

Argo Information Booklet



2023

Argo Investments

At a glance

ASX code	ARG
Founded	1946
Market cap.	\$6.6bn
Shareholders	95,900
Dividend yield*	3.8%

All figures above are to 30 April 2023.
 ^ Historical yield of 5.4% (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 actively manages a diversified portfolio of Australian shares with a low-cost, internally managed business model.

Argo applies a conservative, long-term investment approach which has proven resilient since 1946.

Our objective

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

Simple to invest

Argo Investments and Argo Infrastructure shares are bought and sold on the Australian Securities Exchange (ASX). There are no upfront, ongoing or exit fees to invest, only stockbroking charges.

To become a shareholder, simply buy shares through your stockbroker, online broker, financial adviser or platform using the ASX codes 'ARG' for Argo Investments and 'ALI' for Argo Infrastructure.

Argo Infrastructure

At a glance

ASX code	ALI
Founded	2015
Market cap.	\$420m
Shareholders	9,400
Dividend yield*	3.8%

All figures above are to 30 April 2023.
 ^ Historical yield of 5.4% (including franking) based on dividends paid over the last 12 months.

Company overview

Provides exposure to a diverse global portfolio of infrastructure stocks. The portfolio is unhedged for currency, enhancing diversification.

The portfolio is actively managed by Cohen & Steers Inc. (NYSE: CNS), a leading specialist global real assets fund manager managing funds of over A\$140 billion for institutional clients and sovereign wealth funds from offices worldwide.

Our objective

Our objective is to provide a total return for long-term investors consisting of capital growth and dividend income from a global listed infrastructure portfolio which can provide diversification benefits for Australian investors.

About Argo Investments

Through various economic cycles and disruptive events over many decades, Argo’s long-term investment approach and straightforward business model has proven resilient.

Today, Argo is one of the ASX’s top 100 companies, investing over \$6 billion on behalf of our shareholders.

Argo has a strong track record of delivering capital appreciation and has paid shareholders dividends every year since being established more than 75 years ago.

Investment approach

We strongly believe in the cumulative effect of investing in quality companies for the long-term, while avoiding the temptation to seek short-term gains in higher-risk situations.

Our investment process helps us identify companies which have a strong market position, disciplined business strategy, strong board and management team and an established track record of delivering earnings and dividend growth.

Low cost, straightforward business model

Argo generates revenue primarily from dividends and distributions received from the companies in our investment portfolio. The majority of that income is paid out to our shareholders as fully franked dividends.

Our operating costs are relatively stable and are lower than most other managed investment products. Argo has few employees and is internally managed, meaning no fees are paid to external managers.

Our efficient business model also benefits from economies of scale with costs remaining relatively stable, even as Argo’s assets increase.

Visit our website

Detailed information about Argo can be found on our website: argoinvestments.com.au.

Board of directors



Russell Higgins AO
Chairman



Chris Cuffe AO
Non-executive Director



Elizabeth Lewin
Non-executive Director



Roger Davis
Non-executive Director



Lianne Buck
Non-executive Director



Peter Warne
Non-executive Director



Jason Beddow
Managing Director

Shareholder benefits



Low-cost, internally managed

Internal management structure ensures low operating costs and no external fees. For the year ended 30 June 2022, total operating costs were 0.14% of average assets at market value.



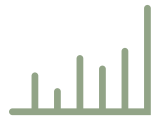
Fully-franked, sustainable dividends

Dividends paid every year since inception in 1946 and fully franked since 1995. In addition, dividends sometimes include a LIC capital gain component which provides a tax deduction for eligible shareholders.



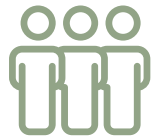
Diversified and administratively simple

Exposure to a highly diversified portfolio of Australian equities through a single ASX trade.



Long-term, proven investment approach

Resilience and growth through various market cycles and conditions over 75 years of investing in Australia.



Experienced board and management team

Highly experienced board and management team with strong governance and conservative culture.



Strong balance sheet with no debt

Conservatively managed company with a strong balance sheet and no debt.



Dividend Reinvestment Plan (DRP)

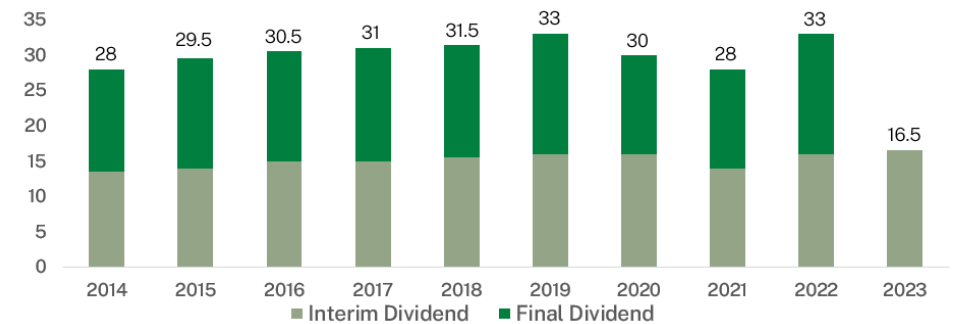
Argo's DRP gives shareholders the opportunity to reinvest their dividends. In addition, Argo has a Share Purchase Plan (SPP) which, when offered, gives shareholders the opportunity to acquire additional shares (up to \$30,000) with no brokerage or transaction costs.

Shareholder returns

Shareholder returns – \$10,000 invested over 20 years

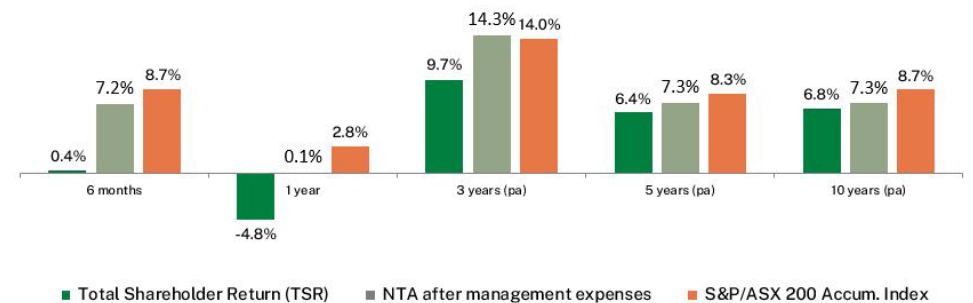


Fully franked dividends paid (cents per share)



So far this financial year, only the interim dividend has been declared.

Total returns



All figures are to 30 April 2023.

Investment portfolio

Comprising approximately 90 Australian companies across a range of industries, offering both capital growth and consistent and growing dividends, our investment portfolio is focused on quality and diversification.

Highly diversified

Many of our shareholders invest in Argo because we offer an easy and effective way to gain exposure to a diverse portfolio of Australian listed companies.

Our portfolio is not overly exposed to any one sector of the economy. Importantly, it includes exposure to Australian companies with overseas operations providing further diversification.

Quality companies

Our portfolio is weighted towards established companies with reliable cashflows and sustainable dividends which we pass through to our shareholders as fully franked dividends. Importantly, Argo's portfolio is made of companies that have sound long-term growth prospects.

These tend to be at the larger end of the share market. In addition, we own some smaller, growing companies with attractive long-term prospects and the potential to become future leading Australian listed companies.

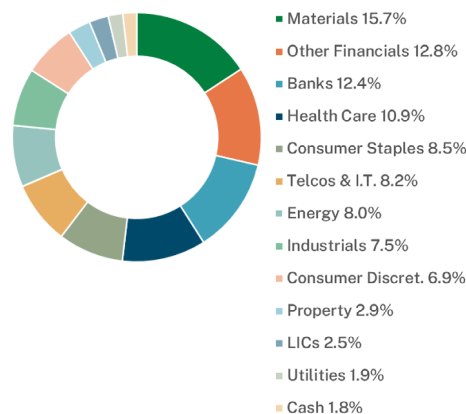
Superior structure

Argo's closed-end, listed investment company structure insulates our portfolio from inflows and outflows of capital. This means that, unlike managed investment funds with an open-ended structure, Argo is not forced to sell any investments to fund redemptions when investors want to leave the fund.

Having a stable pool of money to invest means our investment team can take a long-term approach to investment decisions. We can also take advantage of market volatility to buy stocks when their share prices trade below their inherent valuations.

Top 20 investments*	%
Macquarie Group	6.9
BHP	5.9
CSL	5.2
CBA	4.0
Wesfarmers	3.8
Rio Tinto	3.6
Telstra	3.1
ANZ	2.9
Westpac	2.7
Santos	2.6
NAB	2.5
Aristocrat Leisure	2.2
QBE Insurance	2.1
Transurban	2.0
Woolworths	2.0
Sonic Healthcare	1.9
Ramsay Health Care	1.9
APA	1.8
Computershare	1.8
Woodside Energy	1.6
Top 20 equity investments	60.5
Cash and cash equivalents	1.8

Sector diversification*



*All figures are to 30 April 2023.

About Argo Infrastructure

Argo Infrastructure offers investors exposure to a diverse and actively managed global portfolio of infrastructure stocks, through a single ASX-listed company.

Argo Infrastructure was established by Argo Investments in 2015 to provide an international diversification opportunity for Australian investors, who tend to be overly exposed to domestic equities. Argo Investments manages Argo Infrastructure and the investment portfolio is managed by Cohen & Steers Inc.

Infrastructure benefits

Infrastructure provides the essential services vital to society and economic progress. These assets are built to last many decades, are difficult to replace and generate consistent and predictable income, often with pricing mechanisms linked to inflation.

Argo Infrastructure invests in the listed infrastructure companies that own these assets all around the world.

Access global opportunities

Opportunities to invest in ASX-listed infrastructure companies have dwindled in recent years. In contrast, there are approximately 350 listed infrastructure companies globally.

Argo Infrastructure offers diverse exposure these global listed infrastructure opportunities. The portfolio spans both emerging and developed economies and covers the full spectrum of infrastructure assets, such as water utilities, communication towers, renewable energy generation and many assets not accessible via the Australian share market.

Visit our website

Detailed information about Argo Infrastructure can be found on our website: argoinfrastructure.com.au.

Board of directors



Russell Higgins AO
Chairman



Joycelyn Morton
Non-executive Director



Mark Hall
Non-executive Director



Fiona Hele
Non-executive Director



Jason Beddow
Managing Director

Shareholder benefits



Global diversification

Exposure across various geographies and both emerging and developed economies.



Specialist global fund manager

Access to a world-leading, specialist infrastructure fund manager.



Access infrastructure opportunities

New opportunities offshore through government privatisations.



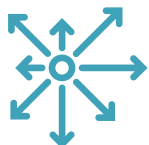
Proven investment approach

Experienced investment team with a long and successful track record.



Enhanced risk-adjusted returns

Less volatile than broader equities providing some relative downside protection.



Simple global investing

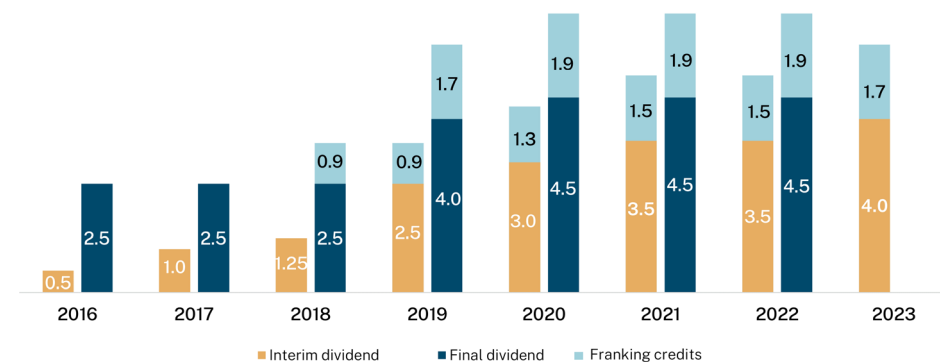
Exposure to a large and complex asset class through one simple ASX trade.

Shareholder returns

Shareholder returns – \$10,000 invested since inception

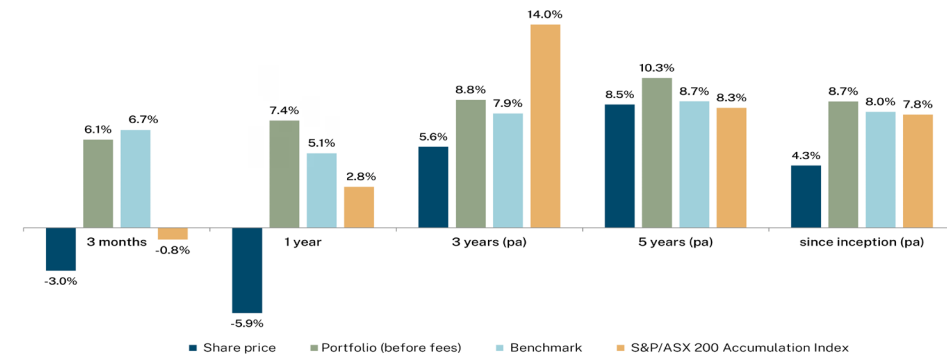


Dividends paid (cents per share)



So far this financial year, only the interim dividend has been declared.

Total returns



All figures above are to 30 April 2023.

About the Portfolio Manager

One of the world's largest and most highly respected investors in global listed infrastructure and real assets, Cohen & Steers Inc manages approximately A\$140 billion on behalf of institutional clients and sovereign wealth funds.

Based in New York and listed on the New York Stock Exchange (NYSE code: CNS), the firm has an experienced team of analysts across the globe providing local insights to inform investment decisions.

Due to high levels of regulation and the political sensitivity of infrastructure assets, changes in governments or policies can impact infrastructure companies and their returns.

Having people 'on the ground' in close proximity to infrastructure assets, provides clear competitive advantages, including access to key industry participants and government regulators.

For more information

To find out more about Cohen & Steers, visit the firm's website: [cohenandsteers.com](https://www.cohenandsteers.com)

COHEN & STEERS



Ben Morton
BAS, MES
Senior Portfolio Manager



Thuy Quynh Dang
BA
Portfolio Manager



Tyler Rosenlicht
BA, MBA
Portfolio Manager

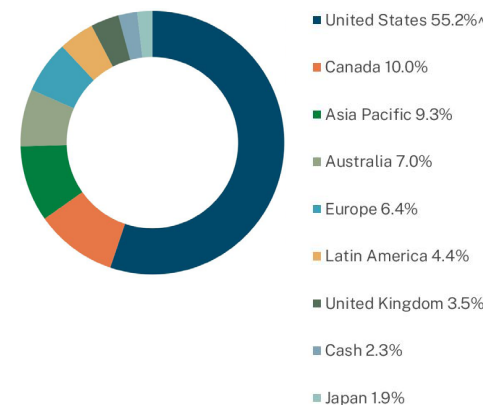


Portfolio overview

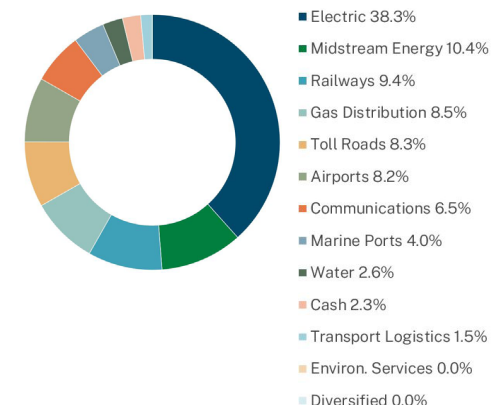
Argo Infrastructure's actively-managed portfolio of 50-70 global listed infrastructure securities is diversified across various subsectors and geographies, including both emerging and developed economies.

The large and highly liquid nature of the global listed infrastructure universe offers the flexibility to build a diversified portfolio. The portfolio is unhedged for currency and has no debt.

Sector diversification



Geographic diversification



All figures above are at 30 April 2023.

^ Many of the largest infrastructure companies are listed in the United States, although their operations and earnings are often global.

Top 10 holdings - at 31 March 2023

Security name	Country of listing	Sub-sector	Portfolio (%)	Index (%)
NextEra Energy	US	Electric	6.1	5.0
American Tower	US	Communications	5.9	3.8
Transurban Group	AUS	Toll Roads	4.4	5.5
Enbridge	CAN	Midstream Energy	3.9	2.8
Duke Energy	US	Electric	3.7	3.2
Sempra Energy	US	Gas Distribution	3.5	1.9
American Electric Power	US	Electric	2.8	1.9
Wisconsin Energy	US	Electric	2.5	1.2
CentrePoint Energy	US	Electric	2.5	0.7
NiSource	US	Gas Distribution	2.5	0.5
			37.8	26.5

Understanding global listed infrastructure

What is infrastructure?

The real or 'hard' assets critical to economic growth and the functioning of society. These assets fall into four broad categories:



Communications

Wireless communication towers and satellites.



Transportation

Toll roads, ports, freight and passenger railways and airports.



Utilities

Gas, electricity, water and renewables.



Midstream energy

Pipelines and storage.

Key characteristics

Infrastructure assets cover a diverse range of industries, yet they share key characteristics that translate into reliable, long-term income streams.

Stable and predictable cash flows

The essential service nature of most infrastructure assets means demand is reasonably inelastic. This generates stable and predictable cash flows, even in economic downturns.

High barriers to entry

Infrastructure assets are costly to build and difficult to replicate. This reduces competition and creates monopolistic market positions and pricing power.

Long-life assets

As infrastructure assets are typically built to last 30 to 50 years plus, they provide long-term investment income.

Inflation-linked pricing

Asset regulators generally take inflation into account when setting asset-pricing structures. This means that as inflation rises, asset operators are often permitted to increase user fees.

Listed versus unlisted infrastructure

Listed infrastructure companies own the same kinds of assets as unlisted private infrastructure owners, with the added benefits of exchange-traded stocks including:

Transparency

Exchange-listed companies are public companies subject to various disclosure and governance requirements.

Diversification

Small minimum investments allow capital to be spread broadly across asset types. In contrast, direct infrastructure investments typically require a significant minimum capital commitment.

Flexibility

No fixed period for investment commitment. In contrast, direct infrastructure investments generally require the long-term lock-up of capital.

Liquidity

Highly liquid investment universe offers active managers the ability to rapidly adjust portfolio positions as conditions change.

Listed infrastructure: Australian versus global opportunities

Australia

Although Australia was a pioneer of the listed infrastructure asset class, the number of opportunities to invest in infrastructure stocks via the ASX continues to dwindle.

Following numerous privatisations and mergers recently, there are now just a handful of infrastructure stocks in Australia. Furthermore, these listed infrastructure companies provide exposure to just a few infrastructure asset types.

In our view, the benefits of looking offshore to get exposure to the asset class have never been more compelling.



Global

Outside Australia, there are hundreds of infrastructure stocks with a combined market capitalisation that dwarfs the entire Australian share market.

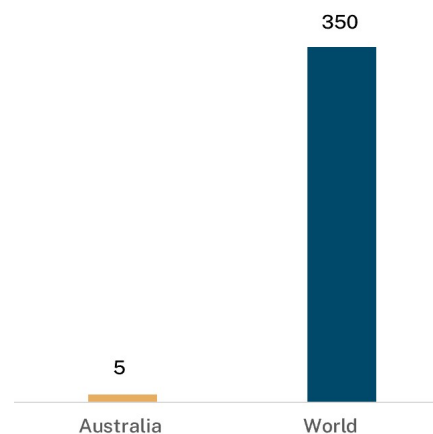
These companies span numerous geographies (both emerging and developed economies) and give access to a range of infrastructure asset types including water utilities and sustainable energy generators.

Argo Infrastructure gives investors access to this large and diversified asset class through a single ASX trade.

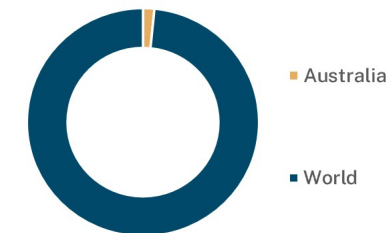


Australia versus the World

Number of companies



Market capitalisation



AR
RE
GE
OO