Argo Global Listed Infrastructure

COHEN & STEERS

Quarterly Investment Report / 30 June 2016

Argo Global Listed Infrastructure Limited (AGLI) is a listed investment company which was established in 2015 to provide investors with exposure to a diversified portfolio of securities in the global listed infrastructure sector, contained within the simple and easily tradeable structure of an ASX-listed investment company. The investment objective is to provide shareholders with a mix of long-term capital growth and dividend income.

Investment review from the portfolio manager

The following commentary from the portfolio manager covers the global listed infrastructure universe for the June 2016 quarter.

Global listed infrastructure produced healthy returns in the June quarter, adding to the sector's calendar year-to-date outperformance relative to the broader global equity market. The quarter was marked by improving but relatively modest global economic activity and declining bond yields, as central banks worldwide maintained accommodative monetary policies to stimulate growth.

The European Central Bank took its long-anticipated first steps in buying investment-grade euro-denominated corporate bonds from non-financial companies as part of its quantitative easing efforts. In contrast, with the U.S. economy seemingly gaining momentum following its March quarter slowdown, the Federal Reserve initially signaled its intention to raise short-term interest rates. Expectations for that hike diminished considerably, however, after the employment report released in early June showed an unexpected deceleration in the number of new jobs created during the month.

A defining moment in the quarter occurred in late June when, contrary to widespread expectations, British voters elected to withdraw from the European Union. The results sparked corrections in markets around the globe over concerns about the potential impact on near-term growth in the U.K. and increased political uncertainty across the region. Major stock market averages declined on the news, the pound and euro fell against most currencies, and sovereign bond yields widely reached new lows as investors sought havens amid the turmoil. Much of the broad stock market's losses, however, were erased by quarter's end as investors reassessed the vote's outcome as likely having only a modest near-term impact on the global economy, and that continued low interest rates should be supportive of equities.

There was broad dispersion in returns among infrastructure stocks in the quarter. The more defensive subsectors advanced throughout the period, as declining bond yields made the stocks' relatively high yields more attractive, and as investors sought to hold assets with stable cash flows amid increased equity market volatility. The more economically sensitive subsectors underperformed.

Water utilities (17.4% total return in the index - n.b. all sector returns are in local currency[1]) were particularly strong, helped by better-than-expected results and forward guidance from American Water Works and Aqua America, two of the subsector's largest members. Among electric utilities (5.3%), regulated companies in the U.S. broadly outperformed in response to increased

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economic uncertainty and the rally in bond prices. Integrated utilities, however, underperformed as Japan-based companies faced headwinds from rising oil and natural gas prices and further delays in restarting nuclear plants. Gas distribution companies (3.2%) were generally positive, led by U.S. firms such as NiSource and Sempra Energy, although declines among companies in Asia tempered the group's returns.

Midstream energy companies (14.1%) benefited from firmer crude oil prices and reduced contract counterparty risk. Several of the general partners were top performers - these included Oneok and Semgroup, which climbed approximately 62% and 48%, respectively.

Within the communications subsector (6.3%), cell tower companies in the U.S. advanced, while their European counterparts performed poorly on the heels of lowered expectations for consolidation activity. Satellites declined sharply as one of the leading operators, Eutelsat, guided to a materially lower outlook, highlighting a significant increase in competitive pressures in the business.

The performance of transportation subsectors was also mixed. Airports (3.4%) in Latin America generally fared well, while certain European companies struggled. Fraport declined after reporting disappointing quarterly results (although it reiterated full-year guidance), Aeroports de Paris declined in anticipation of slower traffic volumes in the wake of Britain's decision to leave the EU. Toll road operators (2.6%) in Europe similarly declined in anticipation of slower growth on the continent.

Among railways (0.9%), freight operators' performance was wide ranging amid reduced economic expectations. Groupe Eurotunnel, operator of the Channel Tunnel, declined on the potential impact of Brexit - both financially, with the depreciation in the British pound, and operationally, with the prospect of reduced passenger and freight traffic between the U.K. and Europe.

Marine ports (-9.6%) was the worst-performing infrastructure subsector due to concerns of slowing global trade, with companies in Asia and India suffering the biggest declines.

Portfolio performance

The largest contributor to relative performance was our substantial underweight in marine ports, which was dragged down by global trade and growth concerns. Stock selection in electric utilities also contributed, particularly in among integrated companies. Out-of-benchmark Pattern Energy likewise contributed. The yieldco's performance has mirrored many master limited partnerships, as both sectors tend to rely on access to capital markets to fund growth. Also, we did not own certain poorly performing Japan-based integrated utilities, or Centrica, which declined following a dilutive equity offering and was further impacted by the surprise outcome of the U.K.'s referendum

Additionally, the portfolio benefited from our stock selection in airports. Grupo Aeroportuario del Pacifico gained on strong passenger volumes and revenue growth. Also, we were underweight or did not own several Europe-based airport companies that declined in the risk-off environment that prevailed late in the quarter. Security selection in preferreds likewise contributed to relative performance as investors favored safe haven assets amid global economic uncertainty.

The largest detractor from relative performance was our stock selection in toll roads. OHL Mexico declined materially following the government's temporary imposition of driving restrictions to combat smog in the Mexico City area. Ferrovial, which operates London's Heathrow airport, was adversely impacted by the U.K.'s decision to leave the EU.

Stock selection in satellites further detracted, as Eutelsat Communications declined materially after warning that its 2017 earnings would be 20 to 30% below prior guidance due to competitive pressures in data and video. Our overweight in Groupe Eurotunnel likewise impacted performance.

Investment outlook

In today's environment of heightened economic concerns and low bond yields, we believe global listed infrastructure, with its stability of cash flows and long-lived tangible assets, will remain attractive to investors.

We expect modest global growth in the months ahead, although the U.K. could experience a localized recession and Europe could be affected by increased political uncertainty. Central bank policies are likely to remain highly accommodative to counter any ill effects from this political upheaval. For instance, the European Central Bank could potentially expand its quantitative easing program, while the likelihood of near term U.S. Federal

Reserve interest-rate hikes now appears remote. Interest rates remaining lower for longer are generally a positive for capital-intensive businesses, such as those operated by infrastructure companies.

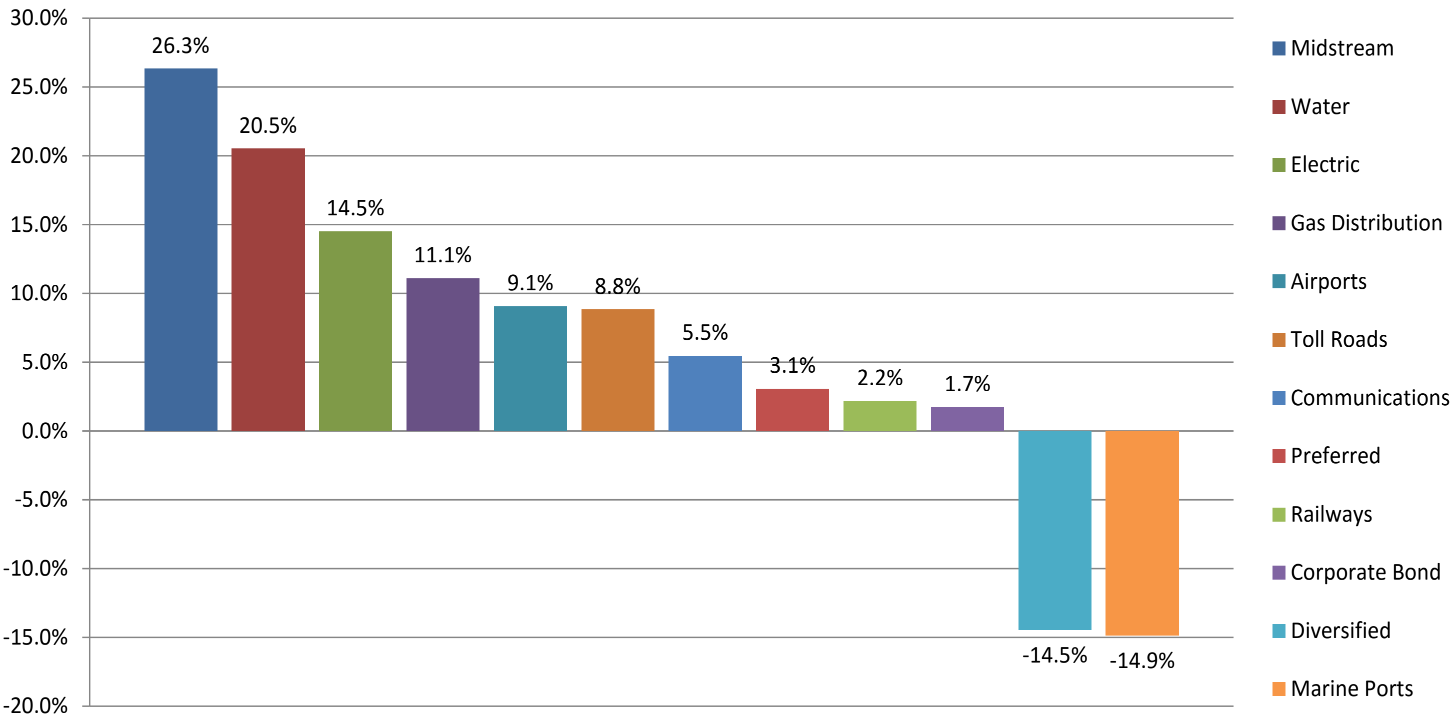
Geographically, we continue to favor U.S.-based companies on a relative basis due to the country's comparative economic strength. We've lowered our exposure to Europe and are underweight the U.K., largely for stock-specific reasons. We are also underweight Asia, including Japan.

We remain overweight less economically sensitive infrastructure subsectors such as gas distribution and water utilities. We are also overweight communications, with an emphasis on towers, as we believe the subsector's fundamental story remains compelling. Toll road operators exhibit attractive fundamentals in our view as well. We remain considerably underweight electric utilities on a global basis in light of regionally specific fundamental, regulatory and valuation views, although we are only modestly underweight U.S.-based utilities, as they tend to be most sensitive to interest-rate expectations. Additionally, we are underweight the economically sensitive airports and marine ports subsectors, as we believe they could be vulnerable to more uncertain global economic conditions.

(1) Sector returns are in local currencies. Sector classification of securities in the index determined by the investment advisor.

Index performance by subsector (A$)

for the six months ended 30 June 2016



Index: Blended Benchmark: 90% FTSE Global Core Infrastructure 50/50 Net + 10% BofA ML Fixed Rate Preferred Index

Source: BI-SAM Technologies, Inc. This analysis is to provide insight into the various factors contributing to the total return of the benchmark. These are not the official results of the benchmark. The index performance shown does not reflect the withholding of taxes on dividend payments. Past performance is no guarantee of future results. An investor cannot invest directly in an index.

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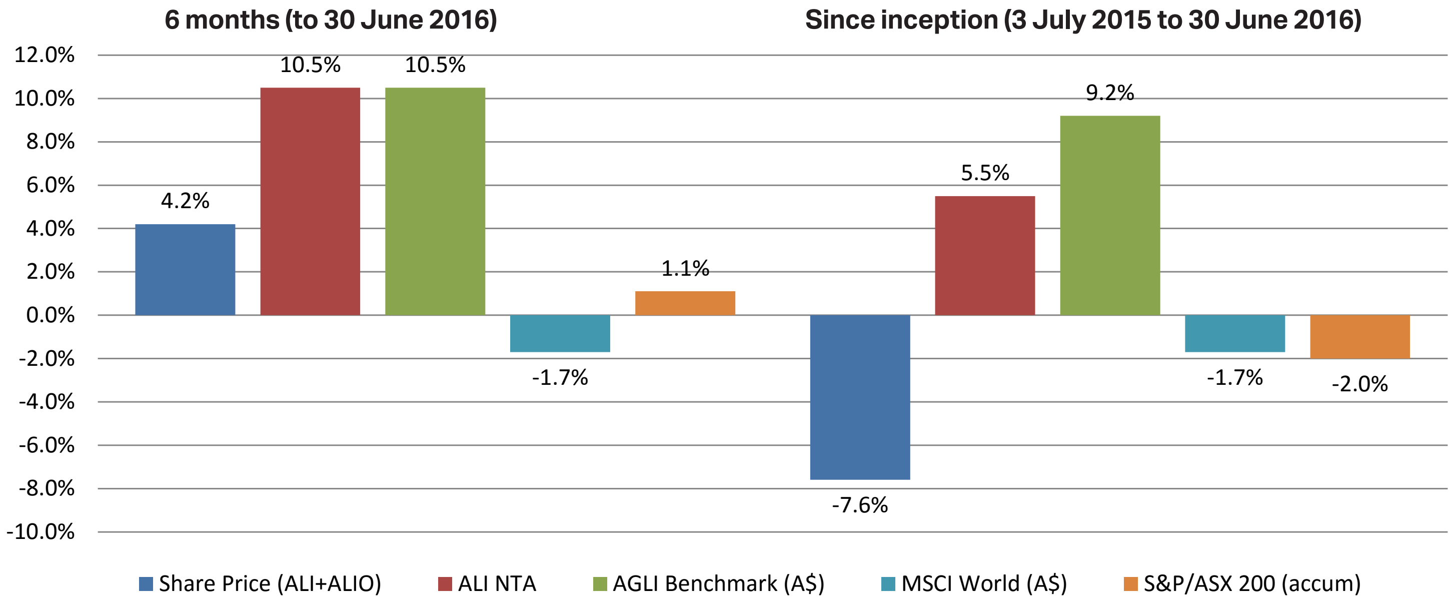
Investment performance

Global listed infrastructure continued to produce good returns in the June 2016 quarter, adding to the calendar year-to-date outperformance of global equities. AGLI's net tangible asset backing rose 10.5% in the six months to 30 June, in line with the return of its benchmark index. This performance was in spite of the headwind, due to the rally in the Australian Dollar of 8.6% throughout the period.

The initial investment of the portfolio was made progressively over the month of July 2015, resulting in a relatively high cash allocation in that month. This has negatively impacted the relative performance since listing date, as the benchmark index performed very strongly in July 2015, up 6.8%.

As AGLI begins to record a more meaningful history of investment performance, updated numbers will be incorporated into the monthly NTA release and also updated monthly on the website, www.argoinfrastructure.com.au, which remains the best source of information on the company.



AGLI Benchmark - the A$ blended benchmark of 90% of the FTSE Global Core Infrastructure 50/50 Index and 10% of the Merrill Lynch Fixed Rate Preferred Securities Index

Top 10 portfolio holdings

as at 30 June 2016

Security Name	Country of listing	Sector	Portfolio %	Index %
NextEra Energy Inc.	US	Integrated Electric	4.3	2.5
Crown Castle International Corp.	US	Tower	3.9	2.2
Transurban Group	AU	Toll Roads	3.7	3.1
TransCanada Corp.	CAN	Midstream- C Corp	3.6	2.0
American Tower Corporation	US	Tower	3.3	3.0
PG&E Corporation	US	Regulated Electric	3.3	1.3
Sempra Energy	US	Gas Distribution	3.1	1.2
Edison International	US	Regulated Electric	2.7	1.1
Union Pacific Corporation	US	Freight Rails	2.7	1.6
CMS Energy Corporation	US	Regulated Electric	2.7	0.5
			33.3	**18.5**

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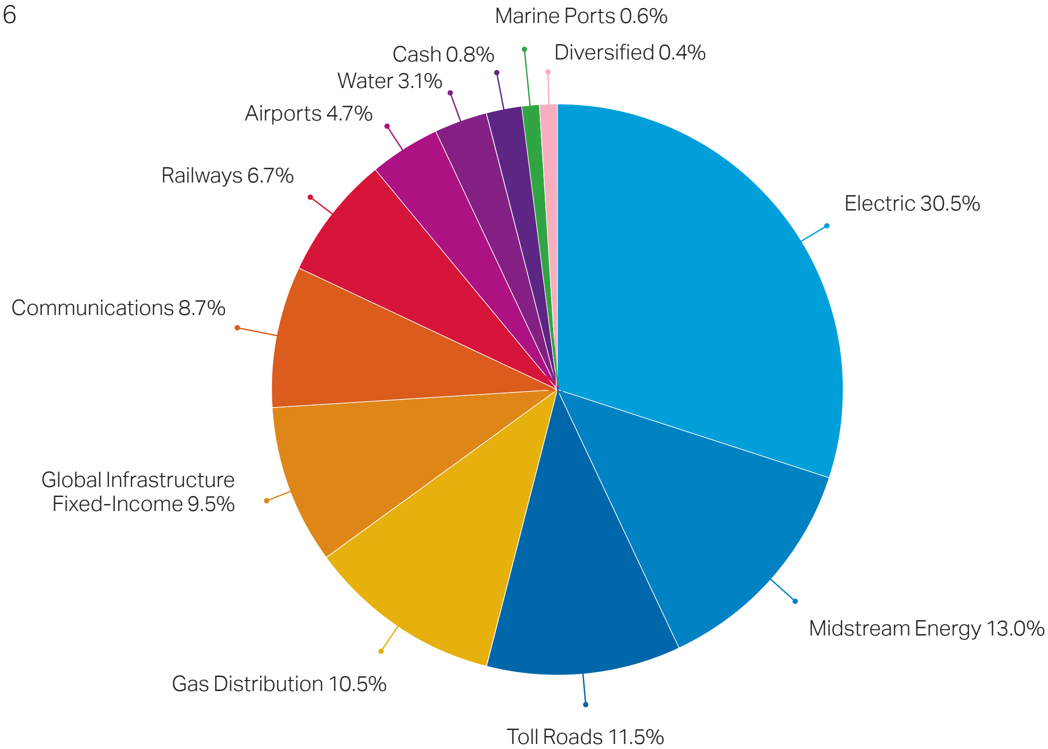
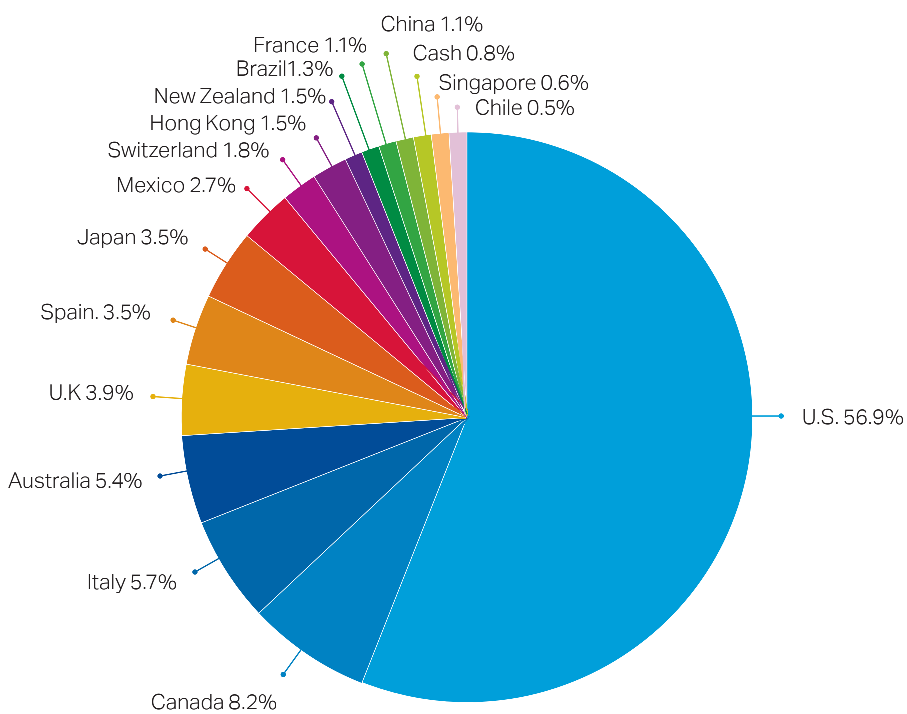
Subsector diversification

as at 30 June 2016



Geographic diversification by country of listing

as at 30 June 2016



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