australian share market is one of the diversification benefits that Argo Infrastructure offers.

Shortly, you will hear from Ben Morton, Head of Global Infrastructure at our Portfolio Manager, Cohen & Steers. He will further discuss the relative performance of the asset class, as well as other factors shaping the investment environment, including historically elevated inflation and 'higher-for-longer' interest rates, as well as specific infrastructure subsectors and stocks.

### **Thank you**

Before I hand over to Cohen & Steers, 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.

Thank you particularly to our shareholders, both new and long-term loyal shareholders.



# Annual General Meeting



2023



# Disclaimer

This presentation has been prepared by Argo Service Company Pty Ltd (ASCO) (ACN 603 367 479) (Australian Financial Services Licence 470477), on behalf of Argo Global Listed Infrastructure Limited (ACN 604 986 914).

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

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# 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

# Portfolio Manager



**Ben Morton**

BAS, MES

Senior Portfolio Manager

COHEN & STEERS



# Our objective

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.



# 2023 overview

## Net assets

**\$418m**

At 30 June 2023  
\$400m at 30 June 2022

## Portfolio performance

**+3.9%**

Year ended 30 June 2023

## Full year dividends

**8.5c**

Fully franked per share  
8.0c in 2022

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## Fully franked dividends

**11**

Consecutive fully franked  
dividends paid

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## Total dividends

**48.75c**

Per share, paid since  
inception in 2015

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## Shareholders

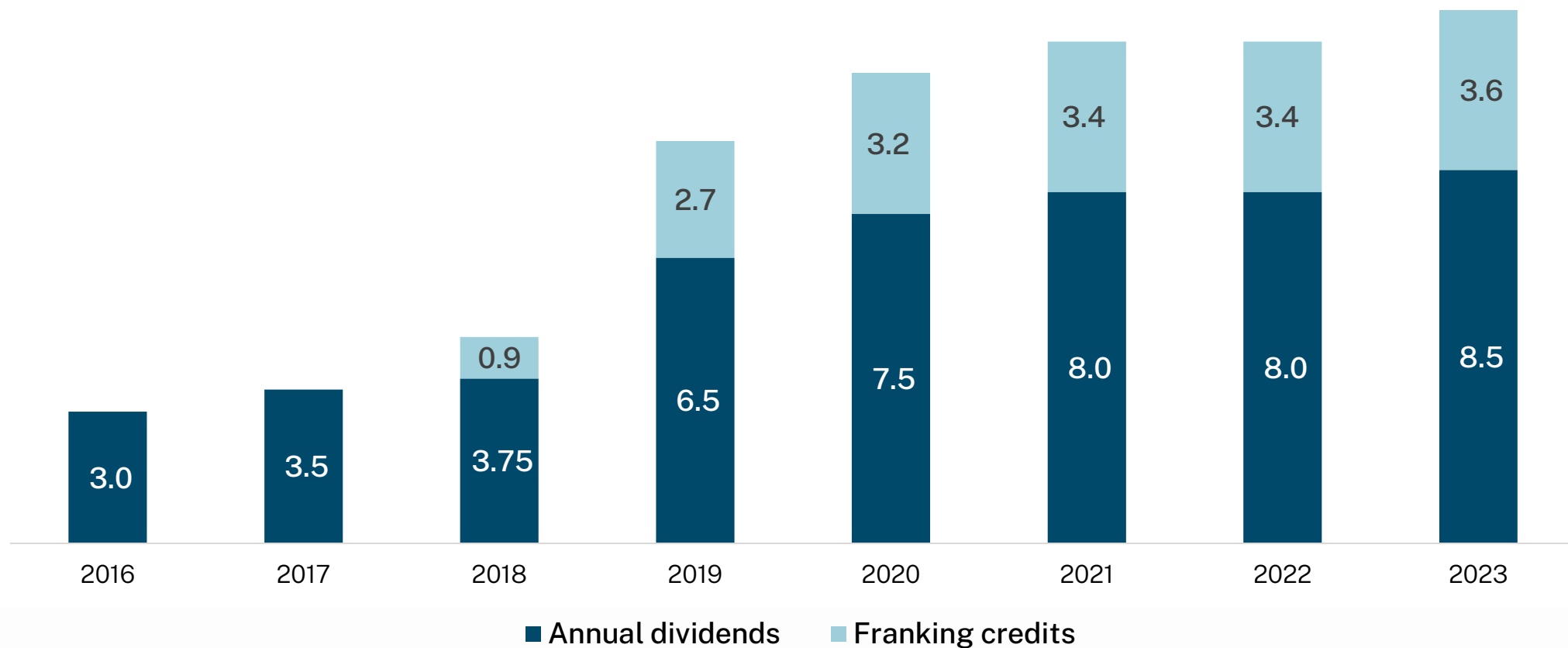
**9,338**

At 30 June 2023

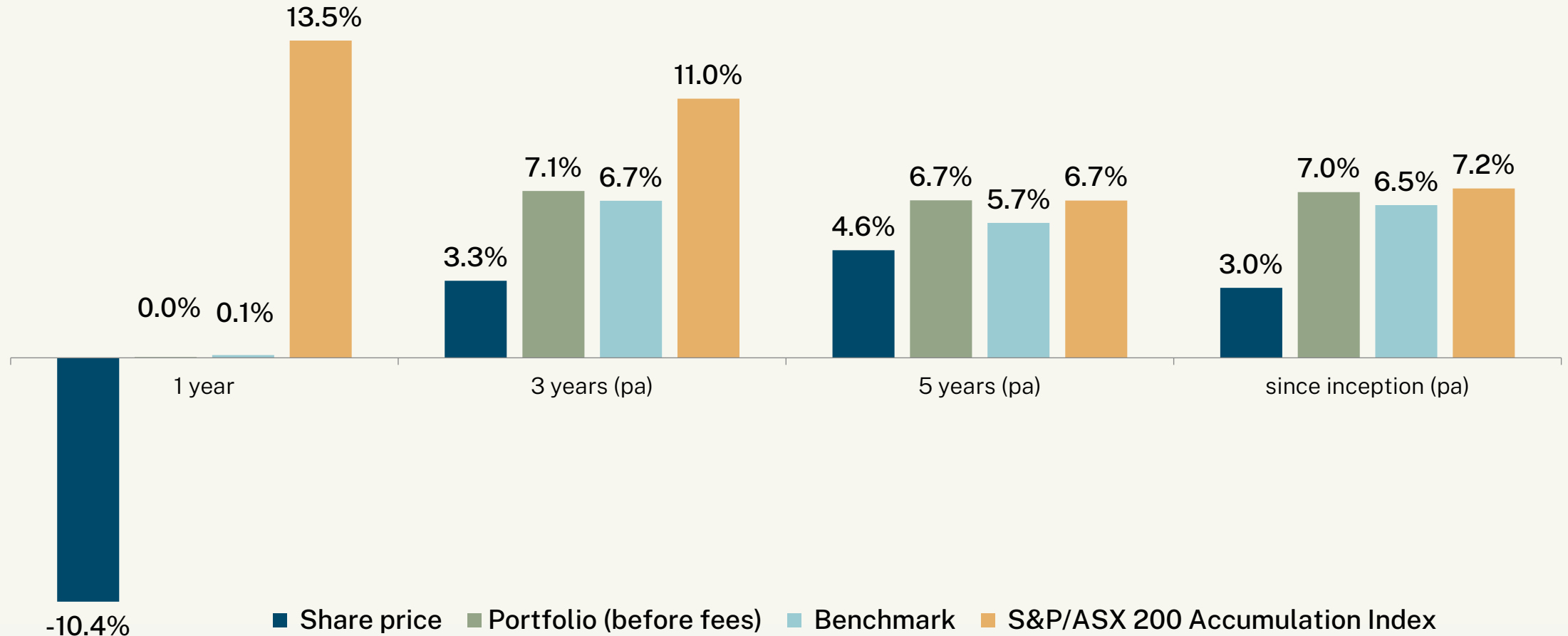
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# Annual dividends cents per share



# Total returns

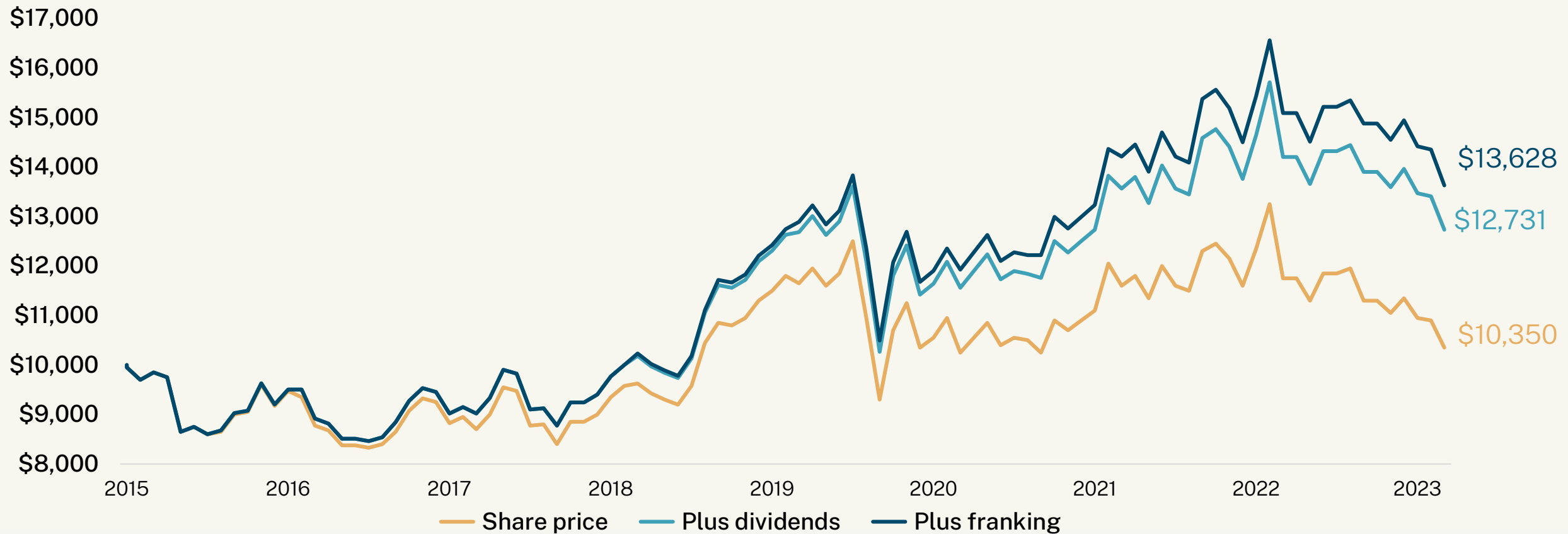


Figures above are to 30 September 2023.





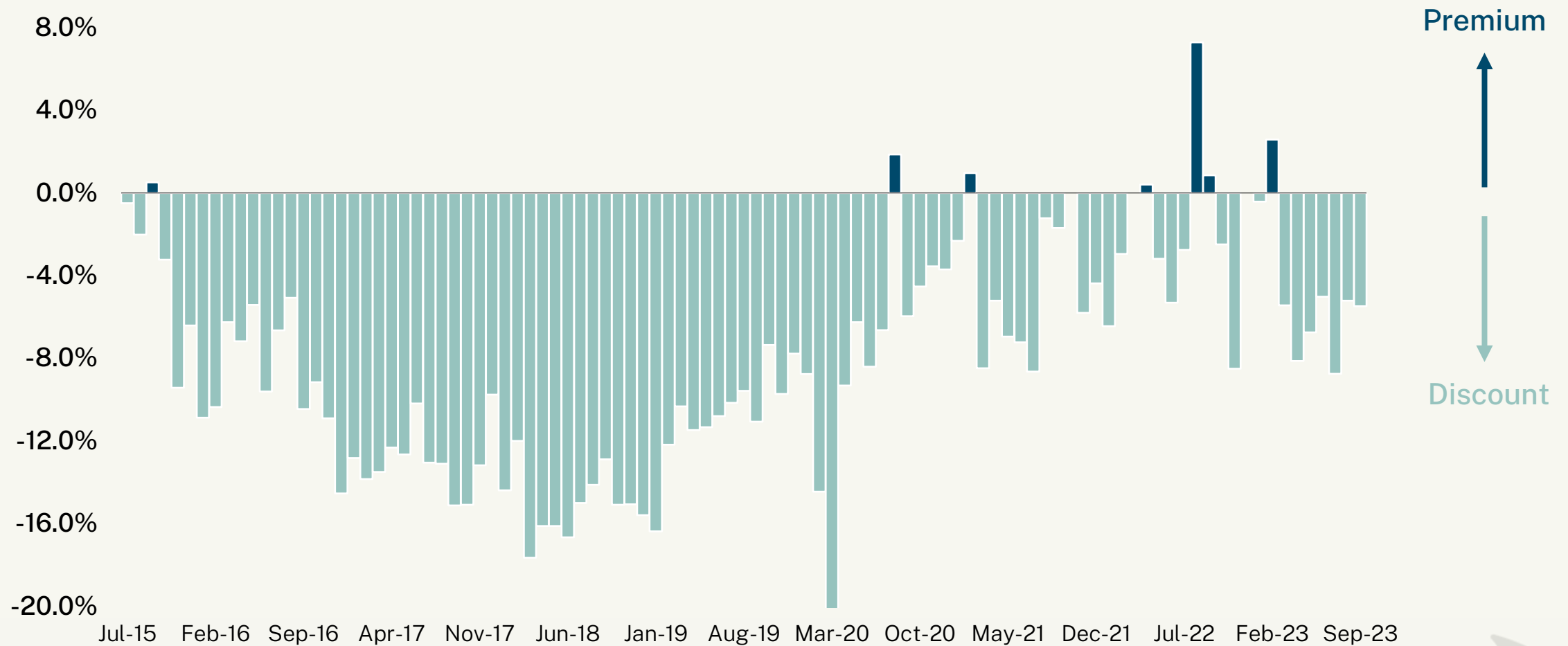
# Shareholder returns \$10,000 invested



Figures above are to 30 September 2023.



# Share price relative to NTA



# Independent research

# Lonsec

‘Recommended’



**INDEPENDENT**  
INVESTMENT RESEARCH

‘Recommended’





# Shareholder survey







## Key survey findings

84%

Would recommend Argo  
Infrastructure to other investors

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Since  
inception

60% have been shareholders  
since inception

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3+ yrs

More than three quarters have  
been shareholders for 3+ years

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‘Excellent’ or  
‘Very good’

70% rated our engagement as  
‘excellent’ or ‘very good’

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Global  
diversification

Top reason for owning shares:  
‘global diversification’

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97%

Happy with the amount of  
information provided

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# Looking ahead





# Shareholder benefits



**Global  
diversification**



**Specialist global fund  
manager**



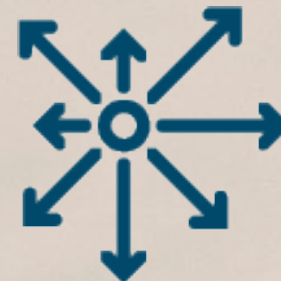
**Access infrastructure  
opportunities**



**Proven investment  
approach**



**Enhance risk-  
adjusted returns**



**Simple global  
investing**



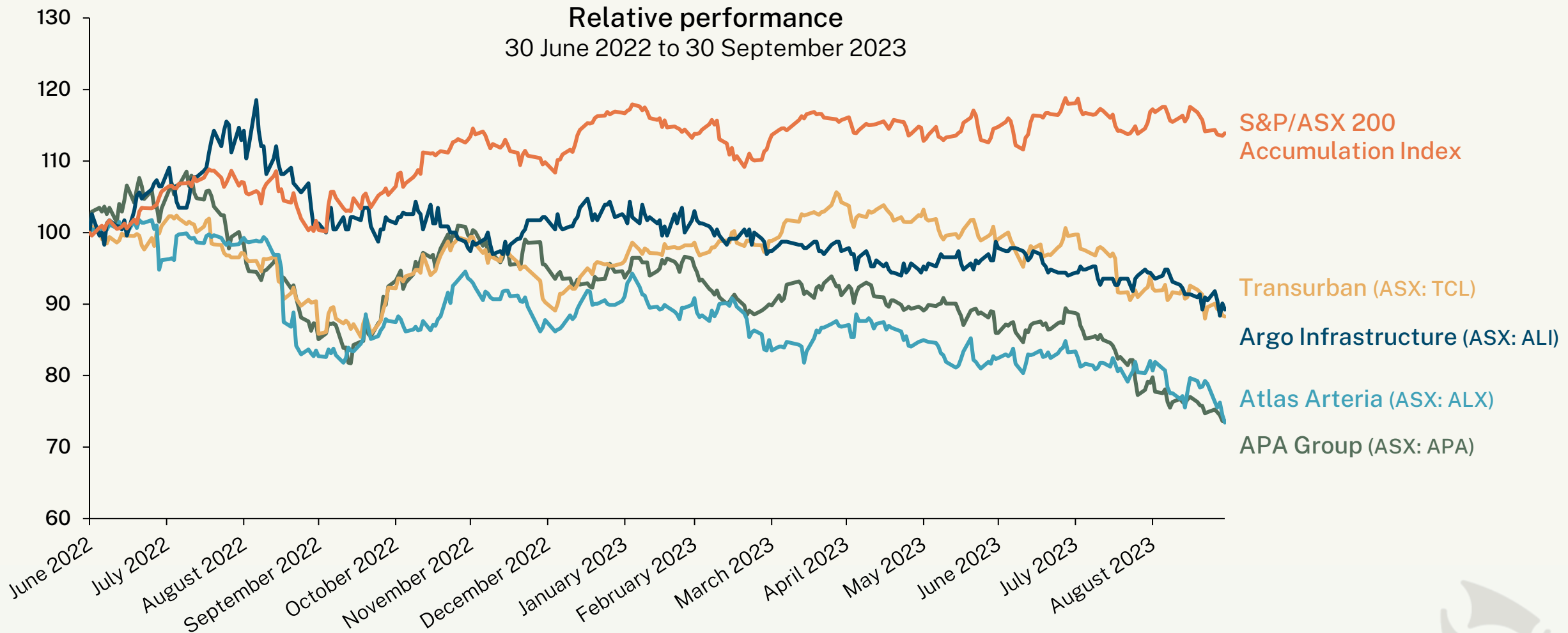


# Interest rate impacts





# ASX-listed infrastructure



# 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**