

NTA & Investment Update

AT 31 JANUARY 2021

NET TANGIBLE ASSET (NTA) BACKING PER SHARE

	31 Jan	31 Dec
NTA per share¹	\$8.08	\$8.01
NTA per share after unrealised tax provision²	\$7.11	\$7.07

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

The Australian share market rose modestly in January. The S&P/ASX 200 Accumulation Index returned +0.3% to post its fourth consecutive monthly gain. Markets had a very strong start to the month with optimism bolstered by Democratic Party candidates winning run-off elections in the US. The result handed the Democrats control of the Senate and gave President Biden greater power to implement additional stimulus. Towards the end of January, confidence faded and the market lost its early momentum.

Consumer discretionary stocks were the stand-out performers during the month. Various retailers provided positive trading updates as the sector continues to benefit from COVID-19 stimulus measures, as well as improved consumer confidence. Bank stocks were also strong due to improving dividend expectations and a spike in bond yields, notably at the start of the month.

Although some COVID-related uncertainty persists, we are generally optimistic about the outlook with economic data tending to indicate steadily improving conditions. The upcoming reporting season will offer further insights into the economy and we expect companies will give more detailed outlook statements.

PORTFOLIO

Top 20 investments*

	%		%
Macquarie Group	5.5	Woolworths	2.3
BHP	5.5	Ramsay Health Care	2.2
CSL	5.1	Sonic Healthcare	2.1
Wesfarmers	4.7	Aust. United Investment	2.1
CBA	4.3	APA	1.9
Rio Tinto	3.9	Transurban	1.9
Westpac	3.9	Aristocrat Leisure	1.7
ANZ	3.5	Sydney Airport	1.6
Telstra	2.5	Coles	1.6
NAB	2.4	Reece	1.5
Cash and term deposits	3.4	Top 20 equity investments	60.2

ARGO INVESTMENTS LIMITED

ASX code	ARG
Founded	1946
Listed	1948
Market cap.	\$6.3bn
Shareholders	94,000
Dividend yield [^]	3.4%
MER	0.15%

[^] Historical yield of 4.9% (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

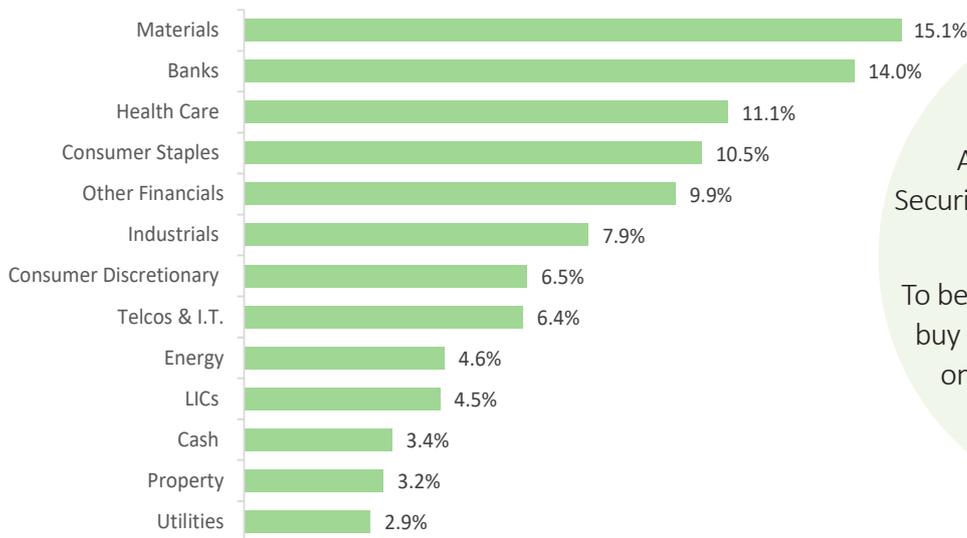
Extensive research and meetings to identify well-managed businesses in sound industries, with good cash flow and potential dividend growth. Argo buys or adds to holdings when prices compare favourably to long-term valuations.

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*



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

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