



Argo Investments Limited

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www.argoinvestments.com.au

14 May, 2015

The Manager
Company Announcements
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir or Madam,

**Letter to shareholders regarding the establishment of
a new listed investment company**

Please find attached a letter sent to Argo shareholders today regarding the initial public offering of a new ASX listed investment company, Argo Global Listed Infrastructure Limited.

Yours faithfully,
ARGO INVESTMENTS LIMITED

A handwritten signature in black ink, appearing to read "T.C.A. Binks".

T.C.A. Binks
Company Secretary



11 May, 2015

Dear Shareholder,

**Argo launches new ASX listed investment company
Argo Global Listed Infrastructure Limited**

On behalf of the Directors of Argo Investments Limited (Argo), I am writing to inform you of our intention to create a new ASX listed investment company called Argo Global Listed Infrastructure Limited (AGLI). AGLI has been established to invest in a diversified portfolio of global listed infrastructure securities, with the objective of providing both long-term capital growth and dividend income for shareholders.

I would like to outline the rationale for creating AGLI and what this means for Argo, provide some information on our chosen Portfolio Manager, Cohen & Steers Capital Management, Inc (Cohen & Steers), explain how Argo shareholders will be given a Priority Offer in AGLI and invite you to attend an information session as outlined at the end of this letter.

Our Rationale

The Argo Board believes there is the opportunity to expand our offering and present shareholders with a new investment company listed on the Australian Securities Exchange (ASX) that provides diversification into global listed infrastructure securities.

Infrastructure touches almost every aspect of the global economy, providing essential services to business and consumers which are necessary for society to function on a daily basis. Infrastructure companies cover a diverse range of sub-sectors including airports, water, pipelines, railways, ports, satellites, toll roads, telecommunication towers and electricity, gas and renewable energy utilities.

The global infrastructure sector is characterised by supportive industry fundamentals and a constructive regulatory environment. Investing in global listed infrastructure will allow investors to benefit from increasing demand for infrastructure investment, driven by historical underinvestment and continued privatisation of government owned assets. Investing in publicly traded infrastructure companies can provide the beneficial investment characteristics of private infrastructure ownership with the added features of liquidity, transparency, daily pricing and diversification.

The Australian equity market currently only provides limited opportunities for investors to gain exposure to the infrastructure asset class across a relatively small number of 15 infrastructure securities in the S&P/ASX Infrastructure Index with a combined market capitalisation of around \$72 billion. In contrast, the AGLI portfolio will be constructed from an investment universe of some 350 companies worldwide with a market capitalisation of about \$4.6 trillion.

Argo also sees the creation and management of AGLI as an opportunity to grow external funds under management for the first time and add a new long-term income stream for Argo. Investors in AGLI will benefit from the experience of Argo's team and its long track record in managing ASX listed investment companies, strong corporate governance practices and focus on prudent investment

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management. Argo's executive team will manage AGLI, including monitoring the Portfolio Manager, via a wholly owned subsidiary which holds an Australian Financial Services Licence. In addition, three of the five AGLI directors are also directors of Argo.

Cohen & Steers - The Portfolio Manager

In deciding upon a Portfolio Manager for AGLI, it was of paramount importance that we seek a partner with cultural alignment with Argo, a consistent investment philosophy, and a strong long-term performance track record of investing in global listed infrastructure.

Following a long period of due diligence, Argo has appointed a leading global investment manager, called Cohen & Steers, to be the Portfolio Manager. Cohen & Steers is listed on the New York Stock Exchange and has significant experience in managing long-life assets including listed infrastructure, real estate securities, natural resource equities and commodity futures, along with preferred securities. Founded in 1986, Cohen & Steers has approximately \$70 billion in assets under management, and is also one of the world's largest investors in global listed infrastructure, with around \$5.7 billion of funds under management. It has a dedicated investment team with several decades of experience in investing in global infrastructure.

On behalf of AGLI, Cohen & Steers will invest in a portfolio diversified across infrastructure sub-sectors and countries. AGLI will benefit from the global capabilities of Cohen & Steers and its access to management teams, regulators and government entities in executing on its investment process.

Priority Offer for Argo Shareholders

Argo is pleased to be able to offer all eligible Argo shareholders an opportunity to invest in AGLI through a Priority Offer in AGLI. AGLI is seeking to raise a minimum of \$200 million and a maximum of \$600 million (including \$100 million in Oversubscriptions). Further detail in relation to the Priority Offer is contained in the Prospectus which is available at www.argoinfrastructure.com.au. Argo's commitment to AGLI is demonstrated by its decision to subscribe for \$25 million of securities in the IPO.

How to Apply through the Priority Offer

- The Argo Investments Limited Shareholder Priority Offer (Priority Offer) is open to Argo shareholders as at 4 May 2015 who have a registered address in Australia or New Zealand (Qualifying Applicants). Applications for Shares can be made during the Offer Period, commencing on 26 May 2015. In order to apply through the Priority Offer, Qualifying Applicants can apply online at www.argoinfrastructure.com.au during the Offer Period by selecting "Yes" to the question "Are you an Argo Investments Limited Shareholder Applicant?" and logging in using the SRN/HIN provided at the top of this letter; and
- Qualifying Applicants can also request a Prospectus and a personalised Argo Investments Limited Shareholder Priority Offer Application Form to be mailed to you by calling the Argo Global Listed Infrastructure Information Line on 1800 756 086 or +61 3 9415 4147 between 8:30am and 5:00pm AEST, Monday to Friday. You should allow for sufficient time in order to receive your copy of the Prospectus and return the completed Application Form before the offer closes on 19 June 2015.

You should read the Prospectus in full and carefully consider all the information contained in it before making an investment decision. The Prospectus contains detailed information about AGLI, Cohen & Steers and the key risks associated with this investment. You should note that past performance is not a reliable indicator of future performance. Importantly, this opportunity should be considered as a long term investment with a minimum investment term of 5 years.

I also recommend that you seek independent professional investment advice prior to making your investment decision. Shares in AGLI can only be applied for by completing the Application Form accompanying the Prospectus.

Broker Firm Offer

Alternatively, Argo shareholders may be able to secure a firm allocation of shares in the IPO through the Broker Firm Offer. Argo shareholders who are clients of one of the firms appointed to manage the IPO (Syndicate Members) should contact their broker directly. The Joint Lead Managers of the IPO are CBA Equities, Taylor Collison, Morgan Stanley, Morgans and Ord Minnett. The Co-Lead Managers are Bell Potter and Shaw ICS Advisory.

If you are not a client of one of the Syndicate Members but wish to participate in the Broker Firm Offer, you should still contact your broker in the first instance, although you should be aware that allocation priority will be given to the Priority Offer and firm broker bids from the Syndicate Members.

Information meetings

To provide shareholders with more information about AGLI and the Offer, we have arranged a number of information meetings during May. If you wish to attend an information meeting listed below, please RSVP to invest@argoinvestments.com.au or (08) 8212 2055. Argo shareholders, financial advisers, brokers and other interested investors from the general public are welcome to attend.

Brisbane	10:30am	Mon 18 May	Stamford Plaza Hotel cnr. Edward & Margaret Street
Sydney	10:30am	Wed 20 May	Westin Hotel 1 Martin Place
Melbourne	10:30am	Thurs 21 May	RACV City Club 501 Bourke Street
Adelaide	10:30am	Wed 27 May	Adelaide Convention Centre Panorama Rooms, North Terrace
Perth	10:30am	Thurs 28 May	AMP Tower Level 1 140 St Georges Terrace

Key offer dates

Outlined below are the important dates for the offer. These dates are indicative only and may be subject to change.

Lodgement of the Prospectus with ASIC	11 May 2015
Offer opens	26 May 2015
Offer closes	19 June 2015
Expected date of allotment of Shares and Options	29 June 2015
Expected date for dispatch of holding statements	30 June 2015
Trading of Shares and Options commences on the ASX	3 July 2015
Expiry date for Options	31 March 2017

This investment opportunity represents a historic moment for Argo, which was first established in 1946 and has become a leading Australian listed investment company. The Board and management team believe that AGLI will offer Argo shareholders the opportunity to access a broad, diversified portfolio of global listed infrastructure securities and also benefit from the combined specialised investment expertise of Argo and Cohen & Steers. If appropriate for your circumstances, I look forward to welcoming you as a shareholder of Argo Global Listed Infrastructure Limited.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ian Martin', with a stylized flourish at the end.

Ian Martin AM
Chairman