



Argo Global Listed Infrastructure Limited

ABN 23 604 986 914

Appendix 4E

Preliminary Final Report
for the period from 26 March 2015
to 30 June 2016

Preliminary Report

This preliminary report is for the period from 26 March 2015 (date of incorporation) to 30 June 2016.

Results for announcement to the market *

	\$'000
Revenue from ordinary activities	18,425
Profit for the period	9,564

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

Dividends

Since the end of the financial period, the Directors have declared an unfranked annual dividend of 2.5 cents per fully paid ordinary share to be paid on 14 September 2016.

Final dividend dates

Ex-dividend date	30 August 2016
Record date	31 August 2016
Election date for determining participation in the Dividend Reinvestment Plan	1 September 2016
Payment date	14 September 2016

Dividend Reinvestment Plan (DRP)

The board of the Company has determined that the DRP will operate for the 2016 final 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 31 August 2016 to 5 September 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 (NTA) backing as at 30 June 2016

Pre-tax NTA per share	\$2.03
Post-tax NTA per share	\$2.03

These NTA figures are not adjusted for any dilution due to the outstanding options which are exercisable at \$2.00. After adjusting for outstanding options, the diluted pre-tax NTA would be \$2.01 and the diluted post-tax NTA would be \$2.01.

The post-tax figures take into account the provision for deferred tax on set-up costs and estimates of net tax provisions that would arise if the entire portfolio were disposed of at the end of the reporting period.

Media Release

22 August 2016

AGLI announces inaugural full year results

Argo Global Listed Infrastructure Limited (AGLI or Company) is pleased to announce a profit of \$9.6m for the period ended 30 June 2016, after just under 12 months of operations since listing on 3 July 2015.

Summary of financial results

	30 June 2016
Profit	\$9.6 million
Final dividend per share (unfranked)	2.5 cents
Total dividends per share for the full year (unfranked)	3.0 cents
Net tangible asset backing (NTA) per share (pre-tax)	\$2.03

Overview

AGLI is also pleased to be paying dividends in its first financial year as a listed company, and announces a final dividend of 2.5 cents per share unfranked, which brings the total dividends for the year to 3.0 cents per share unfranked.

AGLI's Managing Director, Jason Beddow, said "the Company's portfolio of global listed infrastructure securities, which is actively managed by the US-based investment manager, Cohen & Steers, outperformed broader equity markets in a volatile first year which was book-ended by the Greek debt crisis and the UK Brexit vote".

Under Australian Accounting Standards, AGLI's operating income and realised profits and losses are added to or reduced by changes in the market value of the Company's assets. This can lead to large variations in reported profit from any one period to the next, highlighted by the Company reporting an accounting loss at the half-year result, but by year end this had moved to an accounting profit of \$9.6 million, after markets rallied in the second half of the year.

A simpler measure of reviewing the Company's performance from period to period is the movement in AGLI's pre-tax net tangible asset backing (NTA) including reinvestment of dividends paid.

From the listing date of 3 July 2015 to 30 June 2016, AGLI's pre-tax NTA has increased by 5.8%, after all fees and expenses and assuming the reinvestment of dividends paid. The Australian S&P/ASX 200 Accumulation Index fell 2.0% over the same period.

Key dates for the final dividend

Ex-dividend date for trading in AGLI shares on the ASX	Tuesday 30 August 2016
Record date for dividend entitlement	Wednesday 31 August 2016
Last day for amendment of DRP participation (election date)	Thursday 1 September 2016
Dividend payment date	Wednesday 14 September 2016

The Dividend Reinvestment Plan (DRP) is in operation for the final dividend, with a 5.0% discount to the market price under the DRP applying.

Option holders who wish to convert their options into shares will be entitled to receive the final dividend of 2.5 cents per share provided their option conversion notice and payment is received by Computershare by no later than the record date of 31 August 2016.

Sector review

Global listed infrastructure produced favorable returns for the period from the portfolio's inception through to 30 June 2016, and considerably outperformed the broader global equity markets, as measured by the MSCI World Index or the Australian S&P/ASX 200.

The period was marked by a deceleration in what was already relatively slow global economic activity, along with increased geopolitical concerns, culminating with the UK's surprise decision to leave the European Union. Central banks worldwide maintained accommodative monetary policies to stimulate growth, which resulted in a pronounced decline in long-term interest rates, with many sovereign bond yields falling to record lows.

There was a wide dispersion in infrastructure subsector returns during the period. More defensive and interest rate sensitive subsectors rose amid the economic uncertainty. However, slower economic growth, which drove a reduced pace of global trade, resulted in significant declines in the more economically sensitive subsectors, while energy price volatility had mixed impacts on infrastructure businesses during the period.

Top 10 holdings at 30 June 2016

<i>stock</i>	<i>country of listing</i>	<i>subsector</i>	<i>% of portfolio</i>
NextEra Energy Inc.	US	Integrated Electric	4.3%
Crown Castle International Corp.	US	Tower	3.9%
Transurban Group	Australia	Toll Roads	3.7%
TransCanada Corp.	Canada	Midstream	3.7%
American Tower Corp.	US	Tower	3.3%
PG&E Corp.	US	Regulated Electric	3.3%
Sempra Energy	US	Gas Distribution	3.1%
Edison International	US	Regulated Electric	2.7%
Union Pacific Corp.	US	Freight Rails	2.7%
CMS Energy Corp.	US	Regulated Electric	2.7%

Outlook

Modest global growth is expected in the months ahead, although the UK could experience a localised recession and Europe could be affected by increased political and economic uncertainty.

Central bank policies are likely to remain highly accommodative to counter any ill effects from this political upheaval. Interest rates remaining lower for longer are generally a positive for capital-intensive businesses such as those operated by infrastructure companies.

Geographically, the portfolio continues to favour US-based companies on a relative basis due to the country's comparative economic strength. Exposure to Europe has been lowered and the portfolio is underweight the UK, largely for stock-specific reasons. It is also underweight Asia, including Japan.

The less economically sensitive subsectors of infrastructure, such as gas distribution and water utilities, are currently favoured. An overweight position in communications, with an emphasis on towers, is maintained as the portfolio manager believes the subsector's fundamental story remains compelling. Toll road operators also exhibit attractive fundamentals in their view. Additionally, the portfolio is underweight the more economically sensitive airports and marine ports subsectors, as they could be vulnerable to more uncertain global economic conditions.

Mr Beddow concluded that "we believe the infrastructure sector is well positioned for steady growth, with trillions of dollars needing to be spent on infrastructure assets globally for decades to come. Investors are likely to continue to be drawn to the sector for its predictable cash flows 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."

AGLI can bring important diversification benefits to Australian equity investors from an asset class, geographic and currency perspective. The relative performance of the strategy has held up well in a volatile year. 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.

AGLI's first Annual General Meeting will be held in Adelaide on Wednesday 26 October 2016. It will be followed by information meetings in Melbourne, Sydney, Brisbane and Perth. We look forward to further discussing the results presented and to meeting as many of our shareholders as possible at the AGM and information meetings.

Further Information

Please refer to the website, www.argostructure.com.au for updated information on the portfolio, performance and other information.

If you have not already done so and would like to receive further information and updates on a regular basis, please provide your email address via our website.

Jason Beddow
Managing Director
02 8274 4702 or 0409 900 709

Argo Global Listed Infrastructure Limited
Statement of Profit or Loss and Other Comprehensive Income
For the period from 26 March 2015 to 30 June 2016

Statement of Profit or Loss and Other Comprehensive Income

		Period from 26 March 2015 to 30 June 2016 \$'000
	Note	
Investment income		
Dividends and distributions		9,169
Interest		573
Net foreign exchange losses		(1,362)
Change in fair value of financial instruments held at fair value through profit or loss		10,045
Total investment income		<u>18,425</u>
Expenses		
Management fees	18, 20	(3,371)
Custody and administration fees		(272)
Directors fees		(194)
Registry fees		(142)
Transaction costs		(573)
Other expenses		(260)
Total expenses		<u>(4,812)</u>
Net profit before income tax		13,613
Income tax expense	3	(4,049)
Net profit after income tax		<u>9,564</u>
Other comprehensive income		-
Total comprehensive income for the period		<u>9,564</u>
Earnings per share		cents
Basic earnings per share	4	8.41
Diluted earnings per share	4	8.41

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 30 June 2016 \$'000
Current Assets		
Cash and cash equivalents	5	1,713
Receivables		1,225
Receivables - trade settlements		1,713
Financial assets held at fair value through profit or loss	6,8	288,600
Total Current Assets		<u>293,251</u>
Current Liabilities		
Payables		353
Payables - trade settlements		2,197
Financial liabilities held at fair value through profit or loss	7,8	2
Total Current Liabilities		<u>2,552</u>
Non-Current Liabilities		
Deferred tax liability	3	699
Total Non-Current Liabilities		<u>699</u>
Total Liabilities		<u>3,251</u>
Net assets		<u>290,000</u>
Equity		
Contributed equity	9	281,151
Profit reserve	10	8,371
Retained earnings	11	478
Total Equity		<u>290,000</u>

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

Argo Global Listed Infrastructure Limited
Statement of Changes in Equity
For the period from 26 March 2015 to 30 June 2016

Statement of Changes in Equity

	Note	Contributed equity \$'000	Profit reserve \$'000	Retained earnings \$'000	Total \$'000
Balance as at 26 March 2015		-	-	-	-
Total comprehensive income for the period		-	-	9,564	9,564
Transfer of profits during the period	10,11	-	8,371	(8,371)	-
Dividend paid	12	-	-	(715)	(715)
Shares issued under IPO	9	286,127	-	-	286,127
Dividend reinvestment plan	9	14	-	-	14
Shares issued on exercise of options	9	66	-	-	66
Cost of shares issued net of tax	9	(5,056)	-	-	(5,056)
Balance as at 30 June 2016		281,151	8,371	478	290,000

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

Statement of Cash Flows

		Period from 26 March 2015 to 30 June 2016 \$'000
	Note	
Cash flows from operating activities		
Proceeds from sale of financial instruments held at fair value through profit or loss		136,567
Purchase of financial instruments held at fair value through profit or loss		(414,674)
Net foreign exchange loss		(1,378)
Interest received		467
Dividends and distributions received		6,976
GST recovered		702
Management fees paid		(3,091)
Custody fees paid		(250)
Other expenses paid		(1,895)
Net cash (outflow) from operating activities	14	<u>(276,576)</u>
Cash flows from financing activities		
Proceeds from issue of shares at IPO		286,127
Proceeds from exercise of options		66
Dividend paid – net of Dividend Reinvestment Plan		(701)
Share issue transaction costs		(7,212)
Net cash inflow from financing activities		<u>278,280</u>
Net increase in cash and cash equivalents		1,704
Cash and cash equivalents at the beginning of the period		-
Effect of foreign currency exchange rate changes on cash and cash equivalents		9
Cash and cash equivalents at the end of the period	5	<u>1,713</u>

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

1 General Information

This financial report is for Argo Global Listed Infrastructure Limited (AGLI or Company) for the period from 26 March 2015 to 30 June 2016.

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(1) of the *Corporations Act 2001* (Act) requires that the financial year for a company lasts for 12 months or the period (not longer than 18 months), which in the Company's case would be the twelve months from incorporation to 26 March 2016. 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 annual results for the period ended 30 June 2016.

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.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) Basis of preparation

This financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and interpretations issued by the Australian Accounting Board and other mandatory professional reporting requirements. The financial report has 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. All amounts are presented in Australian dollars, unless otherwise noted.

The financial report complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(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.

(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.

2 Summary of significant accounting policies (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 these financial assets and liabilities are expensed in the Statement of Profit or Loss and Other Comprehensive Income.

Subsequent to initial recognition, all financial assets and financial liabilities are measured at fair value. Realised and unrealised gains and losses arising from changes in fair value are included in the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

Other financial assets and liabilities

The fair value of cash and cash equivalents, other receivables and amounts due from brokers is the carrying amount.

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 6, 7 and 8.

(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.

2 Summary of significant accounting policies (continued)

(d) Receivable/payable - trade settlements

Represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the period. Trades are recorded on trade date, and for equities normally settled within two business days.

(e) Receivables

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

(f) Payables

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

(g) Investment income

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

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

Trust distributions are recognised on a present entitlement basis.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and 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.

(h) Expenses

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

(i) 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 gross of withholding tax in revenue, with the withholding tax expense included as part of income tax expense. 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 equity. 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.

2 Summary of significant accounting policies (continued)

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 when there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax balances related 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.

(j) 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 change in fair value of financial instruments held at fair value through profit or loss.

(k) Dividends

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

(l) 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.

2 Summary of significant accounting policies (continued)

(m) 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.

(n) 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.

(o) Share options

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

(p) Segment reporting

Operating segments are reported in a manner consistent with the Company's internal reporting provided to Director's.

(q) Rounding of amounts

The Company is an entity of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars in accordance with that ASIC Corporations Instrument, unless otherwise indicated.

(r) Critical accounting estimates and judgements

Estimates and judgements 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.

(s) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2016 reporting period and have not been early adopted by the Company. The assessment of the impact to the Company of any new standards and interpretations is set out below:

AASB 9 Financial Instruments (and applicable amendments)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018 but is available for early adoption.

The Company does not expect this to have a significant impact on the recognition and measurement of financial instruments as they are carried at fair value through profit or loss.

The derecognition rules have not been changed from the previous requirements, and the Company does not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the investments are all held at fair value through profit or loss, the change in impairment rules will not impact the Company.

There are no other standards that are not yet effective and that are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

3 Income tax

Period from
26 March
2015 to
30 June
2016
\$'000

(a) Reconciliation of income tax expense to prima facie tax payable:

Profit before income tax	13,613
Prima facie tax expense calculated at 30%	4,084
Tax effect of franked dividends received	(35)
	<u>4,049</u>

(b) Income tax expense composition:

Current income tax	1,193
Deferred income tax	2,856
	<u>4,049</u>

(c) Income tax benefits recognised directly to equity:

Increase in deferred tax assets (share issue costs)	<u>(2,157)</u>
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As at
30 June
2016
\$'000

(d) Deferred tax liabilities:

The balance comprises temporary differences attributed to:

Dividends and distributions receivable	261
Unrealised (gain)/losses on investments	1,830
	<u>2,091</u>

Offset by deferred tax assets:

Foreign tax credits receivable	(97)
Costs associated with the issue of shares	(1,295)
	<u>(1,392)</u>

Net deferred tax liabilities	<u>699</u>
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Movements:

Balance at the beginning of the year	-
Charged to equity	(2,157)
Charged to profit or loss	2,856
Balance at the end of the year	<u>699</u>

(e) Imputation credits:

Total imputation credits available in subsequent financial years based on a tax rate of 30%	31
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The above amount represents the balance of imputation credits at 30 June 2016 adjusted for income tax paid/payable and franked dividends receivable.

The Company's ability to pay franked dividends is dependent upon receipt of franked dividends and the Company paying tax.

4 Earnings per share

	Period from 26 March 2015 to 30 June 2016
	cents
Basic earnings per share	8.41
Diluted earnings per share	8.41
	number '000
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share	113,724
	\$'000
Profit for the period used in the calculation of basic and diluted earnings per share	9,564

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

Diluted earnings per share is calculated by dividing the profit 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.

5 Cash and cash equivalents

	As at 30 June 2016 \$'000
Cash at bank	1,713
Total cash and cash equivalents	<u>1,713</u>

These accounts are earning a floating interest rate of between 0.00% and 0.15% as at 30 June 2016.

6 Financial assets held at fair value through profit or loss

As at
30 June
2016
\$'000

Designated at fair value through profit or loss

Equity securities	251,313
Unit trusts	28,901
Interest bearing securities	8,377
Total designated at fair value through profit or loss	<u>288,591</u>

Held for trading

Derivatives (note 8)	9
Total held for trading	<u>9</u>

Total financial assets held at fair value through profit or loss

288,600

As at 30 June 2016, the Company did not hold any security that accounted more than 5% of its total investments. There were 1,236 investment transactions during the financial year

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.

Risk exposures relating to financial assets held at fair value through profit or loss is included in note 16.

7 Financial liabilities held at fair value through profit or loss

As at
30 June
2016
\$'000

Held for trading

Derivatives (note 8)	2
Total financial liabilities held at fair value through profit or loss	<u>2</u>

Risk exposures relating to financial liabilities held at fair value through profit or loss is included in note 16.

8 Derivative financial instruments

In the normal course of business the Company enters into transactions in various derivative financial instruments which have certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating, credit index or other variable.

8 Derivative financial instruments (continued)

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

The Company holds foreign currency derivative instruments as at 30 June 2016.

Foreign currency contracts are primarily used by the Company to economically hedge against foreign currency exchange rate risks on settlement of purchases and sales of its non-Australian dollar denominated trading securities. The Company agrees to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. The Company recognises a gain or loss equal to the change in fair value at the end of each reporting period.

The Company's derivative financial instruments at period end are detailed below:

	Contract/ notional \$'000	Fair values	
		Assets \$'000	Liabilities \$'000
30 June 2016			
Foreign currency contracts	2,362	9	2
Total Derivatives	2,362	9	2

9 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 30 June 2016 number	Period from 26 March 2015 to 30 June 2016 \$'000
Shares issued on incorporation ⁽¹⁾	100	-
Share issued in IPO ⁽²⁾	143,063,214	286,127
Dividend reinvestment plan ⁽³⁾	8,324	14
Options exercised at \$2.00 per share	33,000	66
Cost of issued capital, net of tax	-	(5,056)
Closing balance	143,104,638	281,151

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

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

(3) On 18 March 2016, 8,324 shares were allotted at \$1.68 per share pursuant to the Dividend Reinvestment Plan in operation for the interim dividend paid for the period ended 30 June 2016.

9 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 30 June 2016 number
Opening balance	-
Option issued in IPO	143,063,214
Options exercised to 30 June 2016	(33,000)
Closing balance	<u>143,030,214</u>

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

10 Profit reserve

The profit reserve is made up of amounts allocated from retained earnings that are preserved for future dividends payments.

	As at 30 June 2016 \$'000
Balance at the beginning of the period	-
Transferred from retained earnings ^(a)	8,371
Dividends paid	-
Closing balance at the end of the period	<u>8,371</u>

(a) The amount transferred to the profit reserve is for the period from 26 March 2015 to 30 June 2016.

11 Retained earnings

	As at 30 June 2016 \$'000
Balance at the beginning of the period	-
Profit for the period	9,564
Transfer of profits during the period	(8,371)
Dividend paid	(715)
Balance at the end of the period	<u>478</u>

12 Dividends

Dividends are recognised during the period when declared.

**Period from
26 March
2015 to
30 June
2016
\$'000**

(a) Dividend paid during the period

Interim dividend for the period ended 30 June 2016 of 0.5 cents unfranked paid 18 March 2016.

715

(b) Dividend declared after balance date

Since the end of the financial period, the Directors have declared the following dividend which has not been recognised as a liability at the end of the financial period:

Final dividend for the period ended 30 June 2016 of 2.5 cents unfranked payable 14 September 2016.

3,578

13 Capital management

The Company's objective in managing capital and investments is to maximise compound after-tax returns for shareholders over time by investing in an investment portfolio in accordance with the Company's investment strategy.

The Company recognises that its capital position and market price will fluctuate in accordance with market conditions and, in order to adjust the capital structure, it may vary the amount of dividends paid, issue new shares or options from time to time, or buy back its own shares.

The Company does not currently have an on-market buy-back in place.

A breakdown of the Company's equity and changes in equity during the current period is provided in note 9.

14 Reconciliation of profit to net cash outflow from operating activities

	Period from 26 March 2015 to 30 June 2016 \$'000
Profit for the period	9,564
Purchase of financial instruments held at fair value through profit or loss	(414,674)
Proceeds from sale of financial instruments held at fair value through profit or loss	136,567
Net gains on financial instruments held at fair value through profit or loss	(10,052)
Net interest	43
Net change in receivables	(1,225)
Net change in payables	353
Net change in deferred tax liabilities	2,857
Effects of foreign currency exchange rate changes on cash and cash equivalents	(9)
Net cash outflow from operating activities	<u>(276,576)</u>

15 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 30 June 2016:

	AUD equivalents \$'000	Weight %
Markets exposed		
United States of America	175,222	60.7%
Europe	28,149	9.8%
Canada	22,784	7.9%
Australia	15,607	5.4%
Japan	10,240	3.5%
Other countries	36,598	12.7%
Total	<u>288,600</u>	<u>100.0%</u>

16 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Company's overall risk management program focuses on ensuring compliance with the Company's investment strategy and seeks to maximise the returns derived for the level of risk to which the Company is exposed. The Company may use derivative financial instruments to alter certain risk exposures.

Financial risk management is carried out by the Portfolio Manager under a Management Agreement approved by the Board of Directors.

The Company uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

(a) Market risk

(i) Price risk

Price risk arises from investments held by the Company for which prices in the future are uncertain. The performance of these investments is influenced by many global factors which are difficult to predict, including economic growth rates, inflation, interest rates and regulatory changes. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates.

The Company has an active approach to a concentrated portfolio across 50-100 securities, with 80% -100% of the portfolio invested in global listed infrastructure securities, and 0% - 20% invested in global infrastructure fixed income securities. The portfolio is further diversified across infrastructure sub-sectors and countries, both developed and emerging, based upon the combined top-down and bottom-up analysis undertaken by the Portfolio Manager. The Company manages price risk through ensuring that all investment activities are undertaken in accordance with this investment strategy.

The table at note 16(b) summarises the sensitivity of the Company's assets and liabilities to price risk. The analysis is based on the assumption that the markets in which the Company invests increased/decreased by 10%.

(ii) Foreign exchange risk

Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuate due to changes in exchange rates. The table below summarises the fair value of the Company's financial assets and liabilities, which are denominated in a currency other than the Australian dollar.

16 Financial risk management (continued)

At 30 June 2016	US dollars A\$'000	Euro A\$'000	Canadian dollars A\$'000	All other foreign currencies A\$'000	Total A\$'000
Assets					
Cash and cash equivalents	209	-	8	380	597
Receivables	450	69	103	260	882
Receivables - trade settlements	128	-	-	1,585	1,713
Financial assets held at fair value through profit or loss	175,222	28,149	22,784	46,838	272,993
Liabilities					
Payables - trade settlements	-	(125)	-	(2,072)	(2,197)
Financial liabilities held at fair value through profit or loss	-	(1)	-	(1)	(2)
Total	176,009	28,092	22,895	46,990	273,986

The table at note 16(b) summarises the sensitivity of the Company's assets and liabilities to foreign exchange risk. The analysis is based on the assumption that the Australian dollar weakened and strengthened by 10% against the foreign currencies to which the Company is exposed.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The majority of the Company's financial assets and liabilities are non-interest bearing except for cash and cash equivalents. Hence the impact of interest rate risk on net profit/(loss) is not considered to be material to the Company. The following table summarises the Company's exposure to interest rate risk.

At 30 June 2016	Floating interest rate \$'000	Fixed interest rate \$'000	Non- interest bearing \$'000	Total \$'000
Assets				
Cash and cash equivalents	1,713	-	-	1,713
Receivables	-	-	1,225	1,225
Receivables - trade settlements	-	-	1,713	1,713
Financial assets held at fair value through profit and loss	5,234	3,143	280,223	288,600
Liabilities				
Payables - trade settlements	-	-	(2,197)	(2,197)
Payables	-	-	(353)	(353)
Financial liabilities held at fair value through profit and loss	-	-	(2)	(2)
Deferred tax liability	-	-	(699)	(699)
Total	6,947	3,143	279,910	290,000

16 Financial risk management (continued)

(a) Market risk (continued)

The table at note 16(b) summarises the sensitivity of the Company's assets and liabilities to interest rate risk. The analysis is based on assumption that interest rates increased/(decreased) by 10%.

(b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Company's net profit and net assets attributable to shareholders subjected to price risk, interest rate risk and foreign exchange risks.

The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in foreign exchange rates and the historical correlation of the Company's investments with relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Company invests. As a result, historic variations in risk variables should not be used to predict future variances in the risk variables.

At 30 June 2016	+125bps	-125bps
	\$'000	\$'000
Interest rate risk on fixed and floating rate interest securities	126	(126)
At 30 June 2016	+10%	-10%
	\$'000	\$'000
Price risk	28,021	(28,021)
Foreign exchange risk:		
US dollars	17,601	(17,601)
Euro	2,810	(2,810)
Canadian dollars	2,290	(2,290)
Other currencies	4,698	(4,698)

(c) Credit risk

Credit risk is the risk that a counterparty will be unable to pay its contractual obligations in full when they fall due, causing a financial loss to the Company.

The Company does not have a significant concentration of credit risk that arises from an exposure to a single counterparty or group of counterparties having similar characteristics. The main concentration of credit risk, to which the Company is exposed, arises from cash and cash equivalents and amounts due from brokers. None of these assets are impaired nor past their due date. The maximum exposure to credit risk at the reporting date is the carrying amount disclosed in the Statement of Financial Position.

The Company does not consider counterparty risk to be significant, as the Company only trades with recognised and creditworthy third parties.

16 Financial risk management (continued)

(d) Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Investment Manager monitors the Company's cash-flow requirements daily taking into account upcoming income, expenses and investment activities. The assets of the Company are largely in the form of listed securities which are considered readily convertible to cash.

(i) Maturities of non-derivative financial liabilities

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date.

At 30 June 2016	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	No stated maturity \$'000	Total \$'000
Payables	353	-	-	-	-	353
Due to brokers	2,197	-	-	-	-	2,197
Total	2,550	-	-	-	-	2,550

(ii) Maturities of net settled derivative financial instruments

The table below analyses the Company's net settled derivative financial instruments based on their contractual maturity. The Company may, at its discretion, settle financial instruments prior to their original contractual settlement date, in accordance with its investment strategy, where permitted by the terms and conditions of the relevant instruments.

At 30 June 2016	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	No stated maturity \$'000	Total \$'000
Foreign currency contracts	7	-	-	-	-	7

17 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.

17 Fair value measurement (continued)

The Company values its investments in accordance with the accounting policies set out in Note 2 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.

17 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 30 June 2016.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Financial assets designated at fair value through profit or loss:				
Equity securities	251,313	-	-	251,313
Unit trusts	28,901	-	-	28,901
Interest bearing securities	-	8,377	-	8,377
Financial assets held for trading:				
Derivatives	-	9	-	9
Total financial assets	280,214	8,386	-	288,600
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial liabilities				
Derivatives	-	2	-	2
Total financial liabilities	-	2	-	2

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 30 June 2016.

(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 30 June 2016.

(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.

18 Management fees

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.

19 Auditor's remuneration

During the period the following fees were paid or payable for services provided by the Auditor.

	Period from 26 March 2015 to 30 June 2016 \$
(a) Auditor services	
Audit and review of financial reports	93,687
(b) Non-audit services	
Professional services – IPO accounting and taxation services	60,500
Total remuneration	<u>154,187</u>

20 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 \$3,371,418 were paid or payable to ASCO for the period to 30 June 2016. Management fees of \$280,000 were payable at balance date.

Argo Investments Limited (Argo)

Argo holds 12,500,100 shares 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.

Key management personnel

The Key Management Personnel (KMP) of the Company comprise the Non-executive Directors, Mr J. Beddow (Managing Director), Mr. T.C.A. Binks (Company Secretary) and Mr A.B. Hill (Chief Financial Officer). Mr. Beddow, Mr. Binks and Mr. Hill are remunerated under a service agreement with the Manager, ASCO.

20 Related party transactions (continued)

The following remuneration was paid or payable by the Company to the Non-executive Directors for the period:

	Short-term employee benefits	Post- employment benefits	
	Director's fees	Superannuation	Total
	\$	\$	\$
Non-executive Directors	177,434	16,857	194,291

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

21 Contingent assets, liabilities and commitments

The Company has no material commitments, contingent assets or liabilities as at 30 June 2016.

22 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.