

ARGO

ARGO INVESTMENTS  
Annual General Meeting

2024

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Russell Higgins AO

Chairman



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# Board of Directors



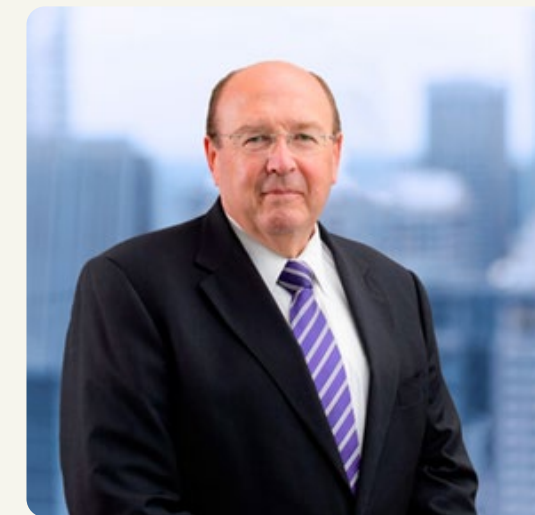
**Russell Higgins AO**  
Non-executive Chairman



**Jason Beddow**  
Managing Director



**Lianne Buck**  
Non-executive Director



**Peter Warne**  
Non-executive Director



**Melissa Holzberger**  
Non-executive Director



**Chris Cuffe AO**  
Non-executive Director



**Elizabeth Lewin**  
Non-executive Director

CO  
LD  
RI  
VE

# Our objective

To maximise long-term shareholder returns through reliable fully franked dividend income and capital growth.

# 2024 overview

Profit

**\$253.0m**

\$271.7m in 2023

Earnings per share

**33.3c**

36.1c per share in 2023

Full year dividends

**34.5c**

Fully franked per share  
34.5c per share in 2023

LIC capital gain

**3.0c**

LIC tax benefit  
No LIC capital gain in 2023

Total assets

**\$7.4b**

\$6.9b in 2023

NTA per share

**\$9.61**

Net tangible assets  
\$9.03 per share in 2023

MER

**0.15%**

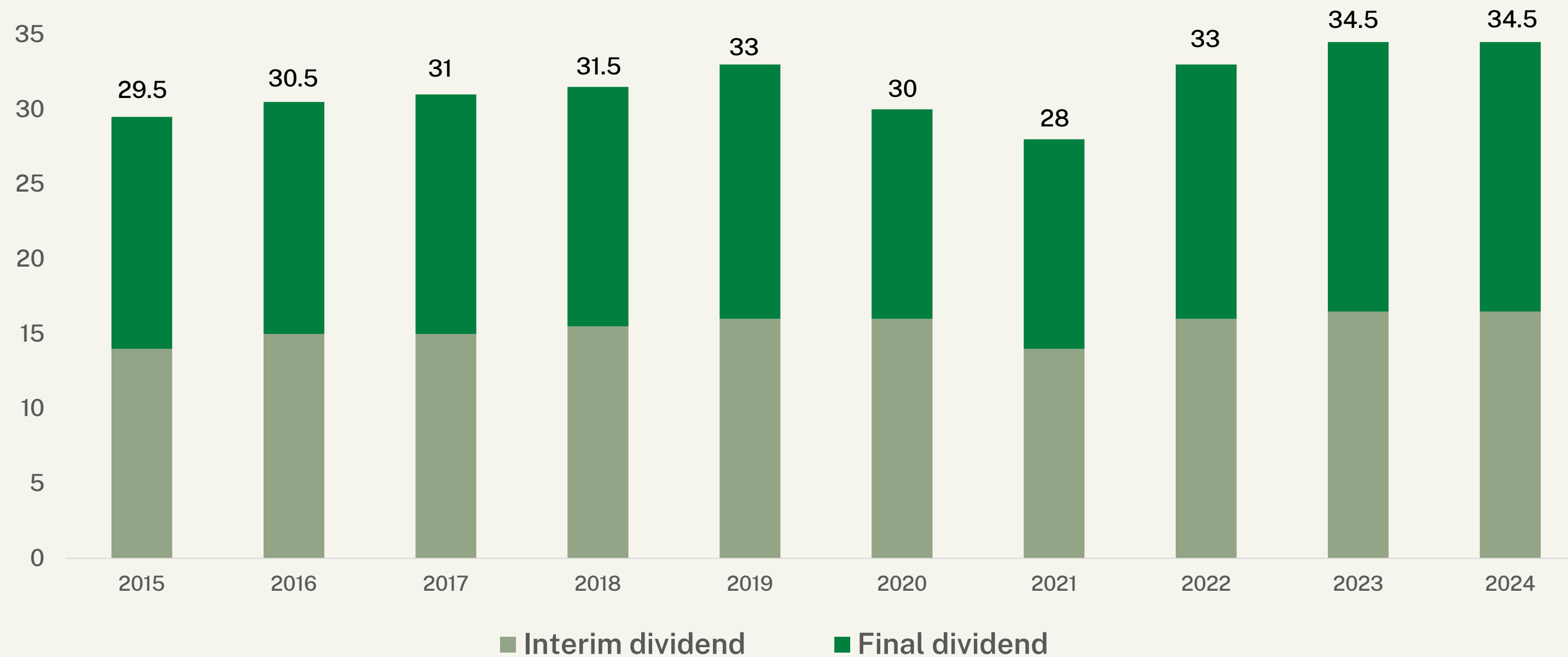
Management Expense Ratio  
0.16% in 2023

Shareholders

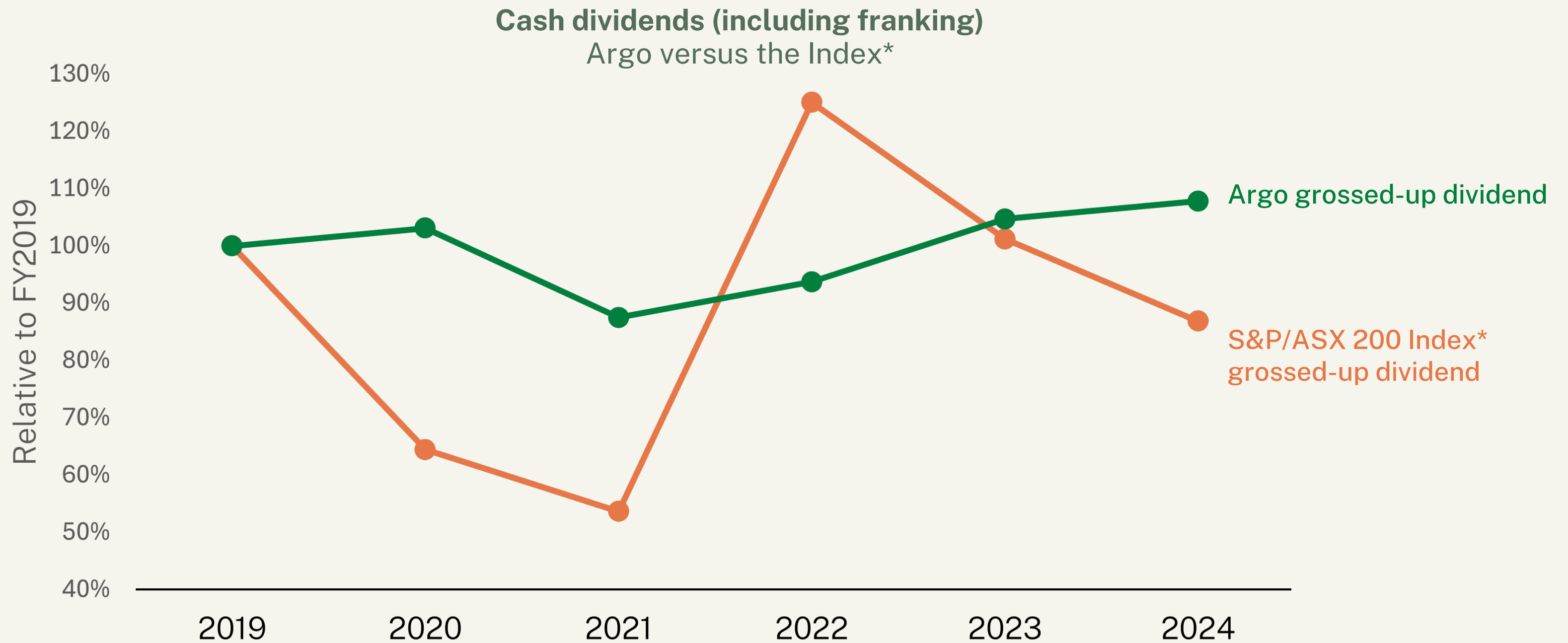
**93,000**

95,600 in 2023

# Annual dividends cents per share



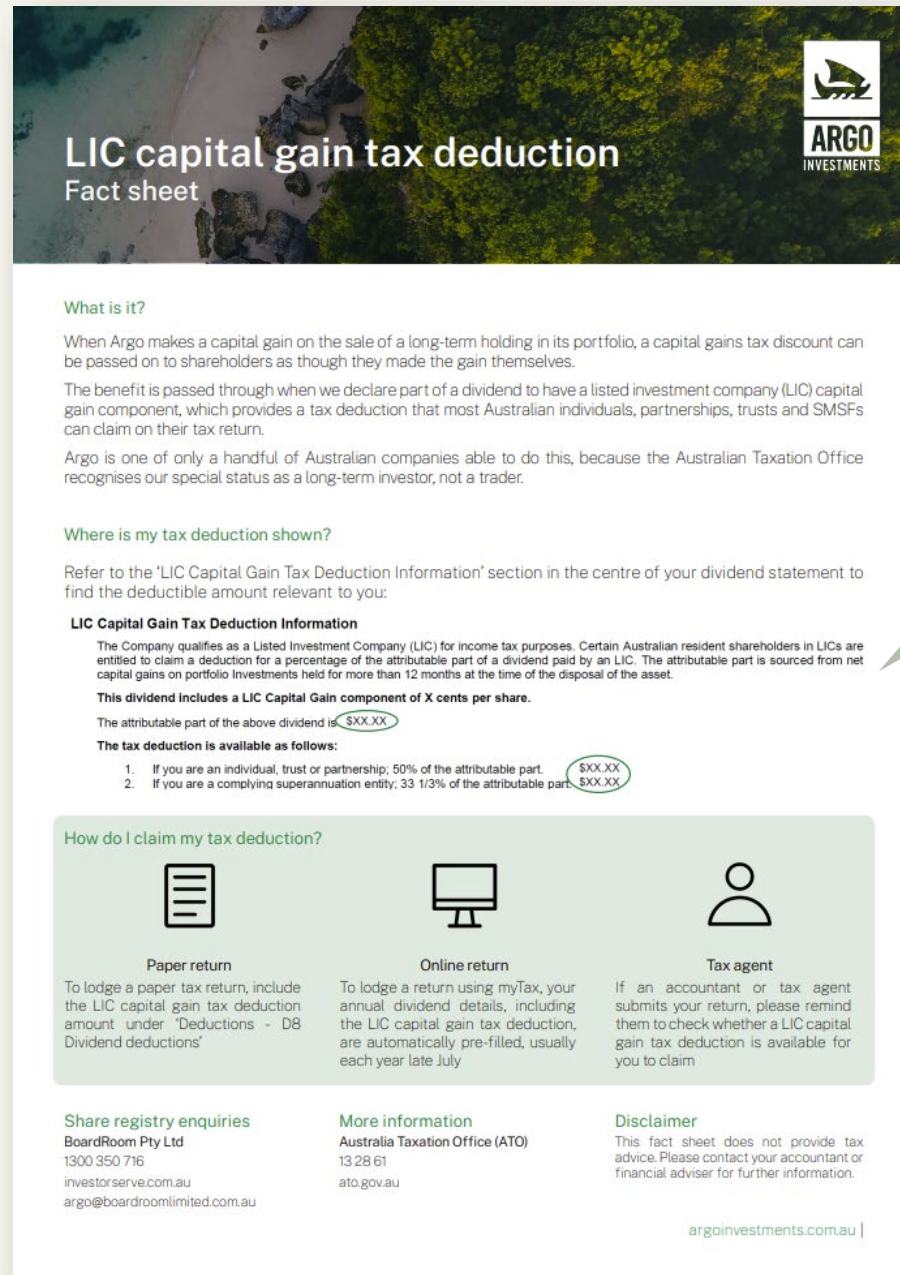
# Dividends: Argo vs Index



Figures for financial years to the end of FY24. \* Using an ASX 200 Index ETF as a proxy.



# 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	Online return	Tax agent
To lodge a paper tax return, include the LIC capital gain tax deduction amount under 'Deductions - D8 Dividend deductions'	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	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.

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

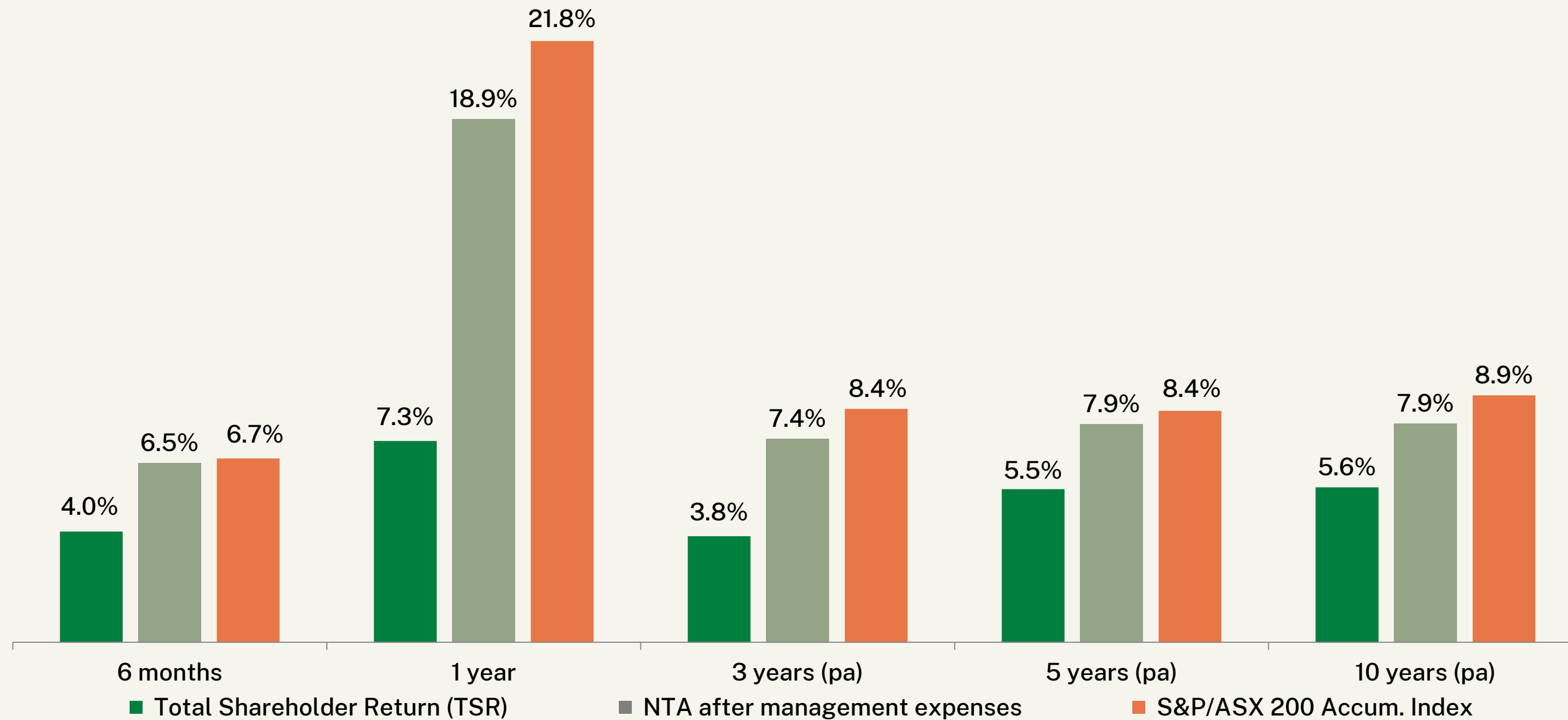
The attributable part of the above dividend is **\$XX.XX**

**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**

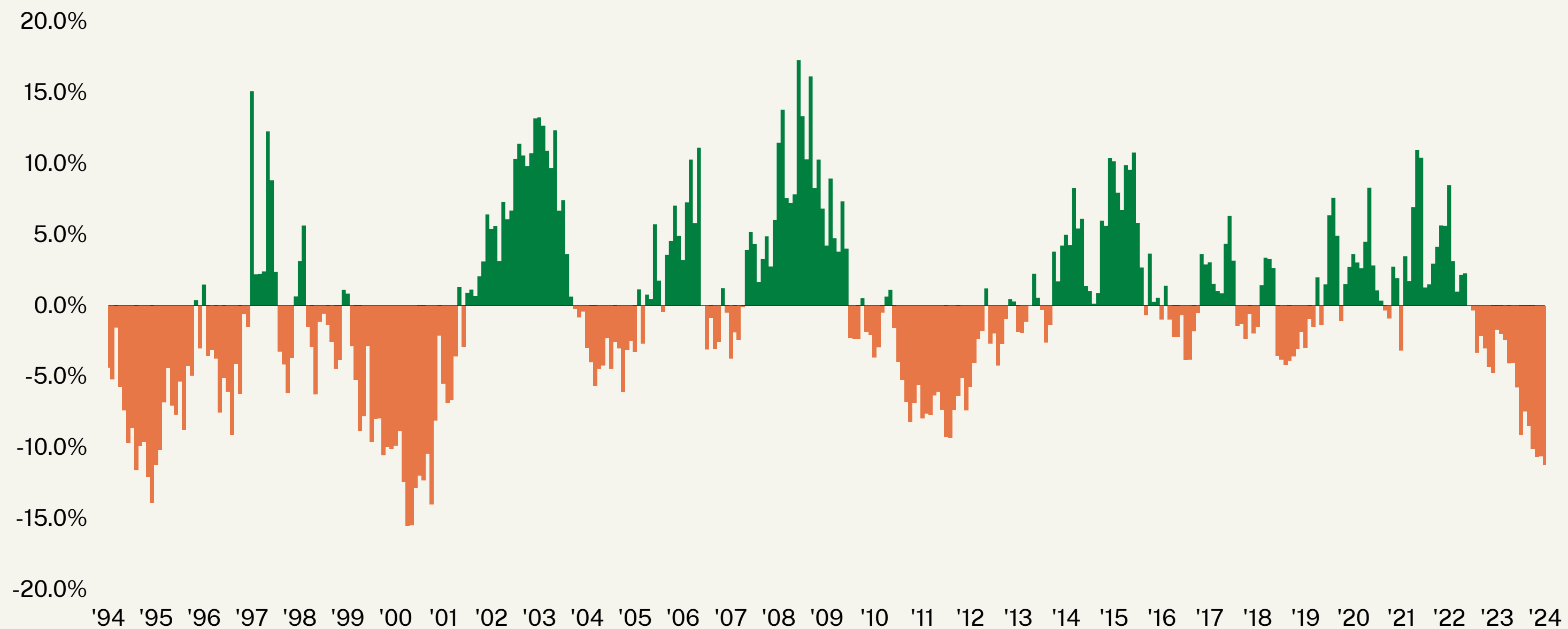
**More information**  
See the fact sheet on our website:  
[argoinvestments.com.au/dividends](https://argoinvestments.com.au/dividends)

# Total returns



Figures are at 30 September 2024.

# Premium/discount to NTA



Figures are at 30 September 2024.

# Chief Financial Officer succession



Andrew Hill



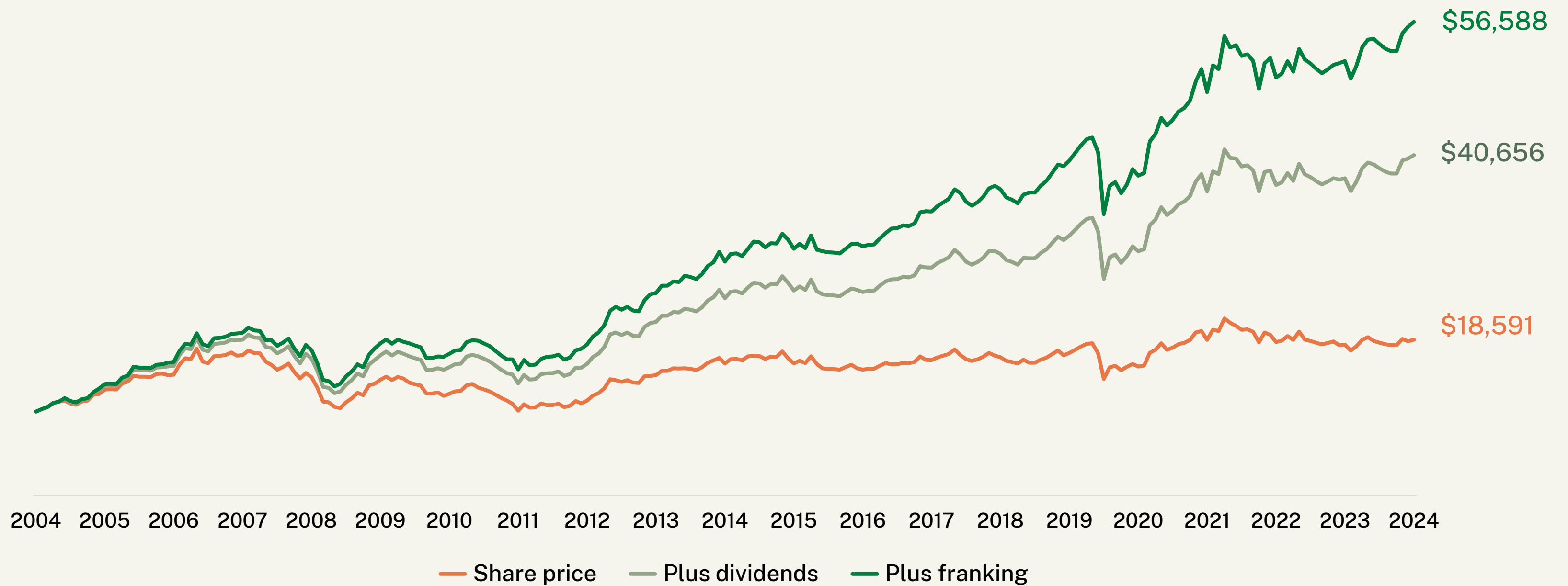
Stephen Mortimer

OLD  
C  
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# Looking ahead



# Shareholder returns \$10,000 invested



Figures are at 30 September 2024.

# Shareholder benefits



Low-cost,  
internally managed



Experienced board and  
management team



Long-term, proven  
investment approach



Fully-franked,  
sustainable dividends



Strong balance sheet  
with no debt



Diversified and  
administratively simple

COASTAL

Jason Beddow

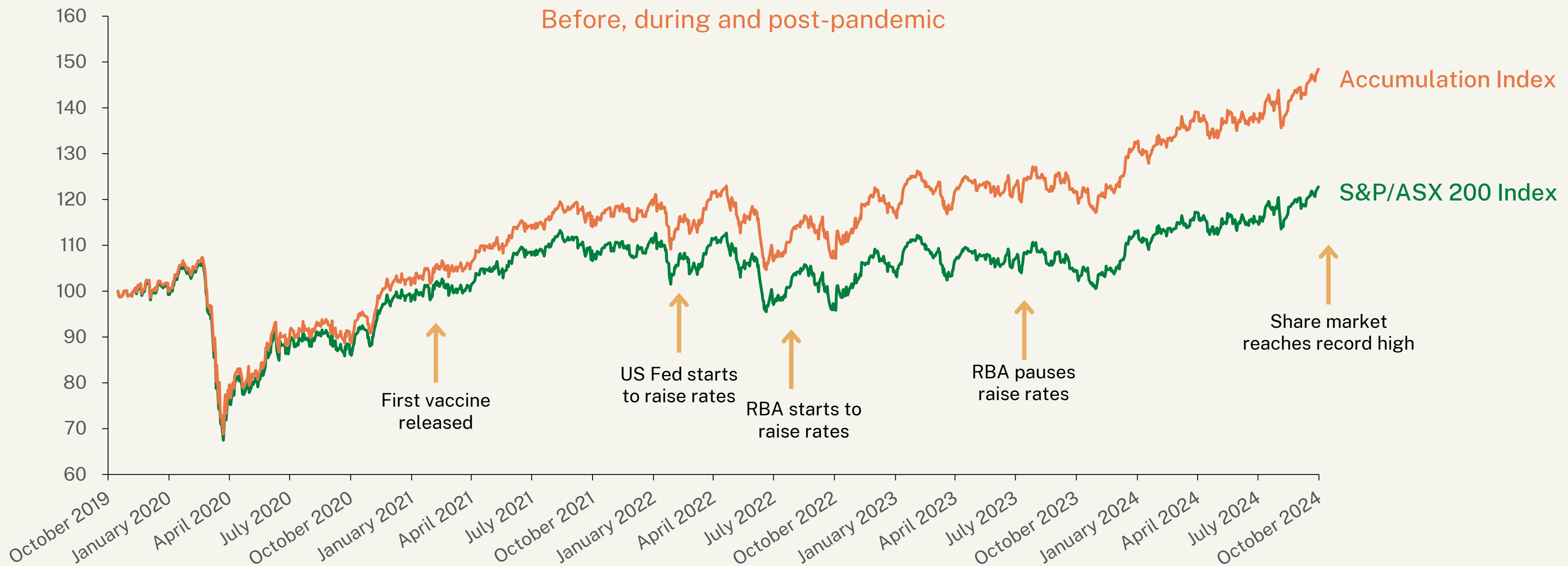
Managing Director





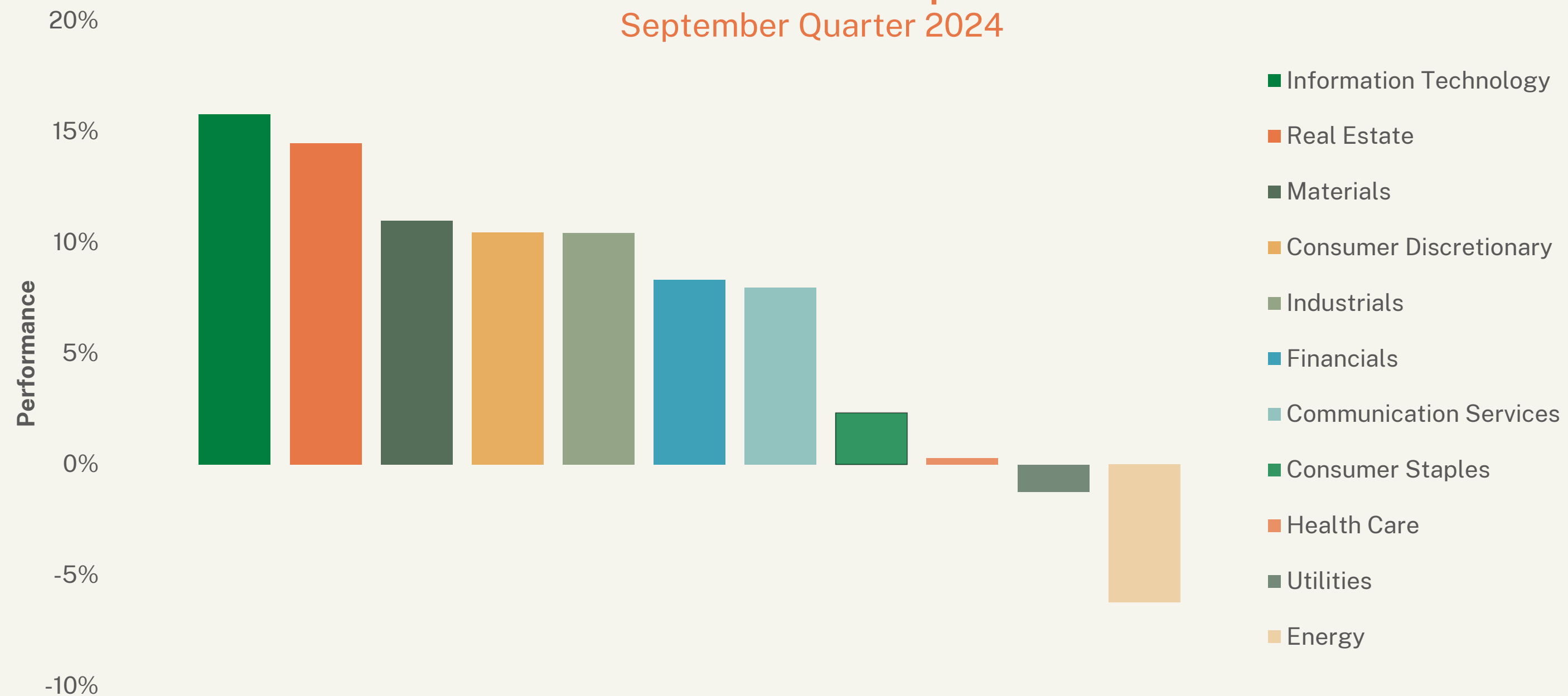
# Share market over time

S&P/ASX 200 & Accumulation Index  
Before, during and post-pandemic



# Recent sector performance

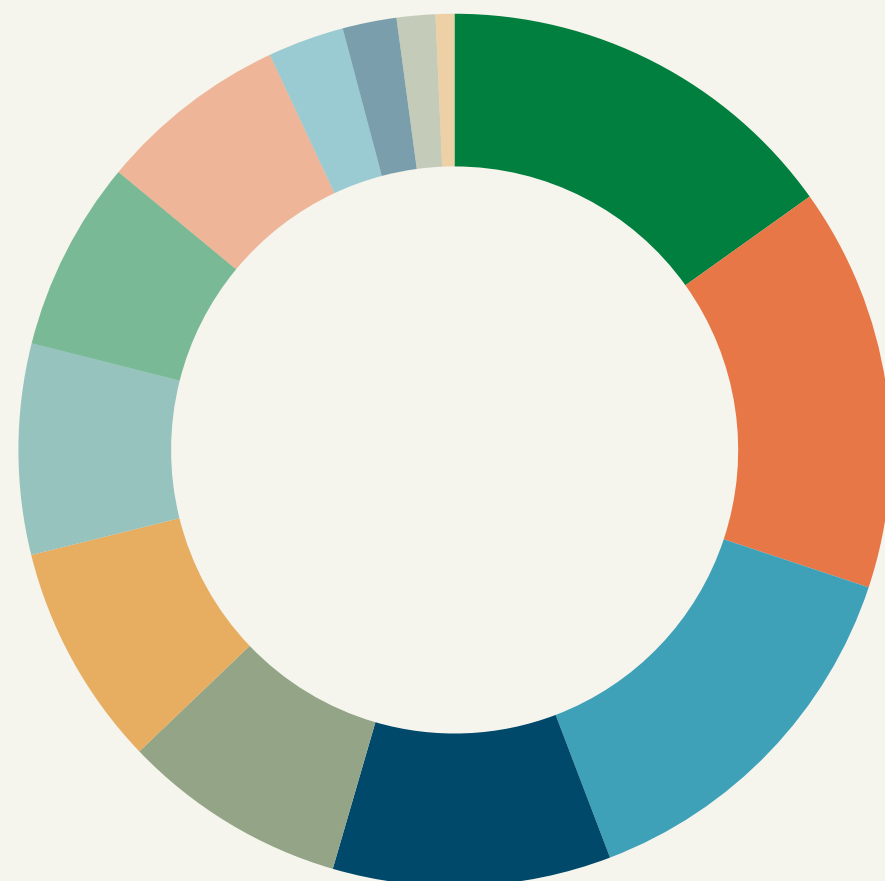
S&P/ASX 200 Index Sector performance  
September Quarter 2024



Figures are for September 2024 quarter.

# Investment portfolio

## Sector diversification



- Materials 15.1%
- Other Financials 15.0%
- Banks 14.1%
- Health Care 10.3%
- Telcos & I.T. 8.4%
- Consumer Staples 8.3%
- Industrials 7.8%
- Energy 7.1%
- Consumer Discret. 7.0%
- Property 2.8%
- LICs 2.0%
- Utilities 1.4%
- Cash 0.7%

## Top 10 holdings

	%
Macquarie Group	7.8%
BHP	6.0%
CSL	5.0%
CBA	4.4%
Wesfarmers	4.0%
Rio Tinto	3.7%
Westpac	3.6%
ANZ	3.2%
Aristocrat Leisure	3.0%
NAB	2.8%

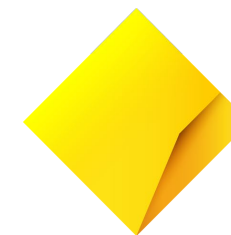
Figures at 30 September 2024.

# Recent portfolio movements

## Purchases



## Sales



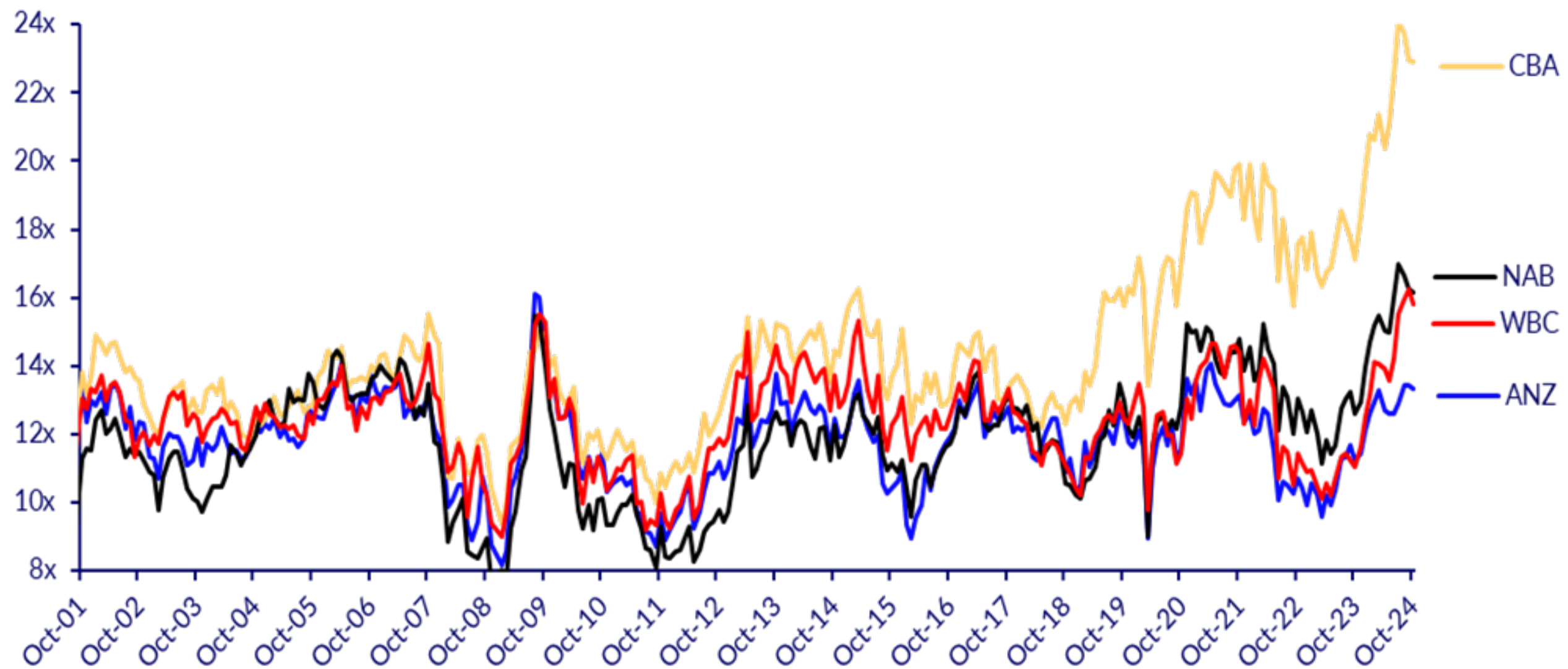
Commonwealth  
Bank



For the three months to 30 September 2024.

# P/E multiples: major Australian banks

Forward P/E multiples



Source: CLSA

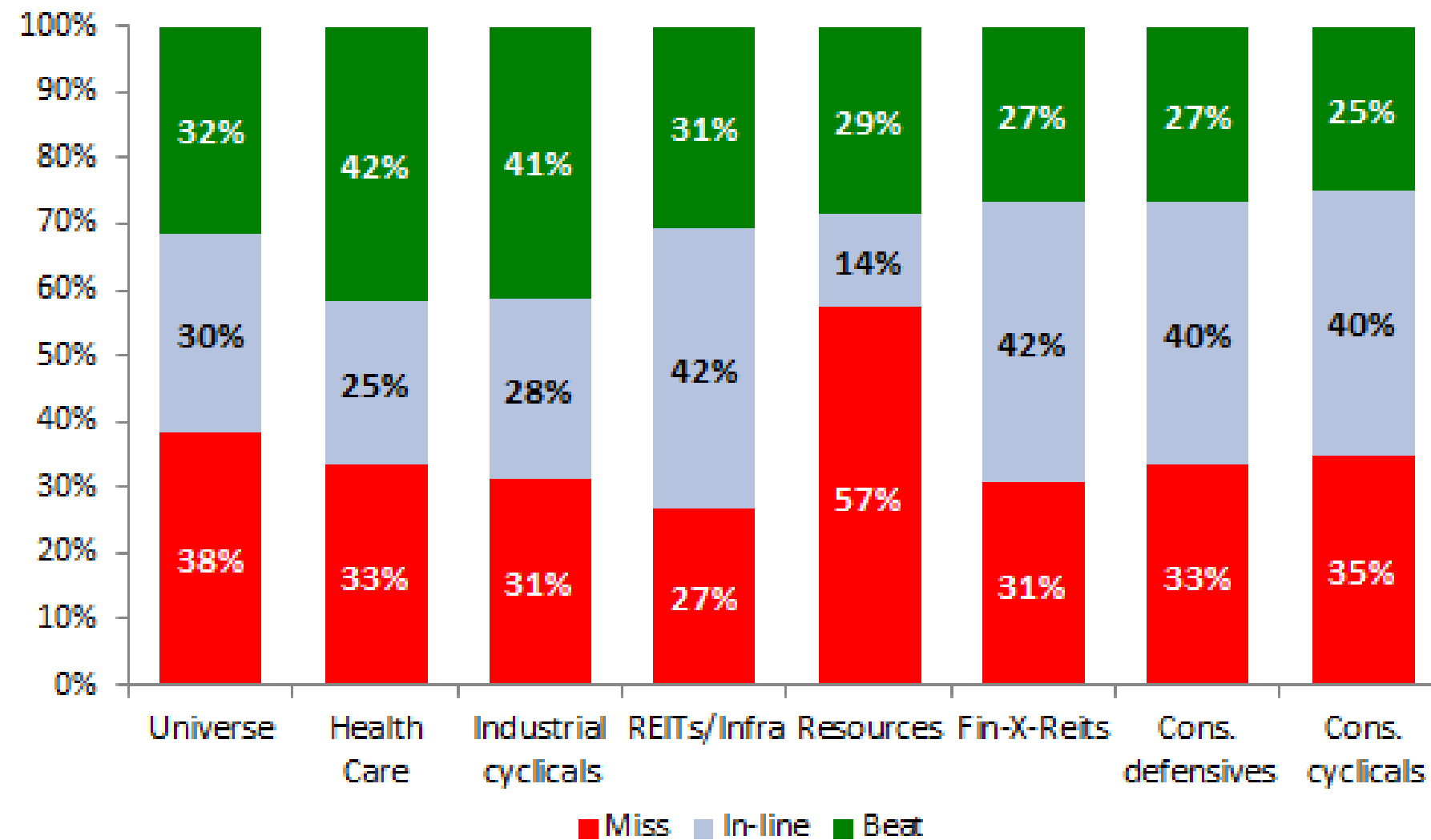
CO  
CO  
RA  
NA

# Reporting season



# Earnings beats vs misses

Companies EPS for FY2024 reporting period  
S&P/ASX Accumulation Index



Source: Goldman Sachs Global Investment Research, Bloomberg, Visible Alpha Consensus Data

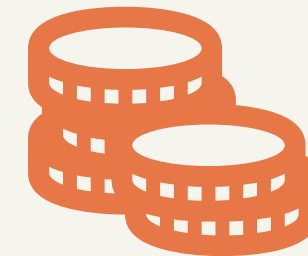
# Other key themes



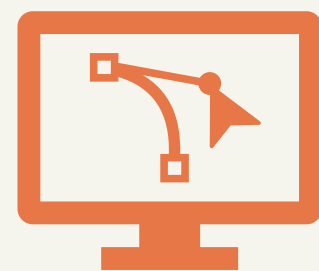
Increased regulatory and political headwinds



Consumer demand solid overall



Cost pressures persisting



AI driving cost efficiencies



Balance sheets remain strong

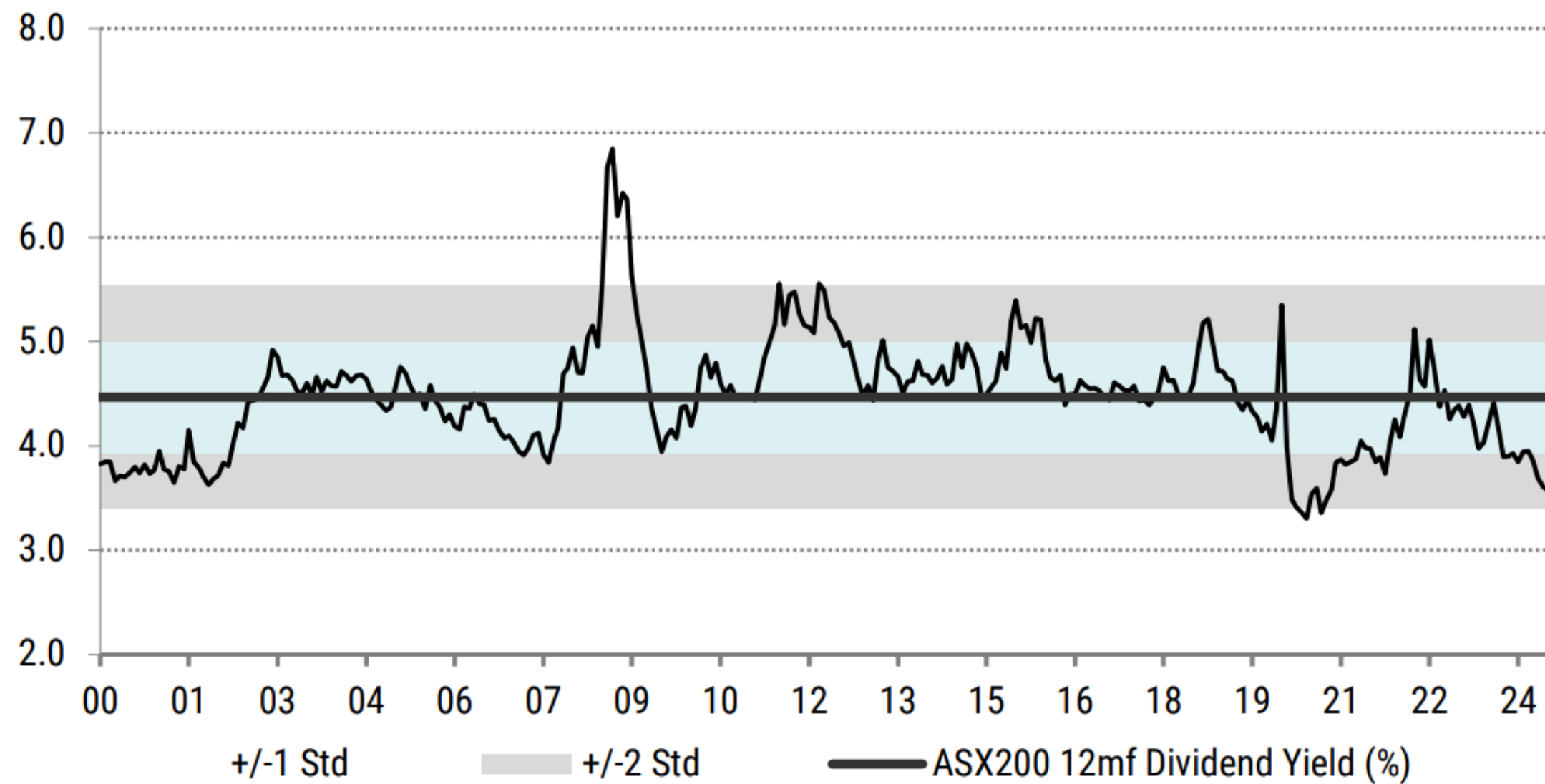


Outlook commentary cautious



# Long-term dividend yields

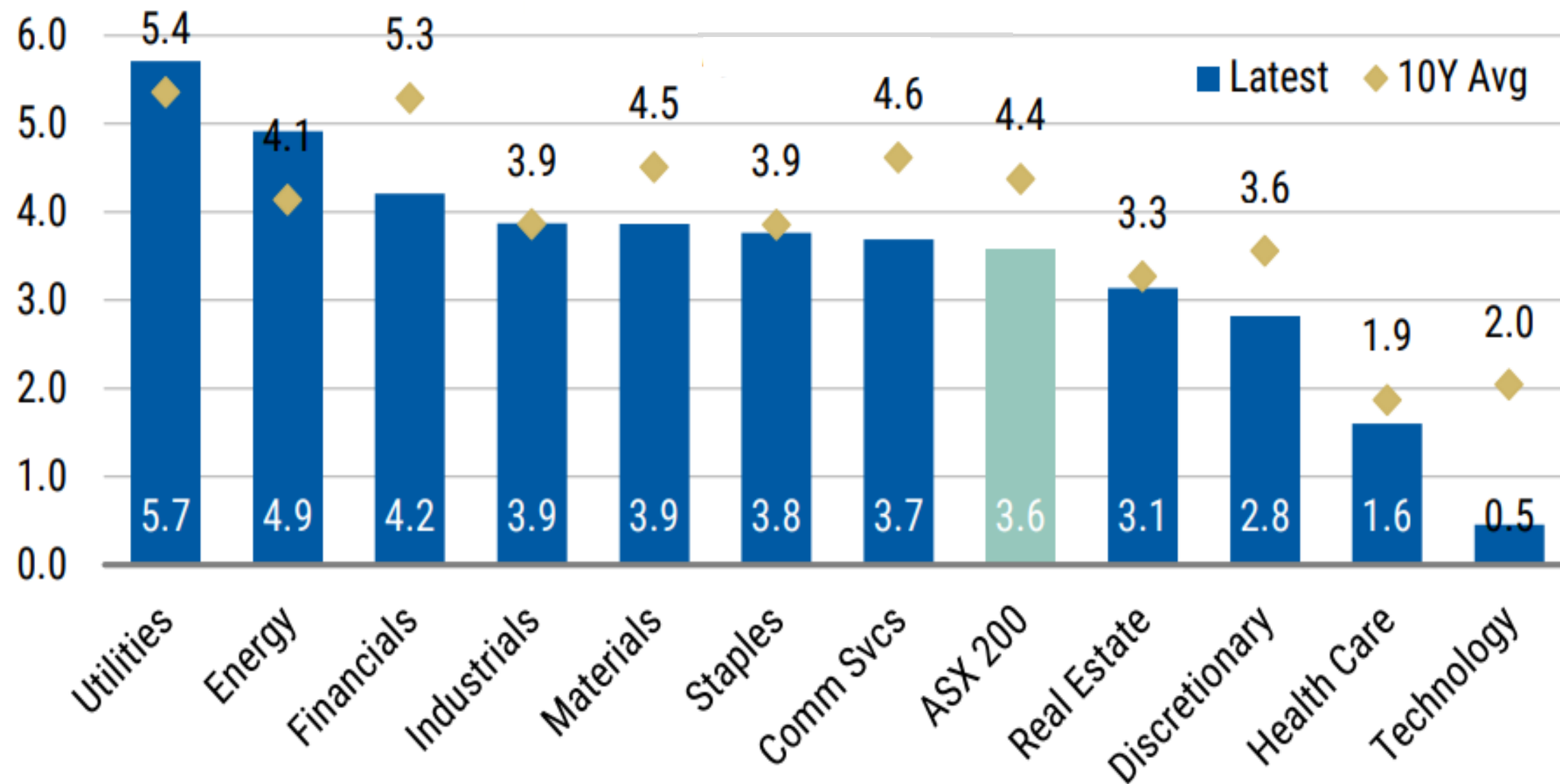
**S&P/ASX 200 Index**  
12-month forward dividend yield (%)



Source: RIMES, IBES, Morgan Stanley Research.

# Forecast dividend yield

12-month forward dividend yield by sector  
S&P/ASX 200 Index



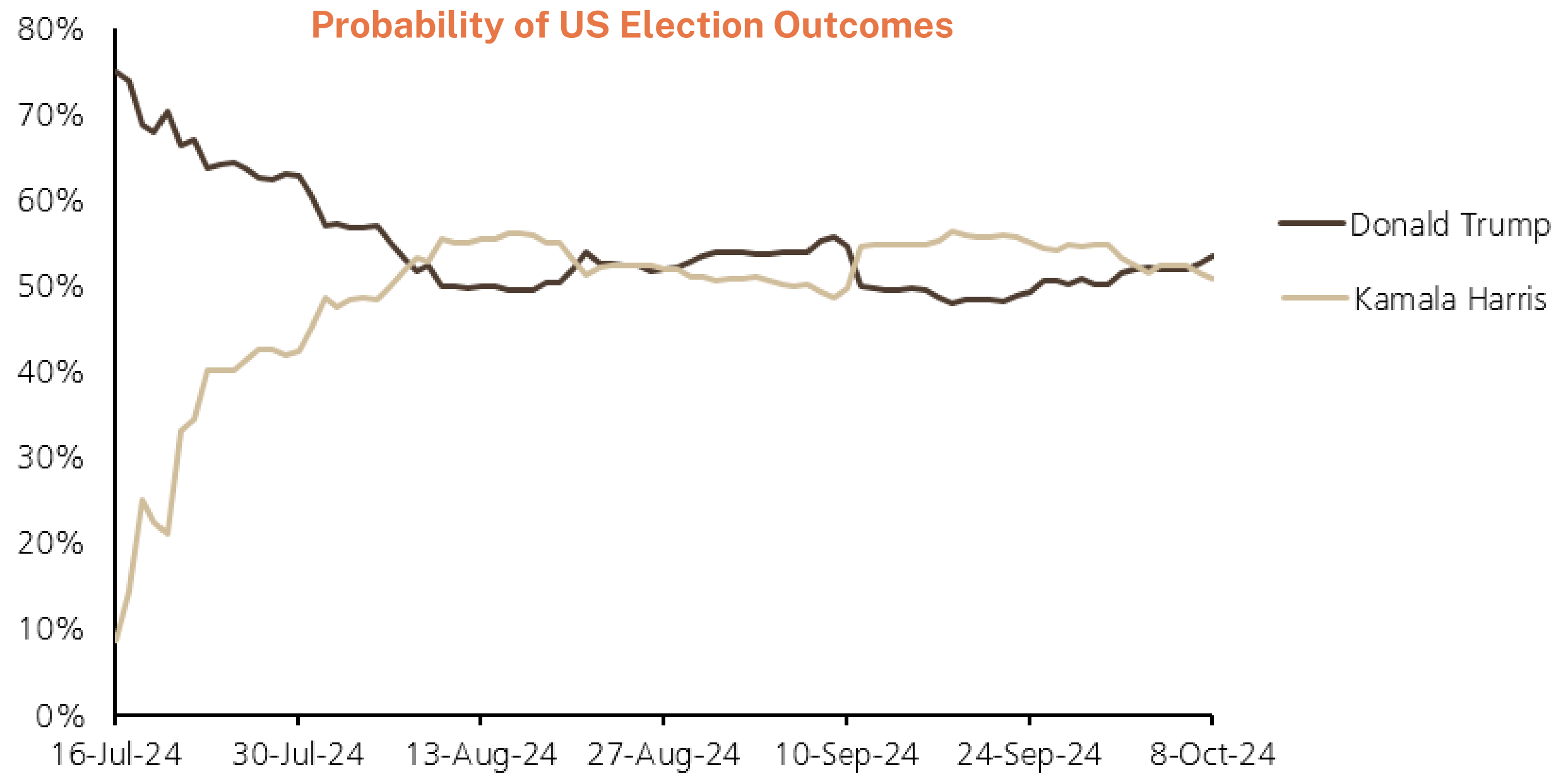
Source: RIMES, IBES, Morgan Stanley Research.

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# Looking ahead



# US election polls



Source: UBS Evidence Lab. Data as of 8 October 2024.

# Banks vs Resources

12-month trailing cumulative returns



Source: RIMES, IBES, Morgan Stanley Research

An aerial photograph of a residential neighborhood. The left side of the image is dominated by a large, lush green lawn with a few trees showing yellow autumn foliage. A road or driveway runs vertically through the center. To the right, several houses are visible, including one with a white carport, a house with a brown roof, and another with a red roof. The overall scene is a mix of greenery and residential structures.

  
**SINCE  
1946**