



Welcome to the 2018 Annual General Meeting



Disclaimer



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ASCO's Financial Services Guide is available on request or at www.argoinvestments.com.au.

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Financial results *for the year ended 30 June 2018*



	2018	2017	change
Profit	\$218.9 million	\$211.5 million	+3.5%
Earnings per share	31.3 cents	30.7 cents	+2.0%
Total dividends per share for the full year	31.5 cents	31.0 cents	+1.6%
Net tangible asset backing (NTA) per share, after costs and tax	\$8.16	\$7.71	+5.8%
Number of shareholders	84,120	81,445	+2,675
Management expense ratio (MER)	0.15%	0.16%	↓

Continued dividend growth

15 year return based on \$10,000 invested

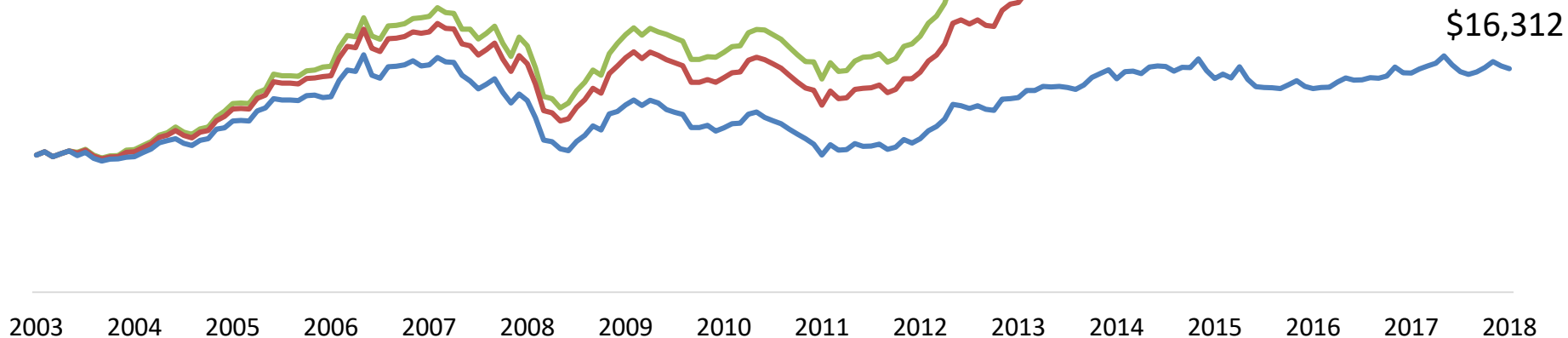


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+ franking credits

+ dividends paid

ARG share price





LIC capital gain
tax deduction

LIC capital gain tax deduction



FINAL DIVIDEND

This payment represents the final dividend of 16 cents per share for the year ended 30 June 2018 and is paid on the shares registered in your name and entitled to participate as at the record date of 27 August 2018. The dividend is 100% franked at the corporate tax rate of 30% and includes a listed investment company (LIC) capital gain component of 4 cents per share. Please register at www.investorcentre.com/au in order to update your TFN, bank account and other details online.

CLASS DESCRIPTION	AMOUNT PER SHARE	NUMBER OF SHARES	FRANKED AMOUNT	UNFRANKED AMOUNT	GROSS PAYMENT
Ordinary	16 cents	1,993	A\$318.88	A\$0.00	A\$318.88
Net Payment					A\$318.88
Franking Credit					A\$136.66

Important tax information:

For income tax purposes, the attributable part of the LIC capital gain dividend is \$113.89.

1. If you are an Australian resident when the dividend is paid and an individual, a trust (except a trust that is a complying superannuation entity) or a partnership, you are entitled to a tax deduction of \$56.95 (i.e. 50% of the attributable part) at the "dividend deductions" label of the income tax return for individuals or retirees.
2. If you are an Australian resident when the dividend is paid and a complying superannuation entity or a life insurance company receiving this dividend in respect of shares that are virtual PST assets, you are entitled to a tax deduction of \$37.96 (i.e. 33 1/3% of the attributable part).
3. If you are any other type of entity, you are not entitled to a tax deduction.

You should retain this statement to assist you in preparing your 2019 tax return. All values are in Australian dollars.

LIC capital gain tax deduction



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Deductions

➤ You must read the deductions section in the instructions if you are claiming deductions for expenses that relate to your work as an employee at items D1–D6.

D1 Work-related car expenses

A \$, CLAIM TYPE

D2 Work-related travel expenses

B \$, CLAIM TYPE

D3 Work-related uniform, occupation specific or protective clothing, laundry and dry cleaning expenses

C \$, CLAIM TYPE

D4 Work-related self-education expenses

D \$, CLAIM TYPE

D5 Other work-related expenses

E \$, CLAIM TYPE

D6 Low value pool deduction

F \$, CLAIM TYPE

D7 Interest deductions

I \$, CLAIM TYPE

D8 Dividend deductions

H \$, **56** CLAIM TYPE

D9 Gifts or donations

J \$, CLAIM TYPE

D10 Cost of managing tax affairs

Interest charged by the ATO

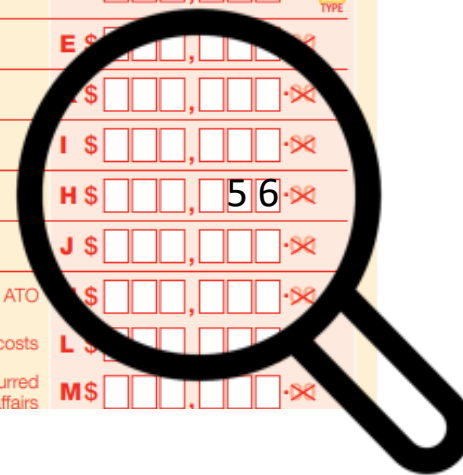
K \$, CLAIM TYPE

Litigation costs

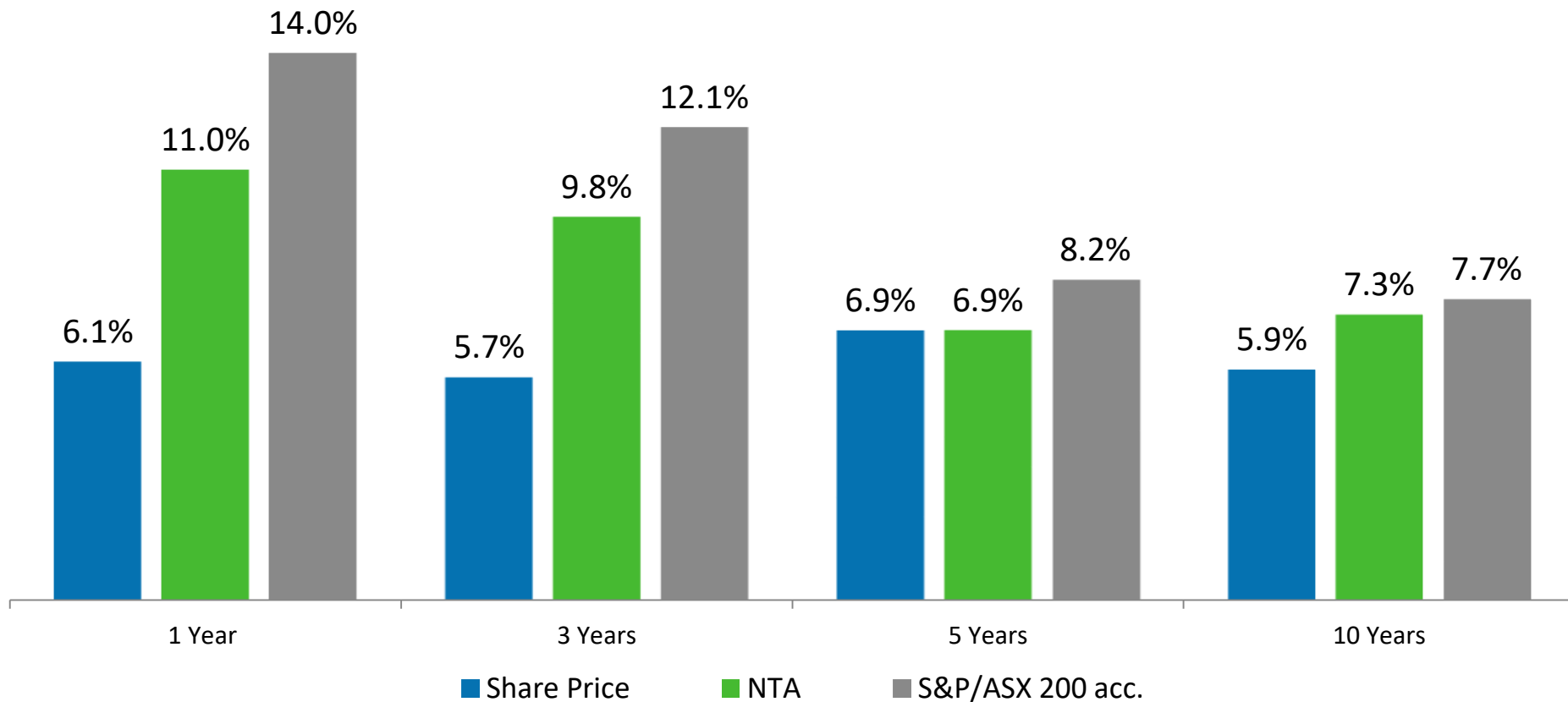
L \$, CLAIM TYPE

Other expenses incurred in managing your tax affairs

M \$, CLAIM TYPE



Total return % per annum to 30 September 2018



Opposition to the removal of refundable franking credits



Survey results



10+

Half shareholders
for 10 or more years



50% invested based on
own research



25% advised by friends
or family



Dividends main reason
for investing

Survey results



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**Followed by capital
growth**



**40% do not understand
LIC tax refund**



**90% happy with
communication**

96%

Recommend



Directorate

Market outlook



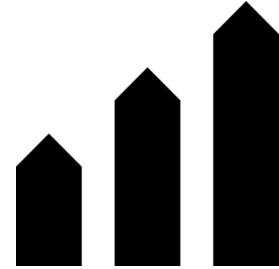
Argo shareholder benefits



**Low cost,
internally managed**



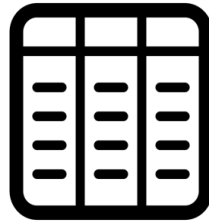
**Experienced
investment team**



**Long term, proven investment
approach**



**Fully franked, sustainable
dividends**



**Strong balance sheet,
no debt**



Administrative simplicity

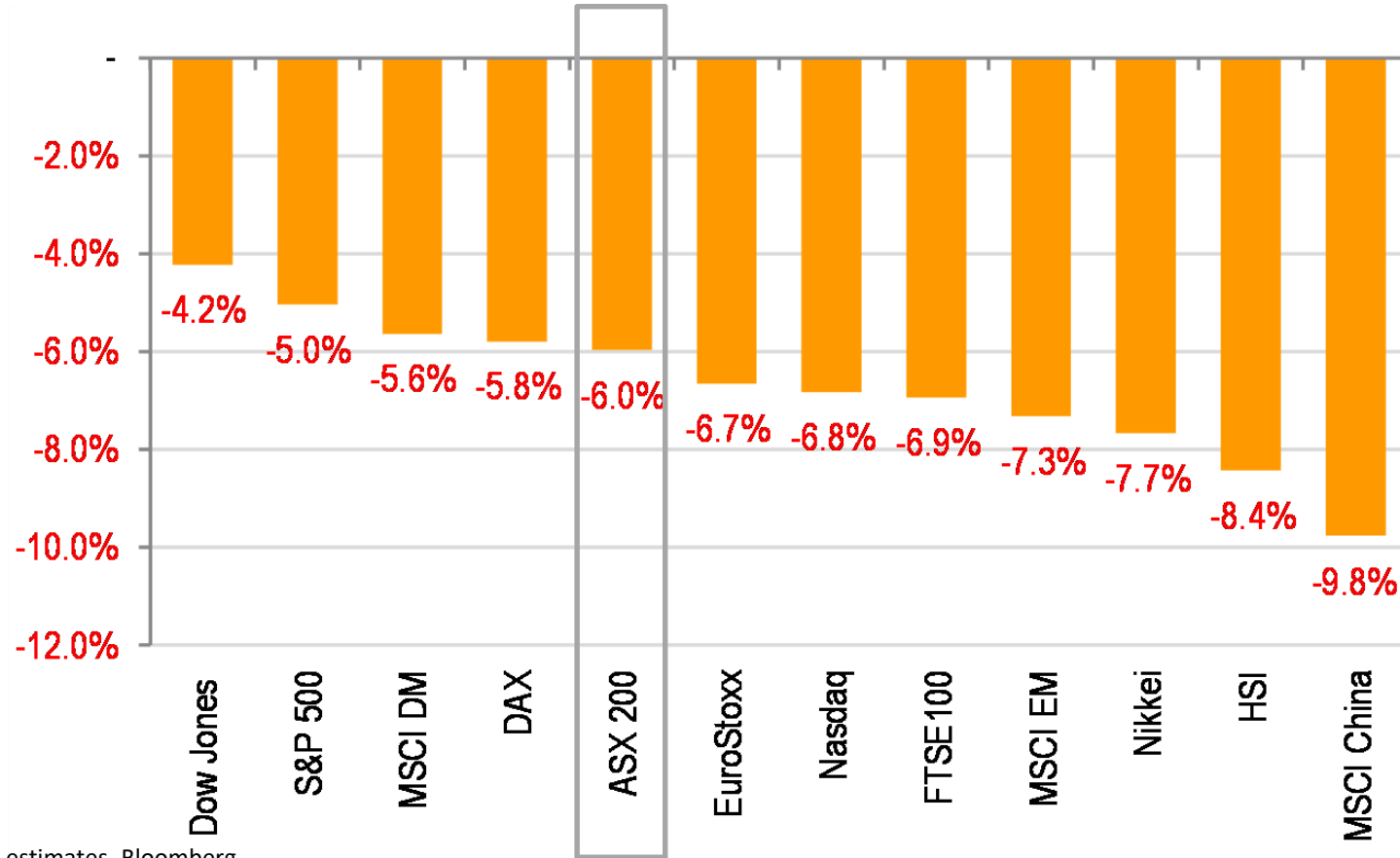
“Argo’s objective is to maximise long-term returns to shareholders through a balance of capital and dividend growth.

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

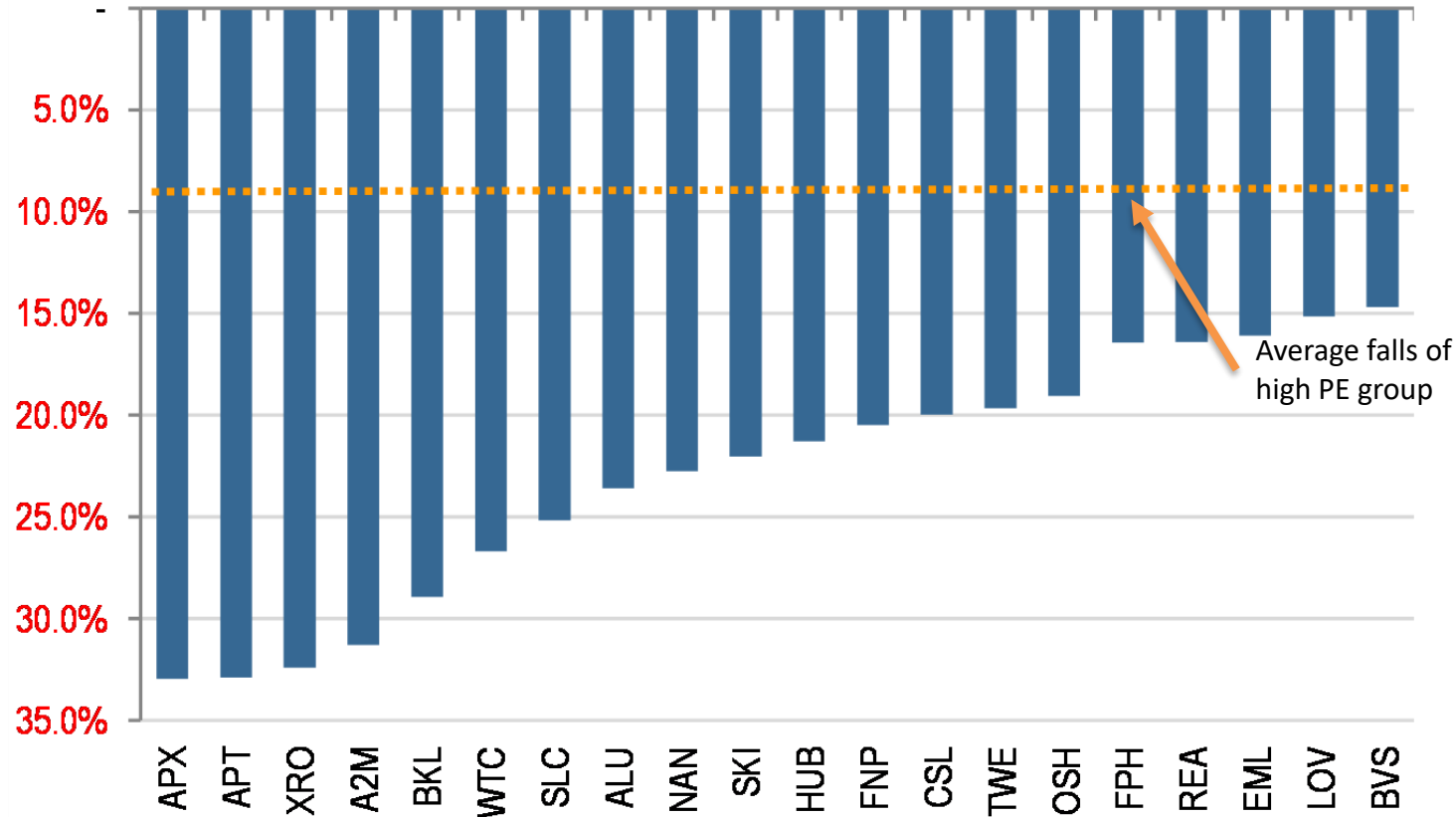


Global market performance *October 2018*

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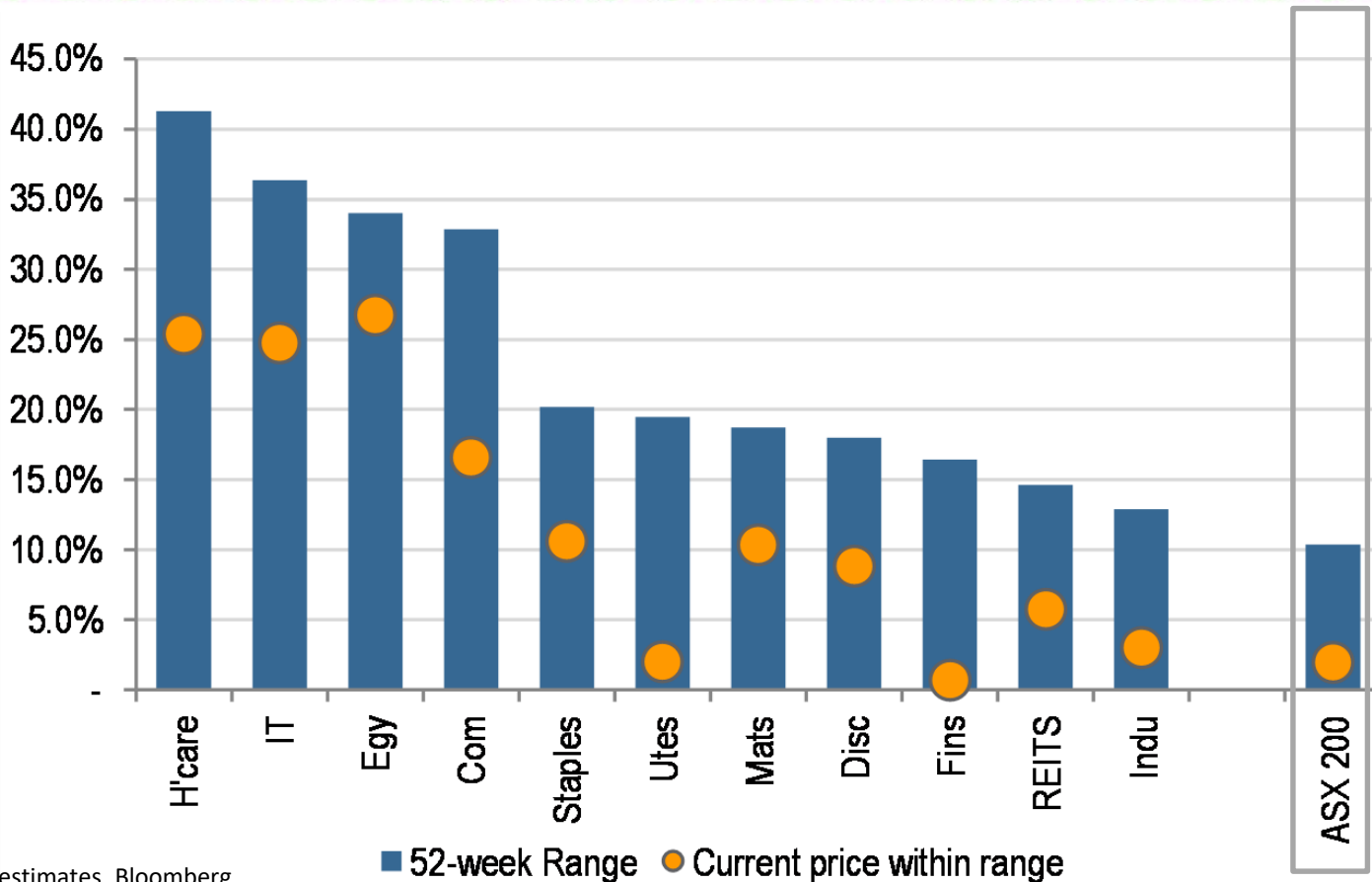
Top 20 decliners since reporting season *high PE group*



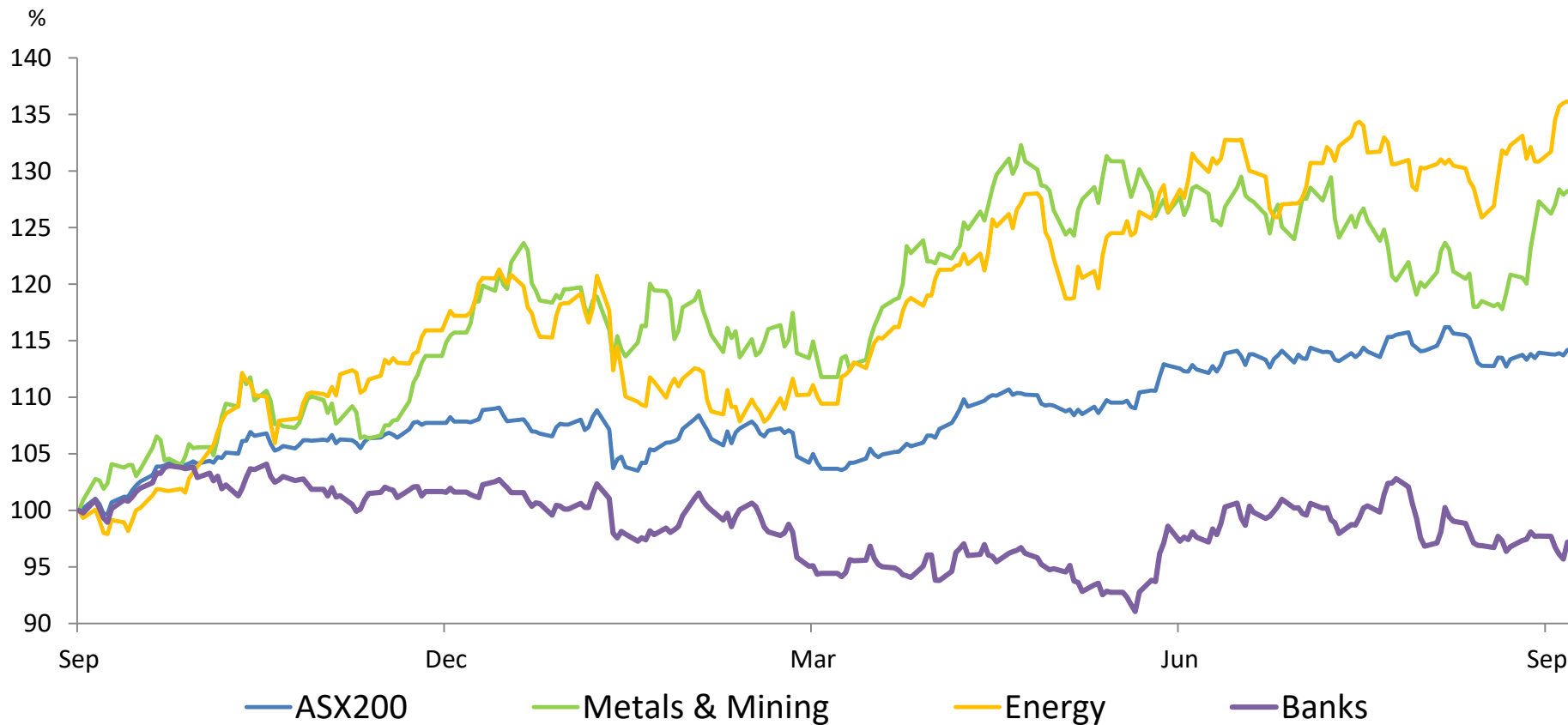
Industry performance *current price v 1 year range*



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Winners v losers

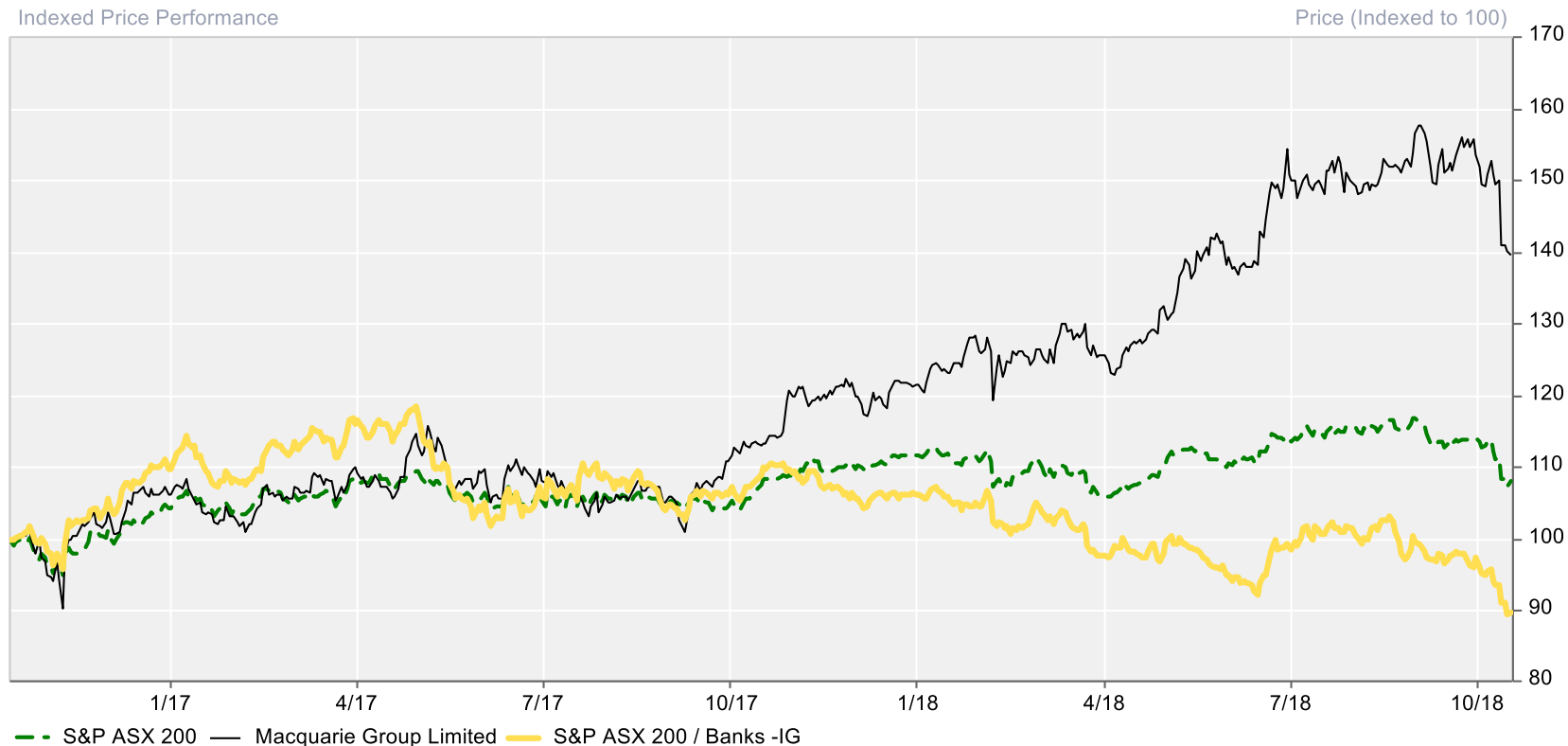


Macquarie Group *v* the benchmark & the four major banks index



S&P ASX 200 vs. Peers

Indexed Price Performance

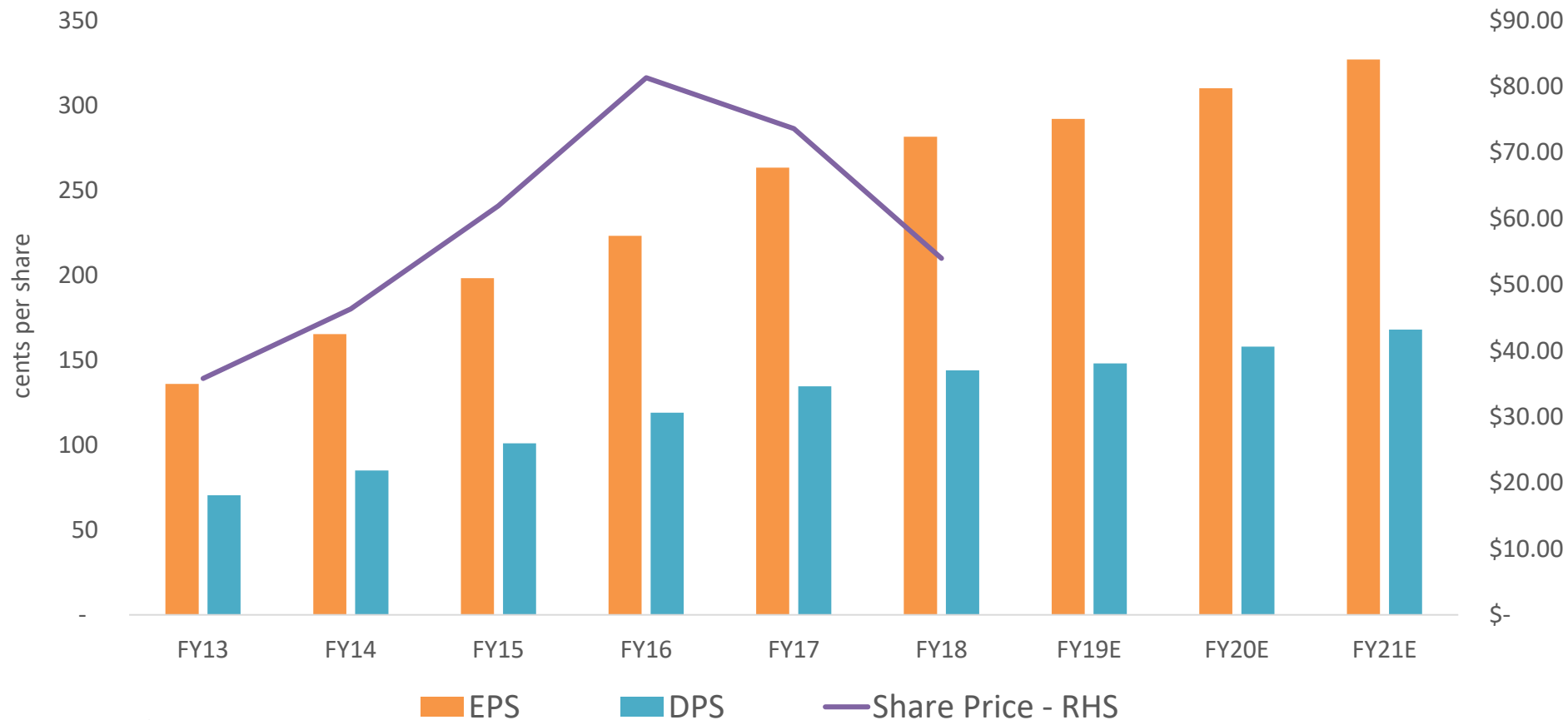


Major investment purchases *during the year to 30 June 2018*

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Ramsay Health Care (ASX:RHC) *EPS & DPS forecast*



source: Argo estimates

Major investment sales *during the year to 30 June 2018*

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MILTON
CORPORATION
LIMITED



WorleyParsons
resources & energy

RioTinto

BHP



Wesfarmers

Westfield

21st Century Fox (NAS:FOX) *a long history*

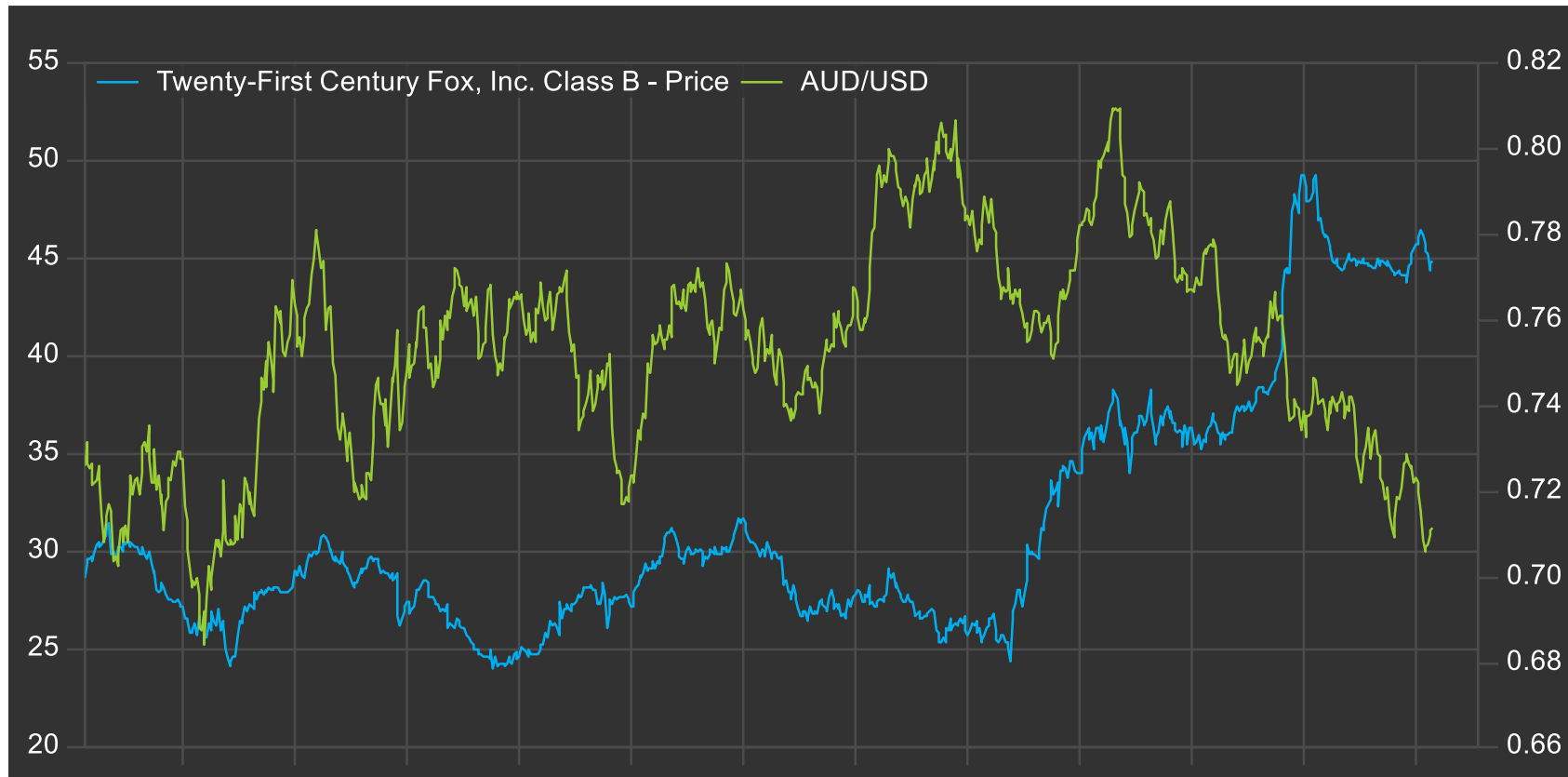


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21ST
CENTURY
FOX

21st Century Fox (FOX.NAS) *fully exiting our position*



Larger purchases since year end *to 30 September 2018*

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THE STAR
ENTERTAINMENT
GROUP

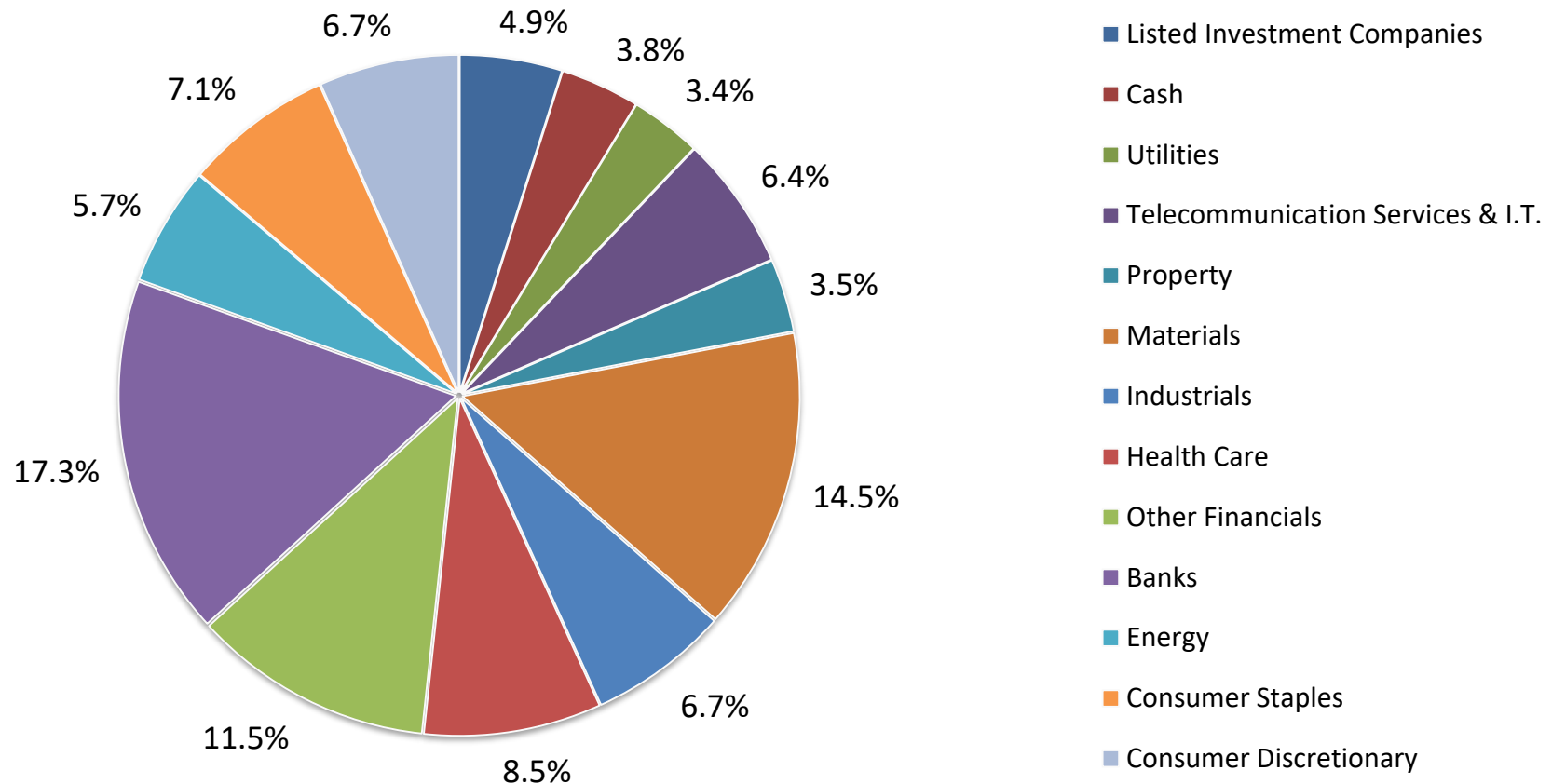
Top 20 equity investments *as at 30 September 2018*



	\$M		\$M
Westpac Banking Corporation	328.4	Australian United Investment Co.	122.5
Macquarie Group	↑↑ 309.8	APA Group	↑ 108.6
ANZ Banking Group	275.2	Sydney Airport	99.6
BHP Billiton	↑↑ 274.6	Computershare	97.8
Wesfarmers	251.2	Milton Corporation	↓ 96.2
Commonwealth Bank of Australia	↓ 228.8	Ramsay Health Care	94.2
CSL	↑↑ 223.9	Woolworths	↓ 93.6
Rio Tinto	174.9	Transurban Group*	↑ 91.1
National Australia Bank	168.4	Origin Energy	91.1
Telstra Corporation	146.8	Aristocrat Leisure*	↑ 82.1

* Denotes new additions to top 20 holdings

Portfolio sector allocation *as at 30 September 2018*

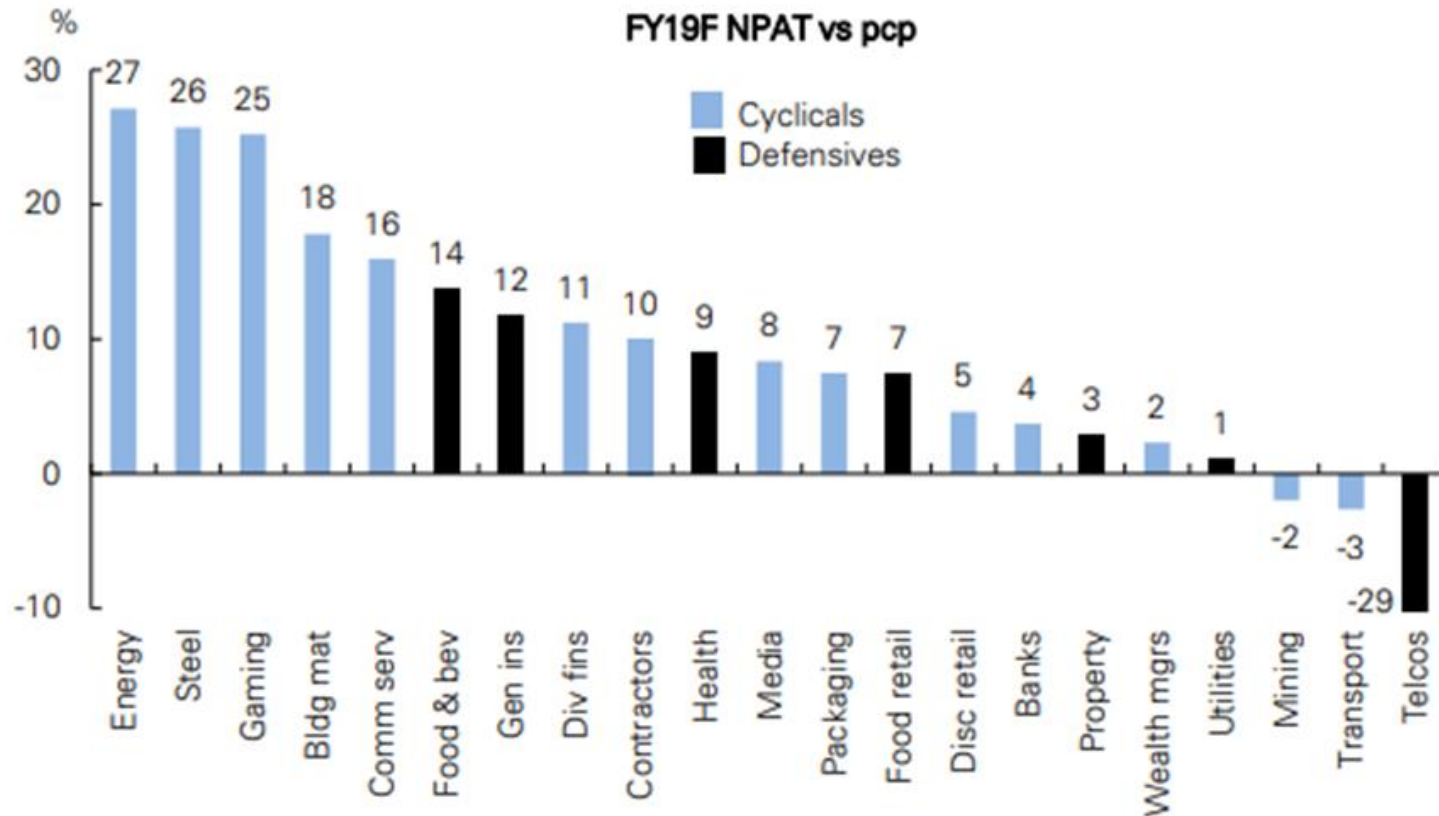


Outlook

Australian company NPAT growing circa 7%



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Market outlook

Fallout from Royal Commission

Potential slowing of credit growth

Cautious of further escalation of trade tensions

US Federal Reserve to continue to lift rates





recent rating upgrade

'Highly Recommended'



**SELF MANAGED
SUPER FUND
AWARDS 2017**

LISTED INVESTMENT
COMPANY
SMSF MEMBER

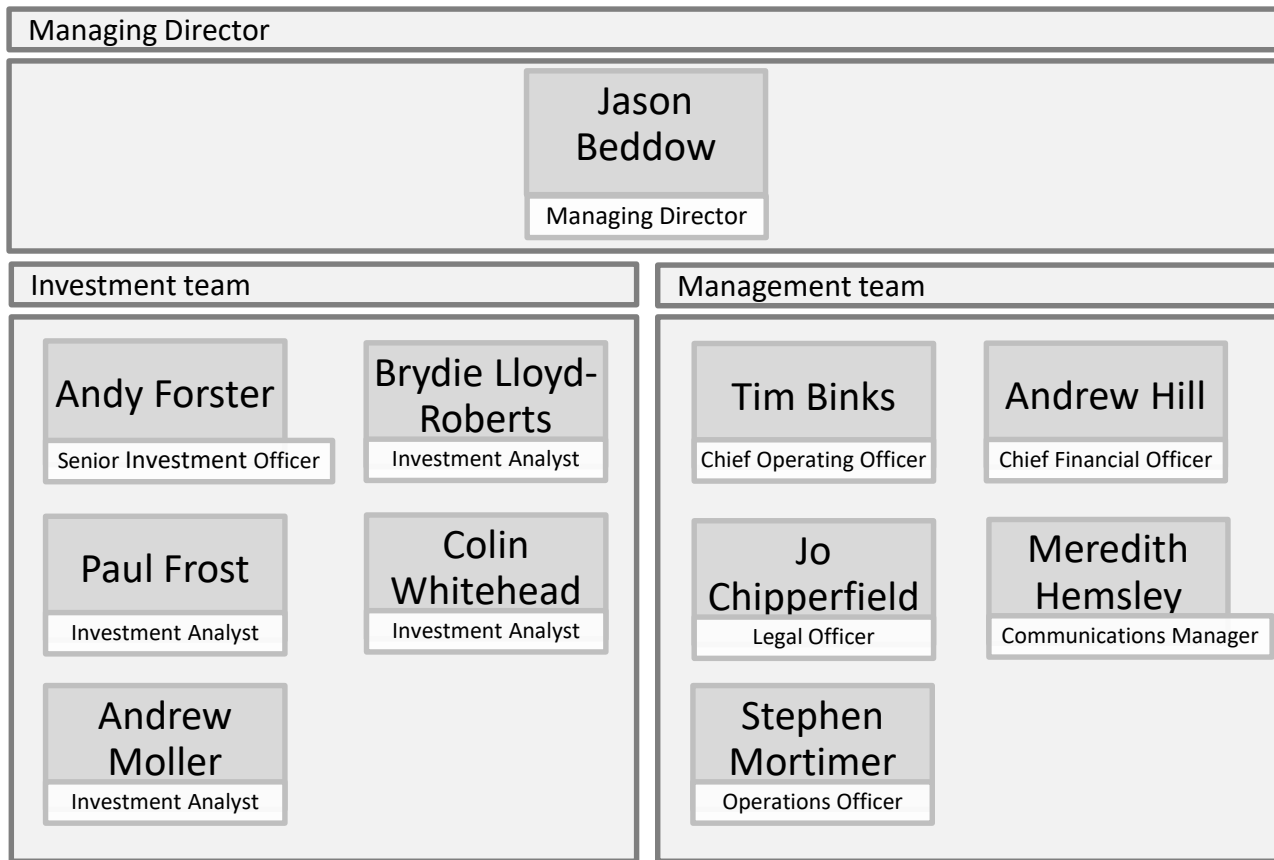
WINNER
CORE DATA

LISTED INVESTMENT
COMPANY
SMSF ADVISER

WINNER
CORE DATA



Executive team



Get in touch

invest@argoinvestments.com.au

(08) 8210 9500

www.argoinvestments.com.au

