

NTA & Investment Update

AT 31 MAY 2021

NET TANGIBLE ASSET (NTA) BACKING PER SHARE

	31 May	30 Apr
NTA per share¹	\$8.80	\$8.66
NTA per share after unrealised tax provision ²	\$7.62	\$7.50

¹ After all costs, including any tax payable.

² 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

Australian shares continued their ascent in May with the S&P/ASX200 Accumulation Index rising +2.3% to record a remarkable eighth consecutive monthly gain. Investor optimism was supported by high commodity prices and the big spending Federal Budget with its stimulus program well ahead of expectations.

Banks were the stand-out performers surging +7.3% as positive trading updates during the month revealed strong performance and lower impairments costs which saw earnings and dividends upgraded across the board.

In contrast, technology stocks posted steep falls (down -9.9%) amid the re-emergence of increasing inflation expectations and a preference for more 'value' oriented stocks.

Recent COVID-related lockdowns and economic disruption may temper confidence over the short-term, however, the medium-term outlook is generally positive with key data points indicating continued growth.

PORTFOLIO

Top 20 investments*

	%		%
Macquarie Group	5.8	Woolworths	2.3
BHP	5.7	Aristocrat Leisure	2.1
CSL	5.0	Ramsay Health Care	2.0
CBA	4.7	Sonic Healthcare	2.0
Wesfarmers	4.3	Aust. United Investment	2.0
Rio Tinto	4.0	Reece	1.8
Westpac	3.9	Transurban	1.8
ANZ	3.7	APA	1.6
Telstra	2.6	Sydney Airport	1.5
NAB	2.5	Eagers Automotive	1.5
Cash and term deposits	2.5	Top 20 equity investments	60.8

ARGO INVESTMENTS LIMITED

ASX code	ARG
Founded	1946
Listed	1948
Market cap.	\$6.4bn
Shareholders	94,000
Dividend yield [^]	3.2%
MER	0.15%

[^] Historical yield of 4.6% (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

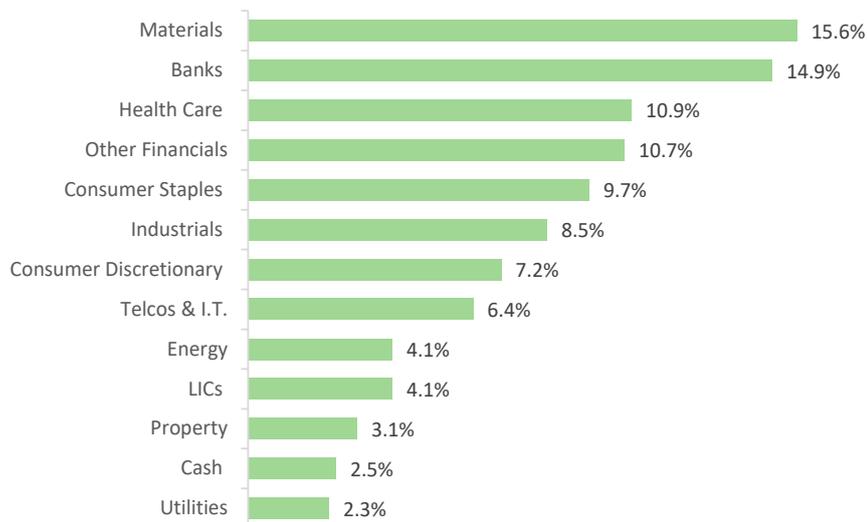
Extensive research and meetings to identify well-managed businesses in sound industries, with good cash flow and potential dividend growth. Argo buys or adds to holdings when prices compare favourably to long-term valuations.

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 75 years



Strong balance sheet with no debt

Conservatively managed investment with a strong balance sheet and no debt

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