

2019 ANNUAL GENERAL MEETING

21 OCTOBER 2019



Argo Investing
in Australia

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2019 FULL YEAR PROFIT

\$292.7m
profit

+33.7%
increase in profit

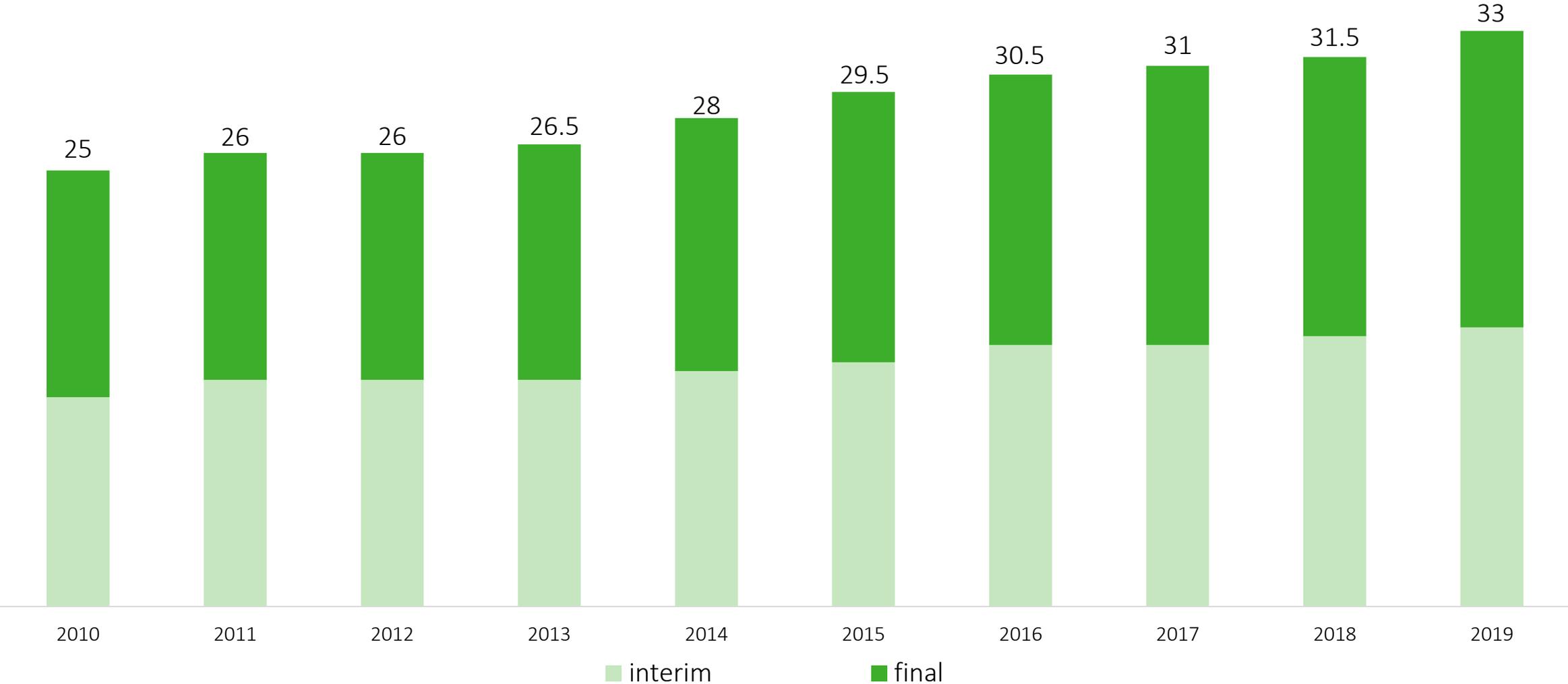
17c
final dividend fully
franked

33c
annual dividends

4c
LIC capital gain

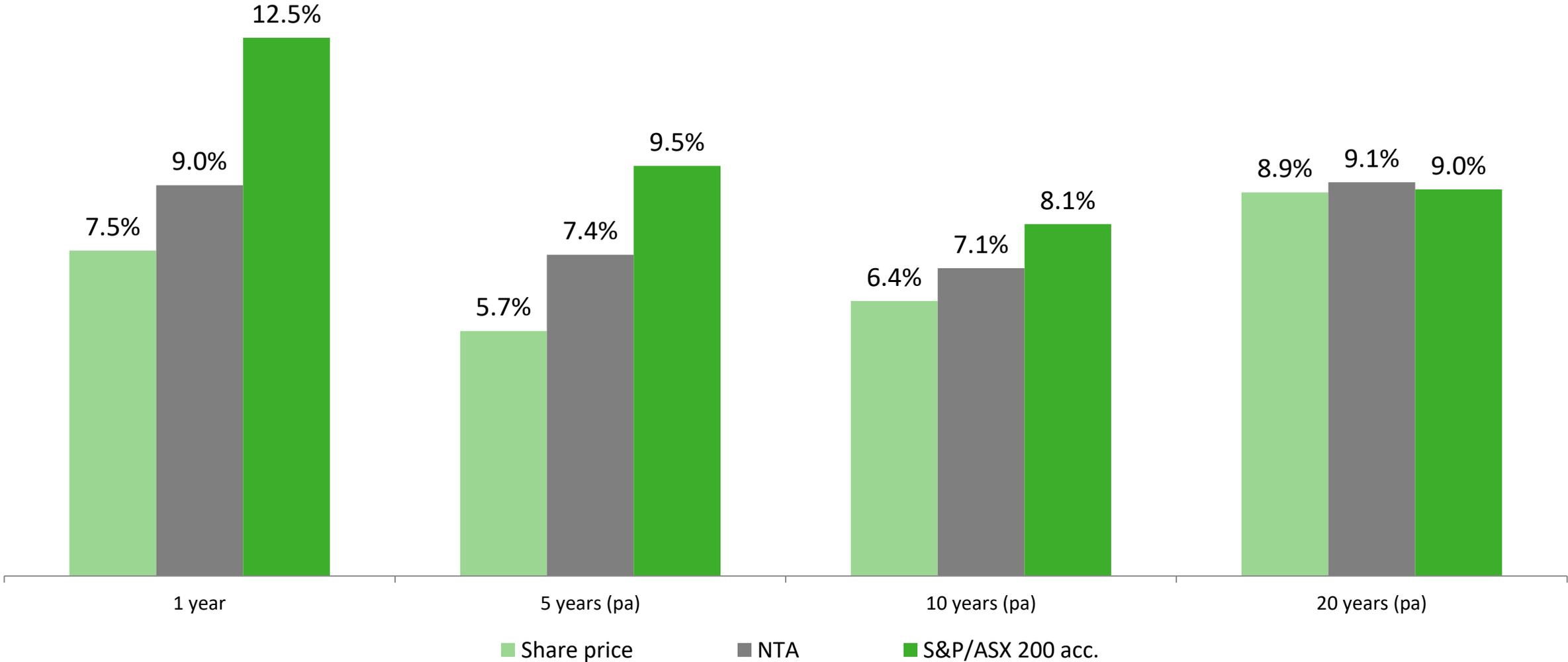
+7.3%
NTA return

ANNUAL DIVIDENDS CENTS PER SHARE



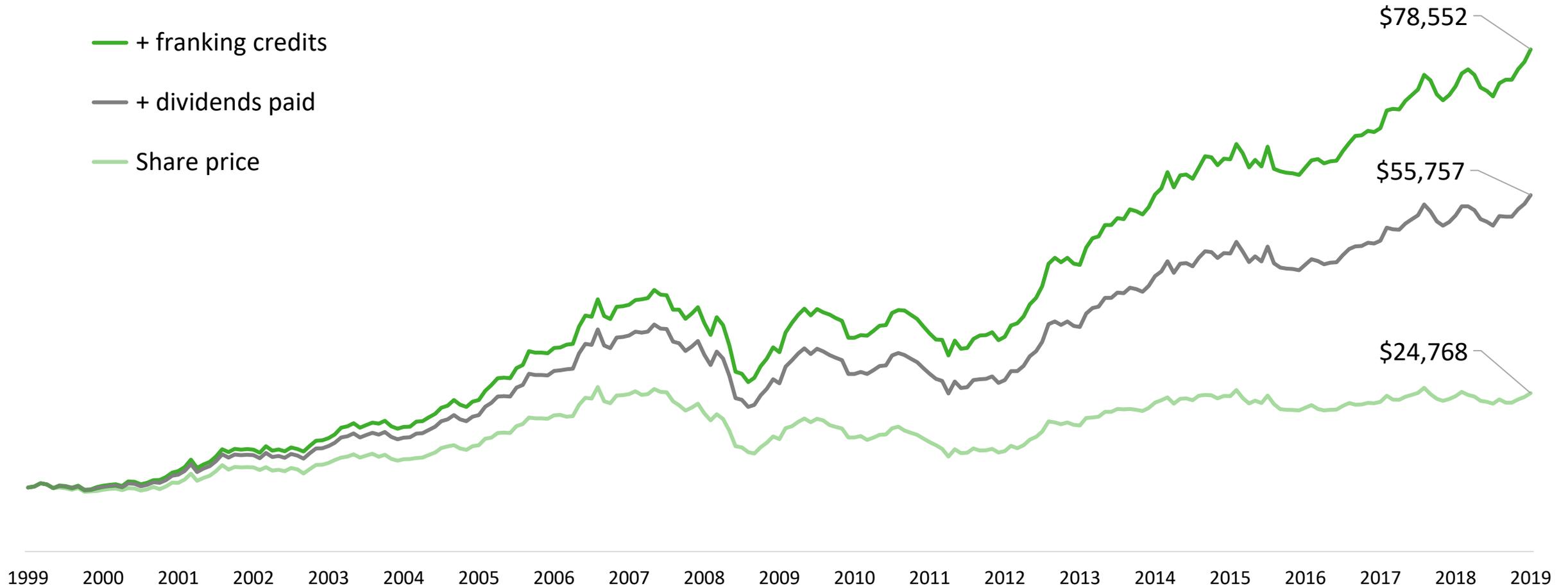
TOTAL RETURNS

% PER ANNUM TO 30 SEPTEMBER 2019



TOTAL RETURNS

20 YEAR RETURN BASED ON \$10,000 INVESTED



MARKET OUTLOOK





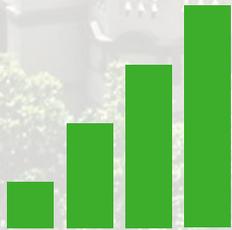
**Low-cost,
internally managed**



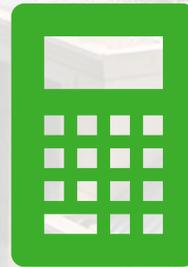
**Experienced board and
management team**



**Long-term, proven
investment approach**



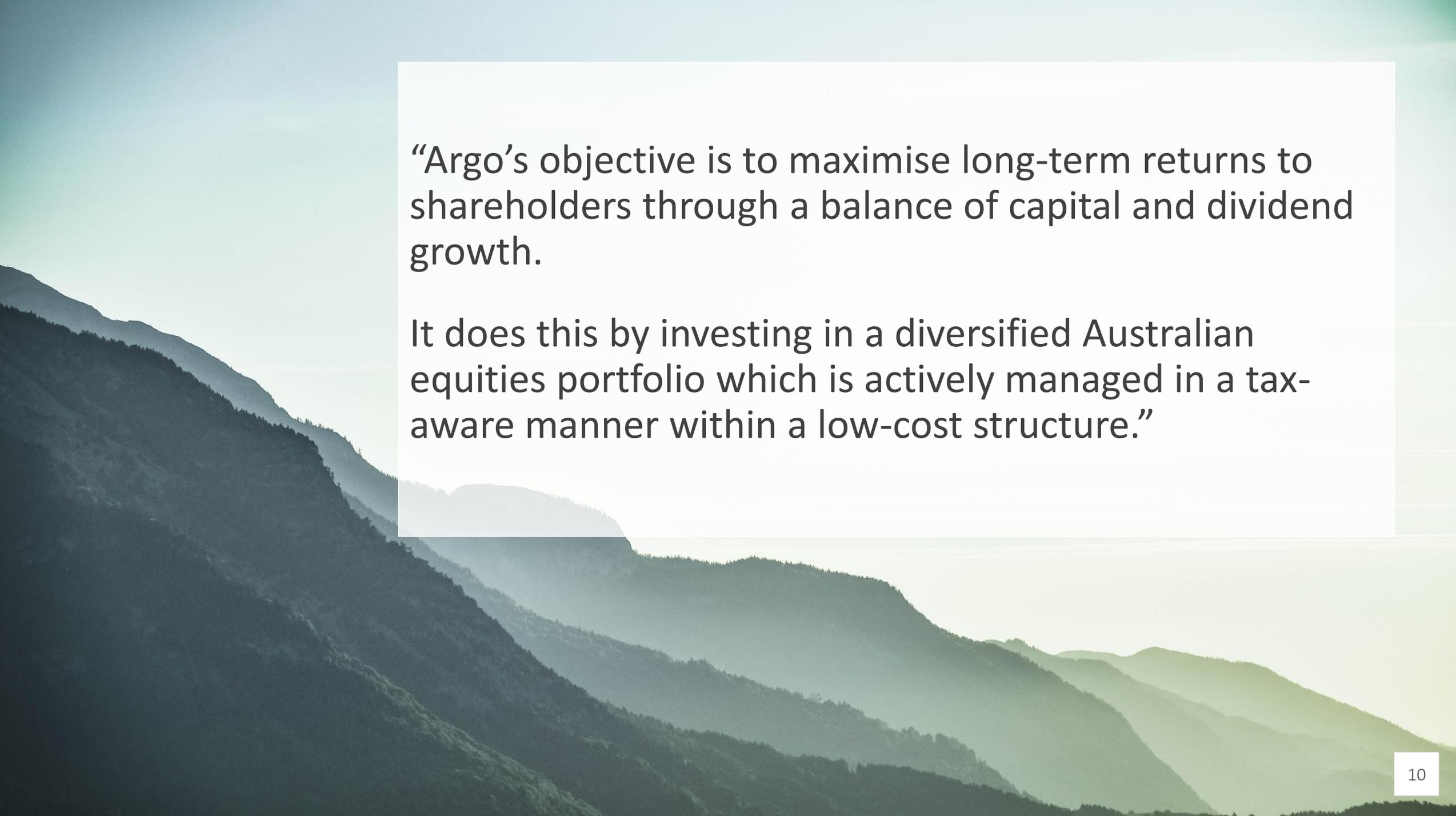
**Fully-franked,
sustainable dividends**



**Strong balance
sheet, no debt**



**Administratively
simple**



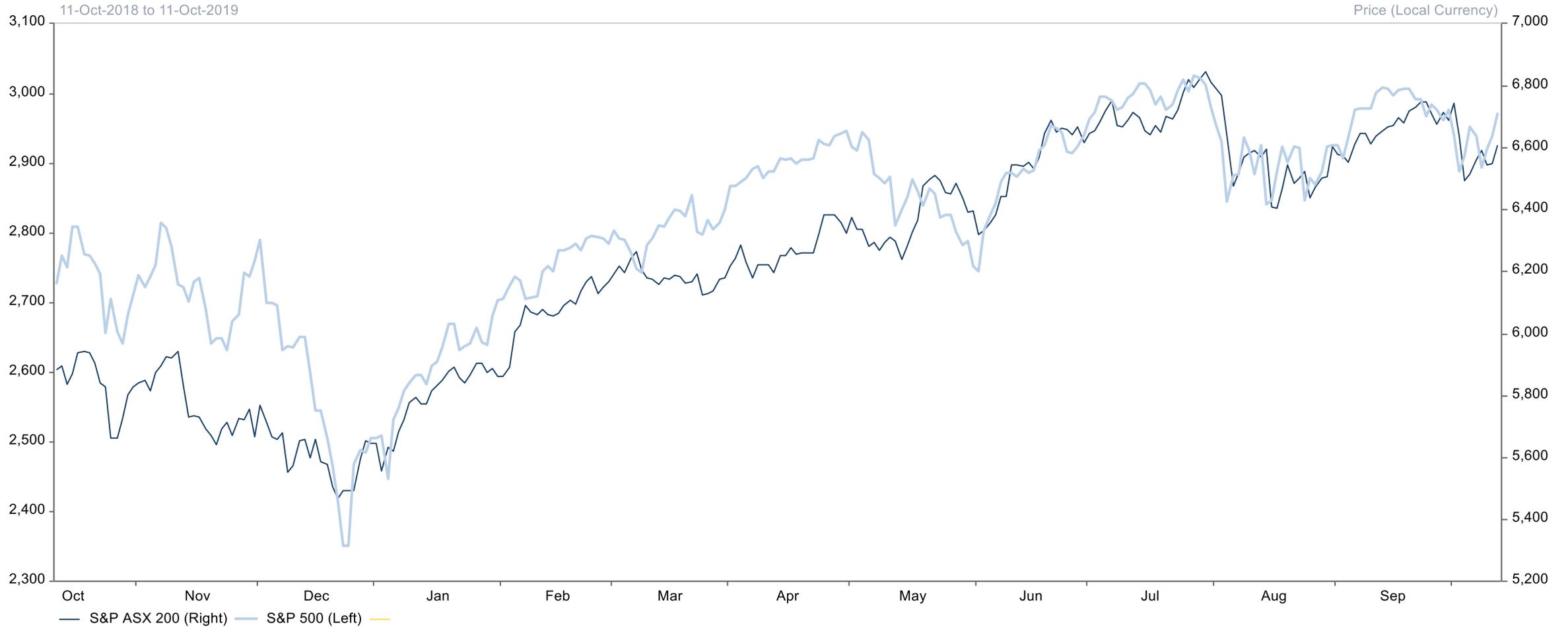
“Argo’s objective is to maximise long-term returns to shareholders through a balance of capital and dividend growth.

It does this by investing in a diversified Australian equities portfolio which is actively managed in a tax-aware manner within a low-cost structure.”

YEAR IN REVIEW

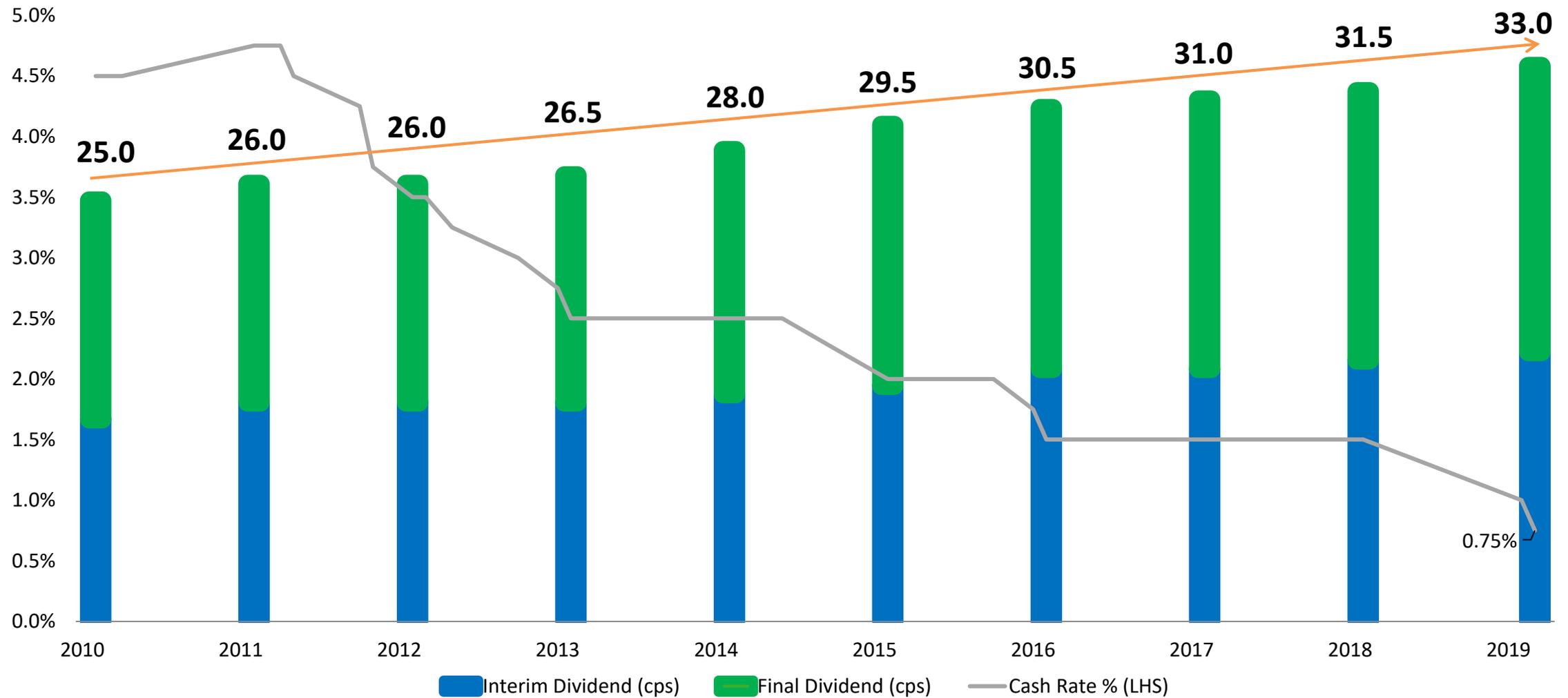
S&P ASX 200 vs. S&P 500

11-Oct-2018 to 11-Oct-2019



Source: FactSet Prices

GROWING DIVIDENDS IN A FALLING INTEREST RATE ENVIRONMENT



DIVIDEND INCREASES

SEVEN YEARS IN A ROW

Company	Sector	CAGR*	Holding (\$M)	Yield
Aristocrat Leisure	Consumer Discretionary	31.0%	99.9	1.7%
Macquarie Group	Financials	15.3%	322.2	4.5%
CSL	Health Care	14.1%	260.2	1.3%
Ramsay Health Care	Health Care	11.5%	118.6	2.4%
Transurban	Infrastructure	10.2%	121.5	4.2%
AGL Energy	Utilities	10.2%	69.8	5.2%
Premier Investments	Consumer Discretionary	9.1%	24.2	3.8%
AP Eagers	Consumer Discretionary	9.0%	86.5	2.6%
Sydney Airport	Infrastructure	8.6%	118.5	4.9%
Technology One	Information Technology	8.5%	42.8	1.6%
Amcor	Materials	7.0%	70.8	4.8%
Computershare	Information Technology	6.7%	79.2	3.1%
Brickworks	Materials	5.0%	10.3	3.1%
APA Group	Utilities	5.0%	124.7	4.3%

* Cumulative Annual Growth Rate

MAJOR PURCHASES DURING THE YEAR TO 30 JUNE 2019

ADDED TO POSITION



NEW POSITION



THE STAR
ENTERTAINMENT
GROUP



MAJOR SALES DURING THE YEAR TO 30 JUNE 2019

REDUCED POSITION



Incitec Pivot Limited

RioTinto

EXITED POSITION

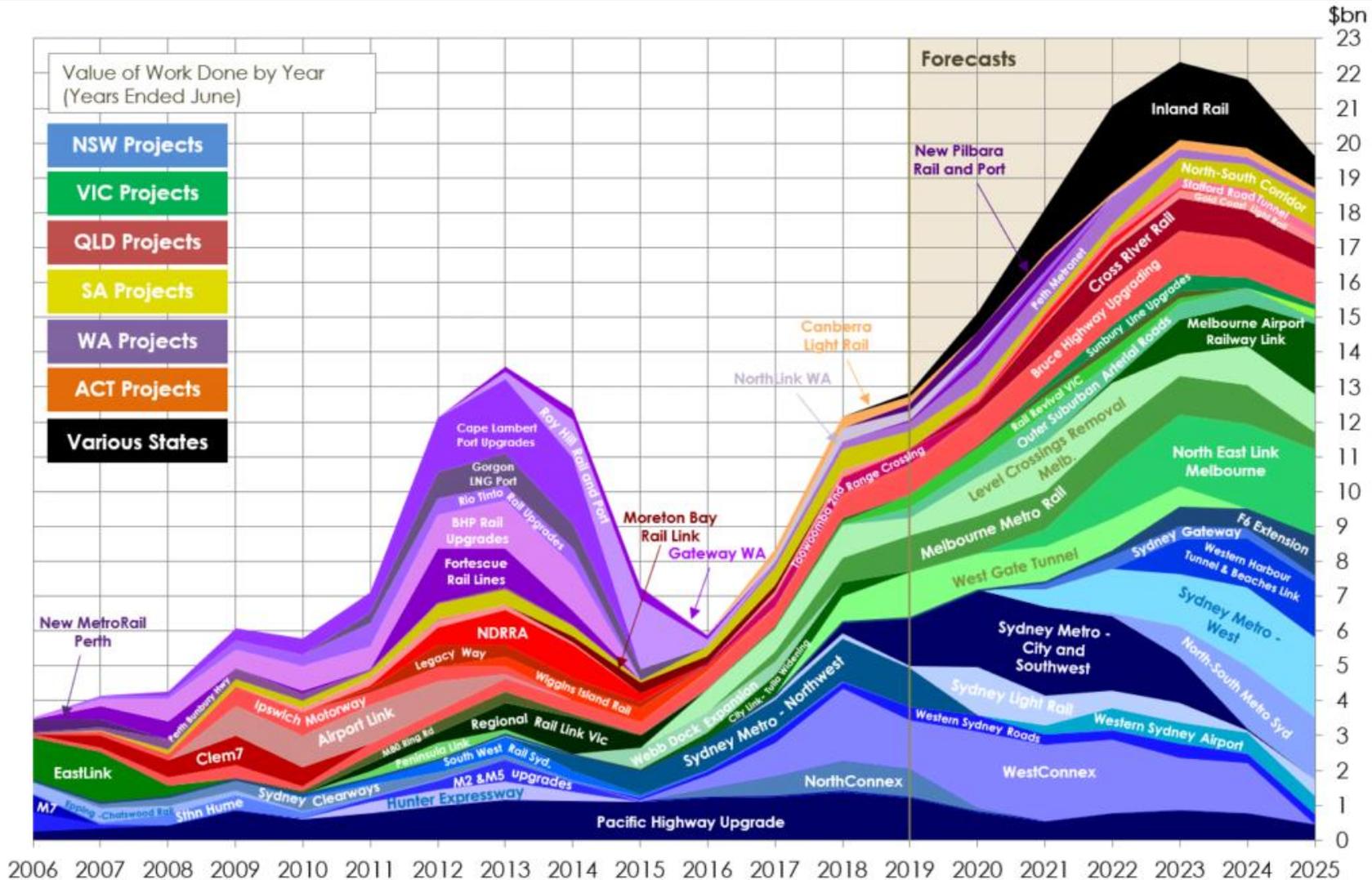


RECENT PURCHASES

SINCE YEAR ENDED 30 SEPTEMBER 2019



MAJOR TRANSPORT INFRASTRUCTURE PROJECTS



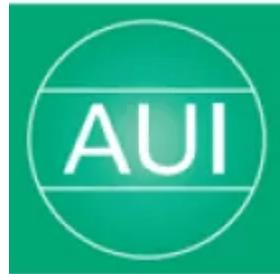
TOP 20 HOLDINGS

AS AT 30 JUNE 2019

	\$M		\$M
Westpac Banking Corporation	337.7	Australian United Investment Co.	130.9
Macquarie Group	308.2	Ramsay Health Care	↑ 123.1
BHP Billiton	↑ 304.8	Transurban Group*	↑ 119.7
ANZ Banking Group	275.5	Sydney Airport	118.7
Commonwealth Bank of Australia	↑ 256.9	APA Group	117.5
CSL	↑ 239.4	Woolworths	107.4
Rio Tinto	↑ 217.6	Aristocrat Leisure	100.3
Wesfarmers	↓ 182.2	Sonic Healthcare*	98.3
National Australia Bank	168.6	QBE Insurance*	88.1
Telstra Corporation	↑↑ 167.5	Origin Energy	↓ 83.0

* Denotes new additions to top 20 holdings

TOP HOLDINGS BY GROUP MATURE, DOMESTIC BUSINESSES



- **\$671.0m** in value
+4.9% on FY2018
- **11.2%** of the portfolio
- **\$34.6m** of dividends received*
+4.5% on FY2018
- **5.2%** yield*

* 2019 includes WES special dividend

TOP HOLDINGS BY GROUP OFFSHORE EARNERS



- **\$496.6M** in value
+10.8% on FY2018
- **8.3%** of the portfolio
- **\$19.2M** of dividends received
+23.1% on FY2018
- **3.9%** yield

TOP HOLDINGS BY GROUP HEALTHCARE



CSL™



Ramsay
Health Care



SONIC
HEALTHCARE

- **\$460.8m** in value
+19.9% on FY2018
- **7.7%** of the portfolio
- **\$8.1m** of dividends received
+22.7% on FY2018
- **1.8%** yield

TOP HOLDINGS BY GROUP INFRASTRUCTURE

 Transurban

 apa

 SYD

- **\$355.9m** in value
+24.5% on FY2018
- **6.1%** of the portfolio
- **\$15.6m** of dividends received
+15.6% on FY2018
- **4.4%** yield

TOP HOLDINGS BY GROUP THE BIG MINERS

BHP

RioTinto

- **\$522.4m** in value
+15.0% on FY2018
- **8.7%** of the portfolio
- **\$41.3m** of dividends received*
+116.2% on FY2018
- **7.9%** yield*

* 2019 includes BHP & RIO special dividends

TOP HOLDINGS BY GROUP BANKS



- **\$1.0b** in value
+1.9% on FY2018
- **17.4%** of the portfolio
- **\$63.0m** of dividends received
+0.2% on FY2018
- **6.1%** yield

ENGAGING WITH THE BANKS



E NVIRONMENT

S OCIAL

G OVERNANCE

MARKET OUTLOOK

PRICE/EARNINGS RATIO S&P/ASX 200 SINCE 1992



source: Morgan Stanley

PRICE/EARNINGS RATIO INDUSTRIALS SINCE 2002



source: Morgan Stanley

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