

# NTA & Investment Update

AT 30 SEPTEMBER 2020

## NET TANGIBLE ASSET (NTA) BACKING PER SHARE

	30 September	31 August
<b>NTA per share<sup>1</sup></b>	<b>\$7.15</b>	<b>\$7.36</b>
<b>NTA per share after unrealised tax provision<sup>2</sup></b>	<b>\$6.46</b>	<b>\$6.59</b>

<sup>1</sup> After all costs, including any tax payable.

<sup>2</sup> As required under the ASX Listing Rules, theoretical NTA per share after providing for estimated tax on unrealised gains/losses in the portfolio. That is, after tax that may arise if the entire portfolio was sold.

## MARKET COMMENTARY

After posting gains for five consecutive months, Australian shares fell in September with the S&P/ASX Accumulation Index ending the month down -3.7%. Despite some promising economic data and an easing of lockdown measures in Victoria, the share market recovery faltered as investors eyed offshore factors, including the tumultuous US Presidential race.

During the month, energy stocks fell due to tumbling oil prices, and technology shares were dragged lower in response to the US tech sector which plunged around 10% to officially enter correction territory. Notably, banks rallied strongly towards the end of the month following the announcement of changes to lending regulations.

Current policy settings (fiscal and monetary) are supporting investor sentiment. This was further endorsed in the Australian Federal Budget with record levels of spending, targeted at businesses to spend and hire, tax cuts for most working individuals, wage subsidies for young workers and almost \$35bn in business tax breaks. While this significantly helps the domestic outlook, sustained economic recovery is heavily dependent on the course of the coronavirus pandemic and we anticipate further market volatility.

## PORTFOLIO

### Top 20 investments\*

	%		%
CSL	6.1	Sonic Healthcare	2.3
Macquarie Group	5.7	Woolworths	2.3
BHP	5.1	Transurban	2.2
Wesfarmers	4.3	Aust. United Investment	2.2
Westpac	3.9	APA	2.2
Rio Tinto	3.8	NAB	2.2
CBA	3.8	Sydney Airport	2.0
ANZ	3.2	Aristocrat Leisure	1.9
Ramsay Health Care	2.6	Coles	1.6
Telstra	2.4	Amcor	1.6
<b>Cash and term deposits</b>	<b>2.9</b>	<b>Top 20 equity investments</b>	<b>61.4</b>

## ARGO INVESTMENTS LIMITED

ASX code	ARG
Founded	1946
Listed	1948
Market cap.	\$5.4bn
Shareholders	93,000
Dividend yield <sup>^</sup>	4.0%
MER	0.16%

<sup>^</sup> Historical yield of 5.8% (including franking) based on dividends paid over the last 12 months.

## COMPANY OVERVIEW

One of Australia's oldest and largest listed investment companies (LICs), Argo provides exposure to a professionally managed, diversified portfolio of ASX-listed companies.

## COMPANY OBJECTIVE

Maximise long-term returns to shareholders through a balance of capital and dividend growth, by investing in a diversified Australian equities portfolio which is actively managed in a tax-aware manner within a low-cost structure.

## INVESTMENT APPROACH

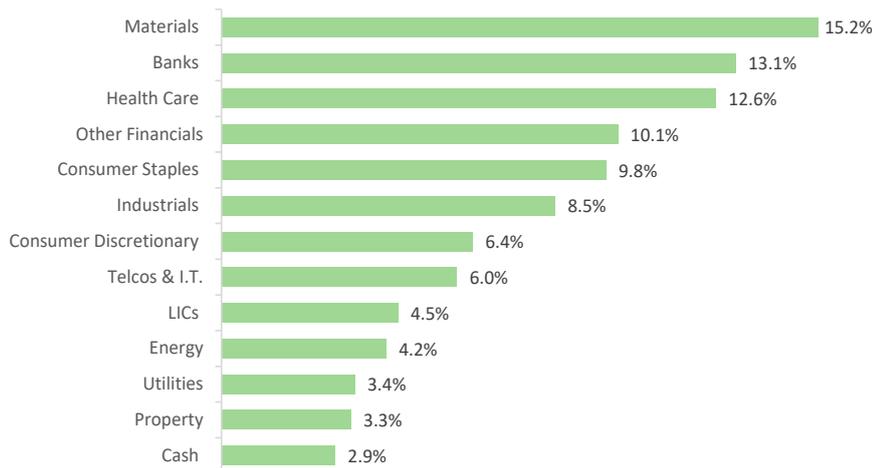
Extensive research and meetings to identify well-managed businesses in sound industries, with good cash flow and potential dividend growth. Argo buys or adds to holdings when prices compare favourably to long-term valuations.

## INVESTMENT TEAM

Jason Beddow	Managing Director
Andy Forster	Senior Investment Officer
Brydie Lloyd-Roberts	Analyst
Colin Whitehead	Analyst
Paul Frost	Analyst
Andrew Moller	Analyst

## PORTFOLIO

### Sector diversification\*



\* As a percentage of investment portfolio.

## HOW TO INVEST

Argo is listed on the Australian Securities Exchange (ASX) under the ASX code 'ARG'.

To become an Argo shareholder, simply buy shares through your stockbroker, online broker, financial adviser or platform.

## ARGO SHAREHOLDER BENEFITS



### Low-cost, internally managed

Internal management structure ensures low operating costs and no external fees



### Fully-franked, sustainable dividends

Dividends paid every year since inception in 1946 and fully franked since 1995



### Diversified and administratively simple

Exposure to a highly diversified portfolio of Australian equities through a single ASX trade



### Experienced board and management team

Highly experienced board and management team with strong governance and culture



### Long-term, proven investment approach

Resilience and growth through various market cycles and conditions over almost 75 years



### Strong balance sheet with no debt

Conservatively managed investment with a strong balance sheet and no debt

## CONTACT US

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## SHARE REGISTRY ENQUIRIES

Boardroom Pty Limited

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