Global Listed Infrastructure

Argo Global Listed Infrastructure Limited

ABN 23 604 986 914

Appendix 4D

Interim Report

for the period from 26 March 2015
to 31 December 2015

Interim Report

This report is for the interim reporting period from 26 March 2015 (date of incorporation) to 31 December 2015.

Results for announcement to the market *

	$A'000
Revenue from ordinary activities	(10,711)
Profit/(loss) for the period	(9,679)

** The amount and percentage up or down from previous periods are not disclosed as this is the first half-year reporting period for the Company.*

Dividends

There were no dividends paid or proposed during the period.

Since the end of the financial period, the Directors have declared an unfranked interim dividend of 0.5 cents per fully paid ordinary share to be paid on 18 March 2016.

Interim dividend dates	
Ex-dividend date	25 February 2016
Record date	29 February 2016
Election date for determining participation in the Dividend Reinvestment Plan	1 March 2016
Payment date	18 March 2016

Dividend Reinvestment Plan (DRP)

The board of the Company has determined that the DRP will operate for the 2016 interim dividend as follows:

- Shares issued under the DRP will be priced at a 5.0% discount to the volume-weighted average market price for the 4 trading days commencing from 29 February 2016 to 3 March 2016 inclusive.
- Shares issued under the DRP will rank equally in all respects with existing shares.

The DRP discount and other terms are reviewed prior to each dividend payment and the DRP terms that will apply to future dividends will be announced to the ASX at the relevant times.

The DRP Terms and Conditions can be accessed at the Company's website at www.argoinfrastructure.com.au.

Net Tangible Asset backing

Net tangible asset (NTA) backing at 31 December 2015 was $1.87 per share. Under current Accounting Standards the Company is required to provide an NTA figure that provides for tax that may arise should the entire portfolio be disposed of on 31 December 2015. After the theoretical provision, the NTA would be $1.90. The after tax figure takes into account the provision for deferred tax on set-up costs and estimates of net tax provisions that may arise should the entire portfolio be disposed of.

Argo Global Listed Infrastructure

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Media Release

15 February 2016

AGLI declares first dividend despite volatile global markets

Argo Global Listed Infrastructure Limited (AGLI or Company) has declared its first dividend of 0.5 cents per share unfranked, from the dividends and distributions received in the portfolio.

AGLI listed on the Australian Securities Exchange (ASX) on 3 July 2015, after raising $286 million in its initial public offering (IPO). The Company's Managing Director, Jason Beddow, said "It was a volatile time to start investing, with the Greek debt crisis coming to a head within days of our listing".

AGLI's New York based portfolio manager, Cohen & Steers, spread the initial investment of the IPO funds over a month, in accordance with the prospectus, and the Company became fully invested in global listed infrastructure securities on 31 July 2015. Since then, macroeconomic uncertainty has been an ongoing feature and equity market volatility has continued.

The Company recorded an accounting loss of $9.7 million after the downward revaluation of the investment portfolio at 31 December 2015, due to weaker equity markets globally.

The latest investment performance statistics for the relatively short period from the listing date to 31 January 2016 are shown below:

Accumulated performance	*Since inception to 31 January 2016*
AGLI portfolio return (based on NTA)	-1.1%
AGLI sector benchmark index*	+1.2%
S&P/ASX 200 Accumulation Index	-8.3%

** The AGLI benchmark is 90% of the FTSE Global Core Infrastructure 50/50 Index (net return AUD) and 10% of the BofA Merrill Lynch Fixed Rate Preferred Securities Index (POP1)(AUD).*

Uncertainty often prompts selling in equity markets and this sentiment has pushed AGLI's share price to a discount to its NTA. "However we firmly believe that AGLI can bring important diversification benefits to Australian equity investors from an asset class, geographic and currency perspective", said Mr Beddow.

"The relative performance of the strategy has held up well amid recent equity market weakness, and as a closed-end listed investment company with no debt, AGLI is well placed to benefit from the long-term growth and income potential of the global listed infrastructure sector which remains compelling".

Top 10 holdings at 31.12.15

stock	*country of listing*	*subsector*	*% of portfolio*
Transurban Group	Australia	Toll Roads	3.99
Crown Castle International Corp.	US	Tower	3.74
Sempra Energy	US	Gas Distribution	3.35
Dominion Resources Inc.	US	Integrated Electric	3.09
PG&E Corporation	US	Regulated Electric	3.04
National Grid PLC	UK	Regulated Electric	2.98
TransCanada Corp.	Canada	Pipelines	2.87
Union Pacific Corporation	US	Freight Rails	2.82
NextEra Energy Inc.	US	Integrated Electric	2.60
CMS Energy Corporation	US	Regulated Electric	2.47

Sector review

Within the global listed infrastructure sector, the strongest subsectors in 2015 were airports, which reported strong passenger volumes resulting from increased tourism, and toll roads, especially those in Europe, which benefited from lower fuel prices and improving economic conditions. Utilities, which are defensive in nature, advanced as investors sought refuge from market volatility in assets with predictable revenues. Within the communications subsector, wireless tower companies enjoyed healthy earnings growth in 2015, with revenues that are relatively insulated from economic uncertainty.

However, falling energy prices significantly impacted the pipelines subsector. Also losing ground were marine ports, which were sensitive to the continued deceleration in China's economy, along with slowing global trade.

Outlook commentary from the Portfolio Manager, Cohen & Steers

The medium-term outlook for pipelines remains challenging. The US businesses in particular face fundamental headwinds, and we expect further downward revisions in growth guidance. In the meantime, valuations appear attractive, with cash flow multiples well below historical averages. The biggest driver for the pipelines sector will be the stabilization of crude oil prices.

The steady increase in wireless data demand, along with consolidation potential among southern European tower operators, is likely to continue to support tower companies in the communications subsector.

Geographically, we continue to favour the US and continental Europe, with modest growth forecasted for those regions. Asia Pacific countries, we believe, will continue to be adversely impacted by China's slowing growth.

We believe the infrastructure sector is well positioned for steady growth, despite subsector-specific challenges and what is likely to be relatively slow global economic growth in 2016. Investors are likely to continue to be drawn to the sector for its predictable cash flows, compelling valuations and yields, and diversification potential. Monetary and fiscal policy should remain supportive for the sector, with continued easing in Europe and Japan. In the US, we anticipate interest rate increases will be modest and executed at a very gradual pace.

Media contact:
Jason Beddow
Managing Director
02 8274 4702 or 0409 900 709

Argo Global Listed Infrastructure Limited

ABN 23 604 986 914

Interim Report

for the period from 26 March 2015 to 31 December 2015

Contents	Page

Corporate Directory

Directors
G. Ian Martin AM, Chairman
Jason Beddow
Joycelyn C. Morton
Gary J. Simon
Andrea E. Slattery

Company Secretary
Timothy C.A. Binks

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Portfolio Manager
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Share Registry
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Phone: 1300 389 922
Registry website: www.investorcentre.com
Website: www.investorcentre.com

Security Exchange Listing
ASX code (ordinary shares): ALI
ASX code (options): ALIO

Directors' Report

The Directors of Argo Global Listed Infrastructure Limited (AGLI or Company) present their report together with the financial statements of the Company for the period from 26 March 2015 (date of incorporation) to 31 December 2015.

Directors

The following persons were Directors of the Company during the period and up to the date of this report:

Geoffrey Ian Martin AM, Chairman	Non-independent Director (appointed 26 March 2015)
Jason Beddow	Non-independent Director (appointed 26 March 2015)
Joycelyn Cheryl Morton	Non-independent Director (appointed 26 March 2015)
Gary John Simon	Independent Director (appointed 27 April 2015)
Andrea Elizabeth Slattery	Independent Director (appointed 27 April 2015)

Principal activities

The Company is a listed investment company established to provide investors with the opportunity to invest in a diversified portfolio of listed global infrastructure securities, with the primary objective of providing shareholders with long-term capital growth and dividend income.

Review and results of operations

The Company was incorporated on the 26 March 2015 but did not operate during the period ended 30 June 2015. The Company was admitted to the official list of ASX Limited on 1 July 2015, with trading of securities commencing on 3 July 2015. The Company raised $286 million in the initial public offering (IPO) and issued 143,063,214 fully paid ordinary shares at an issue price of $2.00 per share and 143,063,214 options exercisable at $2.00 per share expiring on 31 March 2017.

The Company's investment portfolio is invested in global listed infrastructure securities, global infrastructure fixed income securities and cash.

For the period to 31 December 2015, the Company recorded a pre-tax loss of $13,857,802 and a net loss after income tax benefit of $9,678,556.

Net tangible asset (NTA) backing at 31 December 2015 was $1.87 per share. Under current Accounting Standards the Company is required to provide an NTA figure which provides for tax that may arise should the entire portfolio be disposed of on 31 December 2015. After the theoretical provision, the NTA would be $1.90. The after tax figure takes into account the provision for deferred tax on set-up costs and estimates of net tax provisions that may arise should the entire portfolio be disposed of.

Dividends

The Company did not declare or pay any dividends during the period ended 31 December 2015.

On 15 February 2016, the Directors declared an interim unfranked dividend of 0.5 cent per fully paid ordinary share to be paid on 18 March 2016.

Directors' Report (continued)

Matters subsequent to the end of the interim period

The Directors are not aware of any matter or circumstance that has arisen since the end of the financial period which has significantly affected or may significantly affect the Company's operations, the results of those operations or the Company's state of affairs in future financial years.

Rounding of amounts

Australian Securities and Investments Commission Class Order 98/100 dated 10 July 1998 applies to the Company and accordingly amounts have been rounded to the nearest one thousand dollars in accordance with that Class Order, unless otherwise stated.

Auditor's Independence Declaration

The Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001*, is included on page 5.

This report is made in accordance with a resolution of the Board of Directors.

On behalf of the Board

G.I. Martin AM
Chairman
15 February 2016

Auditor's Independence Declaration

As lead auditor for the review of Argo Global Listed Infrastructure Limited for the period 26 March 2015 to 31 December 2015, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

A.G. Forman
Partner
PricewaterhouseCoopers

Adelaide
15 February 2016

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Statement of Profit or Loss and Other Comprehensive Income

	Note	**Period from 26 March 2015 to 31 December 2015** $'000
Investment income		
Dividends and distributions		4,183
Interest		333
Net foreign exchange losses		(3,142)
Change in fair value of financial instruments held at fair value through profit or loss		(12,085)
Total investment income		(10,711)
Expenses		
Management fees	9,10	(1,731)
Other expenses		(1,416)
Total expenses		(3,147)
Loss before income tax		(13,858)
Income tax benefit		4,179
Loss after income tax		(9,679)
Other comprehensive income		-
Total comprehensive income for the period		(9,679)
Earnings per share		cents
Basic earnings per share	8	(10.2)
Diluted earnings per share	8	(10.2)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

Statement of Financial Position

	Note	**As at 31 December 2015** $'000
Current assets		
Cash and cash equivalents	5	5,134
Receivables		1,588
Financial assets held at fair value through profit or loss	6	258,765
Total current assets		265,487
Non-current assets		
Deferred tax assets		6,336
Total non-current assets		6,336
Total assets		271,823
Current Liabilities		
Payables		391
Total current liabilities		391
Total liabilities		391
Net assets		271,432
Equity		
Contributed equity	7	281,111
Retained earnings		(9,679)
Total equity		271,432

The above Statement of Financial Position should be read in conjunction with the accompanying notes

Statement of Changes in Equity

	Note	Contributed equity $'000	Retained earnings $'000	Total $'000
Balance as at 26 March 2015		-	-	-
Total comprehensive income for the period		-	(9,679)	(9,679)
Transactions with shareholders:				
Shares issued at IPO	7	286,127	-	286,127
Shares issued on exercise of options	7	38	-	38
Cost of shares issued net of tax	7	(5,054)	-	(5,054)
Balance as at 31 December 2015		281,111	(9,679)	271,432

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

Statement of Cash Flows

	Note	Period from 26 March 2015 to 31 December 2015 $'000
Cash flows from operating activities		
Proceeds from sale of financial instruments held at fair value through profit or loss		61,520
Purchase of financial instruments held at fair value through profit or loss		(332,476)
Net foreign exchange gain/(loss)		(3,138)
Interest received		275
Dividends received		2,790
GST recovered		65
Management fees paid		(1,435)
Other		(982)
Net cash (outflow) from operating activities		(273,381)
Cash flows from financing activities		
Proceeds from issue of shares at IPO		286,127
Proceeds from exercise of options		38
Cost of shares issued at IPO		(7,646)
Net cash inflow from financing activities		278,519
Net increase in cash and cash equivalents		5,138
Cash and cash equivalents at the beginning of the period		-
Effect of foreign currency exchange rate changes on cash and cash equivalents		(4)
Cash and cash equivalents at the end of the period	5	5,134

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

1 Summary of significant accounting policies

This interim report is for Argo Global Listed Infrastructure Limited (AGLI or Company) for the period from 26 March 2015 to 31 December 2015.

The Company was incorporated on 26 March 2015, although it did not list on the Australian Securities Exchange (ASX) or commence operations as a listed investment company until 3 July 2015. Section 323D(5) of the *Corporations Act 2001* (Act) requires that a half-year for a company be the first six months of a financial year, which in the Company's case would be the six months from incorporation to 26 September 2015. It is the Board's view that the preparation of two sets of results for overlapping periods may confuse investors as to the Company's financial performance, particularly as operations did not commence until 3 July 2015. On 29 September 2015, the Australian Securities & Investments Commission (ASIC) granted the Company's application for relief from its reporting requirements under the Act for the six months ended 26 September 2015. This relief allows the Company to align its reporting requirements and release one set of half-year results for the period ending 31 December 2015.

The Company will now lodge its first half-year financial report for the period from incorporation to 31 December 2015, and its first annual report for the period from incorporation to 30 June 2016.

(a) Basis of preparation

This interim report for the period from 26 March 2015 to 31 December 2015 is a general purpose financial report and has been prepared in accordance with the *Corporations Act 2001* and AASB 134: *Interim Financial Reporting* and other mandatory professional reporting requirements. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: *Interim Financial Reporting*. The interim financial report has also been prepared on a historical cost basis, except for financial assets and financial liabilities held at fair value through profit or loss, that have been measured at fair value. This interim report is presented in Australian dollars, unless otherwise noted.

This interim financial report was authorised for issue by the Directors on 15 February 2016. The Directors have the power to amend and reissue the interim report.

The Company is a for-profit entity limited by shares, incorporated and domiciled in Australia. Its shares (ASX code: ALI) and options (ASX code: ALIO) are publicly traded on the Australian Securities Exchange.

(b) Financial instruments

(i) Classification

The Company's investments are classified as 'Financial instruments designated at fair value through profit or loss upon initial recognition'.

These include financial assets that are not held for trading purposes and which may be sold. These are investments in exchange traded debt and equity instruments.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Company's documented investment strategy.

The Company's policy is to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

(ii) Recognition/de-recognition

The Company recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date. Investments are derecognised when the right to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

1 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(iii) Measurement

Financial assets and liabilities held at fair value through profit or loss

At initial recognition, the Company measures a financial instrument at its fair value. Transaction costs of financial assets and liabilities held at fair value through profit or loss are expensed in the Statement of Profit or Loss and Other Comprehensive Income.

Subsequent to initial recognition, all financial assets and financial liabilities held at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statement of Profit or Loss and Other Comprehensive Income within net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise.

Other financial assets and liabilities

Management considers that the carrying amount of cash and cash equivalents, other receivables and amounts due from brokers approximate fair value.

Other financial liabilities are initially measured at fair value and subsequently at amortised cost.

(iv) Fair value measurement principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets and liabilities traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets and liabilities held by the Company is the last traded price.

The fair value of financial assets and liabilities that are not traded in an active market are determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

Further details on how the fair values of financial instruments are determined are disclosed in Note 4.

(v) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(c) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are classified as liabilities in the Statement of Financial Position.

(d) Receivables

Receivables are recognised when a right to receive payment is established. Uncollectable debts are written off.

(e) Payables

Payables and trade creditors are recognised when the Company becomes liable.

1 Summary of significant accounting policies (continued)

(f) Investment income

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense.

Interest income is recognised in the Statement of Profit or Loss and Other Comprehensive Income using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

Other income is brought to account on an accruals basis.

(g) Expenses

Company expenses are recognised in the Statement of Profit or Loss and Other Comprehensive Income on an accrual basis.

(h) Income tax

Under current legislation, the Company is subject to income tax at 30% on taxable income.

The Company may incur withholding tax imposed by certain countries on investment income. Such income will be recorded net of withholding tax in profit or loss. Income tax expense comprises current and deferred tax.

Income tax expense is recognised in the net profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income. Current tax is expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A deferred tax liability is recognised when there is a taxable temporary difference between the tax base of an asset or liability and its corresponding carrying amount in the Statement of Financial Position. This arises when the carrying amount of an asset exceeds its tax base.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

1 Summary of significant accounting policies (continued)

(i) Foreign currency translation

(i) Functional and presentation currency
The financial statements are presented in Australian dollars which is the Company's functional currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the Statement of Profit or Loss and Other Comprehensive Income on a net basis within net gains/(losses) on financial instruments held at fair value through profit or loss.

(j) Dividends
Dividends are recognised as liability in the period in which they are declared.

(k) Goods and Services Tax (GST)
The Company is registered for GST. The issue or redemption of shares in the Company and, where applicable, the receipt of any distributions will not be subject to GST. The Company may be required to pay GST on management and other fees, charges, costs and expenses incurred by the Company. However, the Company may be entitled to input tax credits and reduced input tax credits in respect of the GST incurred.

Revenues, expenses, assets and liabilities are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

(l) Earnings per share
Basic and diluted earnings per share including realised profits and losses on the investment portfolio are calculated by dividing profit attributable to members of the Company by the weighted average number of ordinary shares outstanding during the period.

(m) Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(n) Share options
Share options are measured at the fair value of the options at the date of issue within equity.

(o) Critical accounting estimates and judgments
Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances, but which are inherently uncertain and unpredictable, the result of which forms the basis of the carrying values of assets and liabilities. As such, actual results could differ from those estimates.

2 Dividends

No dividends were declared, paid or payable during the period ended 31 December 2015.

Since the end of the financial period, the Directors declared the payment of an interim unfranked dividend of 0.5 cent per fully paid ordinary share. The aggregate amount of the dividend expected to be paid on 18 March 2016, but not recognised as a liability at reporting date, is $715,412 based on the number of shares on issue as at 31 December 2015.

Dividend Reinvestment Plan
The Company has established a Dividend Reinvestment Plan (DRP) under which eligible shareholders may elect to have all or part of their dividend entitlements satisfied by the issue of ordinary shares rather than by being paid in cash. Shares issued under the DRP for the interim dividend will be issued at a 5.0% discount to the average market price as defined in the DRP rules.

3 Segment information

The Company is managed as a whole and is considered to have a single operating segment, being investment in global listed infrastructure securities. There is no further division of the Company or internal segment reporting used by the Directors when making strategic, investment or resource allocation decisions.

The Company is domiciled in Australia and derives its revenue from its international investment portfolio through the receipt of dividends, distributions, interest and any profits on the revaluation or sale of its investments.

The investment of global listed infrastructure securities in the portfolio has the following geographical diversification by country of listing as at 31 December 2015:

United States of America	50.5%
Japan	6.5%
Italy	6.2%
Canada	6.0%
Australia	5.6%
United Kingdom	5.2%
Spain	4.2%
France	3.8%
China	2.4%
Cash	2.3%
Mexico	2.2%
Switzerland	2.0%
New Zealand	1.7%
Hong Kong	0.7%
Chile	0.4%
Brazil	0.3%
	100.0%

4 Fair value measurement

The Company discloses fair value measurements by level of the following fair value hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets and liabilities held by the Company is the last traded prices.

The Company values its investments in accordance with the accounting policies set out in Note 1 to the financial statements. For the majority of its investments, the Company relies on information provided by independent pricing services for the valuation of its investments.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(ii) Valuation techniques used to derive level 2 and level 3 fair value

The fair value of financial assets and liabilities that are not exchange-traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Company would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Company holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

4 Fair value measurement (continued)

Recognised fair value measurement
The table below sets out the Company's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 31 December 2015.

As at 31 December 2015

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Financial assets				
Financial assets designated at fair value through profit or loss:				
Equity securities	232,037	-	-	232,037
Unit trusts	17,970	-	-	17,970
Interest bearing securities	-	8,758	-	8,758
Total financial assets	250,007	8,758	-	258,765

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(i) Transfers between levels

There were no transfers between the levels for the fair value hierarchy for the period ended 31 December 2015.

(ii) Fair value measurements using significant unobservable inputs (level 3)

The Company did not hold any financial instruments with fair value measurements using significant unobservable inputs during the period ended 31 December 2015.

(iii) Fair values of other financial instruments

The Company did not hold any financial instruments which were not measured at fair value in the Statement of Financial Position. Due to their short-term nature, the carrying amounts of receivables and payables are assumed to approximate fair value.

5 Cash and cash equivalents

	As at 31 December 2015
	$'000
Cash at bank	5,134
Total cash and cash equivalents	5,134

These accounts are earning a floating interest rate of between 0.00% and 0.20% as at 31 December 2015.

6 Financial assets held at fair value through profit or loss

	As at 31 December 2015
	$'000
Designated at fair value through profit or loss	
Equity securities	232,037
Unit trusts	17,970
Interest bearing securities	8,758
Total designated at fair value through profit or loss	258,765
Total financial assets held at fair value through profit or loss	258,765

As at 31 December 2015, the Company did not hold any security that accounted more than 5% of its total investments.

The Company has not used hedging to reduce the impact of volatility in currency exposures on the investment portfolio.

The Company is a listed investment company that invests in tradeable global listed infrastructure securities. Due to the nature of its business, the Company will always be subject to market risk as it invests its capital in securities which have fluctuating market prices. The Company's portfolio is diversified to reduce risk but market risk cannot be completely eliminated.

7 Contributed equity

(a) Ordinary Shares

Ordinary shareholders are entitled to receive dividends as declared and also entitle shareholders to one vote per share at shareholders' meetings.

	Period from 26 March 2015 to 31 December 2015	Period from 26 March 2015 to 31 December 2015
	number	$'000
Shares issued on incorporation	100	-
Share issued at IPO	143,063,214	286,127
Options exercised at $2.00 per share	19,000	38
Cost of issued capital, net of tax	-	(5,054)
Closing balance	143,082,314	281,111

On 26 March 2015, the Company issued 100 fully paid ordinary shares at a $1.00 per share on incorporation to Argo Investments Limited.

On 3 July 2015, the Company issued 143,063,214 fully paid ordinary shares in the initial public offering at an subscription price of $2.00 per share.

7 Contributed equity (continued)

(b) Options

On 3 July 2015, as part of the IPO of the Company, 143,063,214 options to acquire ordinary shares in the Company at an exercise price of $2.00 were issued. Each ordinary share issued in the IPO received an attaching option on a one for one basis which is exercisable at any time before 31 March 2017. The options are not entitled to dividends. Ordinary shares issued on exercise of the options rank equally with all other ordinary shares from the date of exercise. The options trade on the ASX under the code ALIO.

	Period from 26 March 2015 to 31 December 2015
	number
Opening balance	-
Options issued in IPO	143,063,214
Options exercised by 31 December 2015	(19,000)
Closing balance	143,044,214

Options are measured at the fair value of the options at the date of issue within equity.

8 Earnings per share

	Period from 26 March 2015 to 31 December 2015
	cents
Basic earnings per share	(10.2)
Diluted earnings per share	(10.2)
	number '000
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share	94,706
	$'000
Earnings used in the calculation of basic and diluted earnings per share	(9,679)

Basic earnings per share is calculated by dividing the profit/(loss) attributable to shareholders of the Company by the weighted average number of ordinary shares on issue for the period from the date of listing to the reporting date.

Diluted earnings per share is calculated by dividing the profit/(loss) attributable to shareholders of the Company by the weighted average number of ordinary shares on issue and ordinary shares that the Company expects to issue through the exercise of outstanding options for the reporting period. In the calculation of diluted earnings per share, options are not considered to have a dilutive effect, as the average market price of ordinary shares of the Company during the period did not exceed the exercise price of the options.

9 Management

Under the Management Agreement with the Manager, Argo Service Company Pty Ltd, the company must pay a management fee based on funds under management at the following annual rates:

- 1.20% (plus GST) on the portfolio value up to and including $500 million;
- 1.10% (plus GST) on the portfolio value above $500 million and up to and including $1 billion; and
- 1.00% (plus GST) on the portfolio value above $1 billion.

The management fee is calculated at month end and paid monthly in arrears. There is no additional performance fee charged. The Manager is responsible for paying 50% of its management fee to the Portfolio Manager pursuant to the Portfolio Management Agreement with Cohen & Steers.

10 Related party transactions

Argo Service Company Pty Ltd (ASCO)
The Company has engaged ASCO (a wholly owned subsidiary of Argo Investments Limited) to manage the affairs of the Company including investment management of the portfolio and providing the services of the Managing Director, Company Secretary and any other administrative support services required by the Company. ASCO earns a management fee for managing the Company. Fees of $1,731,590 were paid or payable to ASCO for the period to 31 December 2015.

Argo Investments Limited (Argo)
Argo holds 12,500,100 shares (representing 8.74% of the issued capital of the Company) and 12,500,000 options in the Company. The options are exercisable into shares at $2.00 per option on or before 31 March, 2017.

Three of the five Directors of the Company are also Directors of Argo.

11 Contingent assets, liabilities and commitments

The Company has no material commitments, contingent assets or liabilities as at 31 December 2015.

12 Events occurring after the reporting period

No matters or circumstances have occurred subsequent to the period end that has significantly affected, or may affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent periods.

Directors' Declaration

In the opinion of the Directors of Argo Global Listed Infrastructure Limited (Company):

(a) The interim financial statements and notes set out on pages 6 to 19 are in accordance with the *Corporations Act 2001*, including:

   i. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   ii. giving a true and fair view of the Company's financial position as at 31 December 2015 and of its performance for the period ended on that date; and

(b) There are reasonable grounds to believe that Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

G.I. Martin AM
Chairman

Adelaide
15 February 2016

Independent auditor's review report to the members of Argo Global Listed Infrastructure Limited

Report on the period Financial Report

We have reviewed the accompanying interim financial report of Argo Global Listed Infrastructure Limited (the Company), which comprises the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from 26 March 2015 (date of incorporation) to 31 December 2015, selected explanatory notes and the directors' declaration.

Directors' responsibility for the interim financial report

The directors of the Company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the entity's financial position as at 31 December 2015 and its performance for the period from 26 March 2015 to 31 December 2015; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Argo Global Listed Infrastructure Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

Independent auditor's review report to the members of Argo Global Listed Infrastructure Limited (continued)

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Argo Global Listed Infrastructure Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the entity's financial position as at 31 December 2015 and of its performance for the period from 26 March 2015 to 31 December 2015; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

PricewaterhouseCoopers

A.G. Forman
Partner

Adelaide
15 February 2016

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