



2023 Annual General Meeting Chairman's Address

Delivered by Mr. Russell Higgins AO at the eighth Annual General Meeting of Argo Global Listed Infrastructure Limited (Argo Infrastructure or Company) at the Adelaide Convention Centre on Monday 23 October 2023 at 12.30pm.

Financial results

For the 2023 financial year, Argo Infrastructure delivered a solid performance and record high annual dividends.

Argo Infrastructure's full year profit was \$9.6 million. This was lower than the prior year, largely reflecting the decline in the market value of Argo Infrastructure's investment portfolio, in line with the broader infrastructure asset class. Accounting standards require that changes in the value of the portfolio be treated as a profit or a loss. As a result, reported profit can fluctuate significantly from one year to the next and may not reflect the level of income generated by the portfolio, as was the case this year.

Income received from companies in the investment portfolio this year increased by 22.5% to \$14.4 million. It is this income, together with realised capital gains and the tax we pay on them, that enables us to pay franked dividends.

Record fully franked annual dividends

In August, the Board was pleased to declare a fully franked final dividend of 4.5 cents per share. Together with the interim dividend of 4.0 cents per share, annual fully franked dividends increased to 8.5 cents per share, marking a record high for the Company.

Total dividends paid to our shareholders since the Company was founded now total 48.75 cents per share. Furthermore, the final dividend marks Argo Infrastructure's eleventh consecutive fully franked dividend out of the 16 dividends paid since inception.

Investment performance

Globally investors have favoured growth-style investments, particularly technology stocks over the last year, and as a result, global listed infrastructure has lagged the strong performance of broader global equities. Over the 12 months to 30 September 2023, Argo Infrastructure's portfolio return, before fees and in Australian dollar terms, was flat. This is in line with the performance of our benchmark infrastructure index which was similarly flat, increasing just +0.1% in Australian dollar terms over the same period.

Argo Infrastructure's Managing Director, Jason Beddow, and Cohen & Steers' Portfolio Manager, Ben Morton, will further discuss the factors contributing to the subdued performance of global listed infrastructure last year, particularly relative to broader global equities.

Share price relative to NTA

The discount of Argo Infrastructure's share price relative to its net tangible assets (NTA) backing has narrowed over recent years and, on some occasions, traded at a premium. Over the past six months this discount has widened again to be in the high single digit range. Over this period all listed investment companies (LICs) have experienced this phenomenon to some extent, which has coincided with the rapid rise in interest rates making term deposits viable investments once again.

However, we acknowledge that the recent performance of the NTA and share price has been disappointing, largely reflecting the overall weakness of the asset class.

Independent research

Independent research firm, Lonsec, recently published its 2023 report on Argo Infrastructure. I am pleased to advise you that Lonsec reaffirmed its 'recommended' rating for the third consecutive year. In addition, Independent Investment Research (IIR), another research house, has maintained its 'recommended' rating for the Company.

Shareholder survey results

We recently conducted an online survey of our shareholders. The purpose was to better understand Argo Infrastructure's shareholders and how we can improve our communication and engagement.

We would like to share the key findings of the survey with you today:

- 60% of respondents have been Argo Infrastructure shareholders since the Company's inception in 2015;
- More than three quarters have been shareholders for three or more years;
- The top three reasons shareholders own Argo Infrastructure shares are (in order):
 1. Seeking global diversification for their investment portfolio
 2. Gaining exposure to infrastructure
 3. Receiving fully franked dividends
- 70% of respondents rated our overall shareholder engagement and communications as 'very good' or 'excellent', and 97% described the quantity of information provided as 'about right';
- Emails are by far the most popular form of communication, with 86% of shareholders nominating emails as their preferred method of accessing information about the Company; and
- 84% of our shareholders would recommend Argo Infrastructure to other investors.

Thank you to all those who completed the survey. If you did not have the opportunity to participate, or you have further comments or suggestions, we welcome your feedback. You can be in touch with the team at Argo Infrastructure at any time. Contact details will be provided at the end of today's presentation.

Outlook

While the 'higher for longer' interest rate environment is a headwind for global infrastructure stocks currently, the outlook for the asset class over the longer-term is supported by several factors.

Some of the structural changes occurring in the global economy are a boon for infrastructure and necessitate major investment in projects across the world. For example, the rapid digitisation of society will require more supporting infrastructure, such as data centres and communications towers.

Similarly, the enormous task of transitioning to net zero emissions will see the world's largest economies ploughing large sums into energy infrastructure. We are seeing this play out in the United States with the Inflation Reduction Act mandating massive government expenditure in this space.

In addition, the urbanisation of populations in emerging economies will require investment in new projects across the full spectrum of infrastructure subsectors, from water utilities to airports.

With just a handful of Australian infrastructure stocks remaining on the ASX, we offer investors broader access to these and other long-term global infrastructure trends. Furthermore, we remain the only Australian listed investment company that provides exposure to the large and diverse universe of global infrastructure stocks.

Argo Infrastructure has established a track record of providing diversification benefits to investors in Australian equities and we remain focussed on providing shareholders with a steady and sustainable stream of fully franked dividend income.

I can assure shareholders that Argo Infrastructure remains in a strong financial position with approximately \$400 million of assets and no debt.

Thank you

I would like to conclude my formal remarks today by thanking our Managing Director, Jason Beddow, and the team for their ongoing hard work. I would also like to thank Ben Morton and Cohen & Steers.

I also thank my fellow Board members for their valuable contributions over the last year.

Finally, on behalf of the Board, I warmly thank our loyal shareholders. To our new shareholders, welcome to Argo Infrastructure.