Argo Global Listed Infrastructure

2017

Annual Report

Corporate Directory

Argo Global Listed Infrastructure Limited
ABN 23 604 986 914

Non-executive Directors

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

Managing Director

Jason Beddow

Chief Financial Officer

Andrew B. Hill

Company Secretary

Timothy C.A. Binks

Auditor

PricewaterhouseCoopers

Manager

Argo Service Company Pty Ltd
(AFSL 470477)
Level 12, 19 Grenfell Street
Adelaide SA 5000
Telephone: (08) 8210 9500
Facsimile: (08) 8212 1658

Portfolio Manager

Cohen & Steers Capital
Management, Inc.
280 Park Avenue,
New York NY USA 10017

Security Exchange Listing

ASX code : ALI

Registered Head Office

Level 12, 19 Grenfell Street
Adelaide SA 5000
Telephone: (08) 8210 9555
Facsimile: (08) 8212 1658
invest@argoinfrastructure.com.au
www.argoinfrastructure.com.au

Sydney Office

Level 37, 259 George Street
Sydney NSW 2000
Telephone: (02) 8274 4700
Facsimile: (02) 8274 4777

Share Registry

Computershare Investor
Services Pty Limited
Level 5, 115 Grenfell Street
Adelaide SA 5000
Telephone: 1300 389 922
www.investorcentre.com

Meetings

Annual General Meeting

Adelaide

Monday 23 October 2017
Adelaide Oval, War Memorial Drive, North Adelaide

Information meetings

Melbourne:
24 October 2017
RACV Club
501 Bourke Street, Melbourne

Sydney:
25 October 2017
Swissotel Sydney
68 Market Street, Sydney

Brisbane:
26 October 2017
Marriott Hotel
515 Queen Street, Brisbane

Perth:
27 October 2017
Hyatt Regency
99 Adelaide Terrace, Perth

Canberra:
3 November 2017
Park Hyatt
120 Commonwealth Avenue, Yarralumla

2017 Summary

- Profit of $7.8 million for the year ended 30 June 2017, down from $9.6 million last year.
- Full year dividends of 3.5 cents per share unfranked, up from 3.0 cents last year.
- Year-end net tangible asset backing (NTA) of $2.06 per share, up from $2.03 last year.
- Total portfolio return for the year of +3.4% after deducting all costs and tax, down from +5.8% last year.

"AGLI's objective is to provide a total return for long-term investors consisting of capital growth and dividend income, from a global listed infrastructure portfolio which provides diversification benefits for Australian investors."

Contents

Directors' Report

The Directors present their second Annual Report together with the financial report of Argo Global Listed Infrastructure Limited (AGLI or Company) for the financial year ended 30 June 2017, including the Independent Auditor's Report.

DIRECTORS

At the date of this report, the Board comprised four Non-executive Directors and the Managing Director.

The Directors in office during or since the end of the financial year are as follows:

Geoffrey Ian Martin AM BEc(Hons), FAICD

Non-executive Chairman – Non-independent

Mr. Martin was appointed to the Board as Chairman on 26 March 2015. He has been an independent Non-executive Director of Argo Investments Limited (Argo) since 2004 and has been Chairman of the Argo Board since 2012. He is also Chairman of the Board of Argo's wholly-owned subsidiary, Argo Service Company Pty Ltd (ASCO), which acts as AGLI's Manager.

His career has included a number of senior executive roles and Board positions. In all, he has over 30 years' experience in economics, investment management, financial services, superannuation and investment banking, both in Australia and internationally.

Mr. Martin is currently Chairman of UniSuper Limited and Vice Chairman, Asia Pacific, of Berkshire Capital.

Joycelyn Cheryl Morton BEc, FCA, FCPA, FIPA, FGIA, FAICD

Non-executive Director – Non-independent

Ms. Morton was appointed to the Board on 26 March 2015 and is a member of the Audit & Risk Committee. She has been an independent, Non-executive Director of Argo since 2012.

She has an extensive business and accounting background and has worked in a number of senior financial roles both in Australia and internationally, with particular expertise in taxation.

Ms. Morton is also Chair of Thorn Group Limited (Director since 2011 and appointed Chair in 2014) and a Non-executive Director of InvoCare Limited (since 2015), Snowy Hydro Ltd and ASC Pty Ltd. She was previously a Non-executive Director and Chair of Noni B Limited (2009 to 2015).

Gary John Simon MComm, CA, FAICD
Non-executive Director – Independent

Mr. Simon was appointed to the Board on 27 April 2015 and is Chair of the Audit & Risk Committee.

He has extensive board and management experience in funds management, banking and corporate treasury. He also has specific experience in the infrastructure sector.

Mr. Simon was previously Head of Investments Group at ABN AMRO Australia with responsibility for the bank's equity investments in infrastructure assets and boutique financial services entities. He has previously been Chairman of the ABN AMRO Social Infrastructure Trust, a member of the trust's Investment Committee, and a member of the ABN AMRO Australia Investment Committee. He has also been a Director of various infrastructure assets including Connector Motorways Group Limited and Cross City Tunnel Limited.

He is also a former Chief Operating Officer of Challenger International and a former Group Treasurer of Australian National Industries.

After starting his career in chartered accounting, Mr. Simon worked in treasury and banking roles at Commonwealth Industrial Gases, ANZ Banking Group and IBJ Australia Bank. He is currently a Senior Consultant with Aquasia Pty Ltd and has advised a variety of clients including Federal and State Governments, private equity and not for profit sectors.

Andrea Elizabeth Slattery BAcc, MComm, CPA, CPA-FPS, SSA, FAICD
Non-executive Director – Independent

Mrs. Slattery was appointed to the Board on 27 April 2015 and is a member of the Audit & Risk Committee.

She has worked in the Australian financial services industry for over 29 years, and has played a key role in the growth and recognition of the self-managed superannuation fund (SMSF) sector, including as co-founder and former Managing Director and CEO of the SMSF Association. Her work has involved advising the highest levels of Federal Government and Opposition, regulators and other industry stakeholders. She was awarded 'Woman of the Year' in the Australian Women in Financial Services Awards 2014: Money Management – Super Review.

Mrs. Slattery remains a Non-executive Director of the SMSF Association, as well as a Director of the South Australian Cricket Association and the Adelaide Oval Stadium Management Authority Ltd (alternate). She is an experienced Director with over 25 years on commercial, Government and NFP Boards and Advisory Committees.

Jason Beddow BEng, GdipAppFin(SecInst)
Managing Director – Non-independent

Mr. Beddow was appointed to the Board as Managing Director on 26 March 2015. He has been the Managing Director of Argo since 2014. He is also Managing Director of Argo's wholly-owned subsidiary, ASCO, which acts as AGLI's Manager.

He started at Argo in 2001 as an Investment Analyst, became Chief Investment Officer in 2008 and was appointed Chief Executive Officer in 2010.

Mr. Beddow has an engineering and investment background.

DIRECTORS' RELEVANT INTERESTS

The Directors' relevant interests in shares notified to the ASX in accordance with the *Corporations Act 2001*, at the date of this report are as follows:

	Shares
G.I. Martin AM	152,497
J. Beddow	85,000
J.C. Morton	76,498
G.J. Simon	42,250
A.E. Slattery	34,411

BOARD AND COMMITTEE MEETINGS

At the date of this report, the Company has an Audit & Risk Committee of the Board.

There were 5 Board meetings and 5 Audit & Risk Committee meetings held during the financial year. The number of meetings attended during the financial year by each of the Directors while in office were:

	Board		Audit & Risk Committee	
	No. of meetings held while a Director	No. of meetings attended	No. of meetings held while a member	No. of meetings attended
G.I. Martin AM	5	5	-	5*
J. Beddow	5	5	-	5*
J.C. Morton	5	5	5	5
G.J. Simon	5	5	5	5
A.E. Slattery	5	5	5	5

* by invitation

SECRETARY

Timothy Campbell Agar Binks BEc, CA, AGIA, GAICD held the role of Company Secretary during the year and at the date of this report.

Mr. Binks is also the Chief Operating Officer of Argo. He joined Argo in 2007 and has a background in accounting, funds management and stockbroking. He was appointed Argo's Company Secretary in 2010 and became Chief Operating Officer in 2015, whilst still maintaining the company secretarial duties. He is also Company Secretary of Argo's wholly-owned subsidiary, ASCO, which acts as AGLI's Manager.

OTHER KEY MANAGEMENT PERSONNEL

The names of the other Key Management Personnel disclosed in this report are Mr. T.C.A. Binks (Company Secretary) and Mr. A.B. Hill (Chief Financial Officer). Both Mr. Binks and Mr. Hill are remunerated under service agreements with the Manager, ASCO.

Other Key Management Personnel's interests in shares at the date of this report are as follows:

	Shares
T.C.A. Binks	5,115
A.B. Hill	2,500

PRINCIPAL ACTIVITIES AND STATE OF AFFAIRS

The Company is a listed investment company established to provide a total return for long-term investors consisting of capital growth and dividend income, from a global listed infrastructure portfolio which provides diversification benefits for Australian investors.

The Directors do not anticipate any particular developments in the operations of the Company which will affect the results of future financial years other than those mentioned in this report.

OPERATING AND FINANCIAL REVIEW

Introduction

Argo Global Listed Infrastructure Limited (AGLI) was listed on the Australian Securities Exchange (ASX) on 3 July 2015.

The Company is externally managed by Argo Service Company Pty Ltd (ASCO), which is a wholly-owned subsidiary of Argo Investments Limited (ASX code: ARG).

ASCO provides administrational, operational and financial services to AGLI, in addition to overseeing the Portfolio Manager and providing the Company's Managing Director, Company Secretary and Chief Financial Officer.

A specialist Portfolio Manager, Cohen & Steers Capital Management, Inc. (CNS), actively manages the Company's investment portfolio, in accordance with the investment mandate instructions in the Portfolio Management Agreement. CNS is a leading global investment manager based in New York. Its parent company is listed on the New York Stock Exchange (NYSE code: CNS). It is one of the world's largest investors in global listed infrastructure, with approximately US$6.0 billion under management. In total, CNS manages approximately US$60 billion on behalf of clients around the world.

Business model

AGLI's objective is to provide a total return for long-term investors consisting of capital growth and dividend income, from a global listed infrastructure portfolio which provides diversification benefits for Australian investors. AGLI provides investors with exposure to a complex international investment class via a single ASX-listed company.

The Company generates operating revenue from dividends and distributions received from the companies and other entities in its investment portfolio. It also receives a small amount of interest on any cash balances held from time to time.

In addition to this operating income, AGLI's total reported profit includes gains and losses resulting from the sale of investments during the year and the revaluation to market value of the investments which are held at the end of the year. This element of income is more volatile due to fluctuations in markets and currencies.

AGLI's major expense is a management fee, as it is externally managed and has no employees of its own. AGLI's management fee is 1.2% per annum of its assets under management under $500 million, calculated monthly. A sliding scale operates to reduce the fee on assets above $500 million to 1.1% and above $1 billion to 1.0%. The fee is split equally between the Manager and the Portfolio Manager.

Other expenses for AGLI include transaction costs, custody fees, share registry fees and Directors' fees.

The Board has based the initial dividends to shareholders on operating income, which over time should produce a more consistent dividend stream to shareholders than would be the case if dividend payouts were based on reported profit, which is more volatile due to including the gains and losses on investments sold during the year or revalued to market at year end.

The Company intends to attach franking credits to its dividends to shareholders when practicable, although it should be noted that as the portfolio is mostly invested outside Australia, only small amounts of franking credits will be received through portfolio dividends and distributions. However, the Company will also accumulate franking credits when it pays tax in Australia.

Due to AGLI's international investment activities and its Australian domicile, the Company's returns are also impacted by foreign exchange translation on transactions during the year and balances at year end. The portfolio is unhedged for currency, to assist the objective of providing returns which are uncorrelated to the Australian equity market. Although the portfolio is diversified across 15-20 countries and a range of different currencies, approximately 50% of assets are valued in US dollars. As a result, the Australian dollar (A$) v. the US dollar (US$) is the exchange rate which most influences the value and profitability of the Company, with decreases in the A$ generally beneficial to A$ values and vice versa.

Review of events and activities in the year ended 30 June 2017

AGLI's second year of operations was an eventful but positive one. The surprise Brexit vote in late June 2016 set the scene for a year of political uncertainty in Europe. However, markets largely shrugged off this outcome, although the British pound fell sharply at the time. In November, equity markets reacted surprisingly positively to Donald Trump's victory in the US election and this helped drive strong market gains in most regions this year.

In a relative sense, this investor optimism hindered the global listed infrastructure sector, which underperformed broader equity markets in the first half of the financial year in particular, due to the sector's mostly defensive nature. However, in absolute terms, infrastructure still delivered solid outcomes overall, with nearly every subsector producing positive returns.

The subsectors which are most sensitive to economic activity were the best performers during the year. Specifically, airports and railways both returned over 30% in local currency terms. Airports benefited from improving economic momentum and passenger traffic in Europe particularly, and railways were strongest in North America, where a number of freight rail companies reported strong earnings. In addition, the toll roads, midstream energy and communications towers subsectors all returned over 10% in local currency terms.

However, around half of AGLI's portfolio is invested in relatively defensive subsectors such as electric, gas and water utilities. The underperformance of these subsectors, due to investor preferences for riskier investments, reduced relative returns.

The following table summarises AGLI's investment performance in absolute terms, and relative to its benchmark index and other equity market indices:

Performance statistics	*6 mths*	*1 year*	*Since inception (per annum)*[1]
NTA return after all costs and tax	+5.6%	+3.4%	+3.8%
Share price return	+11.1%	+2.8%	-2.8%
Infrastructure benchmark return[2]	+6.3%	+6.3%	+7.7%
MSCI World equity index ($A)	+4.5%	+14.8%	+6.2%
S&P ASX200 Accum. Index	+3.2%	+14.1%	+5.8%

1. *Inception date is 3 July 2015*
2. *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)*

When analysing this table, it should noted that AGLI's NTA performance return (measured by the movement in NTA per share assuming dividends paid are reinvested) is calculated after deducting all costs and tax, whereas the benchmark and market indices do not take account of any costs or tax.

It should also be borne in mind that it is only a little over two years since AGLI's inception. The Board continues to have confidence in AGLI's investment thesis, business model and the Portfolio Manager's investment process. The Board remains confident that over time AGLI should achieve its long-term investment objectives.

The AGLI options, which were issued at no cost to investors in the initial public offering in 2015, expired on 31 March 2017. At the time, the AGLI share price was trading below the $2.00 exercise price and only a small number of options were exercised.

Discussion of results and financial position

AGLI's headline profit for the year ended 30 June 2017 was $7.8 million, compared to $9.6 million for the prior period. However, as previously noted, accounting standards require AGLI to value its portfolio at each year end and treat the appreciation or depreciation in that value as a profit or loss for the year. This can result in fluctuations in reported profits that do not reflect the characteristics of the underlying infrastructure businesses.

Due to this volatility, the Board has based dividends on operating income, which is more consistent. The portfolio produced $9.9 million in dividends, distributions and interest this year, up from $9.7 million in the prior period. Annual dividends to shareholders were increased from 3.0 cents per share last year to 3.5 cents this year.

The financial position of the Company at 30 June 2017 is strong, with net assets of $294 million and no debt. The portfolio accounts for the majority of assets and can fluctuate significantly due to the effect of market and currency movements on year end asset valuations. Net assets at 30 June 2016 were $290 million.

One measure of the financial position of a listed investment company is its net tangible asset backing (NTA) per share. NTA figures are updated monthly and announced to the ASX. In addition, AGLI releases weekly estimates of its NTA, providing a transparent and regular basis for investors to assess the worth of the Company.

The audited figures as at 30 June 2017 are as follows:

Net tangible asset backing per share (NTA)	*30 June 2017*
NTA per share[1]	$2.06
NTA after unrealised tax provision[2]	$2.04

1. *This figures allows for all costs incurred, including company tax and any tax payable on gains realised from portfolio sales.*
2. *Under ASX Listing Rules, the Company is also required to calculate the NTA per share after providing for estimated tax on unrealised gains/losses in the portfolio (tax that may arise should the entire portfolio be disposed of on the above date).*

Future prospects, strategies and risks

AGLI's future results will depend largely on the performance of the companies and other entities held in the portfolio. Although CNS actively manages the portfolio with a view to maximising these outcomes, ultimately the performance of those investee entities is influenced by many factors which are difficult to predict, including economic growth rates, inflation, interest rates, exchange rates, regulatory changes, sovereign risk and taxation levels. There are also specific issues such as management competence, capital strength, industry trends and competitive behaviour.

Due to the above factors and general market and economic conditions which can change rapidly around the world, the nature of AGLI's business makes it very difficult to forecast future performance. However, the infrastructure sector is relatively resilient and the Company is conservatively managed. In addition, the diversification by geography and subsector of the investments helps to reduce overall risk in the portfolio and the volatility of earnings and asset values.

At the time of writing, CNS remains optimistic that the economic strength experienced in recent months will continue, albeit at a somewhat slower rate. In the US, uncertainty has replaced the initial enthusiasm which greeted President Trump's pro-growth policies, particularly around the timing and likelihood of potential tax cuts and a major infrastructure spending plan.

Although the constantly changing nature of markets and other investment conditions requires management and the Directors to diligently appraise any opportunities that may present themselves, AGLI does not envisage any significant changes to its business model.

The Company intends to simplify its infrastructure benchmark index by removing preference securities from the investment mandate. The performance benchmark would move from 90% equities and 10% preference securities, to 100% equities. This proposal will be considered by shareholders at the 2017 Annual General Meeting (AGM) and further details are in the Notice of Meeting for the AGM.

Conclusion

The Directors firmly believe that AGLI can bring important diversification benefits to Australian equity investors from an asset class, geographic and currency perspective.

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. Demand for infrastructure investment is increasing in developed and emerging markets, due to historical underinvestment and continued privatisation of infrastructure assets by governments seeking to reduce debt.

The AGLI share price is trading at a discount to the NTA backing per share. While this is not uncommon among listed investment companies, the Board has introduced measures to help reduce the discount. For example, the Dividend Reinvestment Plan (DRP) has been amended to allow the Company to buy on-market the shares required for allocation to DRP participants, rather than issuing new shares. In addition, an on-market buy-back was announced with the full year result, to allow the Company to buy back and cancel shares when considered beneficial in the future.

MATTERS ARISING SINCE YEAR END

The Directors are not aware of any matter or circumstance that has arisen since the end of the financial year 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.

DIVIDENDS

An unfranked interim dividend of 1.0 cents per share was paid on 24 March 2017.

On 28 August 2017, the Directors declared a final unfranked dividend of 2.5 cents per share to be paid on 29 September 2017.

Total unfranked dividends for the year amount to 3.5 cents per share.

DIVIDEND REINVESTMENT PLAN

The Dividend Reinvestment Plan (DRP) raised $210,421 of new capital for investment during the year. The Board has recently amended the DRP to allow discretion to either issue new shares or buy existing shares on-market for allocation to DRP participants.

The DRP will operate for the 2.5 cents per share dividend payable on 29 September 2017.

INDEMNIFICATION OF DIRECTORS AND OFFICERS AND INSURANCE ARRANGEMENTS

The Company indemnifies its past, present and future Directors and Officers against liabilities arising out of their position with the Company, except where the liability arises out of conduct involving a lack of good faith. The deed stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has paid a premium in respect of a Directors' and Officers' insurance policy covering the liability of past, present or future Directors and Officers, including executive officers of the Company. The terms of the policy prohibit disclosure of the details of the amount of insurance cover and the premium paid.

ENVIRONMENTAL REGULATIONS

The Company's operations are not directly affected by environmental regulations.

ROUNDING OF AMOUNTS

Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 applies to the Company and accordingly amounts have been rounded to the nearest one thousand dollars in accordance with that Instrument, unless otherwise stated.

NON-AUDIT SERVICES

Details of the amounts paid or payable to PricewaterhouseCoopers for audit and non-audit services provided during the year are set out in Note 19 to the financial statements on page 45 of this report.

The Board has considered the position and, in accordance with advice from the Audit & Risk Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* for the following reasons:

(a) all non-audit services have been reviewed by the Audit & Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor; and

(b) the non-audit services provided do not undermine the general principles relating to audit independence as set out in APES 110 Code of Ethics for Professional Accountants.

The Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001*, is included on page 16.

REMUNERATION REPORT

This report details the remuneration arrangements for each Non-executive Director of Argo Global Listed Infrastructure Limited. The Managing Director, Jason Beddow and the other executive Key Management Personnel are remunerated under their service agreements with the Manager, Argo Service Company Pty Ltd.

Non-executive Directors are remunerated by fees within the aggregate maximum annual limit of $400,000 as set out in the Company's Constitution. Any increase in the aggregate amount of Non-executive Directors' fees must be approved by a resolution of shareholders as required by the Company's Constitution.

Non-executive Directors receive a base fee, do not receive additional fees for participating in Board Committees, and are not entitled to any other remuneration (excluding Superannuation Guarantee entitlements).

The Board determines the remuneration levels and ensures they are set to attract and retain appropriately qualified and experienced Directors. The Directors' performance is reviewed annually and their remuneration is not directly linked to the Company's performance.

For the year ended 30 June 2017, the Chairman received a base fee of $41,200 per annum and the other Non-executive Directors received a base fee of $36,000 per annum. In addition, contributions were also made by the Company on behalf of Non-executive Directors to external superannuation funds nominated by them in compliance with Superannuation Guarantee legislation.

Remuneration of Non-executive Directors

The table below sets out the Non-executive Directors’ remuneration paid and payable by the Company for the financial year.

		Short-term employee benefits	Post-employment benefits	
		Directors’ fees $	Superannuation $	Total $
G.I. Martin AM	**2017**	**41,200**	**3,914**	**45,114**
	2016[(a)]	50,575	4,805	55,380
J.C. Morton	**2017**	**36,000**	**3,420**	**39,420**
	2016[(a)]	44,253	4,204	48,457
G.J. Simon	**2017**	**36,000**	**3,420**	**39,420**
	2016[(b)]	41,303	3,924	45,227
A.E. Slattery	**2017**	**36,000**	**3,420**	**39,420**
	2016[(b)]	41,303	3,924	45,227
Total	**2017**	**149,200**	**14,174**	**163,374**
	2016	177,434	16,857	194,291

(a) Fee calculated on base remuneration from appointment date of 26 March 2015.

(b) Fee calculated on base remuneration from appointment date of 27 April 2015.

CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement for the year ended 30 June 2017 can be accessed on the Company's website at http://www.argoinfrastructure.com.au/about/corporate-governance.

Relevant governance charters, policies and codes are also available in this section of the website.

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

On behalf of the Board

G.I. Martin AM
Chairman
28 August 2017

Auditor's Independence Declaration

As lead auditor for the audit of Argo Global Listed Infrastructure Limited for the year ended 30 June 2017, 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 audit; and

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

A.G. Forman
Partner
PricewaterhouseCoopers

Adelaide
28 August 2017

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Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2017

	Note	2017 $'000	Period from 26 March 2015 to 30 June 2016 $'000
Investment income			
Dividends and distributions		9,488	9,169
Interest		443	573
Net foreign exchange losses		(104)	(1,362)
Change in fair value of financial instruments held at fair value through profit or loss (realised and unrealised)		5,523	10,045
Total investment income		15,350	18,425
Expenses			
Management fees	18, 20	(3,413)	(3,371)
Custody and administration fees		(234)	(272)
Directors' fees		(163)	(194)
Registry fees		(144)	(142)
Transaction costs		(285)	(573)
Other expenses		(347)	(260)
Total expenses		(4,586)	(4,812)
Net profit before income tax		10,764	13,613
Income tax expense	3	(2,970)	(4,049)
Net profit after income tax		7,794	9,564
Other comprehensive income		-	-
Total comprehensive income for the year		7,794	9,564
		cents	cents
Earnings per share			
Basic earnings per share	4	5.44	8.41
Diluted earnings per share	4	5.44	8.41

(to be read in conjunction with the accompanying notes)

Statement of Financial Position

as at 30 June 2017

	Note	2017 $'000	2016 $'000
Current Assets			
Cash and cash equivalents	5	5,528	1,713
Receivables		1,467	1,225
Receivables – trade settlements		3,585	1,713
Financial assets held at fair value through profit or loss	6,8	287,467	288,600
Total Current Assets		298,047	293,251
Current Liabilities			
Payables		378	353
Payables – trade settlements		1,179	2,197
Financial liabilities held at fair value through profit or loss	7,8	-	2
Total Current Liabilities		1,557	2,552
Non-Current Liabilities			
Deferred tax liability	3	2,796	699
Total Non-Current Liabilities		2,796	699
Total Liabilities		4,353	3,251
Net Assets		293,694	290,000
Equity			
Contributed equity	9	282,062	281,151
Profit reserve	10	18,102	8,371
Retained earnings	11	(6,470)	478
Total Equity		293,694	290,000

(to be read in conjunction with the accompanying notes)

Statement of Changes in Equity

for the year ended 30 June 2017

	Note	Contributed equity $'000	Profit reserve $'000	Retained earnings $'000	Total $'000
Balance as at 1 July 2016		281,151	8,371	478	290,000
Total comprehensive income for the year		-	-	7,794	7,794
Transfer of profits during the year	10,11	-	14,742	(14,742)	-
Dividends paid	12	-	(5,011)	-	(5,011)
Dividend reinvestment plan	9	210	-	-	210
Shares issued on exercise of options	9	718	-	-	718
Cost of shares issued net of tax	9	(17)	-	-	(17)
Balance as at 30 June 2017		282,062	18,102	(6,470)	293,694

for the period from 26 March 2015 to 30 June 2016

	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

(to be read in conjunction with the accompanying notes)

Statement of Cash Flows

for the year ended 30 June 2017

	Note	2017 $'000	Period from 26 March 2015 to 30 June 2016 $'000
Cash flows from operating activities			
Proceeds from sale of financial instruments held at fair value through profit or loss		150,564	136,567
Purchase of financial instruments held at fair value through profit or loss		(146,884)	(414,674)
Net foreign exchange loss		(96)	(1,378)
Interest received		498	467
Dividends and distributions received		8,455	6,976
GST recovered		343	702
Management fees paid		(3,393)	(3,091)
Custody fees paid		(234)	(250)
Other expenses paid		(1,330)	(1,895)
Net cash inflow/(outflow) from operating activities	14	7,923	(276,576)
Cash flows from financing activities			
Proceeds from issue of shares at IPO		-	286,127
Proceeds from exercise of options		701	66
Dividend paid – net of Dividend Reinvestment Plan		(4,801)	(701)
Share issue transaction costs		-	(7,212)
Net cash (outflow)/inflow from financing activities		(4,100)	278,280
Net increase in cash and cash equivalents		3,823	1,704
Cash and cash equivalents at the beginning of the year		1,713	-
Effect of foreign currency exchange rate changes on cash and cash equivalents		(8)	9
Cash and cash equivalents at the end of the year	5	5,528	1,713

(to be read in conjunction with the accompanying notes)

Contents of the Notes to the Financial Statements

for the year ended 30 June 2017

Notes to the Financial Statements
for the year ended 30 June 2017

1. GENERAL INFORMATION

This financial report is for Argo Global Listed Infrastructure Limited (AGLI or Company) for the year ended 30 June 2017.

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

This financial report was authorised for issue by the Directors on 28 August 2017. The Directors have the power to amend and reissue the financial report.

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 Standards 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/derecognition

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 has expired or the Company has transferred substantially all risks and rewards of ownership.

(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 year 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 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 is 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 Notes 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.

(d) **Receivable/payable - trade settlements**

These amounts represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date, and for equities, are 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.

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.

Trust distributions are recognised on a present entitlement basis.

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**

The Company is subject to income tax at 30% on taxable income for the year ended 30 June 2017. From 1 July 2017 the Company's income tax rate has reduced to 27.5%.

The Company may incur withholding tax imposed by certain countries on investment income. Such income will be recorded gross of withholding tax in investment income, 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 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.

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. Due to a change in the company tax rate from 1 July 2017, the deferred tax balances at 30 June 2017 are calculated at a tax rate of 27.5% (2016: 30%).

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 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.

(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 year 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 a liability in the year 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.

(m) **Earnings per share**

Basic and diluted earnings per share are calculated by dividing profit attributable to shareholders 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 Directors.

(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 2017 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.

The future impact of accounting standards AASB 15 *Revenue from Contracts with Customers and* AASB 16 *Leases* on the Company's financial statements have been assessed and the impact when they become operative is not expected to be material.

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

		2017	Period from 26 March 2015 to 30 June 2016
		$'000	$'000
(a)	**Reconciliation of income tax expense to prima facie tax payable:**		
	Profit before income tax	10,764	13,613
	Prima facie tax expense calculated at 30% (2016: 30%)	3,229	4,084
	Tax effect of franked dividends received	(29)	(35)
	Change in tax rate - deferred tax liability	(262)	-
	Other	32	-
	Income tax expense	2,970	4,049
(b)	**Income tax expense composition:**		
	Current income tax	866	1,193
	Deferred income tax	2,104	2,856
		2,970	4,049
(c)	**Income tax benefits recognised directly to equity:**		
	Increase in deferred tax assets (share issue costs)	(7)	(2,157)
(d)	**Deferred tax liabilities:**		
	The balance comprises temporary differences attributed to:		
	Dividends and distributions receivable	243	261
	Unrealised gains on investments	3,445	1,830
		3,688	2,091
	Offset by deferred tax assets:		
	Foreign tax credits receivable	(90)	(97)
	Costs associated with the issue of shares	(802)	(1,295)
		(892)	(1,392)
	Net deferred tax liabilities	2,796	699

	2017 $'000	2016 $'000
Movements:		
Balance at the beginning of the year	699	-
Charged to equity	(7)	(2,157)
Charged to profit or loss	2,104	2,856
Balance at the end of the year	2,796	699
(e) **Imputation credits:**		
Total imputation credits available in subsequent financial years based on a tax rate of 30%	83	31

The above amount represents the balance of imputation credits 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

	2017 number '000	Period from 26 March 2015 to 30 June 2016 number '000
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share	143,289	113,724
	$'000	$'000
Profit for the year used in the calculation of basic and diluted earnings per share	7,794	9,564
	cents	cents
Basic earnings per share	5.44	8.41
Diluted earnings per share	5.44	8.41

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 year.

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.

At the end of the year there were no outstanding securities that are dilutive in nature for the Company.

5. CASH AND CASH EQUIVALENTS

	2017 $'000	2016 $'000
Cash at bank	5,528	1,713
Total	5,528	1,713

These accounts are earning a floating interest rate of between 0.01% and 1.75% at 30 June 2017 (2016: 0.00% and 0.15%).

6. FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	2017 $'000	2016 $'000
Designated at fair value through profit or loss:		
Equity securities	249,440	251,313
Unit trusts	27,357	28,901
Interest bearing securities	10,667	8,377
	287,464	288,591
Held for trading:		
Derivatives (Note 8)	3	9
	3	9
Total	287,467	288,600

As at 30 June 2017, the Company did not hold any security that accounted more than 5% of its total investments. There were 3,832 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 are included in Note 16.

7. FINANCIAL LIABILITIES HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	2017 $'000	2016 $'000
Held for trading:		
Derivatives (Note 8)	-	2
Total	-	2

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

8. DERIVATIVE FINANCIAL INSTRUMENTS

The Company holds foreign currency derivative instruments as at 30 June 2017.

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 year end are detailed below:

		Fair values	
30 June 2017	**Contract/notional** $'000	**Assets** $'000	**Liabilities** $'000
Foreign currency contracts	1,529	3	-
Total	1,529	3	-

30 June 2016			
Foreign currency contracts	2,362	9	2
Total	2,362	9	2

9. CONTRIBUTED EQUITY

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

	2017	Period from 26 March 2015 to 30 June 2016	2017	Period from 26 March 2015 to 30 June 2016
	number	number	$'000	$'000
Opening balance	143,104,638	-	281,151	-
Shares issued on incorporation	-	100	-	-
Share issued in IPO	-	143,063,214	-	286,127
Dividend reinvestment plan[(1)]	119,815	8,324	210	14
Options exercised at $2.00 per share[(2)]	358,852	33,000	718	66
Cost of issued capital, net of tax	-	-	(17)	(5,056)
Closing balance	143,583,305	143,104,638	282,062	281,151

(1) On 14 September 2016, 79,106 shares were allotted at $1.78 per share pursuant to the Dividend Reinvestment Plan in operation for the final dividend paid for the period ended 30 June 2016.

On 24 March 2017, 40,709 shares were allotted at $1.71 per share pursuant to the Dividend Reinvestment Plan in operation for the interim dividend paid for the year ended 30 June 2017.

(2) During the year 358,852 options that were on issue were exercised at $2.00 per share. The remaining 142,671,362 unexercised options lapsed on 31 March 2017.

10. PROFIT RESERVE

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

	2017	2016
	$'000	$'000
Balance at the beginning of the year	8,371	-
Transferred from retained earnings	14,742	8,371
Dividends paid	(5,011)	-
Balance at the end of the year	18,102	8,371

11. RETAINED EARNINGS

	2017 $'000	2016 $'000
Balance at the beginning of the year	478	-
Profit for the year	7,794	9,564
Transfer of profits during the year	(14,742)	(8,371)
Dividend paid	-	(715)
Balance at the end of the year	(6,470)	478

12. DIVIDENDS

	2017 $'000	Period from 26 March 2015 to 30 June 2016 $'000
(a) **Dividend paid during the year**		
Final dividend for the period ended 30 June 2016 of 2.5 cents unfranked, paid 14 September 2016	3,578	-
Interim dividend for the year ended 30 June 2017 of 1.0 cent unfranked, paid 24 March 2017 (2016: 0.5 cents unfranked)	1,433	715
Total dividends paid	5,011	715
(b) **Dividend declared after balance date**		
Since the end of the financial year, the Directors have declared the following dividend which has not been recognised as a liability at the end of the financial year:		
Final dividend for the year ended 30 June 2017 of 2.5 cents unfranked, payable 29 September 2017 (2016: 2.5 cents unfranked).	3,590	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 buy back its own shares from time to time.

A breakdown of the Company's equity and changes in equity is provided in the Statement of Changes in Equity and Note 9.

14. RECONCILIATION OF PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017	**Period from 26 March 2015 to 30 June 2016**
	$'000	$'000
Net profit after income tax	7,794	9,564
Purchase of financial instruments held at fair value through profit or loss	(146,884)	(414,674)
Proceeds from sale of financial instruments held at fair value through profit or loss	150,564	136,567
Net gains on financial instruments held at fair value through profit or loss	(5,523)	(10,052)
Net interest	84	43
Net change in receivables	(242)	(1,225)
Net change in payables	25	353
Net change in deferred tax liabilities	2,097	2,857
Effects of foreign currency exchange rate changes on cash and cash equivalents	8	(9)
Net cash inflow/(outflow) from operating activities	7,923	(276,576)

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 portfolio of global listed infrastructure securities has the following geographical diversification:

	2017	**2017**	**2016**	**2016**
	A$'000	%	A$'000	%
United States of America	147,390	51.3	160,360	55.6
Canada	28,623	9.9	25,555	8.9
Japan	19,344	6.7	13,542	4.7
Italy	17,356	6.1	16,696	5.8
Australia	14,472	5.0	15,607	5.4
Other countries	60,282	21.0	56,840	19.6
Total	287,467	100.0	288,600	100.0%

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 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 subsectors 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% (2016: 10%).

(ii) **Foreign exchange risk**

Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuates due to changes in exchange rates.

The tables below summarises the fair value of the Company's financial assets and liabilities, which are denominated in a currency other than Australian dollars.

30 June 2017	**US dollars**	**Euro**	**Canadian dollars**	**All other foreign currencies**	**Total**
	A$'000	A$'000	A$'000	A$'000	A$'000
Assets					
Cash and cash equivalents	97	-	-	220	317
Receivables	400	79	111	355	945
Receivables – trade settlements	3,585	-	-	-	3,585
Financial assets held at fair value through profit or loss	161,386	33,668	22,397	55,544	272,995
Liabilities					
Payables – trade settlements	(239)	-	-	(940)	(1,179)
Financial liabilities held at fair value through profit or loss	-	-	-	-	-
Total	165,229	33,747	22,508	55,179	276,663

30 June 2016	US dollars	Euro	Canadian dollars	All other foreign currencies	Total
	A$'000	A$'000	A$'000	A$'000	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/strengthened by 10% (2016:10%) 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 tables summarises the Company's exposure to interest rate risk.

30 June 2017	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
Assets				
Cash and cash equivalents	5,528	-	-	5,528
Receivables	-	-	1,467	1,467
Receivables – trade settlements	-	-	3,585	3,585
Financial assets held at fair value through profit and loss	10,661	6	276,800	287,467
Liabilities				
Payables	-	-	(378)	(378)
Payables – trade settlements	-	-	(1,179)	(1,179)
Deferred tax liability	-	-	(2,796)	(2,796)
Total	16,189	6	277,499	293,694

30 June 2016				
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	-	-	(353)	(353)
Payables – trade settlements	-	-	(2,197)	(2,197)
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

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 1.0% (2016: 1.25%).

(b) **Summarised sensitivity analysis**

The following tables 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 benchmarks 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, historical variations in risk variables should not be used to predict future variances.

30 June 2017	**+100bps**	**-100bps**
	$'000	$'000
Interest rate risk on fixed and floating rate interest securities	162	(162)

	+10%	**-10%**
	$'000	$'000
Price risk on non-interest bearing securities	27,680	(27,680)

US dollars	16,523	(16,523)
Euro	3,375	(3,375)
Canadian dollars	2,251	(2,251)
Other currencies	5,518	(5,518)
Total foreign exchange risk	27,667	(27,667)

30 June 2016	**+100bps**	**-100bps**
	$'000	$'000
Interest rate risk on fixed and floating rate interest securities	126	(126)

	+10%	**-10%**
	$'000	$'000
Price risk on non-interest bearing securities	28,021	(28,021)

30 June 2016	+10%	-10%
	$'000	$'000
US dollars	17,601	(17,601)
Euro	2,810	(2,810)
Canadian dollars	2,290	(2,290)
Other currencies	4,698	(4,698)
Total foreign exchange risk	27,399	(27,399)

(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.

(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 Portfolio 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 tables 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.

30 June 2017	Less than 1 month	1-6 months	6-12 months	Over 12 months	No stated maturity	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Payables	378	-	-	-	-	378
Due to brokers	1,179	-	-	-	-	1,179
Total	1,557	-	-	-	-	1,557

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

(ii) **Maturities of net settled derivative financial instruments**

The tables 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.

30 June 2017	Less than 1 month	1-6 months	6-12 months	Over 12 months	No stated maturity	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Foreign currency contracts	3	-	-	-	-	3
30 June 2016						
Foreign currency contracts	7	-	-	-	-	7

17. FAIR VALUE MEASUREMENT

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(a) **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 financial year 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 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.

(b) **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 financial year applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the financial year. 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 financial year 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.

(c) **Recognised fair value measurement**

The tables below sets out the Company's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy.

30 June 2017	**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	249,440	-	-	249,440
Unit trusts	27,357	-	-	27,357
Interest bearing securities	-	10,667	-	10,667
Financial assets held for trading:				
Derivatives	-	3	-	3
Total	276,797	10,670	-	287,467

30 June 2016				
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	280,214	8,386	-	288,600
Financial liabilities				
Derivatives	-	2	-	2
Total	-	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 financial year.

(i) **Transfers between levels**
There were no transfers between the levels of the fair value hierarchy for the year ended 30 June 2017 and 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 year ended 30 June 2017 and 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) of the portfolio value up to and including $500 million;
- 1.10% (plus GST) of the portfolio value above $500 million and up to and including $1 billion; and
- 1.00% (plus GST) of 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 year the following fees were paid or payable for services provided by the Auditor.

	2017 $	Period from 26 March 2015 to 30 June 2016 $
(a) Auditor services		
Audit and review of financial reports	89,760	93,687
(b) Non-audit services		
Professional services – accounting and taxation services	14,586	60,500
Total	104,346	154,187

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, Chief Financial Officer and any other administrative support services required by the Company. ASCO earns a management fee for managing the Company. Fees of $3,412,835 were paid or payable to ASCO for the year ended to 30 June 2017 (30 June 2016: $3,371,418). Management fees of $300,000 were payable at balance date (30 June 2016: $280,000).

Argo Investments Limited (Argo)

Argo holds 12,500,100 shares in the Company. Argo held 12,500,000 options that were exercisable into shares at $2.00 per option on or before 31 March 2017. The options were not exercised and lapsed on 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 service agreements with the Manager, ASCO.

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

	2017	Period from 26 March 2015 to 30 June 2016
	$	$
Short-term employment benefits (Directors' fees)	149,200	177,434
Post-employment (superannuation)	14,174	16,857
	163,374	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 2017.

22. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No matters or circumstances have occurred subsequent to the financial year end that have 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 financial years.

Directors’ Declaration

Directors’ Declaration

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

(a) The financial statements and notes set out on pages 17 to 46 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 30 June 2017 and of its performance for the financial year 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.

Note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Managing Director and the Chief Financial Officer for the financial year ended 30 June 2017.

Signed in accordance with a resolution of the Directors

G.I. Martin AM

Chairman
28 August 2017

Independent auditor’s report

To the shareholders of Argo Global Listed Infrastructure Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Argo Global Listed Infrastructure Limited (the Company or AGLI) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2017
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the statement of profit or loss and other comprehensive income for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors’ declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757

Level 11, 70 Franklin Street, ADELAIDE SA 5000, GPO Box 418, ADELAIDE SA 5001

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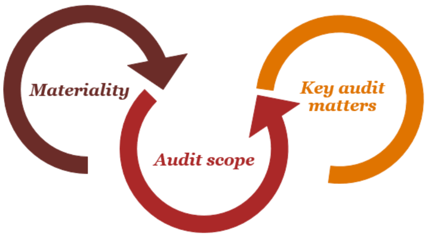
Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.



Materiality

- For the purpose of our audit we used overall materiality for AGLI of $2.9 million, which represents approximately 1% of net assets at 30 June 2017.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose net assets because, in our view, it is:
  - the benchmark against which the performance of the Company is most commonly measured;
  - the key driver of the business and determinant of the Company's value; and
  - a generally accepted benchmark for listed investment companies.
- We selected a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Audit scope

- We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the structure of the Company, its accounting processes and controls and the industry in which it operates.
- Our audit focused on where the Company made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- AGLI is an investment company that enables investors to invest in a diversified portfolio of listed global infrastructure securities. Our audit approach reflects the nature of the investments held by the Company and the consideration of the work undertaken by third party service providers. The key service providers relevant to our audit are Argo Service Company Pty Ltd (the manager), who manage the Company's assets, State Street Australia Limited (the custodian), who provide custodial and certain administrative functions to the Company and Cohen & Steers Capital Management Inc. (the portfolio manager), who manage and invest the portfolio.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	How our audit addressed the key audit matter
Investments in financial assets held at fair value *(Refer to notes 2(b) and 6)* At 30 June 2017, the Company recognised investments in financial assets held at fair value of $287.5 million, which comprised of investments in active markets. All investments are held in custody by State Street Australia Limited (the Custodian). We considered this a key audit matter because: • Investments in financial assets held at fair value is the most financially significant item in the Statement of Financial Position accounting for 98% of net assets. • A discrepancy in the valuation or existence of investments may significantly impact the financial performance of the Company as the valuation of investments is the main driver of movements in the Company's profit.	To assess the Company's controls over the valuation and existence of investments we: • Inspected the Custodian's independent service auditor's assurance reports ('Custodian auditor's reports') in respect of the relevant controls over the valuation and existence of investments at the Custodian. • Assessed the Custodian's auditor's reports by considering the auditors' independence, experience, competency and the results of their procedures. The Custodian's auditor's reports were unqualified although found that certain controls at the Custodian were not operating effectively. We considered the nature and number of exceptions and evaluated whether the Custodian had compensating controls in place. We were satisfied there were appropriate compensating controls in place and that we could rely on the Custodian's controls in relation to existence and valuation of investments for the purposes of our audit. Valuation procedures: • We compared price data from independent third party price vendors to the prices used by the Company to value all of its investments at year end. There were no material differences between our valuation testing and the Company's valuation of investments. Existence procedures: • We obtained an independent confirmation from the Custodian of all investment holdings at balance date. • We tested the period end reconciliation of holdings per the Custodian and holdings per the accounting records and found no material reconciling items.

Other information

The directors are responsible for the other information. The other information comprises the Corporate Directory, 2017 Summary, Directors' Report, Global Listed Infrastructure Portfolio and Shareholder information included in the Company's annual report for the year ended 30 June 2017 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 13 to 14 of the directors' report for the year ended 30 June 2017.

In our opinion, the remuneration report of Argo Global Listed Infrastructure Limited for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

A.G. Forman
Partner
PricewaterhouseCoopers

Adelaide
28 August 2017

Global Listed Infrastructure Portfolio as at 30 June 2017

Security	Country	Market value A$'000	% of total
Regulated Electric			
Alliant Energy Corp.	US	4,420	
CLP Holdings Ltd.	Hong Kong	7,278	
CMS Energy Corp.	US	8,150	
DTE Energy Company	US	3,762	
Edison International	US	6,997	
Energisa SA	Brazil	1,303	
Great Plains Energy Inc.	US	2,971	
Innogy SE	Germany	1,796	
National Grid PLC	UK	3,750	
PG&E Corp.	US	6,599	
Red Electrica De Espana	Spain	2,747	
Spark Infrastructure Group	Australia	3,677	
Wisconsin Energy Corp.	US	5,809	
Xcel Energy Inc.	US	8,831	
		68,090	23.6%
Integrated Electric			
Kyushu Electric Power Co. Inc.	Japan	3,147	
NextEra Energy Inc.	US	13,661	
Pattern Energy Group Inc.	US	2,449	
Tohoku Electric Power Co. Inc.	Japan	2,845	
		22,102	7.8%
Total – Electric		90,192	31.4%
Midstream – C Corp.			
Antero Resources Midstream	US	1,348	
APA Group	Australia	1,867	
Cheniere Energy Inc.	US	2,224	
Enbridge Inc.	Canada	2,096	
Kinder Morgan Canada	Canada	1,178	
Kinder Morgan Inc.	US	7,322	
Oneok Inc.	US	2,784	
Pembina Pipeline Corp.	Canada	4,636	
Snam Rete Gas	Italy	3,070	
TransCanada Corp.	Canada	9,980	
		36,505	12.7%

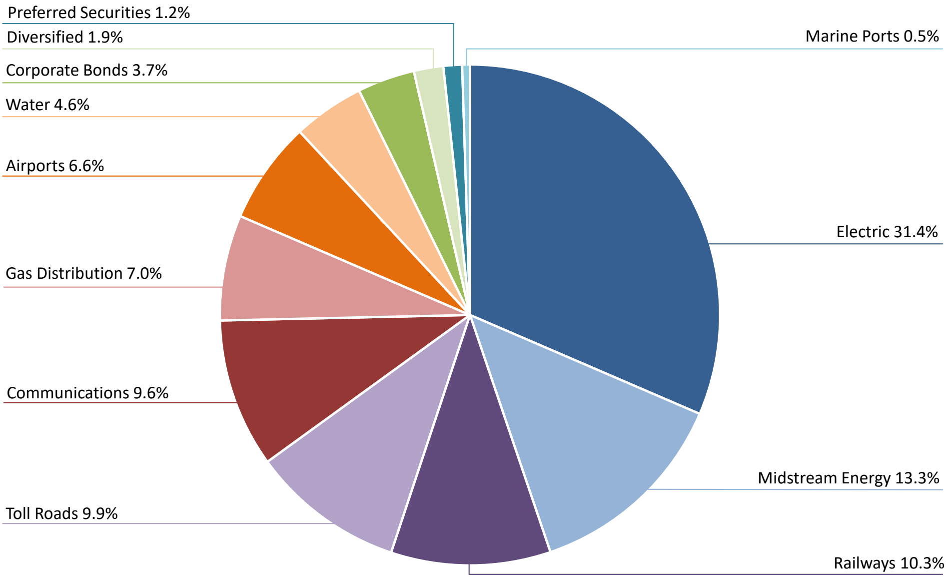
Security	Country	Market value A$'000	% of total
Midstream – MLP			
Hess Midstream Partners LP	US	1,049	
Rice Midstream Partners LP	US	595	
		1,644	0.6%
Total – Midstream		38,149	13.3%
Toll Roads			
Abertis Infraestructuras SA	Spain	2,020	
Atlantia SPA	Italy	7,362	
Ferrovial SA	Spain	4,959	
Jiangsu Express Cp. Ltd.	China	2,878	
OHL Mexico SAB de CV	Mexico	1,557	
Transurban Group	Australia	6,895	
Vinci SA	France	2,890	
Total – Toll Roads		28,561	9.9%
Gas Distribution			
Atmos Energy Corp.	US	5,914	
NiSource Inc.	US	2,877	
Sempra Energy	US	9,017	
Tokyo Gas Co. Ltd.	Japan	2,299	
Total – Gas Distribution		20,107	7.0%
Communications			
American Tower Corp.	US	11,928	
Crown Castle International Corp.	US	11,134	
EI Towers SpA	Italy	1,462	
Infrastructture Wireless Italiane S.p.A.	Italy	3,295	
Total – Communications		27,819	9.6%

Security	Country	Market value A$'000	% of total
Preferred Securities			
Entergy New Orleans 5.5%	US	1,602	
GasLog Partners 8.625%	Bermunda	209	
NextEra Energy 5.7%	US	405	
NuStar Energy 7.625%	US	850	
SCE Trust 5.375%	US	402	
Total – Preferred Securities		3,468	1.2%
Freight Rails			
Aurizon Holdings Ltd.	Australia	2,033	
Canadian Pacific Railway Ltd.	Canada	4,507	
CSX Corp.	US	4,500	
Norfolk Southern Corp.	US	1,864	
Union Pacific Corp.	US	5,701	
		18,605	6.5%
Passenger Rails			
Central Japan Railway	Japan	6,462	
West Japan Railway	Japan	4,591	
		11,053	3.8%
Total – Railways		29,658	10.3%
Airports			
Aeroports De Paris	France	4,067	
Airports of Thailand PCL- For	Thailand	932	
Auckland International Airport Ltd.	New Zealand	4,916	
Flughafen Zuerich AG	Switzerland	5,051	
Grupo Aeroportuario PAC- ADR	Mexico	4,070	
Total – Airports		19,036	6.6%

Security	Country	Market value A$'000	% of total
Water			
American Water Works Company Inc.	US	5,985	
Cia Saneamento Basico De SP	Brazil	4,840	
United Utilities Group PLC	UK	2,338	
Total – Water		13,163	4.6%
Corporate Bonds			
Emera 6.75%	Canada	2,718	
Enel Spa 8.75%	Italy	2,166	
FPL Group Capital Inc. 7.3%	US	1,309	
Southern Co. 5.5%	US	960	
TransCanada Trust 5.3%	Canada	267	
TransCanada Trust 5.625%	Canada	2,060	
TransCanada Trust 5.875%	Canada	1,180	
Total – Corporate Bonds		10,660	3.7%
Marine Ports			
China Merchants Holdings	China	1,356	
Total – Marine Ports		1,356	0.5%
Diversified			
Azure Power Global Ltd.	India	1,323	
Macquarie Infrastructure Corp.	US	3,972	
Total – Diversified		5,295	1.9%
Total Global Listed Infrastructure securities		287,464	100.0%

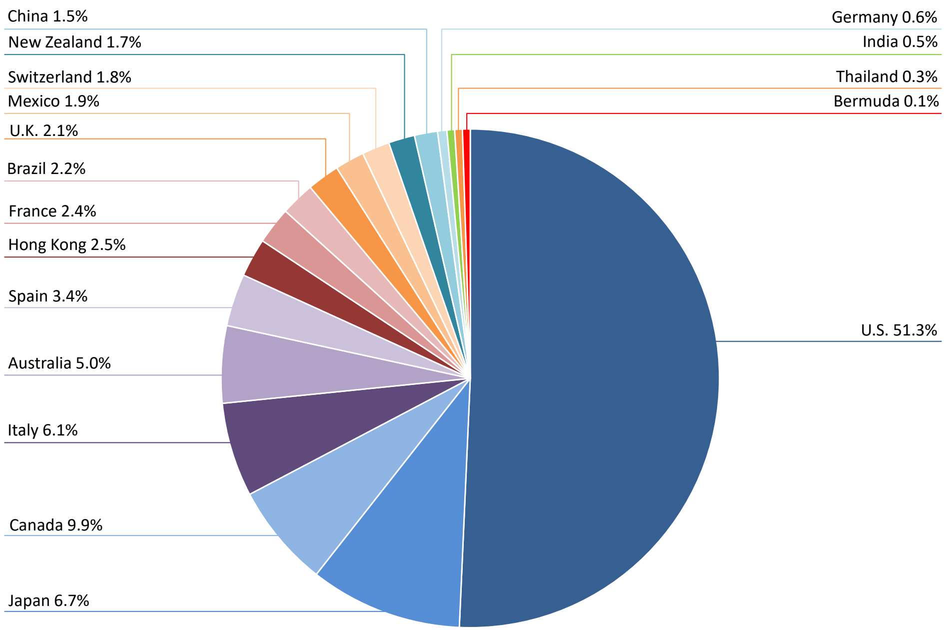
Subsector diversification

as at 30 June 2017



Geographic diversification

as at 30 June 2017



Shareholder information as at 31 July 2017

	Ordinary shareholders
Number of shareholders holding:	
1 – 1,000 shares	1,012
1,001 – 5,000 shares	4,026
5,001 – 10,000 shares	2,114
10,001 – 100,000 shares	3,098
100,001 or more shares	83
Total number of shareholders (entitled to one vote per share)	**10,333**
Number of shareholders holding less than a marketable parcel	62

20 largest shareholders

	No. of shares	%
Argo Investments Limited	12,500,100	8.71
CS Third Nominees Pty Limited (HSBC Cut Nom Au Ltd 13 a/c)	2,169,808	1.51
JIN Pty. Limited	1,000,000	0.70
RTR Pty. Limited	1,000,000	0.70
Navigator Australia Ltd. (MLC Investment Sett a/c)	901,937	0.63
JPMorgan Nominees Australia Limited	804,180	0.56
BNP Paribas Nominees Pty. Ltd. HUB24 Custodial Serv Ltd. DRP	541,214	0.38
Gumala Investments Pty. Ltd. (General Gumala Foundation a/c)	500,000	0.35
BNP Paribas Noms Pty. Ltd. (DRP)	498,912	0.35
HSBC Custody Nominees (Australia) Limited	460,769	0.32
National Nominees Limited	452,338	0.32
Vaucluse Skyline Pty. Limited	400,000	0.28
Fimar Investments Pty. Ltd.	375,000	0.26
Slo Concepts Pty. Ltd. (Oldham Super Fund a/c)	325,000	0.23
Blind Welfare Pty. Ltd. (Blind Welfare Foundation a/c)	300,000	0.21
DLAL Pty. Ltd. (The Lenagan Super Fund a/c)	300,000	0.21
Prof. Peter Glow + Mrs Roslyn Ann Glow	300,000	0.21
Vinula Pty. Ltd.	300,000	0.21
Ardmillan Place Nominees Pty. Ltd.	280,000	0.20
Caprest Pty. Limited	265,000	0.18
	23,674,258	**16.52**

Argo Global Listed Infrastructure