

# NTA & Investment Update

AT 31 MARCH 2021

## NET TANGIBLE ASSET (NTA) BACKING PER SHARE

|   | 31 Mar        | 28 Feb        |
|---|---------------|---------------|
| <b>NTA per share<sup>1</sup></b>                                | <b>\$8.41</b> | <b>\$8.14</b> |
| <b>NTA per share after unrealised tax provision<sup>2</sup></b> | <b>\$7.33</b> | <b>\$7.13</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

We have just passed the one-year anniversary of the dramatic stock market falls which occurred globally in the early days of the COVID crisis.

Looking back, Australia has coped relatively well with the virus, benefiting from our geographic isolation and sparse population. Argo's shares, often seen as a safe haven in a crisis, have traded at a premium to NTA backing for most of that period.

Ultimately the recovery of markets has been remarkable, with the ASX200 Accumulation Index rebounding 48% over the 12 months from the low point of 23 March 2020.

More recently, despite a slower-than-expected start to the vaccine roll-out, the Australian market has continued its ascent, increasing +2.4% in March to post its sixth consecutive month of gains.

Corporate activity has picked up too, including takeover bids received for three of the stocks in Argo's portfolio, Tabcorp, Crown Resorts and Vocus Group, although some of the bids are highly conditional.

## PORTFOLIO

### Top 20 investments\*

|                               | %          |                                  | %           |
|-------------------------------|------------|----------------------------------|-------------|
| Macquarie Group               | 6.1        | Ramsay Health Care               | 2.2         |
| BHP                           | 5.5        | Woolworths                       | 2.2         |
| CSL                           | 4.8        | Sonic Healthcare                 | 2.1         |
| Wesfarmers                    | 4.3        | Aristocrat Leisure               | 1.9         |
| Westpac                       | 4.3        | Aust. United Investment          | 1.9         |
| CBA                           | 4.2        | APA                              | 1.9         |
| ANZ                           | 4.0        | Transurban                       | 1.8         |
| Rio Tinto                     | 3.8        | Sydney Airport                   | 1.6         |
| Telstra                       | 2.6        | Reece                            | 1.6         |
| NAB                           | 2.5        | Amcor                            | 1.5         |
| <b>Cash and term deposits</b> | <b>1.9</b> | <b>Top 20 equity investments</b> | <b>60.8</b> |

## ARGO INVESTMENTS LIMITED

|                             |         |
|-----------------------------|---------|
| ASX code                    | ARG     |
| Founded                     | 1946    |
| Listed                      | 1948    |
| Market cap.                 | \$6.2bn |
| Shareholders                | 94,000  |
| Dividend yield <sup>^</sup> | 3.3%    |
| MER                         | 0.15%   |

<sup>^</sup> Historical yield of 4.7% (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

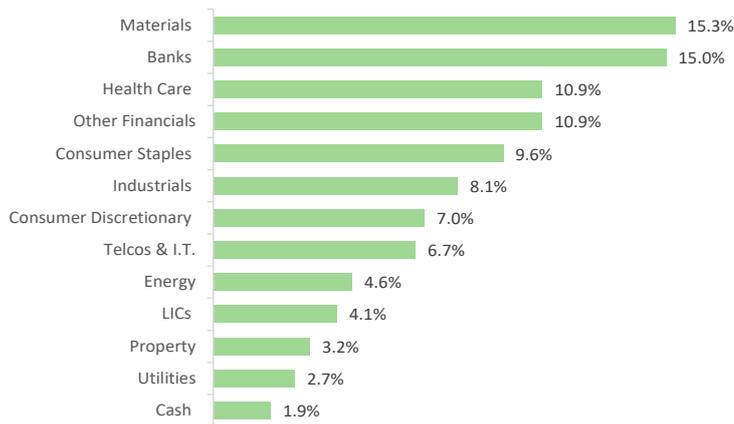
Extensive research and meetings to identify well-managed businesses in sound industries, with good cash flow and potential dividend growth. Argo buys or adds to holdings when prices compare favourably to long-term valuations.

## 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

## HOW TO INVEST

Argo Investments is listed on the Australian Securities Exchange (ASX) under the ASX code 'ARG'. To become a shareholder, simply buy shares through your stockbroker, online broker, financial adviser or platform.

## CONTACT US

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## SHARE REGISTRY ENQUIRIES

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