

Shareholder Update

Half-year ended 31 December 2023



Jason Beddow
Managing Director
BEng, GdipAppFin(SecInst)

Dear valued shareholder,

On behalf of the Board, I am pleased to announce that Argo Global Listed Infrastructure Limited (Argo Infrastructure) has delivered a fully franked interim dividend of 4.0 cents per share – equal to the last, record high interim dividend.

Argo Infrastructure reported an accounting loss of \$3.9 million for the half-year, primarily due to the decline in the market value of the investment portfolio. Accounting standards require that changes in the value of the portfolio be treated as either a profit or a loss.

Portfolio income steady despite challenging conditions

Over the half-year, further interest rate hikes and spiking bond yields weighed on global infrastructure stocks, particularly compared to broader equity markets. Importantly however, dividend and distribution income received from companies in the investment portfolio remained largely unchanged. This reflects the generally predictable and stable income streams generated by infrastructure assets.

Summary of financial results

	Half-year to 31 December 2023	Half-year to 31 December 2022
Dividend and distribution income	\$6.5 million	\$6.6 million
Profit/(Loss)*	(\$3.9 million)	\$1.3 million
Interim dividend per share (fully franked)	4.0 cents	4.0 cents
Net Assets	\$407 million	\$416 million

* 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.

Reliable fully franked dividends

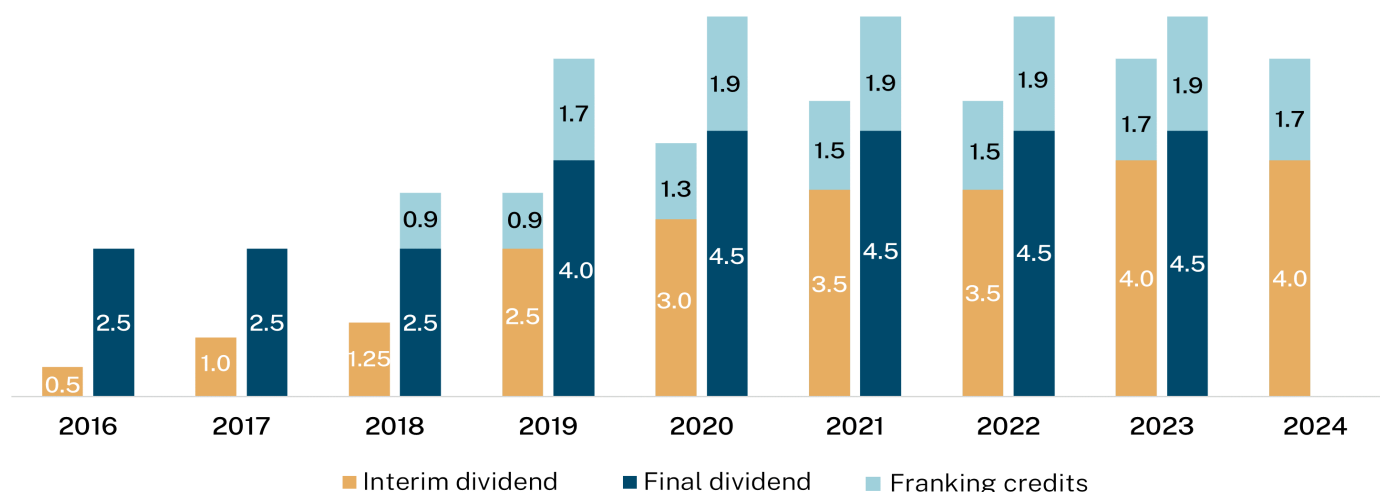
Argo Infrastructure's Board declared a fully franked interim dividend of 4.0 cents per share. Pleasingly, the interim dividend is equal to the record high interim dividend paid to shareholders for the previous corresponding period.

In addition, the interim dividend is Argo Infrastructure's 12th consecutive fully franked dividend with every dividend since the 2018 final dividend being fully franked. Including this interim dividend, total dividends paid out to our shareholders since inception (July 2015) now total 52.75 cents per share.

When Argo Infrastructure pays tax in Australia on income received and realised capital gains, we generate franking credits which we are able to pass on to our shareholders as franked dividends.

This is a significant advantage of investing in international assets via an Australian listed investment company (LIC) structure, as compared to a trust structure or investing directly overseas. Argo Infrastructure remains the only Australian LIC offering investors exposure to global listed infrastructure.

Dividend track record (cents per share)



So far this financial year, only the interim dividend has been declared.

Investment performance

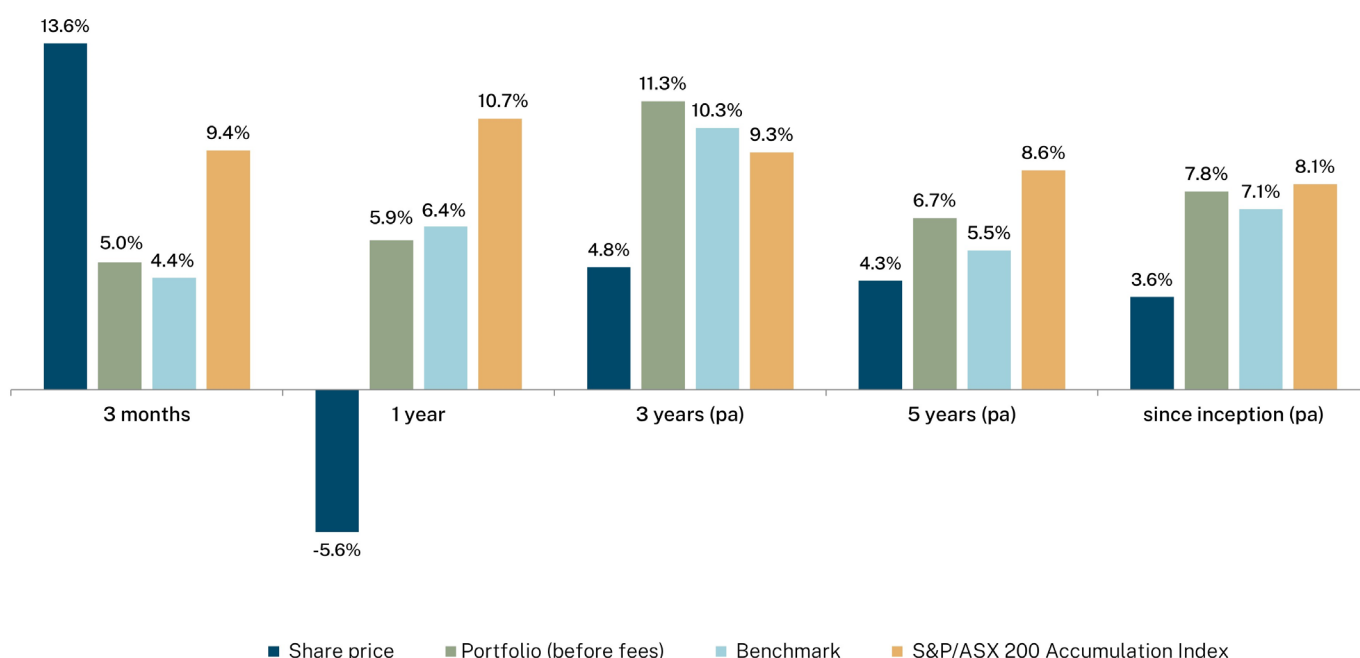
Ongoing and aggressive interest rate rises and the spike in bond yields weighed on global infrastructure stocks which delivered subdued returns and underperformed broader equity markets for the six months to 31 December 2023. Over the period, Argo Infrastructure's investment portfolio delivered a total return of -0.9% (in A\$ terms), slightly behind the infrastructure benchmark return of -0.5%.

More recently, the asset class has been buoyed by falling bond yields which can improve the cost of capital for infrastructure businesses. Infrastructure stocks have also been lifted by expectations that official interest rates will be cut.

This follows the US Federal Reserve's monetary policy pivot – from a tightening to an easing bias – late last year. The resilience of the global economy and receding fears of recession have also supported the asset class, particularly the more commercially-sensitive subsectors, such as Marine Ports, Railways, Airports and Communications (towers and data centres).

Against this more recent macroeconomic and monetary policy backdrop, global infrastructure stocks have gained +4.4% over the three months to 29 February 2024. Please refer to the chart below for our latest performance figures.

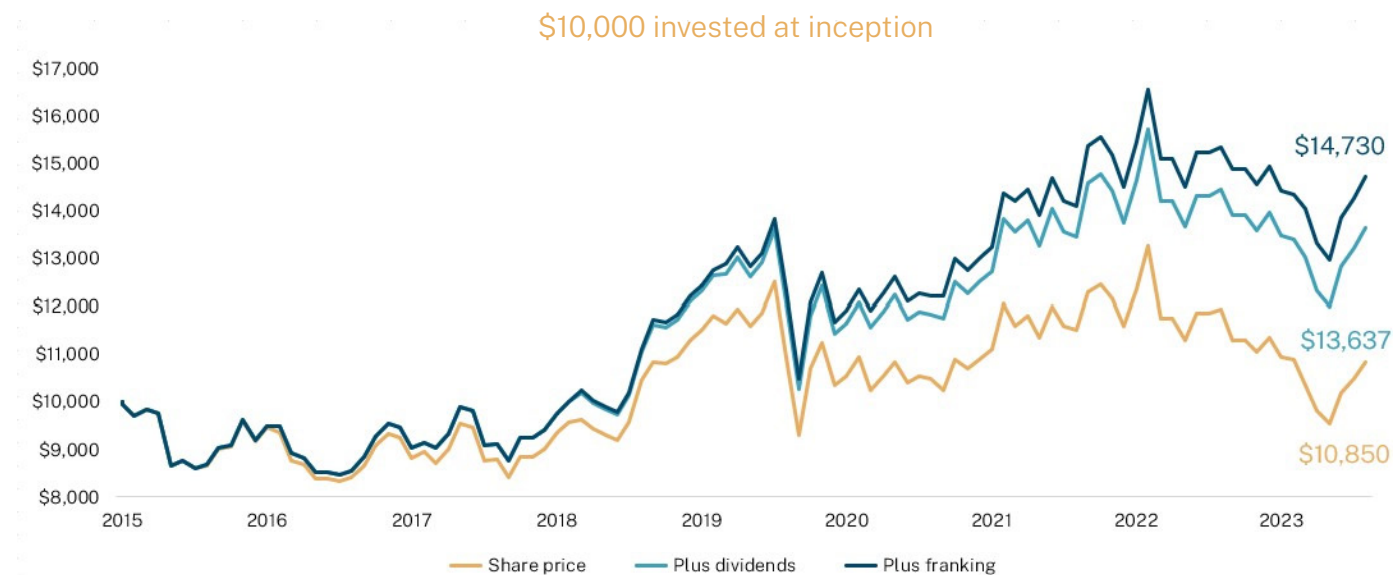
Total returns to 29 February 2024



Shareholder returns

Argo Infrastructure is focused on providing shareholders with both capital growth and dividend income. Our performance against this objective is measured by the Company's share price performance and dividends received over time, with most shareholders also receiving the benefit of franking credits.

As shown in the chart below, a \$10,000 investment in Argo Infrastructure at inception (July 2015), with dividends reinvested, would have grown to a value of \$13,637 (+3.6% per annum) at 29 February 2024. The tax effective value including franking credits is \$14,730 (+4.6% per annum).



Dividend Substitution Share Plan (DSSP)

At the request of some shareholders, we have now introduced a Dividend Substitution Share Plan (DSSP), in addition to the existing Dividend Reinvestment Plan (DRP).

The DSSP allows eligible shareholders to forgo their dividend and instead receive Argo Infrastructure shares. Unlike the DRP, shares issued under the DSSP are not deemed to be dividends and, therefore, will not usually be subject to income tax at the time of issue. However, there may be tax consequences when shares are subsequently sold. DSSP participants will not be entitled to receive franking credits.

For more information: see the 'Dividends' section in the Shareholder Centre on our website. Alternatively, you are welcome to call our office on (08) 8210 9555.

Shareholders should seek personal tax advice before electing to participate in the DSSP.

Outlook

Although lower bond yields have seen financing costs fall, official interest rates are yet to be cut and the cost of capital remains high. These conditions pose a headwind for certain infrastructure subsectors, particularly Utilities (Electric, Gas and Water), which dominate the asset class and can carry considerable debt due to the reliable income streams they derive from providing essential services. However, as the monetary cycle progresses and official interest rates likely decline, we expect that infrastructure stocks globally will revert to generating average long-term returns.

In the current credit environment, Argo Infrastructure's specialist Portfolio Manager, Cohen & Steers, maintains a bias towards infrastructure businesses that have strong balance sheets with limited near-term debt maturities and manageable refinancing schedules.

Taking a longer-term view, structural economic and societal changes will require significant global infrastructure investment over many decades as populations continue to urbanise and economies continue to digitise and decarbonise.

With over \$400 million of assets invested in a diversified portfolio of major global infrastructure stocks and no debt, Argo Infrastructure is well-placed to capitalise on these trends.

Save the date: Company information meetings

Following the success of last year's information meetings, we will again be holding in-person presentations in various capital cities.

At these meetings we will provide an update and overview of both Argo Infrastructure and Argo Investments (ASX code: ARG). Our New York-based Portfolio Manager, Cohen & Steers, will attend to provide insights into the global listed infrastructure sector.

Shareholders will also have the opportunity to meet with our team face-to-face and ask us questions.

Light refreshments will be provided. No RSVP is required.

Bring a friend!

You are welcome to invite friends and/or family members to come along to an information meeting.



City	Time	Date	Venue
Melbourne	10am	Monday 20 May	Grand Hyatt Hotel 123 Collins Street, Melbourne
Adelaide	10am	Tuesday 21 May	Adelaide Convention Centre North Terrace, Adelaide
Brisbane	10am	Wednesday 22 May	Pullman King George Square Corner Ann & Roma Streets, Brisbane
Sydney	2pm	Thursday 23 May	Marriott Hotel at Circular Quay 30 Pitt Street, Sydney

**Meetings in Perth and Canberra will follow on dates to be advised. Details will be emailed to shareholders and available on our website closer to the finalised dates.*

If you have any questions or comments about Argo Infrastructure, please don't hesitate to contact us by telephone on (08) 8210 9555 or by email to invest@argoinfrastructure.com.au.

To receive Company news and financial results on the day they are announced, I encourage you to join our email distribution list by completing the 'subscribe' form found at the bottom of each page on our website at argoinfrastructure.com.au.

On behalf of the Board, I thank you for your ongoing and loyal support of Argo Infrastructure.

Yours faithfully,



Jason Beddow
Managing Director