

Quarterly Investment Update

March 2024



Market overview

Broader global stock markets continued to rally in the March quarter with several key indices reaching record highs. Stronger-than-expected economic data continued to support a rosy outlook for global growth prospects and the market rally broadened beyond its previously narrower technology-related focus.

However, bond yields rose as inflation remained sticky and the expectation for rate cuts moved out to at least mid-year.

Global infrastructure stocks ended the quarter on a positive note (up +6.4% in A\$ terms), although lagged broader global equities with the asset class hampered by weak performance from certain rate-sensitive subsectors. In particular, Communications (towers and data centres) which fell -8.1% and Water utilities, down -5.0%.

However, these declines were outweighed by gains in the more commercially-sensitive infrastructure subsectors. For instance, Marine Ports surged +20.4% to be the top-performing subsector as port operators benefited from strong container volumes, in addition to improving global growth prospects.

Midstream Energy (up +7.0%) outpaced the broader listed infrastructure asset class. Railways delivered a solid performance (up +4.7%), in part due to an activist investor initiating a proxy contest at Norfolk Southern. The company is one of the largest US freight rail operators and Argo Infrastructure's ninth largest holding.

Tying into the artificial intelligence theme dominating global investment markets currently, Electric utilities gained +2.9% boosted by investor enthusiasm around the potential for certain utilities to be beneficiaries from the increased electricity demand from data centres and their technology-focused customers.

While global infrastructure stocks underperformed broader global equities, they outperformed local equities (+5.3%) highlighting the diversification benefits of the asset class.

Portfolio performance

Argo Infrastructure's portfolio outperformed its benchmark index gaining +7.5% (in A\$ terms) for the quarter.

Our holding in Brazil-based marine port operator, Santos Brasil, was the biggest contributor to the portfolio's positive performance. The company posted better-than-expected results and remains well-positioned to reap the benefits of an ongoing shortage in container terminal capacity in the region.

Targa Resources, a US-based midstream energy infrastructure firm, also aided relative performance. Its shares surged after the company's full-year profits came in above expectations due to increasing demand and higher energy prices.

	3 months	1 year	3 years (p.a.)	Since inception ⁴ (p.a.)
Portfolio ¹	+7.5%	+7.2%	+9.9%	+8.2%
Benchmark ²	+6.4%	+6.1%	+8.4%	+7.4%
S&P/ASX 200 ³	+5.3%	+14.5%	+9.6%	+8.4%

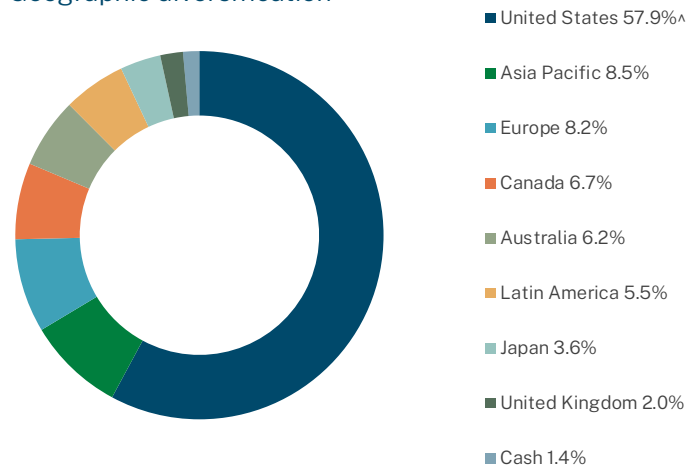
¹ Before fees ² FTSE Global Core Infrastructure 50/50 Index (in A\$) ³ Accumulation Index ⁴ July 2015



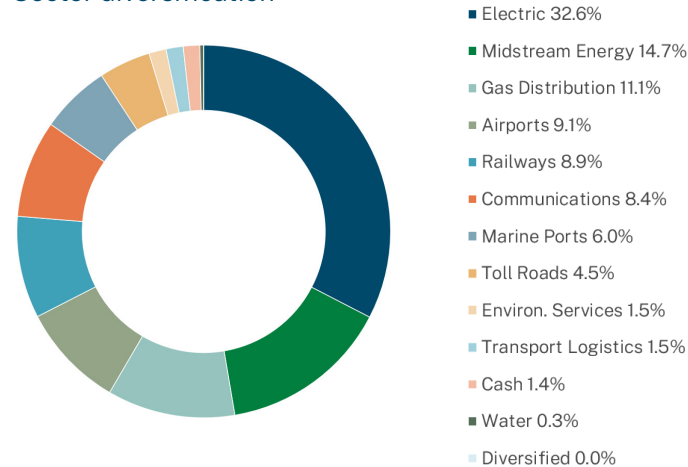
Total Returns value of \$10,000 invested at inception



Portfolio Geographic diversification*



Sector diversification*



* As a percentage of investment portfolio.

^ Many of the largest infrastructure companies are listed in the US, although their operations and earnings are often global.

Top 10 Holdings at 31 March 2024

Security name	Country of listing	Subsector	Portfolio (%)	Index (%)
American Tower	US	Communications	5.4	3.2
NextEra Energy	US	Electric	5.0	5.1
TC Energy	CAN	Midstream Energy	4.2	1.5
NiSource	US	Gas Distribution	3.7	0.5
PPL	US	Electric	3.5	0.8
Cheniere Energy	US	Midstream Energy	3.4	1.4
Transurban	AUS	Toll Roads	3.2	4.0
PG&E	US	Electric	3.1	1.3
Norfolk Southern	US	Railways	3.1	0.8
Public Service Enterprise Group	US	Electric	3.0	1.3
			37.6	19.9



Save the date: Information meetings

Following the success of last year’s information meetings, we will again be holding in-person presentations in various capital cities.

At these meetings we will provide an update and overview of both Argo Infrastructure and Argo Investments (ASX code: ARG). Our New York-based Portfolio Manager, Cohen & Steers, will attend to provide insights into the global listed infrastructure sector.

Shareholders will also have the opportunity to meet with our team face-to-face and ask us questions.

Light refreshments will be provided. No RSVP is required.

Bring a friend!

You are welcome to invite friends and/or family members to come along.



City	Time	Date	Venue
Melbourne	10am	Monday 20 May	Grand Hyatt Hotel 123 Collins Street, Melbourne
Adelaide	10am	Tuesday 21 May	Adelaide Convention Centre North Terrace, Adelaide
Brisbane	10am	Wednesday 22 May	Pullman King George Square Corner Ann & Roma Streets, Brisbane
Sydney	2pm	Thursday 23 May	Marriott Hotel at Circular Quay 30 Pitt Street, Sydney

**We will also hold meetings in Canberra and Perth in June. Details of times and venues will be emailed to shareholders and available on our website shortly.*

Outlook

Despite recent economic strength, Argo Infrastructure’s Portfolio Manager, Cohen & Steers, maintains a cautious outlook. From an investment perspective, this translates into a preference for higher-quality businesses which Cohen & Steers believe can perform relatively well in a below-trend growth environment.

Cohen & Steers also remains focused on the potential capital needs of individual companies to strengthen their balance sheets. Anticipating that the credit environment will remain challenging, Cohen & Steers continues to prioritise infrastructure stocks with robust balance sheets, limited near-term debt maturities and manageable refinancing schedules.

Ongoing structural changes to the world’s economy provide tailwinds for global listed infrastructure companies across the asset class, including changing energy needs. Developed and emerging economies are at an inflection point for power demands driven by an increasingly important nexus between power generation, grid reliability and rapid data centre growth. The electric and gas infrastructure required to support data centre demand alone will drive significant investment opportunities within the asset class.

In the more immediate term, persistent inflation and ‘higher for longer’ interest rates may pose a headwind for certain infrastructure subsectors. However, infrastructure businesses can generally pass rising costs through to their users. As a result, these assets have tended to perform well during periods of above-average inflation.



About us

At a glance

ASX code	ALI
Listed	2015
Manager	Argo Investments
Portfolio Manager	Cohen & Steers
Market cap.	\$385m
Shareholders	9,100
Hedging	Unhedged
Management fee	1.2%
Performance fee	Nil
Dividend yield [^]	4.2%

[^] Historical yield of 6.0% (including franking) based on dividends paid over the last 12 months.

Company overview

Provides exposure to a diverse portfolio of global infrastructure stocks. The portfolio is actively managed by Cohen & Steers (NYSE: CNS), a leading specialist global real assets fund manager managing funds of over A\$110 billion for institutional clients and sovereign wealth funds from offices worldwide.

How to invest

We are listed on the Australian Securities Exchange (ASX) under the ASX code 'ALI'. To become a shareholder, buy shares through your stockbroker, online broker, financial adviser or platform.

Share registry enquiries

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Shareholder benefits



Global diversification

Exposure across various geographies and both emerging and developed economies



Specialist global fund manager

Access to a world-leading, specialist infrastructure fund manager



Access infrastructure opportunities

New opportunities offshore through government privatisations



Proven investment approach

Experienced investment team with a long and successful track record



Enhance risk-adjusted returns

Less volatile than broader equities providing some relative downside protection



Simple global investing

Exposure to a large and complex asset class through one simple ASX trade

This report has been prepared as general information only and is not intended to provide financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances before making any investment decisions. Past performance is no guarantee of future results. This announcement is authorised by Tim Binks, Company Secretary. Argo Global Listed Infrastructure Limited ACN 604 986 914