Argo Global Listed Infrastructure

Argo Global Listed Infrastructure (AGLI)

instant diversification at a discount

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Adelaide

Disclaimer

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What is AGLI?

- ASX-listed investment company (ASX code = ALI)
- Aims to provide long-term capital growth and dividend income
- Global portfolio of about 70 listed infrastructure stocks across 15 countries
- Unhedged for currency and no debt
- Specialist infrastructure portfolio manager based in New York
- Management fee of 1.2% - no performance fee



Why did Argo launch AGLI?

- Diversification for Australian investors who predominantly hold domestic equities
- Filters complex global investments into a single ASX-listed security
- Access to best of breed portfolio manager with strong track record, Cohen & Steers Inc.
- Infrastructure is a relatively conservative sector, but has a strong long term growth thematic, which suits Argo's philosophy
- Management fee income for Argo improves as AGLI grows



Sector characteristics



Typical characteristics of Global Listed Infrastructure
- Underlying assets provide essential public services that facilitate economic growth
- Long-lived real assets
- High barriers to entry
- Relatively predictable cash flows
- Inflation-linked contracts
Risks / Complexities relative to traditional asset classes
- Regulation
- Politics
- Interest rates
- Capital intensity/availability

At September 30, 2016.
The views and opinions are as of the date of publication and are subject to change without notice.
(1) Source: Cohen & Steers estimates.

Eurotunnel

EN Paris: GET
Mkt. Cap: $5.9B
Dividend Yield: 2.3%

- Holds the concession to operate the English Channel Tunnel
- Sole land transport link between the UK and continental Europe
- Long term concession until 2086 drives predictable cash flows
- Growth options as rail network extends across Europe
- Monopolistic operations with very high barriers to entry

NextEra Energy

NYSE: NEE
Mkt. Cap: $56.7B
Dividend Yield: 2.8%

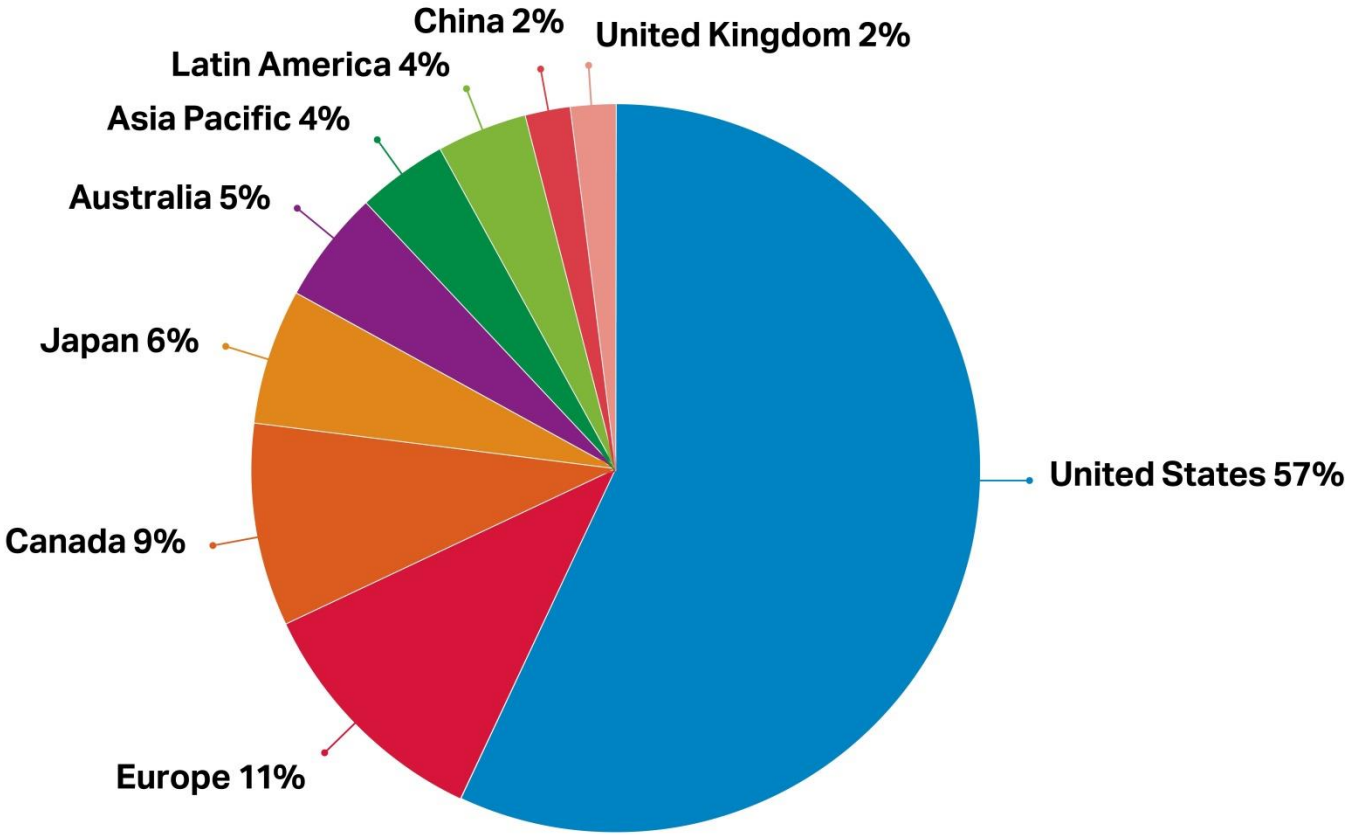
- Integrated model combines high quality utility with power generation assets including renewables, gas and nuclear
- Florida Power & Light is located in a growing market and is the 3rd biggest utility in the US
- Largest solar and wind power operator in the US
- AGLI's largest holding

Crown Castle

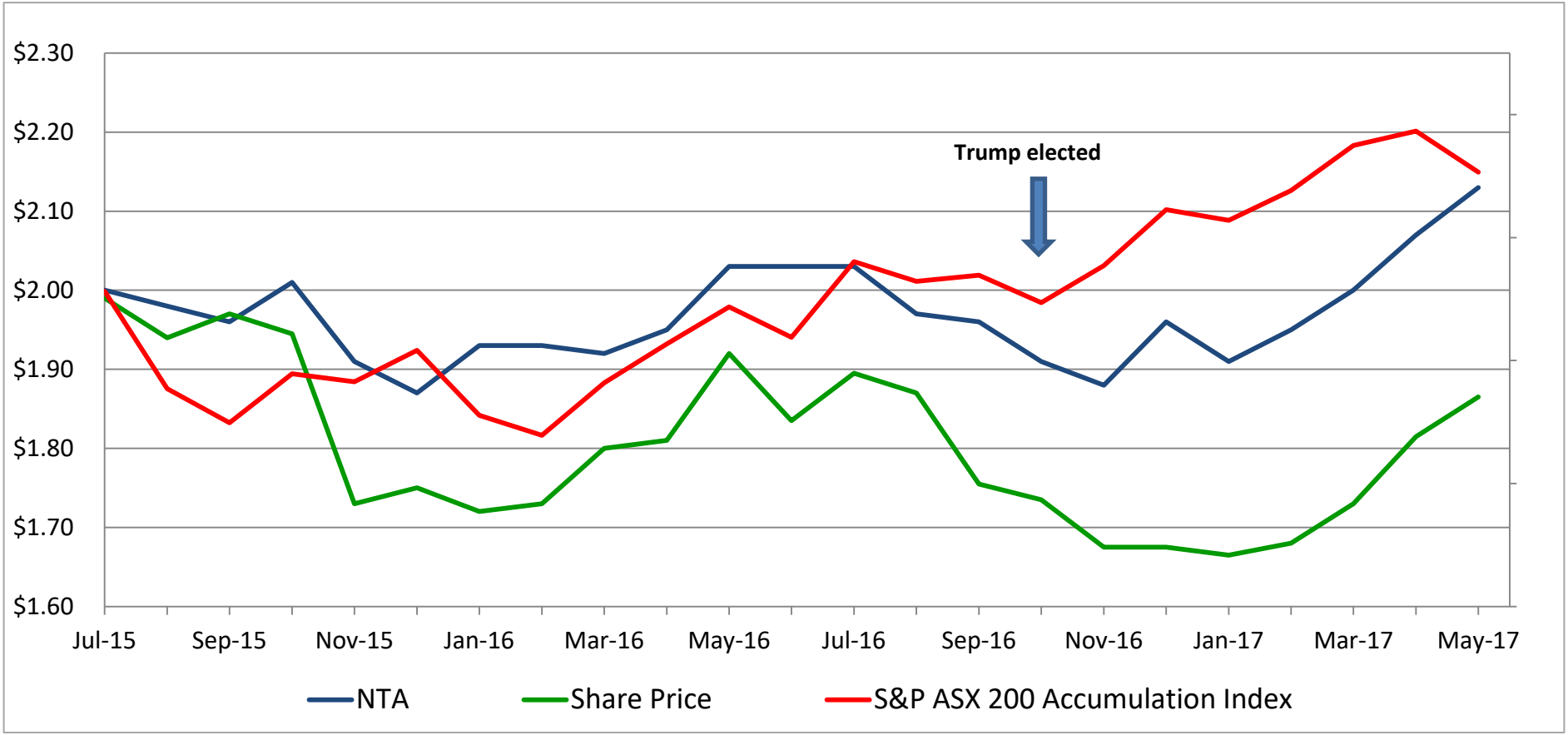
NYSE: CCI
Mkt. Cap: $31.8B
Dividend Yield: 3.8%

- Leading US operator of wireless communications towers
- High barriers to entry and operating leverage
- Benefits from increasing data intensity of wireless traffic and growth in the number of wireless devices

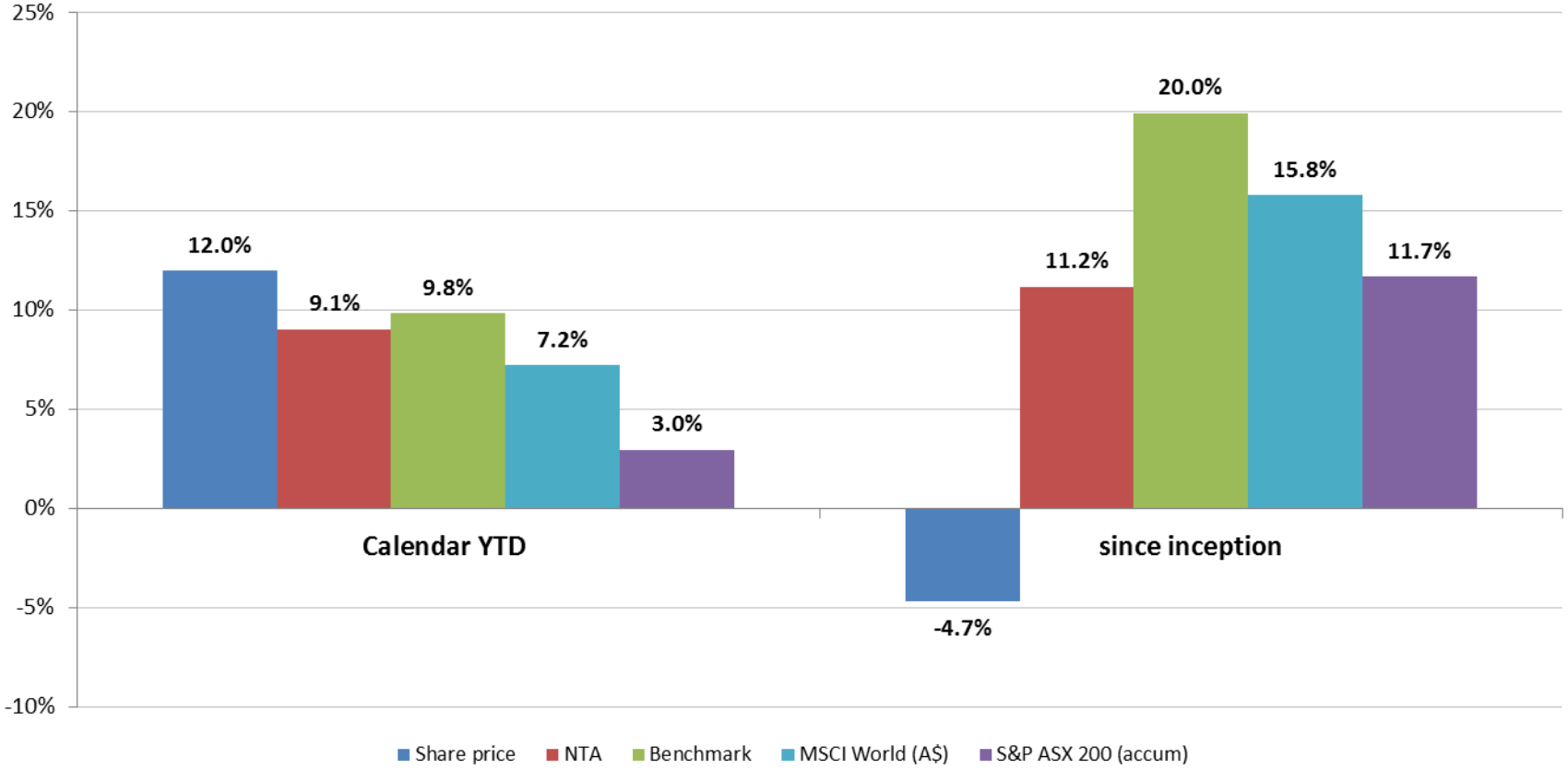
Portfolio diversification *– 30 April 2017*



NTA & Share price *- to 23 May 2017*



Total Portfolio Return - *May 2017*



* Estimated NTA at 26.5.17 = $2.13

AGLI opportunity - now

- Long-term defensive growth with dividends
- Infrastructure spending needed to drive economic growth globally
- Exposure to broader global infrastructure sector, including emerging markets and renewable energy
- Easy diversification for Australian investors – low correlation with domestic equities
- IPO options have expired
- Capital management possibilities
- Discount to NTA



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