Annual Report

ARGO
INFRASTRUCTURE

Directory

Argo Global Listed Infrastructure Limited
ABN 23 604 986 914

Non-executive Directors
Russell A. Higgins AO, Chairman
Mark J.H. Hall
Joycelyn C. Morton
Andrea E. Slattery

Managing Director
Jason Beddow

Company Secretary
Timothy C.A. Binks

Chief Financial Officer
Andrew B. Hill

Auditor
Ernst & Young

Securities Exchange Listing
ASX code : ALI

Registered Head Office
Level 25, 91 King William 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
Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
Telephone: 1300 389 922
www.investorserve.com.au

Manager
Argo Service Company Pty Ltd
(AFSL 470477)
Level 25, 91 King William Street
Adelaide SA 5000

Portfolio Manager
Cohen & Steers Capital Management, Inc.
280 Park Avenue,
New York NY USA 10017
www.cohenandsteers.com

Annual General Meeting

Due to the COVID-19 pandemic, Argo Infrastructure's Annual General Meeting (AGM) will be a virtual meeting conducted online on **Monday 25 October 2021**.

Further details for the AGM will be advised with the Notice of Annual General Meeting which will be distributed to shareholders in September.

ALI's information meetings in various capital cities unfortunately will not be held this year. We are hopeful that we will be able to hold our information meetings next year.

"Argo Infrastructure'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 can provide diversification benefits for Australian investors."

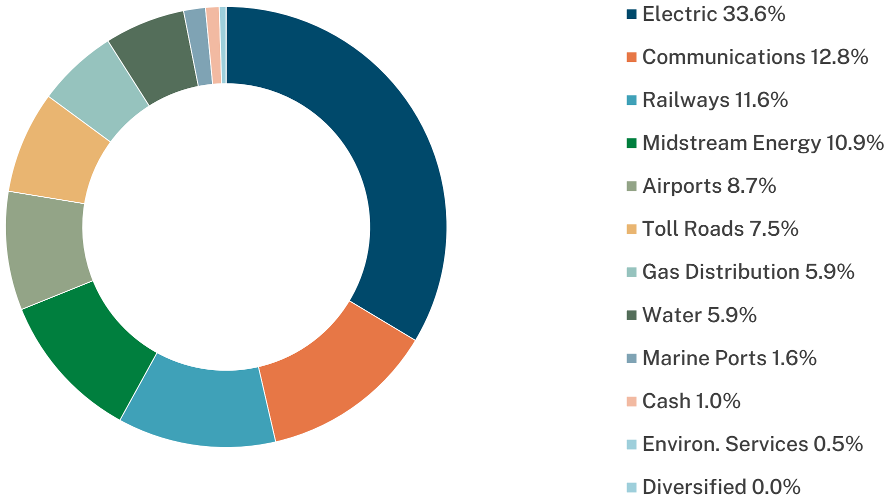
Highlights

Net assets at 30 June 2021	Portfolio performance for 12 months to 30 June 2021	NTA per share at 30 June 2021
$351m	**+9.2%**	**$2.35**
Full year dividends, fully franked	Consecutive fully franked dividends paid by the Company	Total shareholders
8.0c	**7**	**9,441**

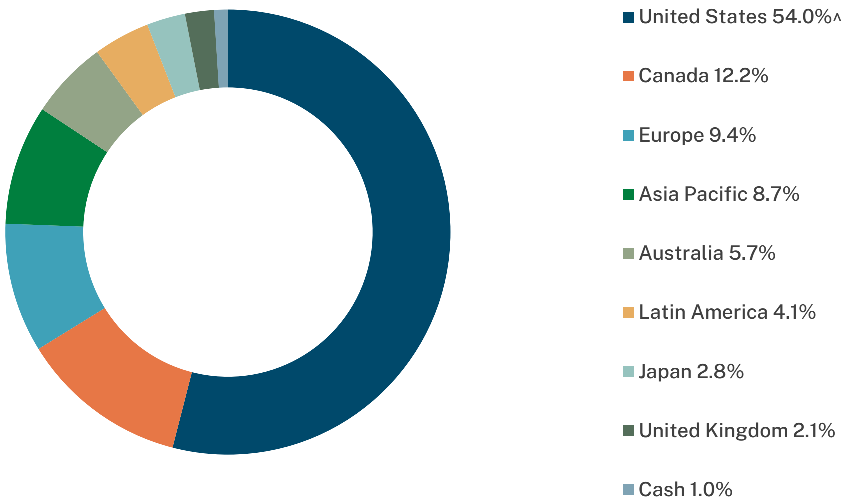
Contents

Portfolio diversification

Sector



Geographic



^ Many of the largest infrastructure companies are listed in the United States, although their operations and earnings are often global.

Shareholder benefits

Global diversification
Exposure across various geographies and both emerging and developed economies.

Specialist global fund manager
Access to a world-leading, specialist infrastructure fund manager.

Access infrastructure opportunities
New opportunities offshore through government privatisations.

Proven investment approach
Experienced investment team with a long and successful track record.

Enhance risk-adjusted returns
Less volatile than broader equities providing some relative downside protection.

Simple global investing
Exposure to a large and complex asset class through one simple ASX trade.

Directors' Report

The Directors present their sixth Annual Report together with the financial report of Argo Global Listed Infrastructure Limited (ALI or Company) for the financial year ended 30 June 2021, including the Independent Auditor's Report.

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:

Russell Allan Higgins AO

Position:	Non-Independent Non-executive Director and Chairman
Joined Board:	2018; appointed Chairman in 2018
Qualifications:	BEc, FAICD
Background and experience:	Experienced company director, including of major infrastructure companies, who has also held several senior government positions, particularly in the industry, science and energy sectors, and in economic and fiscal policy, in Australia and overseas
ASX directorships, current:	Argo Investments (since 2011, Chairman)
ASX directorships, last 3 years:	APA Group (2004-2019); Telstra Corporation (2009-2018)
Other directorships:	Telstra Foundation (Chair), Argo Service Company (Chair)

Mark James Henty Hall

Position:	Independent Non-executive Director
Joined Board:	2019
Committees:	Audit & Risk (Chair)
Qualifications:	BComm, FCPA, GradDipTax
Background and experience:	Highly qualified and experienced in financial and taxation matters. Executive career included over 20 years with Telstra Corporation Ltd in senior finance roles including Deputy Chief Financial Officer and Acting Chief Financial Officer.
ASX directorships, current:	nil
ASX directorships, last 3 years:	nil
Other directorships:	nil

Joycelyn Cheryl Morton

Position:	Non-Independent Non-executive Director
Joined Board:	2015
Committees:	Audit & Risk
Qualifications:	BEc, FCA, FCPA, FIPA, FGIA, FAICD
Background and experience:	Experienced corporate and government company director with executive experience in corporate, tax and accounting roles both in Australia and overseas
ASX directorships, current:	Argo Investments (since 2012); Beach Energy (since 2018); Felix Group Holdings (since July 2021)
ASX directorships, last 3 years:	Thorn Group (2011-2018); Invocare (2015-2018)
Other directorships:	ASC, Salvation Army Red Shield Doorknock Appeal Sydney (Chair)

Andrea Elizabeth Slattery

Position:	Independent Non-executive Director
Joined Board:	2015
Committees:	Audit & Risk
Qualifications:	BAcc, MCom, FCPA, CA, FSSA, FAICD
Background and experience:	Extensive executive career in the financial services sector included co-founding and growing the SMSF Association as its Managing Director and CEO. Experienced in the infrastructure, property, renewable energy and investment sectors and in government advisory committee roles.
ASX directorships, current:	AMP (since 2019)
ASX directorships, last 3 years:	Centrepoint Alliance (2018-2019)
Other directorships:	AMP Bank, Clean Energy Finance Corporation and Woomera Prohibited Area Advisory Board (Deputy Chair)

Jason Beddow

Position:	Non-Independent Managing Director
Joined Board:	2015
Qualifications:	BEng, GdipAppFin (SecInst)
Background and experience:	Started his career in mining engineering before moving into the investment industry, working in broking, research and funds management. Joined Argo in 2001 as an investment analyst, became Chief Investment Officer in 2008 and Chief Executive Officer in 2010
ASX directorships, current:	Argo Investments (since 2014, Managing Director)
ASX directorships, last 3 years:	nil
Other directorships:	Argo Service Company (since 2015, Managing Director)

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
R.A. Higgins AO	160,859
J. Beddow	87,184
M.J.H. Hall	40,174
J.C. Morton	97,699
A.E. Slattery	67,741

Board and Committee meetings

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

There were 4 Board meetings and 4 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
R.A. Higgins AO	4	4	-	4*
J. Beddow	4	4	-	4*
M.J.H. Hall	4	4	4	4
J.C. Morton	4	4	4	4
A.E. Slattery	4	4	4	4

* by invitation

Secretary

Timothy Campbell Agar Binks BEc, CA, FGIA, 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 is an experienced governance executive with a background in accounting, funds management and stockbroking. He was appointed as 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, Argo Service Company Pty Ltd (ASCO), which acts as ALI'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	5,546
A.B. Hill	12,415

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 can provide 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

Summary of business model

The business objective of Argo Global Listed Infrastructure Limited (ASX code: ALI) is to provide a total return for long-term investors consisting of capital growth and dividend income, from a global listed infrastructure portfolio which can provide diversification benefits for Australian investors. ALI 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 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, ALI'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.

ALI's major expense is a management fee, as it is externally managed and has no employees of its own. ALI'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. No performance fees are charged.

The Manager is Argo Service Company Pty Ltd (ASCO), which is a wholly-owned subsidiary of Argo Investments Limited (ASX code: ARG). ASCO provides administrative, operational and financial services to ALI, in addition to overseeing the Portfolio Manager and providing the Company's Managing Director, Company Secretary and Chief Financial Officer.

The Portfolio Manager is Cohen & Steers Capital Management, Inc. (CNS), which is a leading global investment manager based in New York. Its parent company is listed on the New York Stock Exchange (NYSE code: CNS) and it is one of the world's largest investors in global listed infrastructure.

Other ALI expenses include transaction costs, custody fees, insurance, share registry charges and Directors' remuneration.

The Board determines the dividends paid to shareholders half-yearly, having regard to the income received by the Company from its portfolio dividends during the period, together with net realised gains on portfolio sales. When realised gains occur, franking credits can be generated from the corporate tax that ALI pays in Australia. These franking credits will be distributed to shareholders when available.

Due to ALI'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$ asset values and vice versa.

Review of events and activities in the year ended 30 June 2021

Despite delivering a healthy +8.7% return for the financial year, global listed infrastructure underperformed broader equity markets which rebounded very strongly from last year's pandemic lows, boosted by announcements in November that several COVID-19 vaccines had been successfully tested and production was commencing for global distribution. The economic recovery gathered pace in most developed countries as the year progressed, driven by huge and ongoing fiscal and monetary stimulus.

Within infrastructure, there were large divergences in performance between the various subsectors over the year.

All subsectors recorded positive returns in A$ terms, but the economically sensitive subsectors led the way, recovering strongly after being the hardest hit last year. Marine ports returned +53.3%, mid-stream energy +27.5%, railways +16.1% and airports +11.3%. Utilities were more subdued, with water +2.1%, electric +3.6% and gas distribution +4.0%.

The Australian dollar appreciated over the financial year from US$0.69 to US$0.75, providing a headwind for ALI's Net Tangible Asset (NTA) backing per share.

CNS performed well again this year as Portfolio Manager, with the portfolio return exceeding the infrastructure benchmark by +0.5%.

ALI's NTA performance return after all costs was +7.6% for the financial year with the share price return delivering +9.5%, compared to the benchmark return of +8.7%.

There were no changes to the composition of the Board of Directors or key management personnel during the year.

Discussion of results and financial position

ALI's profit for the year ended 30 June 2021 was $18.8 million, compared to a loss of $9.3 million for the prior period. As previously noted, accounting standards require ALI to value its portfolio at each year end and treat the unrealised appreciation or depreciation in that value as a profit or loss for the year. This can result in significant fluctuations in reported profits and this year the strong rebound in global markets following the weak prior year when the pandemic first arrived, resulted in a large headline profit due to this valuation effect.

The portfolio produced $9.7 million in dividends, distributions and interest this year, only slightly down on the prior period, demonstrating the resilience of infrastructure sector income in a year when many industrial and financial companies paid much lower dividends.

ALI's annual dividends to shareholders increased again, from 7.5 cents per share fully franked last year to 8.0 cents fully franked this year. The final dividend is ALI's seventh consecutive fully franked dividend.

The Company's balance sheet remains strong, with net assets at 30 June 2021 of $351 million, up from $320 million at 30 June 2020. The portfolio accounts for the majority of assets and can fluctuate significantly due to market and currency movements. Shareholders also contributed $23.2 million in the Company's first Share Purchase Plan in October 2020.

NTA backing per share at 30 June 2021 was $2.35, up from $2.27 at 30 June 2020.

Future prospects, strategies and risks

ALI'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.

The more immediate future prospects of ALI will continue to be impacted by the ongoing health and economic effects of the COVID-19 pandemic, but to what extent is difficult to predict.

Although CNS anticipate a vaccine-led return to more normal economic activity as the 2022 financial year progresses, the path is likely to be uneven due to new virus strains, differing travel restrictions and re-opening policies around the world.

While the infrastructure sector lagged the extremely strong rebound in broader equities markets during the 2021 financial year, sector valuations are now at decade-low discounts to broader equities, in contrast to the usual premium that infrastructure trades at due to its lower volatility.

Recent takeover bids for Australian infrastructure stocks Sydney Airports and Spark Infrastructure highlight the relative value of the listed sector and the demand from large private investor groups such as superannuation funds for quality long-term assets.

Although the threat of inflation and higher interest rates will impact some infrastructure subsectors, President Biden's US infrastructure package and tax changes will be a clear positive. Longer term, we see secular trends such as the digital transformation of economies and the transition to renewable energy will be significant drivers for the sector.

The constantly changing nature of markets and other investment conditions requires the Company to diligently appraise any opportunities that may present themselves, although ALI does not envisage any significant changes to its business model.

The Directors firmly believe that ALI 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, ALI is well placed to benefit from the long-term growth and income potential of the global listed infrastructure sector which remains compelling.

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 interim fully franked dividend of 3.5 cents per share was paid on 26 March 2021.

On 30 August 2021, the Directors declared a final fully franked dividend of 4.5 cents per share to be paid on 1 October 2021.

Total dividends for the year amount to 8.0 cents per share. This compares to 7.5 cents per share last year.

Dividend Reinvestment Plan (DRP)

The DRP raised $487,269 of new capital for investment during the year.

The DRP will operate for the 4.5 cents per share dividend payable on 1 October 2021 and the Directors have resolved that the shares will be allotted to participating shareholders at the market price of ALI shares, as defined by the DRP. No discount will apply.

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.

Audit And Non-Audit Services

Details of the amounts paid or payable to Ernst & Young for audit and non-audit services provided during the year are set out in Note 18 to the financial statements 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 (audited)

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, ASCO.

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 2021, the Chairman received a fee of $48,000 and the other Non-executive Directors received $41,800. All Non-Executive Directors' Fees are inclusive of Superannuation Guarantee contributions.

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
		$	$	$
R.A. Higgins AO	**2021**	**43,836**	**4,164**	**48,000**
	2020	43,836	4,164	48,000
M.J.H. Hall (i)	**2021**	**38,173**	**3,627**	**41,800**
	2020	21,564	2,048	23,612
J.C. Morton	**2021**	**38,173**	**3,627**	**41,800**
	2020	38,173	3,627	41,800
G.J. Simon (ii)	**2021**	**-**	**-**	**-**
	2020	9,543	907	10,450
A.E. Slattery	**2021**	**38,173**	**3,627**	**41,800**
	2020	38,173	3,627	41,800
Total	**2021**	**158,355**	**15,045**	**173,400**
	2020	151,289	14,373	165,662

(i) Appointed 6 December 2019
(ii) Ceased employment September 2019

Key Management Personnel equity holdings

The number of ordinary shares in the Company held or controlled by key management personnel or their related parties during the financial year:

	Opening balance	Changes during the year	Closing balance
R.A. Higgins AO	143,640	17,219	160,859
J. Beddow	87,184	-	87,184
M.J.H. Hall	20,000	20,174	40,174
J.C. Morton	81,550	16,149	97,699
A.E. Slattery	56,762	10,979	67,741
T.C.A. Binks	5,452	94	5,546
A.B. Hill	2,543	9,872	12,415

End of audited remuneration report.

Corporate Governance Statement

The Corporate Governance Statement for the year ended 30 June 2021 can be accessed in the Corporate Governance section of the Company's website at www.argoinfrastructure.com.au.

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

R.A. Higgins AO
Chairman
30 August 2021

Building a better
working world

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of Argo Global Listed Infrastructure Limited

As lead auditor for the audit of Argo Global Listed Infrastructure Limited for the financial year ended 30 June 2021, I declare 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.

Ernst & Young

Ernst & Young

Rohit Khanna
Partner
30 August 2021

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2021

	Note	2021 $'000	2020 $'000
Investment income			
Dividends and distributions		9,669	10,204
Interest		4	2
Net foreign exchange losses		(80)	(33)
Net changes in fair value of financial assets at fair value through profit or loss (realised and unrealised)		23,224	(17,650)
Total investment income/(loss)		32,817	(7,477)
Expenses			
Management fees	17, 19	(4,050)	(4,211)
Custody and administration fees		(252)	(273)
Directors' fees		(173)	(166)
Registry fees		(88)	(140)
Transaction costs		(342)	(409)
Other expenses		(428)	(444)
Total expenses		(5,333)	(5,643)
Profit/(loss) before income tax		27,484	(13,120)
Income tax (expense)/benefit	3	(8,689)	3,807
Profit/(loss) after income tax		18,795	(9,313)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		18,795	(9,313)
		cents	cents
Earnings per share			
Basic and diluted earnings per share	4	12.55	(6.57)

(to be read in conjunction with the accompanying notes)

Statement of Financial Position

at 30 June 2021

	Note	2021 $'000	2020 $'000
Current Assets			
Cash and cash equivalents	5	1,751	5,169
Receivables		1,118	944
Receivables – trade settlements		2,468	3
Financial assets at fair value through profit or loss	6,7	355,568	324,340
Current tax asset		1,664	-
Total Current Assets		362,569	330,456
Total Assets		362,569	330,456
Current Liabilities			
Payables		446	432
Payables – trade settlements		1,617	-
Current tax liability		-	7,860
Total Current Liabilities		2,063	8,292
Non-Current Liabilities			
Deferred tax liability	3	9,342	1,686
Total Non-Current Liabilities		9,342	1,686
Total Liabilities		11,405	9,978
Net Assets		351,164	320,478
Equity			
Contributed equity	8	303,035	279,395
Profit reserve	9	37,979	49,728
Retained earnings	10	10,150	(8,645)
Total Equity		351,164	320,478

(to be read in conjunction with the accompanying notes)

Statement of Changes in Equity

for the year ended 30 June 2021

	Note	Contributed equity $'000	Profit reserve $'000	Retained earnings $'000	Total $'000
Balance as at 1 July 2020		279,395	49,728	(8,645)	320,478
Total comprehensive income for the year		-	-	18,795	18,795
Dividends paid	11	-	(11,749)	-	(11,749)
Dividend Reinvestment Plan	8	487	-	-	487
Share purchase plan	8	23,218	-	-	23,218
Cost of share issues	8	(65)	-	-	(65)
Balance as at 30 June 2021		303,035	37,979	10,150	351,164

for the year ended 30 June 2020

	Note	Contributed equity $'000	Profit reserve $'000	Retained earnings $'000	Total $'000
Balance as at 1 July 2019		278,431	59,649	668	338,748
Total comprehensive income for the year		-	-	(9,313)	(9,313)
Dividends paid	11	-	(9,921)	-	(9,921)
Dividend Reinvestment Plan	8	964	-	-	964
Balance as at 30 June 2020		279,395	49,728	(8,645)	320,478

(to be read in conjunction with the accompanying notes)

Statement of Cash Flows

for the year ended 30 June 2021

	Note	2021 $'000	2020 $'000
Cash flows from operating activities			
Proceeds from sale of financial instruments at fair value through profit or loss		229,716	254,812
Purchase of financial instruments at fair value through profit or loss		(238,568)	(241,178)
Net foreign exchange loss		(197)	(146)
Interest received		4	3
Dividends and distributions received		9,403	10,843
Other income received		79	-
GST recovered		424	460
Management fees paid		(4,010)	(4,246)
Custody fees paid		(274)	(250)
Other expenses paid		(1,459)	(2,903)
Income tax paid		(10,544)	(9,062)
Net cash (outflow)/inflow from operating activities	13	(15,426)	8,333
Cash flows from financing activities			
Dividends paid - net of Dividend Reinvestment Plan		(11,262)	(8,957)
Share purchase plan		23,218	-
Cost of share issues		(65)	-
Net cash inflow/(outflow) from financing activities		11,891	(8,957)
Net decrease in cash and cash equivalents		(3,535)	(624)
Cash and cash equivalents at the beginning of the year		5,169	5,680
Effect of foreign currency exchange rate changes on cash and cash equivalents		117	113
Cash and cash equivalents at the end of the year	5	1,751	5,169

(to be read in conjunction with the accompanying notes)

Contents of the Notes to the Financial Statements
for the year ended 30 June 2021

Notes to the Financial Statements
for the year ended 30 June 2021

1. General information

This financial report is for Argo Global Listed Infrastructure Limited (ALI or Company) for the year ended 30 June 2021.

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 30 August 2021. 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 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.

The accounting policies adopted are consistent with those of the previous financial year.

Where appropriate, comparative disclosures have been reclassified/amended to be consistent with the current year's presentation.

(b) Financial instruments

(i) Classification

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

These are investments in exchange traded equity instruments and unit trusts.

Receivables and payables are presented at amortised cost.

(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. The Company derecognises a financial liability when the obligation under the liability has expired.

(iii) **Measurement**

Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities at fair value through profit or loss are recorded in the Statement of Financial Position initially at 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 carrying amount of other financial assets and liabilities held at amortised cost (which are all short-term) approximates fair value.

This includes cash and cash equivalents, receivables including receivables for trade settlements and payables including payables for trade settlements.

(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 and 7.

(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.

(vi) **Impairment of other financial assets**
The Company holds cash and cash equivalents and receivables with no financing component and maturities of less than 12 months at amortised cost. These assets are not materially impacted by impairment.

(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. Amounts are generally received within 30 days of being recognised as receivables. Given the short-term nature of most receivables their nominal amounts approximate their fair value.

(f) **Payables**
Payables are measured at their nominal amounts. Amounts are generally paid within 30 days of being recognised as payables. Given the short-term nature of most payables their nominal amounts approximate their fair value.

(g) **Investment income**
Dividend income is recognised on the ex-dividend date, with any related foreign withholding tax recorded as an income tax expense.

Trust distributions are recognised on a present entitlement basis.

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.

Other income is brought to account on an accruals basis.

Net changes in fair value of financial assets and liabilities at fair value through profit or loss are recognised as income and are determined as the difference between the fair value at the balance date or consideration received (if sold during the financial year) and the fair value as at the prior balance date or initial fair value (if acquired during the financial year). This includes both realised and unrealised gains and losses, but does not include interest or dividend income.

(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 2021. (2020: 30%)

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. The current tax liability is the 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. The deferred tax balances at 30 June 2021 are calculated at a tax rate of 30% (2020: 30.0%).

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 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.

The Company has an on-market share buy-back in place for capital management purposes. Details of the Company's share buy-back is provided in Note 8.

(o) **Segment reporting**

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

(p) **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.

(q) **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.

The Company's significant accounting estimates and judgements include fair value measurement of financial assets and liabilities that are not traded in an active market. Details on the determination of fair value are provided in Note 16(b).

(r) **New accounting standards and interpretations**

There are no 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

	2021 $'000	2020 $'000
(a) **Reconciliation of income tax expense/(benefit) to prima facie tax payable/(receivable):**		
Profit/(loss) before income tax	27,484	(13,120)
Prima facie tax expense/(benefit) calculated at 30% (2020: 30%)	8,245	(3,936)
Tax effect of franked dividends received	(3)	(5)
Other	447	134
Income tax expense/(benefit)	8,689	(3,807)
(b) **Income tax expense/(benefit) composition:**		
Current income tax	1,033	9,698
Deferred income tax	7,656	(13,505)
	8,689	(3,807)

	2021 $'000	2020 $'000
(c) **Deferred tax liabilities:**		
The balance comprises temporary differences attributed to:		
Dividends and distributions receivable	242	180
Unrealised gains on investments	9,168	1,564
	9,410	1,744
Offset by deferred tax assets:		
Foreign tax credits receivable	(54)	(55)
Costs associated with the issue of shares	(14)	(3)
	(68)	(58)
Net deferred tax liabilities	9,342	1,686
Movements:		
Balance at the beginning of the year	1,686	15,191
Charged to profit or loss	7,656	(13,505)
Balance at the end of the year	9,342	1,686
(d) **Franking account:**		
Total imputation credits available, after allowing for tax payable and franked dividends receivable, in subsequent financial years based on a tax rate of 30% (2020: 30%)	8,998	13,817
Impact on the franking account of the dividend declared but not recognised as a liability at the end of the financial year at tax rate of 30% (2020: 30%)	(2,959)	(2,738)
	6,039	11,079
The franking account balance would allow the Company to fully frank additional dividend payments at tax rate of 30% up to an amount of (2020: 30%)	14,091	25,851

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

4. Earnings per share

	2021 number '000	2020 number '000
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share	149,715	141,849
	$'000	$'000
Profit/(loss) for the year used in the calculation of basic and diluted earnings per share	18,795	(9,313)
	cents	cents
Basic and diluted earnings per share	12.55	(6.57)

Basic and 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 for the year.

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

5. Cash and cash equivalents

	2021 $'000	2020 $'000
Cash at bank	1,751	5,169

These accounts are earning a floating interest rate of between -1.75% and +0.05% at 30 June 2021 (2020: -1.75% and +0.05%).

6. Financial assets at fair value through profit or loss

	2021 $'000	2020 $'000
Financial assets at fair value through profit or loss:		
Equity securities	320,449	279,159
Unit trusts	35,108	45,181
	355,557	324,340
Held for trading:		
Derivatives (Note 7)	11	-
Total	355,568	324,340

The following securities each represent over 5% of total investments:

	2021 %	2020 %
NextEra Energy Inc.	5.7	7.4

There were 3,297 investment transactions during the financial year (2020: 3,608).

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 at fair value through profit or loss are included in Note 15.

7. Derivative financial instruments

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 2021	**Contract/notional** $'000	**Assets** $'000	**Liabilities** $'000
Foreign currency contracts	2,959	11	-
30 June 2020			
Foreign currency contracts	356	-	-

8. Contributed equity

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

	2021 No. of shares	2020 No. of shares	2021 $'000	2020 $'000
Opening balance	141,951,785	141,539,639	279,395	278,431
Dividend Reinvestment Plan[(1)]	240,034	412,146	487	964
Share purchase plan[(2)]	11,216,539	-	23,218	-
Cost of share issues			(65)	-
Closing balance	153,408,358	141,951,785	303,035	279,395

(1) On 26 March 2021, 240,034 shares were allotted at $2.03 per share pursuant to the Dividend Reinvestment Plan in operation for the interim dividend paid for the period ended 30 June 2021.

(2) On 19 October 2020, 11,216,539 shares were allotted at $2.07 per share pursuant to the Share Purchase Plan offered to eligible shareholders.

9. Profit reserve

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

	2021 $'000	2020 $'000
Balance at the beginning of the year	49,728	59,649
Dividends paid	(11,749)	(9,921)
Balance at the end of the year	37,979	49,728

10. Retained earnings

	2021 $'000	2020 $'000
Balance at the beginning of the year	(8,645)	668
Profit/(loss) for the year	18,795	(9,313)
Balance at the end of the year	10,150	(8,645)

11. Dividends

	2021 $'000	2020 $'000
(a) **Dividends paid during the year**		
Final dividend for the year ended 30 June 2020 of 4.5 cents fully franked at 30.0% tax rate, paid 2 October 2020 (2019: 4.0 cents fully franked at 30.0% tax rate)	6,388	5,662
Interim dividend for the year ended 30 June 2021 of 3.5 cents fully franked at 30.0% tax rate, paid 26 March 2021 (2020: 3.0 cents fully franked at 30.0% tax rate)	5,361	4,259
Total dividends paid	11,749	9,921
(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 2021 of 4.5 cents fully franked at 30% tax rate, payable 1 October 2021 (2020: 4.5 cents fully franked at 30.0% tax rate)	6,903	6,388

12. 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 8.

13. Cash flow information

(a) Reconciliation of profit to net cash flow from operating activities

	2021 $'000	2020 $'000
Profit/(loss) after income tax	18,795	(9,313)
Purchase of financial instruments at fair value through profit or loss	(238,568)	(241,178)
Proceeds from sale of financial instruments at fair value through profit or loss	229,716	254,812
Net (gains)/losses on financial instruments at fair value through profit or loss	(23,224)	17,650
Net change in receivables	(1,838)	674
Net change in payables	(7,846)	(694)
Net change in deferred tax liabilities	7,656	(13,505)
Effects of foreign currency exchange rate changes on cash and cash equivalents	(117)	(113)
Net cash (outflow)/inflow from operating activities	(15,426)	8,333

(b) Non-cash financing activities

Dividends paid totalling $0.5 million were reinvested in shares under the Company's Dividend Reinvestment Plan (2020: $1.0 million).

14. 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:

	2021	2021	2020	2020
	A$'000	%	A$'000	%
US	194,306	54.6	184,872	57.0
Canada	43,869	12.3	25,722	7.9
Australia	20,398	5.7	19,943	6.1
Spain	17,371	4.9	10,461	3.2
China	16,582	4.7	15,760	4.9
Other countries	63,031	17.8	67,582	20.9
Total	355,557	100.0	324,340	100.0

15. 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 the portfolio invested in global listed infrastructure securities. The portfolio is 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 15(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% (2020: 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. Other foreign currencies include the Brazilian real, British pound sterling, Hong Kong dollar and Japanese yen.

30 June 2021	**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	472	4	94	582	1,152
Receivables	45	31	65	465	606
Receivables – trade settlements	350	1,021	1,097	-	2,468
Financial assets at fair value through profit or loss	194,306	33,625	43,870	63,370	335,171
Liabilities					
Payable- trade settlements	(272)	-	(370)	(975)	(1,617)
Total	194,901	34,681	44,756	63,442	337,780

30 June 2020	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	332	40	58	948	1,378
Receivables	(48)	134	56	262	404
Receivables – trade settlements	-	2	-	-	2
Financial assets at fair value through profit or loss	186,994	32,279	25,722	59,402	304,397
Liabilities					
Financial liabilities at fair value through profit or loss	(152)	(41)	-	(163)	(356)
Total	187,126	32,414	25,836	60,449	305,825

The table at Note 15(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% (2020: 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 2021	**Floating interest rate**	**Non-interest bearing**	**Total**
	$'000	$'000	$'000
Assets			
Cash and cash equivalents	1,751	-	1,751
Receivables	-	1,118	1,118
Receivables – trade settlements	-	2,468	2,468
Financial assets at fair value through profit and loss	-	355,568	355,568
Liabilities			
Payables	-	(446)	(446)
Payables- trade settlements		(1,617)	(1,617)
Total	1,751	357,091	358,842

30 June 2020			
Assets			
Cash and cash equivalents	5,169	-	5,169
Receivables	-	944	944
Receivables – trade settlements	-	3	3
Financial assets at fair value through profit and loss	-	324,340	324,340
Liabilities			
Payables	-	(432)	(432)
Total	5,169	324,855	330,024

The table at Note 15(b) summarises the sensitivity of the Company's assets and liabilities to interest rate risk. The analysis is based on the assumption that interest rates increased/decreased by 1.0% (2020: 1.0%).

(b) **Summarised sensitivity analysis**

The following tables summarise 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 2021	**+100bps** $'000	**-100bps** $'000
Interest rate risk on fixed and floating rate interest securities	18	(18)
	+10% $'000	**-10%** $'000
Price risk on non-interest bearing securities	35,557	(35,557)
US dollar	19,490	(19,490)
Canadian dollar	4,476	(4,476)
Euro	3,468	(3,468)
Other currencies	6,344	(6,344)
Total foreign exchange risk	33,778	(33,778)

30 June 2020	**+100bps** $'000	**-100bps** $'000
Interest rate risk on fixed and floating rate interest securities	52	(52)
	+10% $'000	**-10%** $'000
Price risk on non-interest bearing securities	32,434	(32,434)

30 June 2020	+10%	-10%
	$'000	$'000
US dollar	18,713	(18,713)
Canadian dollar	2,583	(2,583)
Euro	3,242	(3,242)
Other currencies	6,045	(6,045)
Total foreign exchange risk	30,583	(30,583)

(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 receivables - trade settlements. 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 2021	Less than 1 month	1-6 months	6-12 months	Over 12 months	No stated maturity	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Payables	446	-	-	-	-	446
Payable- trade settlements	1,617	-	-	-	-	1,617
Total	2,063	-	-	-	-	2,063
30 June 2020						
Payables	432	-	-	-	-	432

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

The tables below analyses the Company's 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 2021	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	11	-	-	-	-	11
30 June 2020						
Foreign currency contracts	-	-	-	-	-	-

16. 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 2021	**Level 1** $'000	**Level 2** $'000	**Level 3** $'000	**Total** $'000
Financial assets				
Financial assets at fair value through profit or loss:				
Equity securities	320,449	-	-	320,449
Unit trusts	35,108	-	-	35,108
Derivatives	-	11	-	11
Total	355,557	11	-	355,568

30 June 2020				
Financial assets				
Financial assets at fair value through profit or loss:				
Equity securities	279,159	-	-	279,159
Unit trusts	45,181	-	-	45,181
Total	324,340	-	-	324,340

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 2021.

(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 2021.

(iii) **Fair values of other financial instruments**

Due to their short-term nature, the carrying amounts of receivables and payables are assumed to approximate fair value.

17. 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:

- 1.2% (plus GST) of the portfolio value up to and including $500 million;
- 1.1% (plus GST) of the portfolio value above $500 million and up to and including $1 billion; and
- 1.0% (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.

Payments made to the Manager are provided in Note 19.

18. Auditor's remuneration

During the year the following fees were paid or payable for services provided.

		2021 $	2020 $
(i)	Audit services		
	Fees for reviewing and auditing statutory financial reports	66,466	64,581
(ii)	Fees for other services		
	Tax compliance	26,180	16,500
	Total	92,646	81,081

19. 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 $4,049,991 were paid or payable to ASCO for the year ended 30 June 2021 (2020: $4,210,706). Management fees of $355,000 were payable at balance date (2020: $315,000).

Argo Investments Limited (Argo)

Argo holds 13,040,389 shares in the Company (2020: 13,040,389 shares).

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:

	2021 $	**2020** $
Short-term employment benefits (Directors' fees)	158,355	151,289
Post-employment (superannuation)	15,045	14,373
Total	173,400	165,662

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

20. Contingent assets, liabilities and commitments

The Company has no material commitments, contingent assets or liabilities as at 30 June 2021.

21. 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 45 are in accordance with the *Corporations Act 2001*, including:

- (i) complying with Accounting Standards (including the Australian Accounting Interpretations), 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 2021 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 2021.

Signed in accordance with a resolution of the Directors

R.A. Higgins AO
Chairman
30 August 2021

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Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent Auditor's Report to the Members of Argo Global Listed Infrastructure Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Argo Global Listed Infrastructure Limited (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Argo Global Listed Infrastructure Limited 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 2021 and of its financial performance for the year ended on that date; and

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

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 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* (including Independence Standards)(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.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Investment Existence and Valuation

Why significant	How our audit addressed the key audit matter
The Company has a significant investment portfolio consisting primarily of listed equity securities. As at 30 June 2021, the values of these financial assets were $355,568,000, which represented 98% of the total assets of the Company. As detailed in the Company's accounting policy, as described in Note 2(b) of the financial report, these financial assets are recognised at fair value through profit or loss in accordance with Australian Accounting Standards. Pricing, exchange rates and other market drivers can have a significant impact on the value of these financial assets and the financial report. Accordingly, existence and valuation of the investment portfolio was considered a key audit matter.	We assessed the effectiveness of the controls relating to the existence and valuation of investments. We obtained and considered the assurance report on the controls of the Company's administrator, in relation to the fund administration services for the year ended 30 June 2021 and considered the auditor's credentials, their objectivity and the results of their procedures. We agreed all investment holdings, including cash accounts, to third party confirmations at 30 June 2021. We assessed the fair value of all investments in the portfolio held at 30 June 2021. For listed securities, the values were verified against independently sourced market prices. We assessed the adequacy of the disclosures in Note 16 of the financial report.

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2. Management Fees

Why significant	How our audit addressed the key audit matter
Management fees, paid to the Manager, Argo Service Company Pty Ltd, is the most significant expense of the Company. The Company's accounting policy for management fee is described in Note 17 of the financial report. All expenses are recognised on an accruals basis. As at 30 June 2021, management fees totalled $4,050,000, which represented 76% of total expenses. Accordingly, this was considered a key audit matter.	We recalculated management fees, in accordance with the relevant service arrangements, including agreeing the contract rate to the calculations. We assessed the adequacy of the disclosures in Notes 17 and 19 to the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2021 Annual Report, 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, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information 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 the *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 Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

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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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

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 2021

In our opinion, the Remuneration Report of Argo Global Listed Infrastructure Limited for the year ended 30 June 2021, 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.

Ernst & Young

Ernst & Young

Rohit Khanna
Partner
30 August 2021

Global Listed Infrastructure Portfolio

at 30 June 2021

Security	Country	Market value A$'000
Electric		
Alliant Energy Corporation	US	5,573
American Electric Power Company Inc.	US	9,584
CenterPoint Energy Inc.	US	6,008
Chubu Electric Power Company	Japan	2,613
CMS Energy Corporation	US	4,750
E. On AG	Germany	1,948
Emera Inc.	Canada	5,325
Enel SPA	Italy	1,374
Engie SA	France	1,321
Entergy Corporation	US	5,979
Evergy Inc	US	7,600
Firstenergy Corp.	US	8,867
Hydro One Limited	Canada	4,251
Kansai Electric Power Co.	Japan	2,999
National Grid PLC	UK	4,471
NextEra Energy Inc.	US	20,268
Portland General Electric Co.	US	5,973
PPL Corporation	US	6,973
Public Service Enterprise Group Incorporated	US	9,787
Xcel Energy Inc.	US	5,089
Total – Electric		120,753
Tower		
American Tower Corporation	US	17,116
Cellnex Telecom SAU	Spain	7,651
Crown Castle International Corp.	US	3,118
SBA Communications Corporation	US	11,273
		39,158
Data Centres		
CyrusOne Inc	US	3,601
NEXTDC Ltd	Australia	3,315
		6,916
Total – Communications		46,074

Security	Country	Market value A$'000
Freight Rails		
Canadian National Railway	Canada	8,168
Canadian Pacific Railway Ltd	Canada	5,130
CSX Corporation	US	4,746
Norfolk Southern Corporation	US	13,672
Rumo	Brazil	3,732
		35,448
Passenger Rails		
Groupe Eurotunnel SA	France	1,750
West Japan Railway	Japan	4,387
		6,137
Total – Railways		41,585
Midstream Energy		
Cheniere Energy Inc.	US	7,858
Enbridge Inc.	Canada	13,419
Gibson Energy Inc	Canada	20
Pembina Pipeline Corp.	Canada	6,045
Targa Resources Corp.	US	4,268
TC Energy Corp	Canada	1,511
The Williams Companies Inc.	US	6,075
Total – Midstream Energy		39,196
Airports		
AENA SA	Spain	9,720
Aeroports De Paris	France	3,354
Airports of Thailand PCL- For	Thailand	7,137
Auckland International Airport Ltd.	New Zealand	4,044
Gpo Aeroportuario Del P	Mexico	4,481
Grupo Aeroportuario Del Cent	Mexico	2,523
Total – Airports		31,259
Toll Roads		
Eiffage SA	France	2,832
Transurban Group	Australia	17,083
Vinci SA	France	3,673
Zhejiang Expressway Co. Ltd	China	3,363
Total – Toll Roads		26,951

Security	Country	Market value A$'000
Gas Distribution		
ENN Energy Holdings Ltd	China	6,463
Hong Kong & China Gas Co. Ltd.	Hong Kong	3,621
NiSource Inc.	US	3,964
Sempra Energy	US	6,867
Southwest Gas Holdings Inc.	US	273
Total – Gas Distribution		21,188
Water		
American Water Works Company Inc.	US	8,234
Essential Utilities	US	4,930
Guangdong Investment Ltd.	China	5,072
Pennon Group PLC	UK	2,889
Total – Water		21,125
Marine Ports		
Cosco Pacific Limited	China	1,684
Santos Brasil Participacoes S.A	Brazil	3,882
Total – Marine Ports		5,566
Environmental Services		
Waste Management Inc.	US	1,860
Total – Environmental Services		1,860
Total Global Listed Infrastructure securities		**355,557**

Shareholder information at 31 July 2021

	Ordinary shareholders
Number of shareholders holding:	
1 – 1,000 shares	862
1,001 – 5,000 shares	3,168
5,001 – 10,000 shares	1,935
10,001 – 100,000 shares	3,363
100,001 or more shares	113
Total number of shareholders (entitled to one vote per share)	**9,441**
Number of shareholders holding less than a marketable parcel	142

20 largest shareholders

	No. of shares	%
Argo Investments Limited	13,040,389	8.50
HSBC Custody Nominees (Australia) Limited	2,230,164	1.45
JIN Pty. Limited	1,065,147	0.69
RTR Pty. Limited	1,034,630	0.67
BNP Paribas Nominees Pty. Ltd. HUB24 Custodial Serv Ltd. (DRP a/c)	1,025,468	0.67
Netwealth Investments Limited (Wrap Services a/c)	745,049	0.49
Navigator Australia Ltd. (MLC Investment Sett a/c)	678,073	0.44
Rosenwood Pty Ltd (Rosenwood a/c)	514,081	0.34
Australian Philanthropic Services Foundation Pty. Ltd. (APS Foundation a/c)	500,000	0.33
Vaucluse Skyline Pty Limited	464,493	0.30
Netwealth Investments Limited (Super Services a/c)	441,787	0.29
National Nominees Limited	409,635	0.27
Gumala Investments Pty. Ltd. (General Gumala Foundation a/c)	400,000	0.26
Fimar Investments Pty. Ltd.	389,493	0.25
HSBC Custody Nominees (Australia) Limited- a/c 2	384,831	0.25
JPMorgan Nominees Australia Pty. Limited	373,815	0.24
Vinula Pty. Ltd.	350,000	0.23
Ms. Rosalind Price & Mr. Paul Connor (Pixel Staff Super Fund a/c)	338,346	0.22
Prof. Peter Glow & Mrs. Roslyn Ann Glow	325,493	0.21
Caprest Pty Limited	314,493	0.21
	25,025,387	**16.31**

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