28 August 2023

ASX / Media Release

Argo Infrastructure full year dividends rise to a record high

Argo Global Listed Infrastructure Limited (ASX code: ALI) announces a full year profit of $9.6 million and declares a fully franked final dividend of 4.5 cents per share.

Summary of financial results	2023	2022	Change
Profit*	**$9.6 million**	$29.9 million	-67.8%
Final dividend per share (fully franked)	**4.5 cents**	4.5 cents	Unchanged
Full year dividends per share (fully franked)	**8.5 cents**	8.0 cents	+6.3%
Net Tangible Assets (NTA)^ per share	**$2.39**	$2.45	-2.4%

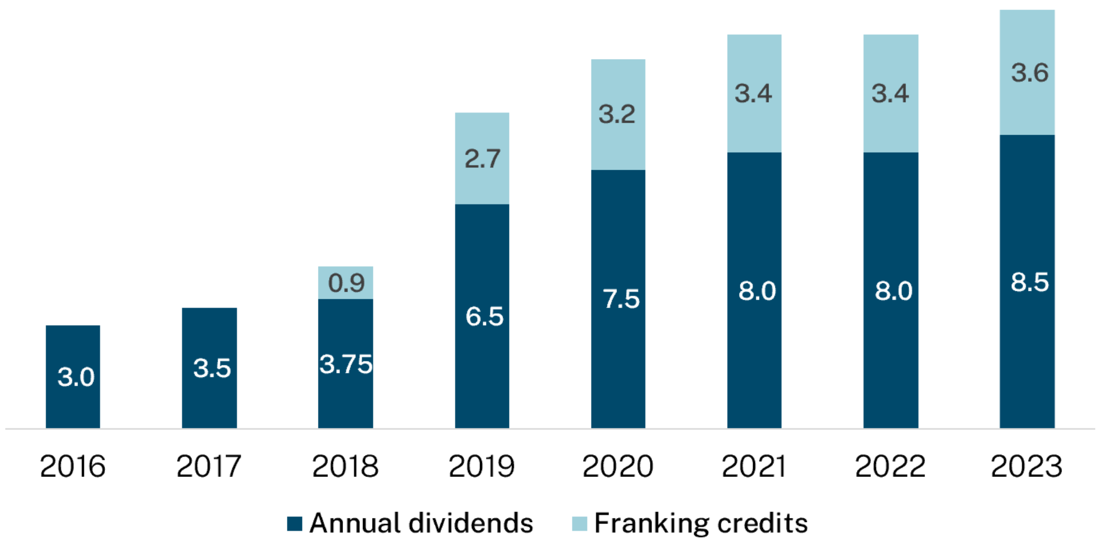
* Reported profit can be volatile as accounting standards require that operating income and realised profits and losses are added to, or reduced by, (unrealised) changes in the portfolio's market value from period to period.

^ After all costs, including fees and taxes.

Consistent and growing fully franked dividends

The fully franked final dividend of 4.5 cents per share brings full year dividends to 8.5 cents per share – a record high for Argo Infrastructure. The final dividend marks the Company's eleventh consecutive fully franked dividend, with total dividends paid to our shareholders since inception now totalling 48.75 cents per share.

Dividend history (cents per share)



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We are able to frank dividends because Argo Infrastructure accrues franking credits when paying tax in Australia on profits and realised gains in the portfolio. This is a significant advantage of investing in international assets in an Australian listed investment company (LIC) structure, as compared to a trust structure or investing directly overseas.

The final dividend will be paid on 29 September 2023. The Dividend Reinvestment Plan (DRP) will operate for the final dividend.

Investment performance

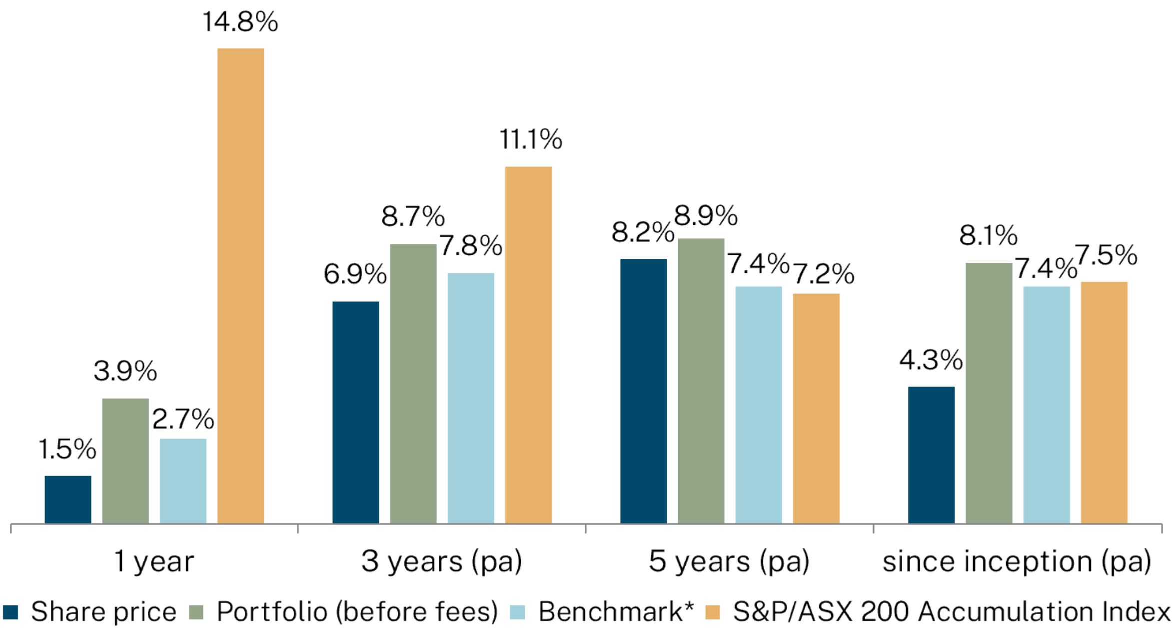
For the year to 30 June 2023, Argo Infrastructure's portfolio delivered a total return of +3.9% (in A$ terms), outperforming the benchmark index which gained +2.7% (in A$ terms).

Despite delivering a positive absolute return for the financial year, global listed infrastructure lagged the strong broader equity markets which were driven higher by investor optimism, particularly for growth-related stocks and technology companies.

The steepest interest rate rises in recent history steered investors away from some of the larger infrastructure subsectors, such as utilities, which are often relatively leveraged due to their very reliable income flows from providing essential services. However, we expect these businesses to fare well as the pace of rate rises eases, particularly as their real revenue tends to be protected by inflation-linked pricing mechanisms in their operating concession agreements.

There is generally a low correlation between Argo Infrastructure's returns and those of Australian equities. This long-term trend generally sees that, while the asset class does not capture all of the upside of broader global equities, it provides considerable downside protection when markets fall sharply. In our view, lower volatility returns are a key benefit of a global infrastructure portfolio.

Total returns to 30 June 2023



*FTSE Global Core Infrastructure 50/50 Index (in A$)

The global infrastructure universe includes businesses which are not well represented on the ASX. These include some of the more commercially-sensitive infrastructure subsectors which generated strong returns over the year, due to the resilience of the global economy. For example, Airports gained +15.3% (in local currency terms), while Railways and Marine Ports increased +11.1% and +9.0% respectively.

Over the year, Airport operators saw traffic volumes continue their post-COVID rebound as enthusiasm for tourism-related travel continued largely unabated, especially in North America and Europe. Our holdings in airport operators, including Mexico-based Grupo Aeroportuario De Sur-B and Spanish AENA SA, contributed positively to Argo Infrastructure's portfolio performance.

Outlook

Although key indicators are currently pointing towards a successful 'soft landing' for the global economy, various challenges still confront investors. Inflation remains above-trend and the impacts of aggressive monetary tightening are yet to be fully felt. The flow-on effects of a sustained slow-down in China, the world's second largest economy, may also impact global growth.

With credit conditions expected to tighten further, Argo Infrastructure's Portfolio Manager, Cohen & Steers, is focused on assessing the impacts of higher financing costs on infrastructure companies with a preference for stocks with limited near-term debt maturities and manageable refinancing schedules.

In recent weeks, the weakening Australian dollar has provided a tailwind for the Company's net tangible assets as the investment portfolio is unhedged for currency. Looking ahead, further volatility in the Australian dollar is likely and partly hinges on the state of the Chinese economy. Our portfolio is unhedged to enhance the diversification benefits for Australian investors.

Argo Infrastructure has no debt, over $400 million of assets and a diversified portfolio, positioning the Company to deliver on our objective of providing total returns for long-term investors, consisting of capital and dividend growth.

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About Argo Infrastructure

Argo Global Listed Infrastructure (Argo Infrastructure) (ASX code: ALI) provides investors with exposure to a portfolio of global listed infrastructure securities, diversified across both emerging and developed economies and spanning the full spectrum of infrastructure assets, including those not accessible via the ASX. Argo Infrastructure was founded in 2015 by Argo Investments (ASX code: ARG) and today has over $400 million in assets and around 9,400 shareholders.