24 October 2022

Company Announcements
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Annual General Meeting

Please find attached the Chairman's Address, Managing Director's Address and the accompanying presentation slides for today's Annual General Meeting of Argo Investments Limited (ASX: ARG).

Yours faithfully,

Tim Binks
Company Secretary

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invest@argoinvesments.com.au
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Adelaide SA 5000
08 8210 9500

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Level 37, 259 George St
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2022 Annual General Meeting

Chairman's Address

Delivered by Mr. Russell Higgins AO at the 76th Annual General Meeting of Argo Investments Limited (Argo or Company) at the Adelaide Convention Centre on Monday 24 October 2022 at 10.00am.

Strong financial results

During a period of significant share market volatility and challenging economic conditions, Argo's conservative investment philosophy and straightforward business model has again delivered a positive outcome for our shareholders.

Argo's profit for the 2022 financial year rose +79.9% to a record $312.9 million. The significant increase was driven by record dividend income received from companies in the portfolio, with many paying special dividends and considerably higher dividends, including BHP and Rio Tinto.

Our profit was also bolstered by one-off, non-cash income items due to the merger of BHP's oil and gas business with Woodside Energy and Tabcorp's demerger of The Lottery Corporation.

Increased fully franked dividends

In August, the Board was pleased to declare a final dividend of 17 cents per share, fully franked. Together with the interim dividend of 16 cents per share, shareholders received fully franked annual dividends of 33 cents per share, which represents an +18% increase on last year.

Argo has now paid dividends to our shareholders for 76 consecutive years. Importantly, the annual dividend for the 2022 financial year is equal to the dividend paid in the 2019 financial year, before economies and share markets globally were impacted by the COVID pandemic.

LIC capital gain tax benefit

The final dividend also included a record listed investment company (LIC) capital gain component of 15 cents per share. This was as a result of substantial capital gains being crystallised in the portfolio, most notably due to the takeover of Sydney Airport, which was one of our larger holdings.

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When Argo makes a capital gain on the sale of a long-term holding in the portfolio, a capital gains tax benefit can be passed on to our shareholders as though they made the gain themselves. Most individual and self-managed superannuation fund shareholders can claim a tax deduction in relation to this gain, in addition to the benefit of franking credits. Argo is one of only a few companies able to provide this benefit to shareholders, due to our status as a genuine long-term investor, not a trader. This is a key benefit of Argo and distinguishes us from managed investment funds and many other LICs.

You can find more details on your dividend statement or refer to the 'Dividends' section of the Shareholder Centre on our website.

Investment outperformance

During a period of significant volatility driven largely by macro-economic headwinds, Argo's portfolio of quality Australian listed companies proved resilient over the 2022 financial year. We received record dividend income and outperformed the Australian share market by +4.2%. Our investment performance, as measured by net tangible assets (NTA) return after management costs, was -2.3% as compared to the S&P/ASX 200 Accumulation Index return of -6.5%.

This strong relative performance reflects Argo's conservative investment philosophy and consistent focus on company fundamentals, including profitability. Our disciplined approach ensured we avoided companies and sectors with inflated valuations, including many expensive technology stocks and speculative mining companies. Our Managing Director, Jason Beddow, will discuss the portfolio in more detail shortly.

For the 12 months to 30 June 2022, Argo's Total Shareholder Return (TSR), being share price performance plus dividends, was +1.6%, an impressive +8.1% ahead of the Australian share market. Including the benefit of franking credits, the return was even larger at +3.0%.

Directorate

Argo Investments has a number of long serving Non-executive Directors. As a consequence, we have developed a succession plan for the Board of Directors, designed to refresh the Board whilst maintaining an appropriate mix of skills, experience and diversity. The retirements and new appointments will be staggered over time to ensure our long-serving Non-executive Directors are not all retiring simultaneously.

On 30 June 2022, Ms. Joycelyn Morton retired from the Board after 10 years of service, including as a member of the Audit & Risk Committee. We are pleased that Joycelyn is here with us today. Joycelyn's strong financial acumen, hard work and team first approach was of great value to the Board. She played an instrumental role when Argo established a new LIC, Argo Global Listed Infrastructure (ASX code: ALI). She became a founding director of that company in 2015 and continues to serve on its Board.

As announced last month, Ms. Anne Brennan retires from the Company at the conclusion of today's meeting after serving on the Board for 11 years, including as Chair of the Audit & Risk Committee. Anne has used her experience, both in professional services and in a variety of major corporations, to make a significant contribution to the Company during her time on the Board. In addition, as Chair of the Audit and Risk Committee, her diligence and rigor around financial reporting has been greatly appreciated.

On behalf of the Board, I would like to take this opportunity to formally thank Joycelyn and Anne for their tireless dedication and valuable contributions to Argo Investments.

Following an external search process, Ms. Lianne Buck was appointed as an independent, Non-executive Director with effect from 1 July 2022. I am pleased to introduce Lianne to shareholders today. She is an experienced company director with relevant industry experience and more than 20 years in Australian and global investment markets.

Environmental, Social and Governance

Consideration of environmental, social and corporate governance (ESG) factors has never been more important when investing and has been getting a lot of attention lately. Over many decades of investing, Argo appreciates that a business' long-term financial sustainability is dependent on how ESG opportunities and risks are managed. Therefore, assessment of these factors forms an inherent part of Argo's investment approach. Our analysis focuses on identifying potential liabilities and opportunities that can fundamentally influence a company's long-term value and returns to shareholders. For interested shareholders, further details about Argo's ESG integration, including our recently updated ESG Investment Statement, can be found on our website in the 'How we invest' section.

From time to time, we are asked about Argo's own ESG credentials. As a listed company, we take these matters seriously. We meet all the governance standards required and have instituted policies regarding diversity and inclusion. It is worth noting that Argo's environmental footprint is minimal. Our operations consist of two small offices with just 13 full time equivalent staff. We recycle where possible and minimise printing and travel.

Outlook

When I addressed last year's AGM, investment conditions were relatively benign, notwithstanding some ongoing COVID-related economic challenges and restrictions. Investors were generally optimistic. Massive stimulus measures remained in place and interest rates were at historical lows.

At the time, I observed that unwinding the extraordinary fiscal and monetary stimulus would pose a challenge and that the pathway out represented a risk to the outlook and could be a source of some volatility.

In the intervening period, governments began withdrawing stimulus and central banks commenced aggressively raising interest rates in an effort to combat surging inflation. These challenges have been compounded by Russia's invasion of Ukraine, which has driven up energy prices and further hampered supply chains still recovering from COVID disruptions. In addition, China's COVID-zero policy, encompassing lockdowns, is having a significant negative impact on the Chinese economy. In general, markets are reacting negatively to these factors.

The outlook remains heavily contingent on the ability of governments and central banks to carefully manage policy settings, walking a very fine line so as not to fuel inflation, nor lead their economies into recession. The geopolitical factors previously mentioned also continue to impact the economic outlook. In my view, there are more risks than normal in the outlook for major economies in the year ahead.

In these uncertain times, I want to reassure shareholders that we will continue to apply Argo's business model to the best of our ability. Argo has weathered numerous disruptive events and navigated through different market cycles for more than 75 years. Argo's business model remains resilient with a strong balance sheet, no debt and a diversified portfolio of blue-chip companies. We remain focused on fundamentals and consistently applying our investment approach when investing our shareholders' capital.

Thank you

I would like to conclude by thanking our Managing Director, Jason Beddow, and the dedicated Argo team for their continued hard work.

I would also like to thank my fellow Board members for their valuable contributions to the Company.

Importantly, on behalf of the Board, I sincerely thank you, our loyal shareholders. To our new shareholders, welcome to Argo.

2022 Annual General Meeting

Managing Director's Address

Delivered by Mr. Jason Beddow at the 76th Annual General Meeting of Argo Investments Limited (Argo or Company) held at the Adelaide Convention Centre on Monday 24 October 2022 at 10.00am.

Market review

It is great to be holding our AGM in person, after what seems like a long time. Indeed, it feels like a very long time since the beginning of 2020 when the COVID-19 virus was just beginning to spread across the world.

The global pandemic generated some of the most extraordinary events experienced in modern history. Over the course of the health crisis, central banks and governments worldwide provided vast financial support on an unprecedented scale, to preserve economies, businesses, and employment. These efforts were largely very successful.

An unintended, although for many not unexpected, consequence was the strong increase in liquidity and asset prices globally including equities. The resulting inflation was initially considered transitory as factors such as increased supply chain costs were a direct result of COVID. Even up until late last year, inflation was still not a major concern for most economists or central banks.

The 2022 calendar year brought its own economic and geopolitical shocks, notably the Russian invasion of Ukraine. The war has caused huge disruption to energy markets globally, fuelling the already inflationary environment, not to mention the terrible human toll.

Fast forward to today and it is hard to avoid reading about inflation, interest rate increases and the rise in the cost of living. Earlier this year, global inflation surged to almost 10%, catching policymakers and investors by surprise. The rhetoric quickly changed from insisting that inflation was a post-pandemic effect which would normalise, to a much bigger, more persistent problem.

We are no longer living in the 2% year-on-year inflation world we have experienced for many years. This calendar year, 33 of the 38 central banks monitored by the Bank for International Settlements have raised interest rates. The US Federal Reserve has raised rates more quickly than at any time since the 1980s. Australia has also followed suit, with six consecutive monthly rate increases totalling 2.5%. The official cash rate is now 2.6%, with further increases likely.

Currently, markets are extremely sensitive to macroeconomic and short-term factors with significant daily 'noise'. That said, there is a lot of 'noise' to be concerned about: the Russia / Ukraine War, the energy cost crisis, rising inflation, increasing interest rates, China's weakening economy and the hangover effects of COVID. In Australia, a third year of the La Nina weather system and the associated increased rainfall on the east coast of the country, is also generating major challenges and disruptions.

This uncertainty is adding to the increasing fear that, if inflation remains elevated, the prospect of a 'higher for longer' interest rate environment increases and the likelihood of a 'soft landing' for the global economy decreases. In this scenario, central banks will have to go harder to slow demand, creating further headwinds for equities.

A side effect of the rapid increase in rates and the variable economic growth projections, is the unbridled strength of the US dollar. While the Australian dollar has held up well against many currencies, it is at a 15-year low versus the Greenback. While this is generally a positive for Australia's competitiveness, it does add to inflation through the rising cost of imported goods.

The share market is again characterised by volatility with sharp daily movements. Despite some aggressive rallies, shares overall have trended down into negative territory for the 12 months to 30 September 2022, with the S&P/ASX 200 Accumulation Index down -7.7%. A few sectors have delivered positive returns over the period, namely energy, utilities, and materials. In contrast, information technology, consumer discretionary and real estate stocks are down over -20%.

Within the resources sector there have been extreme moves in some commodity prices. The price of spodumene, which is the base ore for lithium production, has increased over +500% in 12 months, as global automakers and battery manufacturers fight to lock in limited supply at almost any price. Thermal coal prices have doubled because of the energy crisis in Europe and the bans on Russian coal exports.

However, iron ore and copper prices have fallen around -20%, as fears of a global slowdown grow and China's economy remains weak.

Everything considered, Australia's economic data is holding up well, with almost record low unemployment, solid household spending and expansionary readings on several key economic indicators. However, stubborn inflation, interest rate hikes, geopolitical instability and softening housing markets are some of the key risks to the global and domestic economies.

Investment portfolio

In this uncertain environment we have continued to focus on long-term income and capital growth. We diversify our portfolio in an effort to maintain balanced performance over longer time frames and deliver a relatively smooth dividend profile to shareholders through market cycles.

Our priority is well-established companies that ideally have a competitive advantage with opportunities to grow. We believe strong management teams will be increasingly important in these more difficult times.

Quality companies will likely perform better, regardless of the macroeconomic conditions and policy settings. We are more likely to be adding to existing holdings that we know well during periods of market weakness, rather than adding new names to the portfolio.

We have made minimal purchases so far this financial year. We have sold our holding in Tassal Group, following the revised takeover bid from Canadian company Cooke, at what we feel was an attractive price, and exited a couple of smaller holdings. The overall number of holdings has reduced by 3 to 90.

While not significant, we have been building up our cash balance since year end to deploy as opportunities present themselves.

Investment trends

We believe some market trends are now entrenched regardless of disruptions to economies or the economic cycle. From an energy perspective, the growing shortages and increasing prices have refocused global attention on the importance of energy security, an issue which now sits alongside the need for decarbonisation and affordability.

Sustainable energy and electric vehicles are two trends that fall into the decarbonisation category. The commodities that underpin these themes will likely remain in demand well into the future. Two stocks in the portfolio that provide exposure to this trend are IGO and Lynas Rare Earths.

Lithium remains one of the key components in batteries for electric vehicles. IGO is one of the biggest lithium producers in Australia and provides high quality exposure to the rapidly growing battery materials market, with low-cost lithium and nickel operations. The company has exposure to the Greenbushes Lithium mine in Western Australia via a 25% ownership stake. The mine has the largest installed capacity, the highest-grade reserve, the lowest cost structure, and a mine life of over 20 years. IGO is generating very strong cashflows from existing operations and can fund future growth opportunities.

Demand for rare earths is underpinned by growth in electric vehicles, wind turbines and the development of new technologies.

Lynas owns the Mt. Weld open pit mine in Western Australia, which is one of the highest grade and largest scale deposits in the world. It is the largest producer outside of China of high-value rare earth elements, including NdPr which is used in the production of magnets for electric vehicles and wind turbines. Lynas has started construction of an additional cracking & leaching plant in Kalgoorlie, with completion targeted in 2023, and is also in advanced studies for the construction of a US Rare Earths facility in Texas.

Outlook

There are a myriad of challenges facing the global economy. In the United States there is the surging inflation problem. In China, the issue is slowing growth. Europe seems to have the worst of both worlds, rising prices and a looming recession, not to mention energy shortages. Much of the rest of the world is dealing with supply shortages and weak currencies against the US dollar.

In comparison to most other countries, Australia is faring relatively well. However, as we enter 2023, interest rate rises will likely have a slowing impact on the economy and we may experience shockwaves from any number of global developments.

We believe corporate Australia is in relatively good health and will be able to absorb a lot of this uncertainty. In addition, company balance sheets are strong, and unemployment remains low.

We continue to take a consistent and conservative approach to managing Argo's portfolio, remaining faithful to what has proven resilient through difficult economic cycles and disruptive events over many decades. With no debt and cash available, we believe Argo is relatively well positioned in the current environment.

Thank you

I would like to acknowledge the efforts of the whole team again this year. Our staff continue to work tirelessly for the Company and, it may surprise you, number just 15 across both our Adelaide and Sydney offices.

I also acknowledge the contribution from the Chairman and Non-executive Directors, and I look forward to working with them as we best navigate Argo through this next period for you, our shareholders.

I would also like to personally thank Joycelyn and Anne for their contribution to the Company and the support and guidance they have provided me and other members of the team during their time on the Board.

I wish all our shareholders well for the coming months. We thank you for your continued support and I look forward to meeting more of you in person throughout 2023.

Annual General Meeting

ARGO INVESTMENTS

Board of Directors

Russell Higgins AO
Non-executive Chairman

Jason Beddow
Managing Director

Lianne Buck
Non-executive Director

Roger Davis
Non-executive Director

Anne Brennan
Non-executive Director

Chris Cuffe AO
Non-executive Director

Liz Lewin
Non-executive Director

2022 highlights

Profit

$312.9m

$174.0m in 2021

Earnings per share

34.3c

Excl. one-off, non-cash income
21.4c per share in 2021

Full year dividends

33.0c

Fully franked per share
28.0c per share in 2021

LIC capital gain

15.0c

LIC tax benefit
8.0c per share in 2021

Argo shareholders

96,100

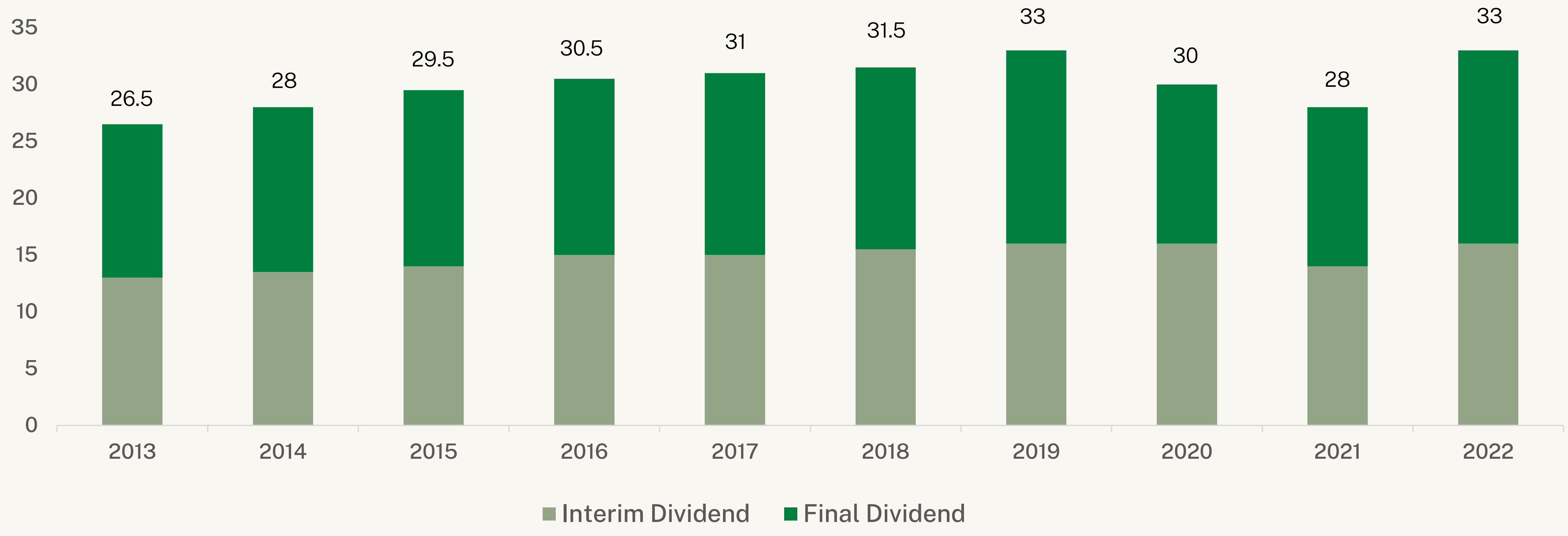
94,100 shareholders in 2021

Management expense ratio

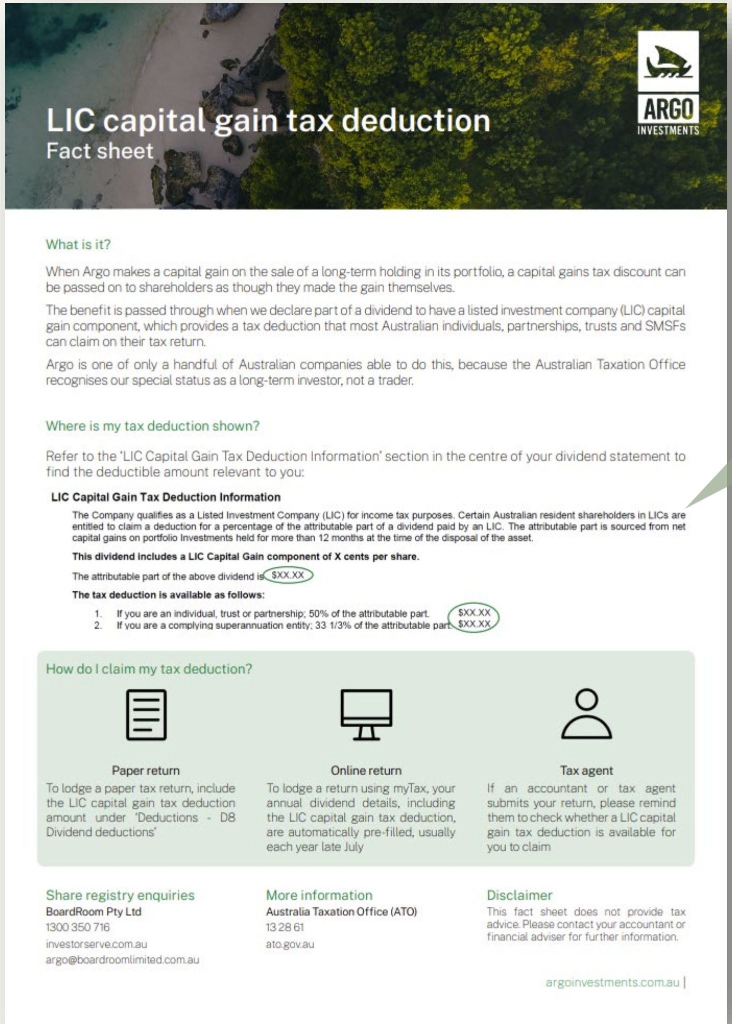
0.14%

0.14% in 2021

Annual dividends cents per share



LIC capital gain tax benefit



LIC capital gain tax deduction
Fact sheet

ARGO INVESTMENTS

What is it?

When Argo makes a capital gain on the sale of a long-term holding in its portfolio, a capital gains tax discount can be passed on to shareholders as though they made the gain themselves.

The benefit is passed through when we declare part of a dividend to have a listed investment company (LIC) capital gain component, which provides a tax deduction that most Australian individuals, partnerships, trusts and SMSFs can claim on their tax return.

Argo is one of only a handful of Australian companies able to do this, because the Australian Taxation Office recognises our special status as a long-term investor, not a trader.

Where is my tax deduction shown?

Refer to the 'LIC Capital Gain Tax Deduction Information' section in the centre of your dividend statement to find the deductible amount relevant to you:

LIC Capital Gain Tax Deduction Information

The Company qualifies as a Listed Investment Company (LIC) for income tax purposes. Certain Australian resident shareholders in LICs are entitled to claim a deduction for a percentage of the attributable part of a dividend paid by an LIC. The attributable part is sourced from net capital gains on portfolio Investments held for more than 12 months at the time of the disposal of the asset.

This dividend includes a LIC Capital Gain component of X cents per share.

The attributable part of the above dividend is $XX.XX

The tax deduction is available as follows:

1. If you are an individual, trust or partnership; 50% of the attributable part. $XX.XX
2. If you are a complying superannuation entity; 33 1/3% of the attributable part. $XX.XX

How do I claim my tax deduction?

Paper return
To lodge a paper tax return, include the LIC capital gain tax deduction amount under 'Deductions - D8 Dividend deductions'

Online return
To lodge a return using myTax, your annual dividend details, including the LIC capital gain tax deduction, are automatically pre-filled, usually each year late July

Tax agent
If an accountant or tax agent submits your return, please remind them to check whether a LIC capital gain tax deduction is available for you to claim

Share registry enquiries
BoardRoom Pty Ltd
1300 350 716
investorserve.com.au
argo@boardroomlimited.com.au

More information
Australia Taxation Office (ATO)
13 28 61
ato.gov.au

Disclaimer
This fact sheet does not provide tax advice. Please contact your accountant or financial adviser for further information.

argoinvestments.com.au

LIC Capital Gain Tax Deduction Information

The Company qualifies as a Listed Investment Company (LIC) for income tax purposes. Certain Australian resident shareholders in LICs are entitled to claim a deduction for a percentage of the attributable part of a dividend paid by an LIC. The attributable part is sourced from net capital gains on portfolio Investments held for more than 12 months at the time of the disposal of the asset.

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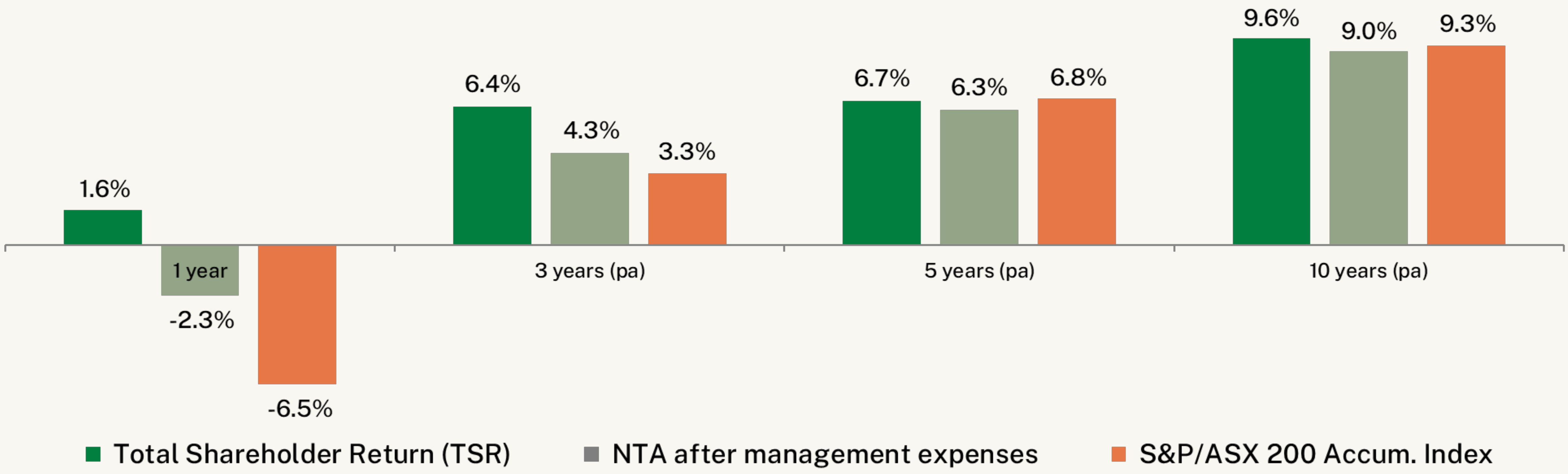
1. If you are an individual, trust or partnership; 50% of the attributable part. $XX.XX
2. If you are a complying superannuation entity; 33 1/3% of the attributable part. $XX.XX

For more information

See the fact sheet on our website:

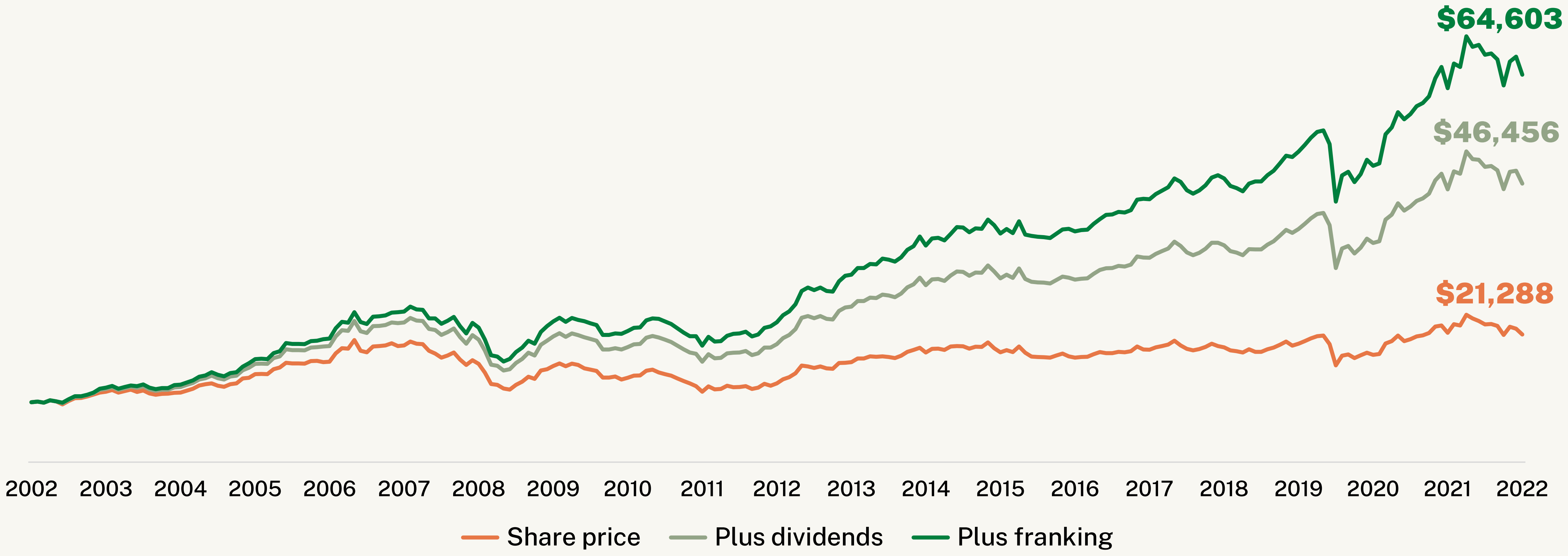
argoinvestments.com.au/dividends

Total returns per annum



Figures above are to 30 June 2022.

Shareholder returns $10,000 invested



Figures above are over 20 years to 30 September 2022.

Environmental, social & governance factors are integrated into our investment process

Outlook

Shareholder benefits

Low-cost,
internally managed

Experienced board and
management team

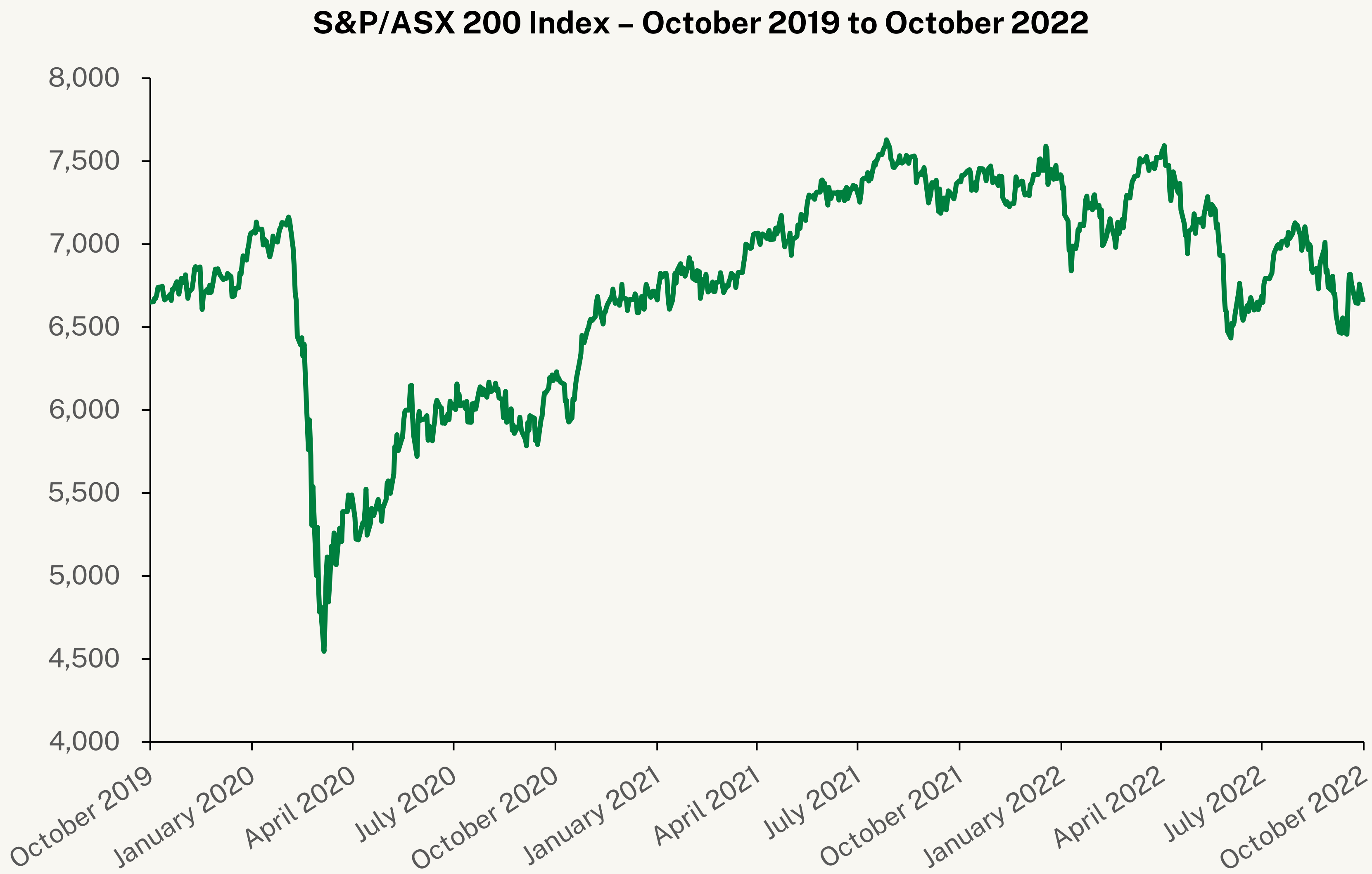
Long-term, proven
investment approach

Fully-franked,
sustainable dividends

Strong balance
sheet, no debt

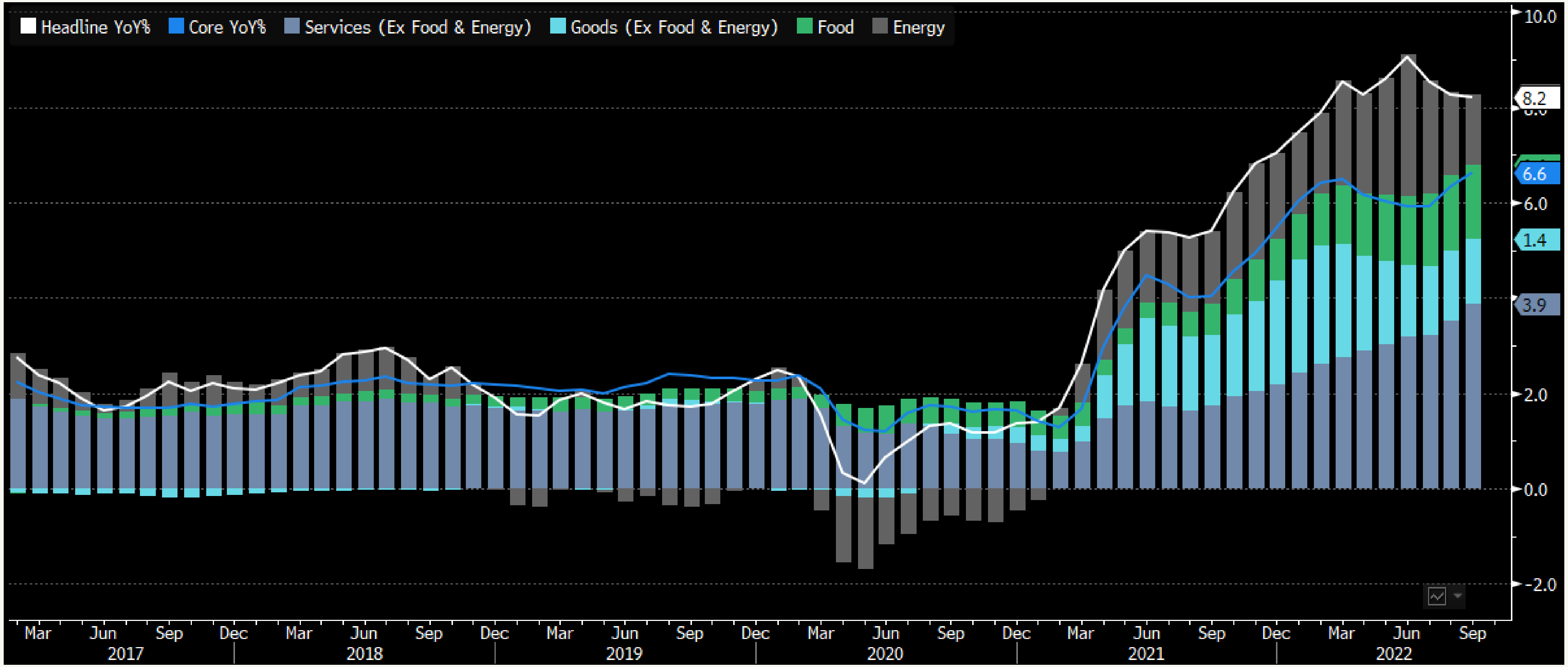
Diversified and
administratively simple

Share market performance



Rising inflation

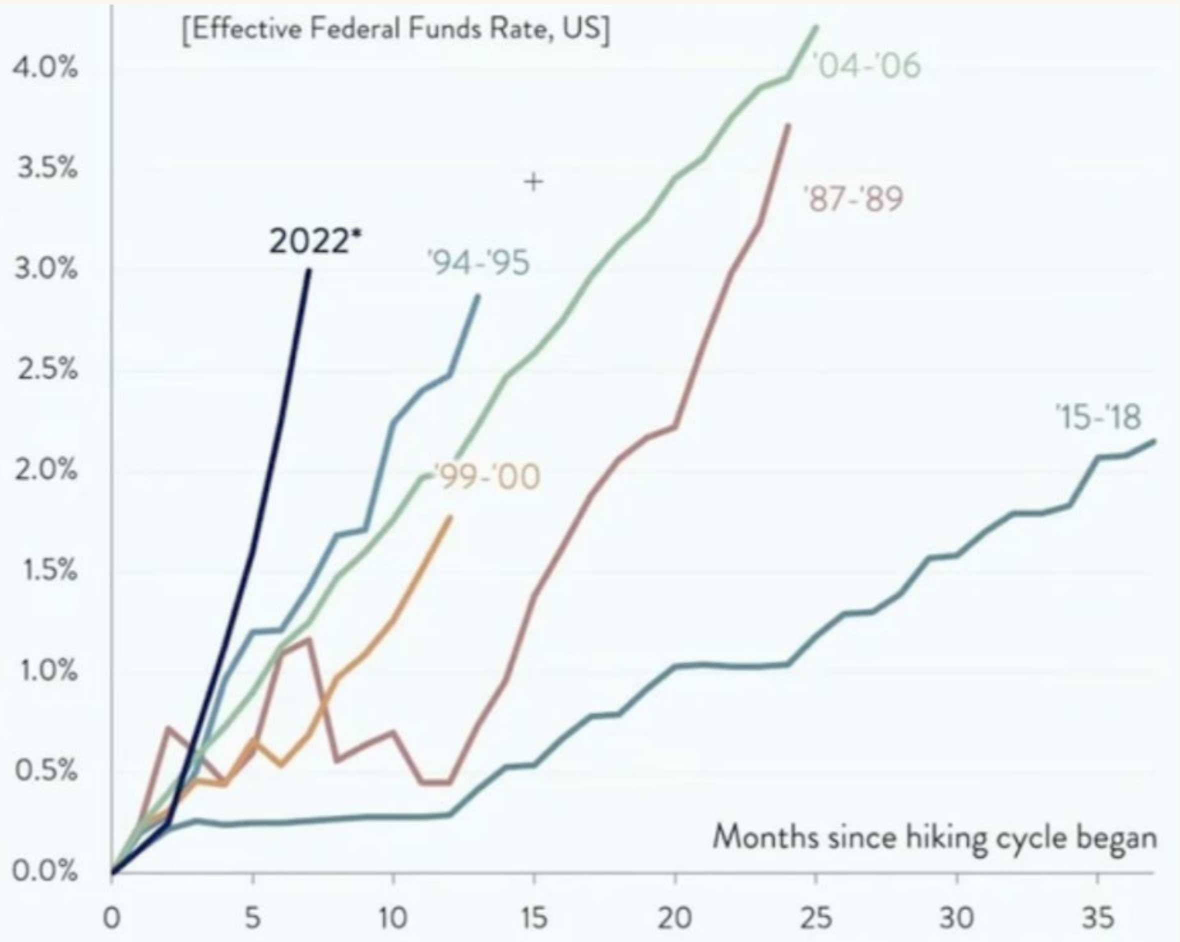
US Consumer Price Index



Source: US Bureau of Labor Statistics, Bloomberg

Increasing interest rates

US Federal Reserve funds rate increases



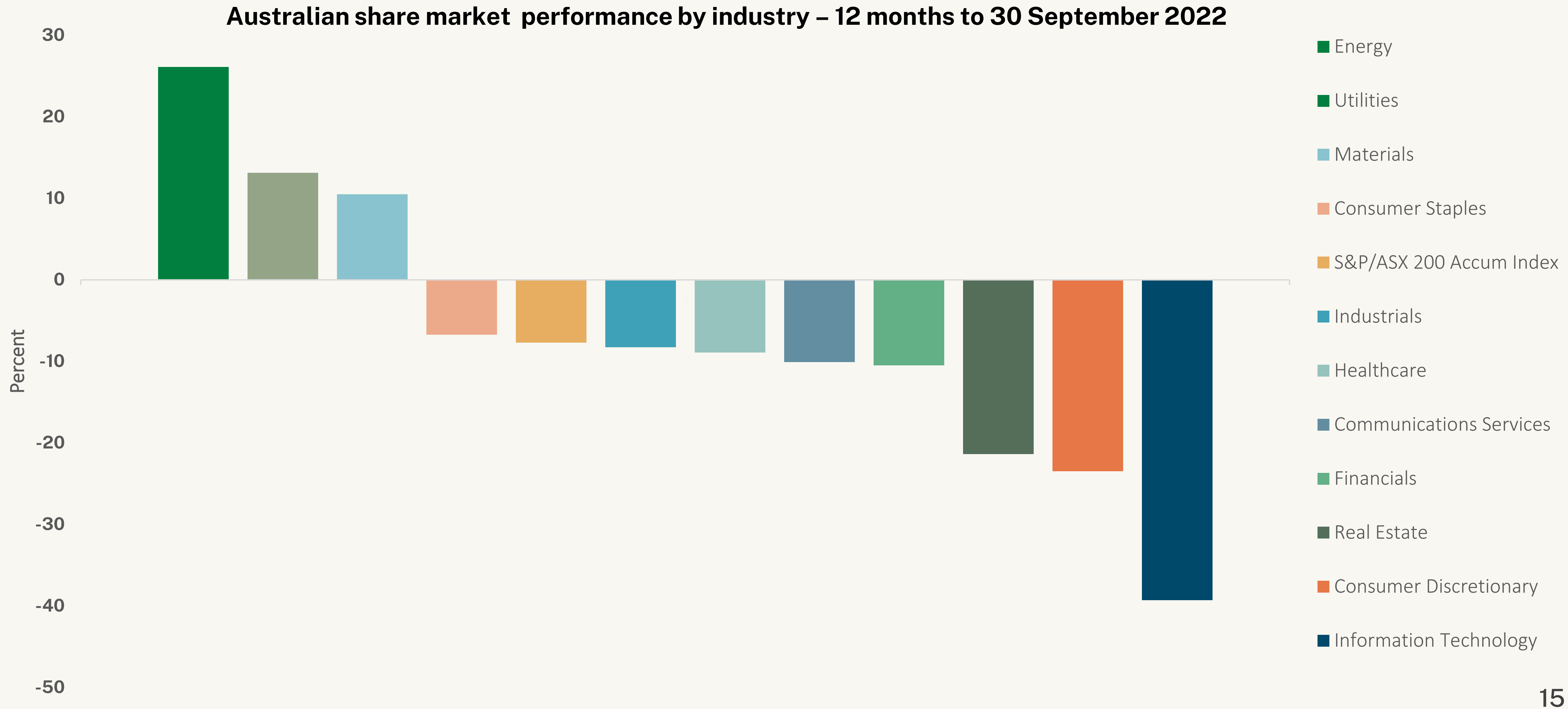
Source: US Federal Reserve, Charter

US dollar strength

US dollar versus other currencies

Source: Trading View

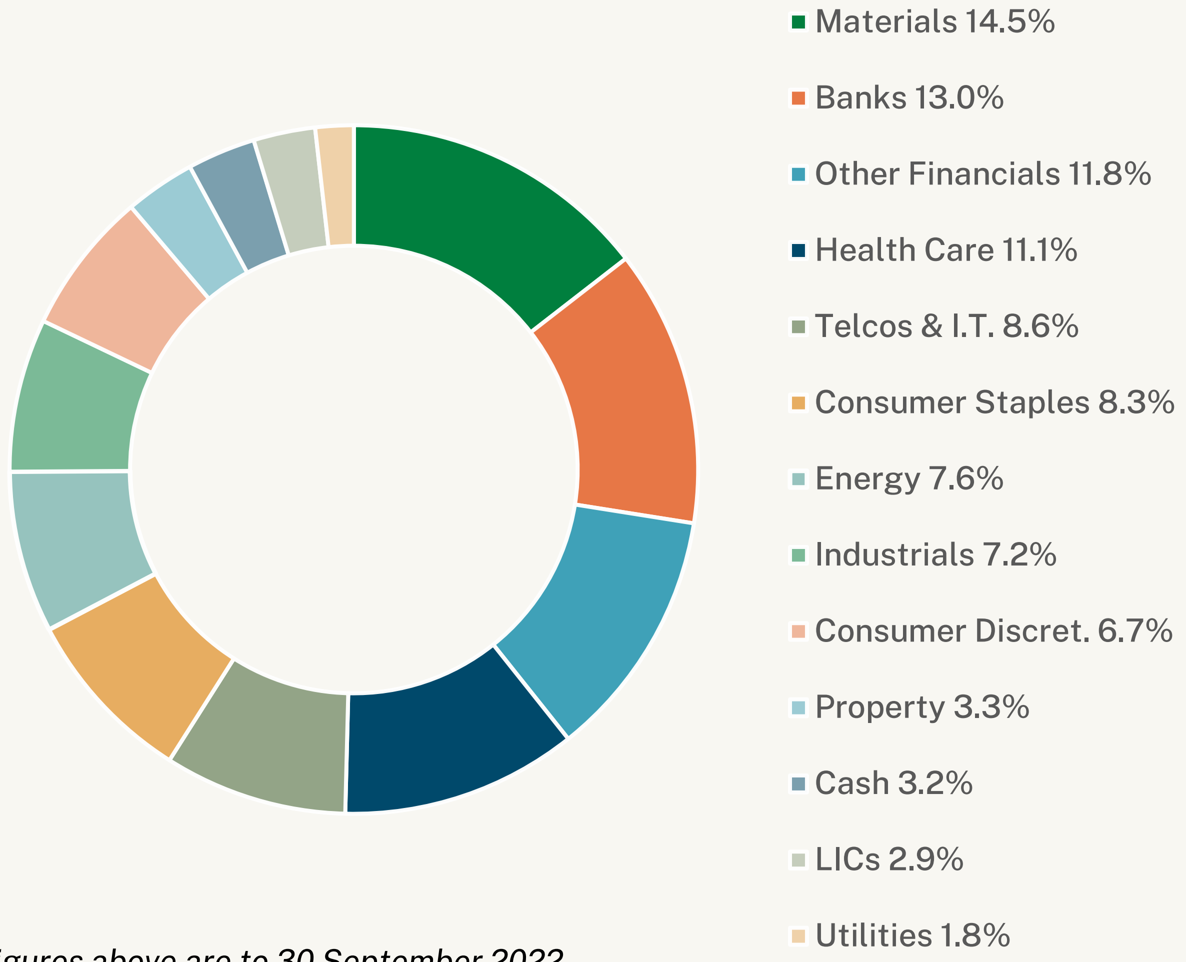
Australian equities by industry



Source: FactSet

Investment portfolio

Sector diversification



Figures above are to 30 September 2022.

Top 10 holdings

Macquarie Group
BHP
CSL
CBA
Wesfarmers
Rio Tinto
ANZ
Telstra
Westpac
NAB

Recent portfolio movements

Purchases

stanmore

idp

MACQUARIE

VIVA Energy Australia

Sales

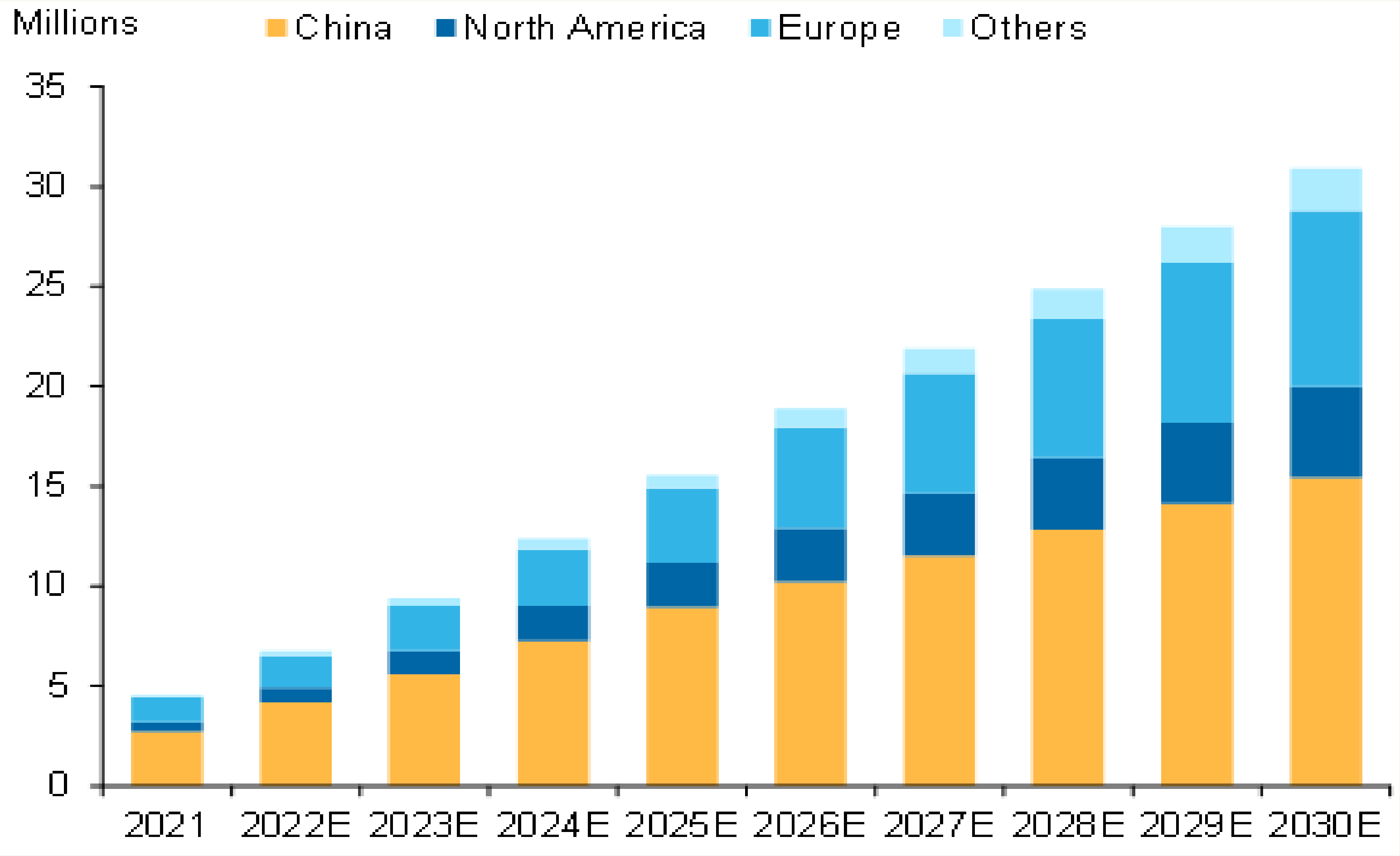
PACT GROUP

tassal

Since the end of the 2022 financial year

Forecast EV sales

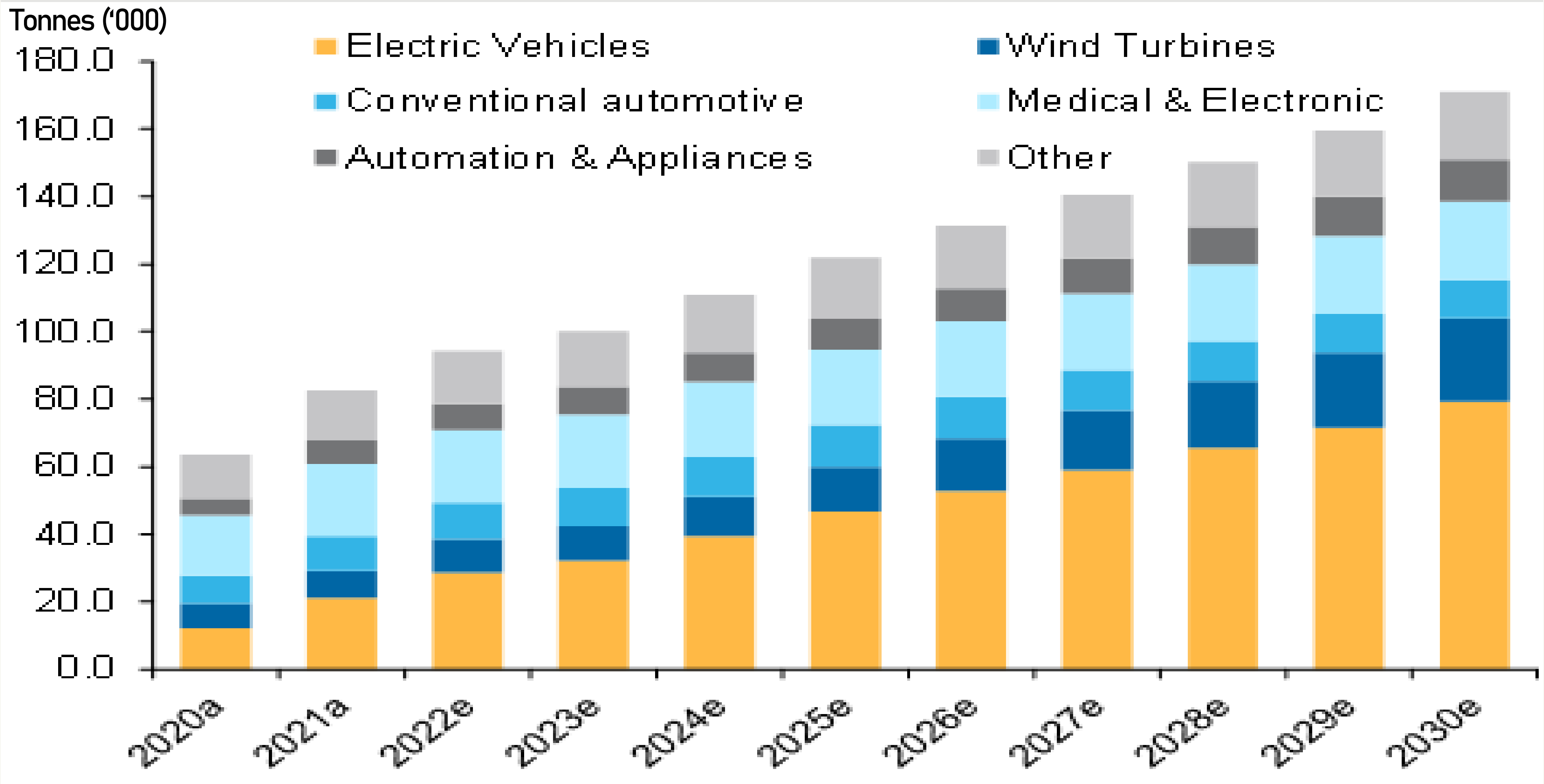
Global electric vehicles sales forecasts



Source: LMC automotive, Autodata, CAAM, EAFO, Macquarie Research, October 2022

Forecast demand for rare earths

Global NdPr demand underpinned by growth in electric vehicles



Source: Company data, Macquarie Research, October 2022

Outlook

Argo's objective is to maximise long-term shareholder returns through reliable fully franked dividend income and capital growth.

Actively managing a diversified portfolio of Australian shares with a low-cost, internally managed business model, we apply a conservative, long-term investment approach which has proven resilient since 1946.

ARGO INVESTMENTS

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SINCE
1946