Shareholder Update
Year ended 30 June 2022

Jason Beddow
Managing Director
BEng, GdipAppFin(SecInst)

Dear valued shareholder,

Despite turbulent share market conditions, Argo Investments Limited (Argo) reported a record full year profit and a fully franked final dividend of 17 cents per share, an increase of +21.4%.

Full year profit result

Argo's profit for the full year was $312.9 million, an increase of +79.9% on the previous year, driven by record dividend income received from companies in the portfolio, including significantly higher dividends from BHP and Rio Tinto.

Profit was also bolstered by one-off, non-cash income of $61.7 million due to the merger of BHP's oil and gas assets with Woodside Energy and Tabcorp's demerger of The Lottery Corporation.

Summary of financial results	2022	2021	Change
Profit	$312.9 million	$174.0 million	+79.9%
Profit excluding demerger dividends	$251.2 million	$154.9 million	+62.2%
Earnings per share excluding demerger dividends	34.3 cents	21.4 cents	+60.3%
Full year dividends per share (fully franked)	33 cents	28 cents	+17.9%
LIC capital gain component of final dividend	15 cents	8 cents	+87.5%
Shareholders	96,064	94,086	+1,978
Management Expense Ratio	0.14%	0.14%	unchanged

Increased fully franked dividend

Argo's Board declared a fully franked final dividend of 17 cents per share. Together with the interim dividend of 16 cents per share, annual fully franked dividends for the financial year totalled 33 cents per share, an increase of +17.9% on the previous year. Notably, the annual dividend equals the amount paid in the 2019 financial year, before the considerable impacts of the global COVID pandemic on share market returns.

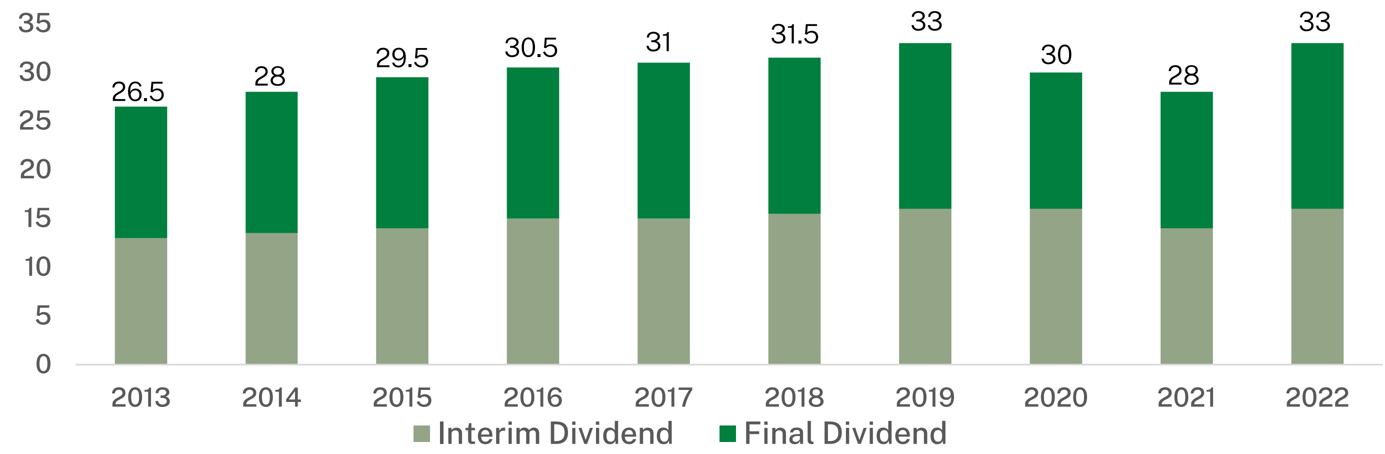
LIC capital gain tax benefit

The final dividend includes a record listed investment company (LIC) capital gain component of 15 cents per share. This is due to a number of substantial capital gains in the portfolio being crystallised, most significantly due to the takeover of Sydney Airport, one of our larger holdings.

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. Eligible investors can claim a tax deduction in relation to this gain, in addition to the benefit of franking credits.

Details are on your dividend statement or you can refer to the 'Dividends' section of the Shareholder Centre on our website for further information.

Annual dividend history (cents per share, fully franked)



Strong portfolio performance

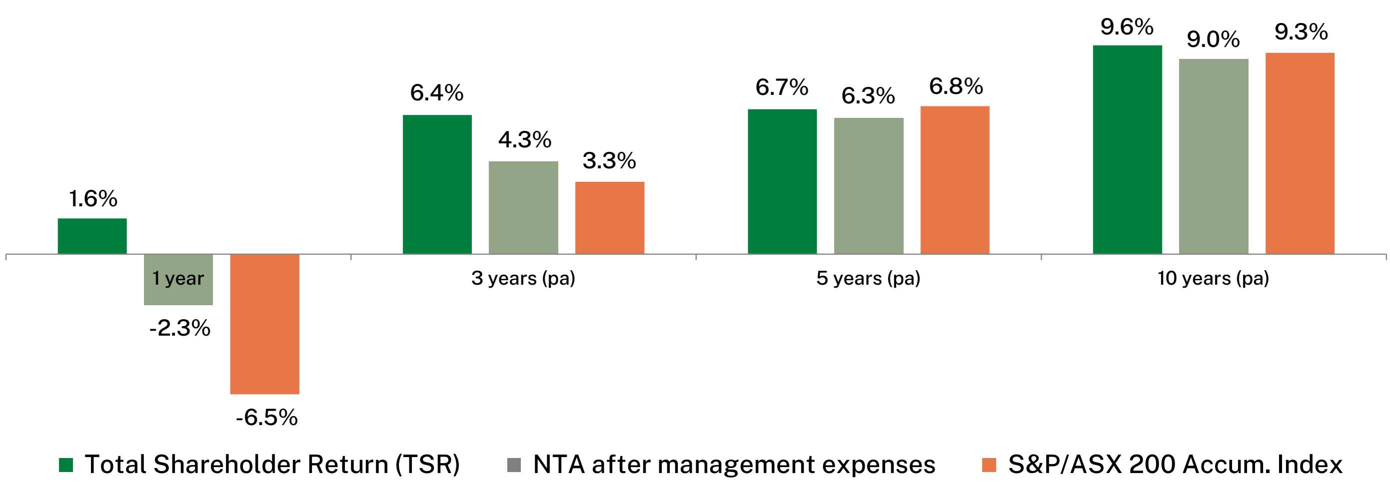
Amid volatility, Argo's portfolio of quality companies displayed resilience, outperforming the Australian share market by +4.2%. Our investment performance, measured by NTA return after management costs, was -2.3% which compares to the S&P/ASX 200 Accumulation Index return of -6.5% over the 12 months to 30 June 2022.

This strong relative performance reflects Argo's conservative investment approach which focuses on company fundamentals, including profitability. As a result, we avoided several companies and sectors with inflated valuations, including many overpriced technology stocks and speculative mining businesses which fell sharply during the year.

Several portfolio positions made particularly positive contributions to overall performance, including Macquarie Group, Computershare, APA Group, Ramsay Health Care and Tassal Group.

The chart below illustrates our performance track record over various time horizons. For the year to 30 June 2022, Argo's Total Shareholder Return (share price plus dividends) was +1.6%, outperforming Australian shares by +8.1%. Including franking credits, the return was +3.0% over the period.

Performance (assuming dividends reinvested)



Figures above are to 30 June 2022.

Portfolio movements

Reflecting the high levels of corporate activity during the year, several holdings were removed from the portfolio due to mergers or takeovers. These included Sydney Airport, Spark Infrastructure and Oil Search, with capital from these transactions re-deployed into new investments and adding to our existing holdings. We were able to take advantage of periods of volatility to acquire shares in quality companies trading below what we assessed to be their long-term values.

Among the larger new investments to the portfolio were Megaport and RAM Essential Services Property Fund. We also added to our existing positions in Aristocrat Leisure, Aurizon Holdings, BHP, EML Payments, Lendlease Group, Santos and Superloop.

During the year, we sold and fully exited our positions in AGL Energy, Boral and Crown Resorts and reduced our holdings in Australian United Investment Company and Washington H Soul Pattinson.

Overall, the total number of stocks in the investment portfolio increased slightly from 90 to 93.

> Our objective is to maximise long-term shareholder returns through reliable fully franked dividend income and capital growth.

Market outlook

Driven by highly supportive monetary and fiscal policy, Australia's share market reached post-COVID highs during the financial year. However, confidence faltered as the world's central banks withdrew stimulus and began to raise interest rates in an effort to curb rising inflation.

Russia's invasion of Ukraine further added to investor concern, as global supply chain disruptions were compounded and energy prices soared. Australia's share market experienced considerable volatility in response to these macro-econ`omic pressures, particularly in the second half, and plunged almost 9% in June alone.

Current indicators provide conflicting signals for the trajectory of the Australian economy. On the one hand, company balance sheets remain strong and consumers appear reasonably resilient with high savings in reserve, unemployment at historic lows and wages rising, albeit modestly.

However, there are numerous uncertainties in the economy, including softening commodity prices, continuing COVID-related disruptions such as workforce shortages and adverse weather events which are having prolonged effects on parts of the economy. Overseas, geopolitical factors threaten stability in the region and globally.

Households are likely to come under growing pressure as living costs increase and inflation remains at 30-year highs. Interest rates are rising and are now at levels not seen since 2016. Following a decade of cuts to the official cash rate, many home-owners are facing the first ever increases to their mortgage repayments.

The recent corporate earnings reporting season provided timely insights into current economic and trading conditions. Despite labour shortages, rising costs and ongoing supply chain issues, Australian companies have fared well.

Many businesses have been well-placed to pass on rising costs so far and, although consumer spending has moderated, retail trade has remained reasonably robust. That said, numerous companies reported difficulty in meeting customer demand and/or expected standards of service due to staff shortages. Looking ahead, attracting talent through higher wages may put pressure on margins.

While we expect the Australian and global economies will continue to confront challenges in the immediate term, Argo remains well-positioned with a strong balance sheet, no debt and cash on hand to capitalise on likely market volatility. We continue to take a long-term share market view and consistently apply our investment approach which has stood the test of time since 1946.

Annual General Meeting

Argo's Annual General Meeting (AGM) will be held on Monday 24 October 2022 in Adelaide. This year's meeting will be held in-person or can be viewed via a livestream on our website.

Shareholder information meetings

Shareholder information meetings will be held in various capital cities in May 2023 when we will provide an update and overview of the Company, its investment approach, portfolio and our view of the share market. These meetings will also give shareholders the opportunity to meet with our team face-to-face and ask us questions.

Save the date
Argo AGM
In-person and livestream

24 October 2022
10am Adelaide time

Receive communications electronically

We would like to take this opportunity to encourage you to receive all communications from Argo electronically. With postal delays increasingly common, communication by email is the fastest and most reliable way to receive information from us. This is particularly important for time-sensitive offers, such as Share Purchase Plans.

You can elect to receive your Argo communications via email by contacting our share registry provider BoardRoom on 1300 350 716 or simply change your communication preferences via their secure and user-friendly online shareholder portal at investorserve.com.au.

If you have any questions or comments about Argo, please don't hesitate to contact us by telephone on (08) 8210 9500 or by email to invest@argoinvestments.com.au.

To receive Company news and financial results on the day they are announced, I encourage you to join our email distribution list by completing the 'subscribe' form found at the bottom of each page on our website at argoinvestments.com.au.

On behalf of the Board, I thank you for your ongoing and loyal support of Argo. We hope you and your families are staying safe and well during what remain challenging times.

Yours faithfully,

Jason Beddow
Managing Director