ARGO GLOBAL LISTED INFRASTRUCTURE LIMITED

TAX TRANSPARENCY REPORT

2017-2018

Introduction

Argo Global Listed Infrastructure Limited (AGLI or Company) actively manages a portfolio of global listed infrastructure securities, diversified by sub-sectors and geographies, with the objective of providing both long-term capital growth and dividend income for shareholders.

The Company's operations are managed by Argo Service Company Pty Ltd (ASCO or Manager), which has engaged Cohen and Steers Capital Management Inc. (CNS or Portfolio Manager) to actively manage the portfolio under the supervision of the Manager. The Manager provides these services under Australian Financial Services Licence no. 470477. The Manager is a wholly owned subsidiary of Argo Investments Limited, which is a substantial shareholder of the Company.

The Company employs State Street Australia Limited to provide custodial and administration services. The professional services provided by State Street include administration, accounting, regulatory and taxation.

The Board of AGLI is committed to responsible financial and business practices and the highest standards of corporate governance to protect and advance shareholders' interests. As part of this commitment, the Board has determined that the Company publish a Tax Transparency Report in accordance with the Voluntary Tax Transparency Code as developed by the Board of Taxation.

Risk management framework

AGLI's Risk Management Policy addresses the elements of the Company's risk management framework including how risks are identified and managed and who is responsible for risk.

The Risk Management Policy is available at:
https://www.argoinfrastructure.com.au/AGLI-Risk-Management-Policy.pdf

Responsibilities

Board
The Board oversees the operational and financial risks of the Company, including taxation risk with the assistance and recommendations of the Audit & Risk Committee.

Audit & Risk Committee
The Board has delegated responsibilities to the Audit & Risk Committee in relation to financial reporting, internal financial controls and facilitating the external audit.

Management
Management has developed the Company's taxation compliance strategy and designed its taxation risk management system. Management regularly reports to the Audit & Risk Committee on taxation matters and discusses any relevant issues.

The Managing Director and the Chief Financial Officer provide management representation assurance letters twice a year to the Board confirming the Company's financial statements are founded on a sound system of risk management and internal control.

Taxation compliance strategy

AGLI's taxation compliance strategy is to provide conservative tax effective accounting under current taxation legislation and ATO guidance to ensure tax obligations are met. The Company looks for certainty in tax outcomes and therefore does not pursue risky or uncertain positions.

Taxation risk management

In accordance with the Company's risk management framework, the Company's business environment is regularly reviewed for new taxation risks and its current taxation risks are continually monitored.

AGLI's risk management and internal control systems ensure compliance by the Company with its taxation obligations.

Management consults the Company's external auditor and tax advisers, Ernst & Young (E&Y) on all significant transactions and medium/high taxation risk matters to ensure correct application to enable the Company to meet its taxation obligations.

Taxation risk controls

To reduce the risk of misstatement in the calculation and provision for taxation, the Company has the following controls in place:

- As part of the half-year review and full-year audit, E&Y review the Company's provision for tax payable and confirm the franking account balance;
- Management and E&Y tax specialists annually review and confirm accounting and tax treatment of investment transactions to ensure treatment is consistent with ATO legislation and guidance; and
- Management review the Company's tax return provided by the custodian and engages E&Y tax specialists to review and lodge the return each year.

Income tax reconciliations

A reconciliation of AGLI's accounting profit to its income tax expense is included in Note 3 of the Company's 2018 Annual Report in accordance with International Financial Reporting Standards (IFRS).

The Company provides the following information to enhance transparency of AGLI's tax outcomes in accordance with the Voluntary Tax Transparency Code:

1) Reconciliation of accounting profit for the year ended 30 June 2018 to income tax paid or payable;

2) Effective company tax rates; and

3) Reconciliation of tax liability payable at 30 June 2018 to tax paid for the 2017-18 year.

1) Reconciliation of accounting profit for the year ended 30 June 2018 to income tax paid or payable

	2018 $ 000
Profit for the year before tax	22,912
Nominal tax at 30%	6,873
Less: franking credits on dividends received	(14)
Less: change in tax rate deferred tax liability	(221)
Plus: other	32
Income tax expense as per Statement of Profit or Loss	**6,670**
Less: deferred tax temporary differences	(2,474)
Less: foreign tax credits	(1,022)
Less: PAYG tax instalments paid	(36)
Tax payable as per Statement of Financial Position at 30 June 2018	**3,138**

2) Effective company tax rates

	2018 $ 000
Profit for the year before tax	22,912
Income tax expense as per Statement of Profit or Loss	12,425
Effective tax rate including tax paid on dividends received	**29.1%**

3) Reconciliation of tax liability payable at 30 June 2018 to tax paid for the 2017-18 year

	2018 $ 000
Tax payable as per Statement of Financial Position at 30 June 2018	3,138
Less: PAYG instalments paid post June 2018	(3,084)
Over provision of tax for 2017-18 year	54

The over provision amount above arises from adjustments as per annual tax statements received after 30 June 2018 from trusts. The over provision amount has been accounted for in the Company's financial statements for the year ended 30 June 2019.