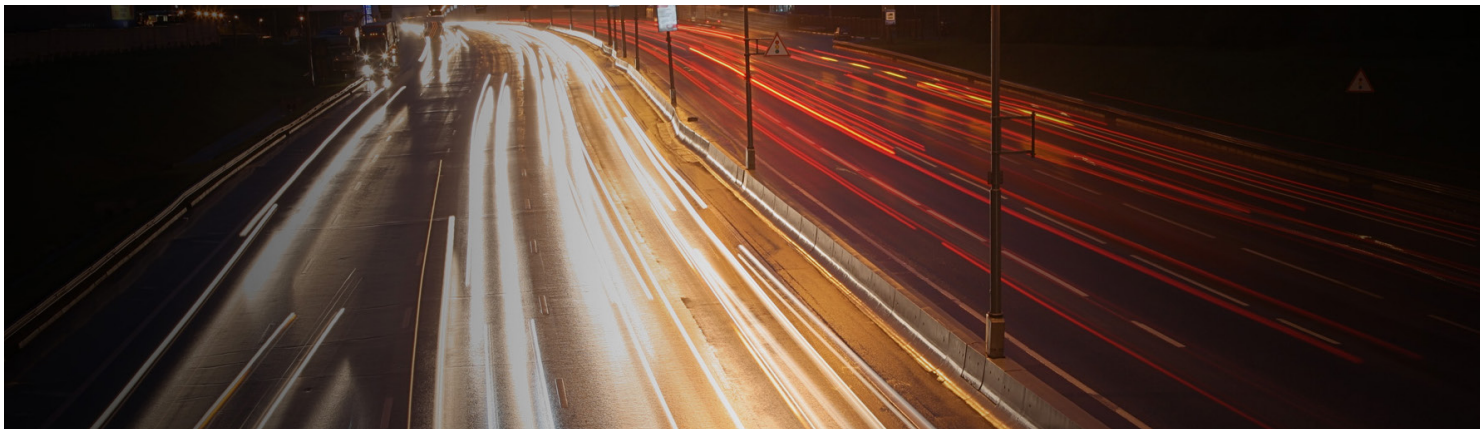
Argo Global Listed Infrastructure

COHEN & STEERS

Quarterly Investment Report / 30 September, 2015

Argo Global Listed Infrastructure Limited (AGLI) is a listed investment company which was established in 2015 to provide investors with exposure to a diversified portfolio of securities in the global listed infrastructure sector, contained within the simple and easily tradeable structure of an ASX-listed investment company. The investment objective is to provide shareholders with a mix of long-term capital growth and dividend income.



Investment commentary from the portfolio manager

Global infrastructure securities and equity markets in general, were relatively stable through much of the summer before plunging in August, when China unexpectedly devalued its currency. The move compounded worries about China's economy, and weighed heavily on other emerging markets, which faced the prospect of reduced exports to China or the need to devalue their own currencies in order to stay competitive.

By September, commodity prices had stabilized at low levels, aided by stimulus measures from China and encouraging U.S. economic data: an upward revision to second-quarter U.S. gross domestic product and positive readings on consumer confidence and housing suggested the U.S. was on track for modest growth. Nevertheless, the turmoil in global financial markets fueled speculation that the Federal Reserve (Fed) would delay monetary tightening, possibly pushing any interest-rate increases into 2016. In response, the yield on 10-year Treasury notes slipped from 2.4% to 2.1%.

In this mixed environment, infrastructure stocks declined but outperformed broader global equity markets, reflecting the defensive elements of the asset class. Since the portfolio's full investment on July 31, 2015, the water utilities subsector had a total return of 2.6%; many of its components are regulated and defensive, which attracted risk-averse investors. Electric utilities (-1.0%[1]) benefited from particularly strong performance of U.S. regulated companies.

Two factors were at work: the outlook for a long period of low interest rates, and investors' growing interest in defensive stocks.

The period was generally flat to positive for high-quality fixed income classes, including preferred securities (0.2%), which outstripped corporate bonds (-0.2%). Within transportation subsectors, airports (-1.9%) outperformed with the help of a Mexican company that rose on stronger-than-expected passenger volumes. Performance among toll roads (-2.5%) varied by region. Most companies in developed markets had a strong quarter, but those in emerging markets struggled - most notably, a Brazilian company facing new regulatory challenges to its concession agreements.

But after strong first-half gains, railways (-10.1%) tumbled on diminished hopes for accelerating passenger and freight volumes. The index's passenger components are weighted toward Japan, and were hindered by fears of ebbing demand brought on by a potential slowdown in tourism from China and by a stronger yen. Freight rail companies declined as well, when a rebound in North American energy-related freight rail traffic failed to materialize in the face of persistent weakness in commodity prices. Most companies in the marine ports subsector (-12.1%) are domiciled in Asia and faced similar headwinds.

Within communications (-3.8%) tower companies pulled back after a long period of outperformance driven by strong wireless data demand. In recent months, however, the sharp decline in Latin American economies and currencies dampened returns of the subsector's largest components.

Pipeline companies (-18.8%) trailed the index, and again, the story centered on commodities. Oil prices tumbled steadily, briefly dipping below $40 a barrel in late August before stabilizing in the mid-$40s in September. As economic growth in Asia and emerging markets slowed, the perception that oil prices would be "lower for longer" clouded pipelines' growth outlook.

In September, we also saw the decoupling of the performance of oil prices and midstream energy companies, including master limited partnerships (MLP), amid signs of forced institutional selling by hedge funds shedding risk and closed-end funds deleveraging. This created technical downward pressure on the group, triggering an a typical divergence of MLP performance from oil prices.

Portfolio performance

The portfolio had a negative total return in the quarter and underperformed its benchmark. Our allocation to electric utilities was the principal detractor from relative performance; we were overweight in yieldcos - dividend-growth-oriented renewable energy companies that were swept up in the MLP sell-off. We were also underweight in U.S. regulated utilities, which were strong performers. Our stock selection in pipelines, including our investments in MLPs, was unfavorable as well.

Factors that aided performance included our allocation to communications, particularly stock selection among towers. We had a beneficial out-of-index investment in an Italian tower company that has been caught up in acquisition speculation. Our allocation to gas distribution (which returned -4.2% in the index) was favorable as well; we were overweight in a U.S. gas distribution company that rose along with other utilities, and also in an Italian company that rallied on news of a favorable regulatory framework for gas utilities.

Investment outlook

Our long-term view for infrastructure securities remains favorable; we believe there will be modest economic expansion in developed markets and a continuation of accommodative global monetary policies that will benefit the sector. With that said, we have made some marginal subsector adjustments to our portfolio positions that reflect slowing economic growth.

From a regional perspective, we maintain a favorable view of the U.S. and Europe, along with certain countries in Asia. We are still cautious about emerging markets, given macroeconomic factors as well as specific asset-class drivers, including a lack of regulatory transparency in Brazil and corporate governance issues in China.

In terms of subsector prospects, it is our view that toll roads and airports, particularly those domiciled in Europe, will benefit from low crude oil prices and from the region's economic momentum. We are neutrally weighted in pipelines, as we believe that the market is only beginning to appropriately discount the reduction of medium-term cash-flow growth rates that will accompany a sustained period of low energy prices and slowing production growth.

Within communications, continued strong wireless data demand and the expectation of below-trend interest rates likely bode well for tower performance. Companies in this subsector tend to be relatively highly leveraged, in part due to vigorous acquisition activity. We remain overweight railways, including U.S freight carriers that we believe will benefit from a steady, if modest, economic recovery.

And when the Fed does start to normalize interest rates, we believe the high-income levels offered by preferred securities and corporate bonds may help protect investors from a total-return perspective.

Past performance is no guarantee of future results. The views and opinions in the preceding commentary are as of the date of publication and are subject to change. There is no guarantee that any market forecast set forth in this presentation will be realized. This material should not be relied upon as investment advice, does not constitute a recommendation to buy or sell a security or other investment and is not intended to predict the performance of any investment.

(1) Sector returns are in local currencies. Sector classification of securities in the index determined by the investment advisor.

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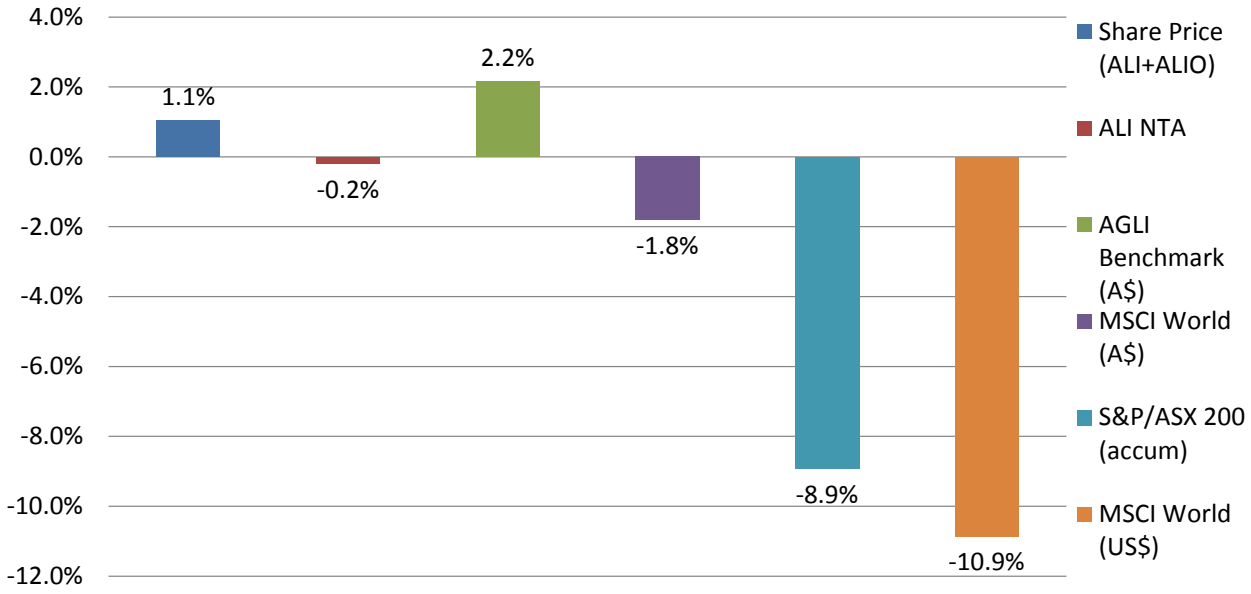
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Investment performance

The global infrastructure sector, broader equity markets and commodity prices have shown some signs of stabilising after the large falls in the September quarter, and while infrastructure stocks declined in this environment, they materially outperformed broader global equity markets, reflecting the defensive elements of the asset class. This is highlighted well in this chart, which shows AGLI's share price, NTA and the blended A$ benchmark of 90% of the FTSE Global Core Infrastructure 50/50 Index and 10% of the Merrill Lynch Fixed Rate Preferred Securities Index, all performing very well versus the MSCI World Index (in Australian and US dollars) and the S&P/ASX 200 Index.

It should be noted that in accordance with prospectus intentions, the initial investment of the portfolio was made progressively over the month of July, resulting in higher than normal cash allocation for most of the month. This negatively impacted the relative performance since listing date, as the benchmark index performed strongly in July.



Performance period = listing date (3 July, 2015) to 30 September, 2015

Top 10 portfolio holdings

as at 30 September, 2015

Security Name	Country of listing	Sector	Portfolio %	Index %
Transurban Group	AU	Toll Roads	4.0	2.7
Crown Castle International Corp.	US	Tower	3.4	1.6
Union Pacific Corporation	US	Freight Rails	3.3	1.7
Sempra Energy	US	Gas Distribution	3.3	1.3
Dominion Resources Inc.	US	Integrated Electric	3.2	2.3
National Grid PLC	UK	Regulated Electric	3.1	2.9
PG&E Corporation	US	Regulated Electric	3.0	1.5
NextEra Energy Inc.	US	Integrated Electric	2.9	0.0
Alliant Energy Corporation	US	Regulated Electric	2.3	0.4
CMS Energy Corporation	US	Regulated Electric	2.3	0.6
			30.8	**15.0**

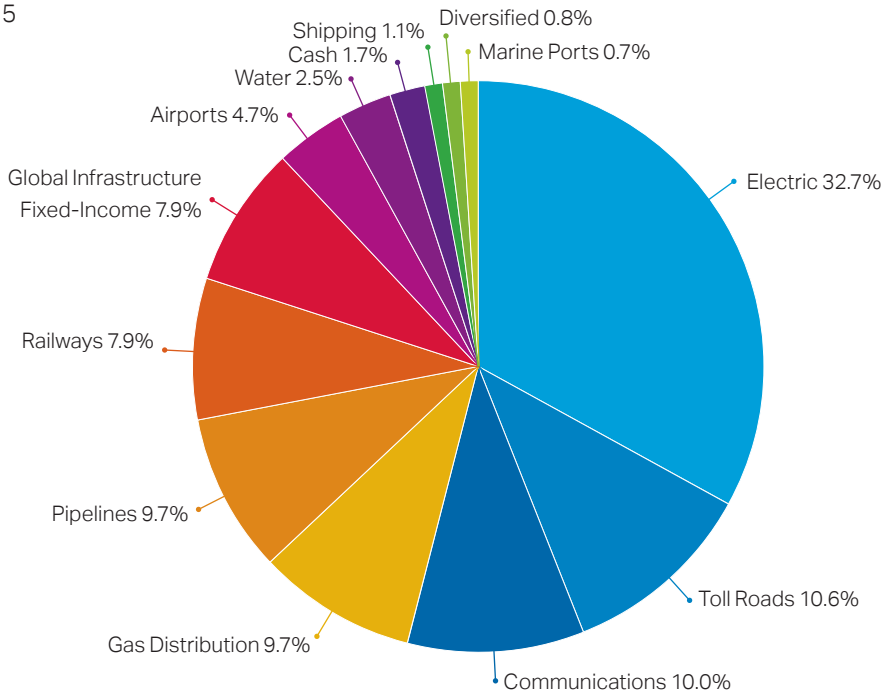
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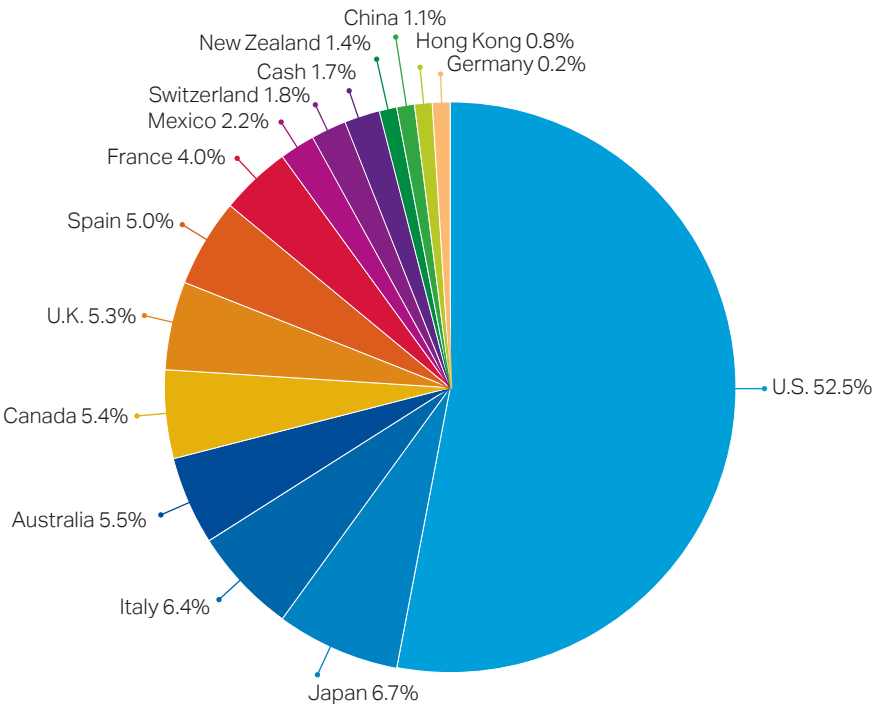
Sub-sector diversification

as at 30 September, 2015



Geographic diversification by country of listing

as at 30 September, 2015



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