



Investing for our shareholders since 1946

From the Chairman

This year we are proud to celebrate 75 years of investing on behalf of our shareholders. From a boutique investment firm founded in Adelaide in 1946 with £10,000 of capital invested and a small group of South Australian shareholders, Argo has grown to be one the ASX's top 100 companies by market capitalisation.

Over this time, Argo has navigated through many market cycles and weathered various disruptive events by consistently applying a conservative and long-term investment approach.

Throughout its history, Argo has maintained a simple structure, importantly with no debt, and focused on providing a low-cost, reliable exposure to the Australian share market which delivers sustainable dividend income for shareholders.

This approach has attracted investors of all ages and stages in life and today, we invest more than \$6.5 billion on behalf of approximately 94,000 shareholders from around Australia and overseas. Some families have been Argo shareholders for many decades with shares passed down through the generations. We do not take this loyalty for granted.

In this special section of our 2021 Annual Report, we look back over Argo's history since 1946. We hope you find its contents of interest.

Russell Higgins AO
Chairman

The Argo story

A chance discussion between an accountant and a lawyer in Adelaide more than 75 years ago was the genesis of an idea that grew into Argo Investments, one of the first Australian listed investment companies.

In the mid-1940s, chartered accountant Alf Adamson and lawyer Kevin Ward QC ran their own practices on the same floor of a building in Pirie Street, Adelaide. The men bumped into each other one day and got talking.

They soon learned each faced the same conundrum. Increasingly, they were being asked by their respective clients how they should invest their money. However, suitable investment options were scarce at the time.

The early years

With knowledge of the investment company movement in Scotland, Alf Adamson suggested this structure as a solution. The idea gathered momentum and the men set about registering a company.

In May 1946, Argo Investments Limited was established and began investing its shareholders' capital in a diverse portfolio of Australian companies.

Alf Adamson and Kevin Ward's clients were the initial shareholders. As it was the post-war era, the early

shareholders included war widows, as well as pastoralists and local South Australian families.

Kevin Ward became Argo's first Chairman, and Alf Adamson managed the Company, while also serving on the Board.

Within a couple of years of Argo being founded, the Company was listed on the Adelaide Stock Exchange, raising more capital and attracting further shareholders. The Adelaide exchange later merged with other interstate exchanges, eventually forming the Australian Securities Exchange (ASX).

Over the ensuing decades Argo grew steadily through a combination of acquisitions of listed and unlisted investment companies, new share issues and capital appreciation.

Establishing our investment approach

Alf Adamson was the driving force behind Argo's investment approach, searching tirelessly to identify undervalued companies.

He believed true value came from growing profits and income yield, and the safety of capital was essential. Adamson worked hard to instil a culture at Argo based on practical ways of adding value to a long-term growth portfolio.

Rob Patterson takes the reigns

This focus on investment fundamentals was continued by Argo's second Managing Director, Rob Patterson, who took the reigns in 1982. Rob navigated the Company through various market conditions and disruptive events, such as the 1987 share market crash, the recession of the early 1990s, the Tech

Wreck, major terrorist attacks and the Global Financial Crisis. He oversaw a number of successful acquisitions, the opening of Argo's Sydney office and other key milestones, not to mention significant technological, industry and regulatory changes.

After serving Argo for more than 40 years, Rob Patterson retired in 2010. Under his leadership, Argo achieved remarkable growth with assets increasing from \$70 million to \$3.6 billion.

In his final Managing Director's Address at the 2010 AGM, he noted:

"Over this extended period, Argo has sailed steadily through the turbulent waters, delivering shareholders above-market long-term returns and uninterrupted income."

Third Managing Director appointed

In 2010, Jason Beddow became Chief Executive Officer and in 2014, he was appointed Managing Director. Under Jason's leadership, Argo has continued to grow in terms of its assets, operations and shareholders.

In 2015, Argo established Argo Global Listed Infrastructure Limited (ASX code: ALI). The new listed investment company was founded with the objective of providing simple international exposure for Australian investors who tend to be overly exposed to domestic equities, via an Australian company which can pay franked dividends.

Fully franked dividend track record

Argo has paid dividends every year since the Company was established in 1946. Furthermore, every dividend has

been partially or fully franked since the introduction of Australia's imputation system in 1987, and all dividends have been fully franked since 1995.

We appreciate that providing sustainable and tax-effective dividend income is very important to our shareholders. We continue to focus on providing shareholders with dividend income, seeking out investee companies that can grow their dividends over time.

DRP introduced

Argo's Dividend Reinvestment Plan (DRP) was introduced in 1999, giving shareholders the opportunity to automatically reinvest their dividends to acquire additional shares in the Company. Today, more than a third of shareholders loyally participate in the DRP.

Looking ahead

Now in its eighth decade, Argo's investment returns remain resilient, with a well-diversified portfolio of quality stocks, a strong balance sheet and no debt.

Led by Jason Beddow, we remain faithful to our investment philosophy which has served us well for 75 years, taking a conservative and consistent approach to managing the investment portfolio. This has allowed us to provide our shareholders with long-term capital growth and dividend income.

Key milestones

1946

Argo founded

Argo was founded by chartered accountant, Alf Adamson, and lawyer Kevin Ward QC in Adelaide in 1946 with paid up capital of 10,000 pounds. Kevin Ward was appointed Chairman and Alf Adamson became Argo's Manager.

1948

Exchange listing

A little over two years after Argo was founded, the Company was listed on the Adelaide Stock Exchange.

1954

Sir Donald Bradman AC appointed to the Board

Australian cricketing legend Sir Donald Bradman was appointed as a Director. He would go on to serve on the Board until 1984, including as Chairman from 1982 to 1984.

First acquisition

Argo acquired Austral Plaster Co. Ltd, an Adelaide investment company which was the first of many acquisitions to build Argo's size and become more and more cost-efficient.

1959

Steady asset growth

By 1959, the Company's total assets had increased to \$2 million (in today's currency) through numerous acquisitions of other Australian investment companies, share placements and capital appreciation.

1969

Rob Patterson

Rob Patterson was appointed as Argo's Company Secretary in 1969. He would go on to become the Managing Director and serve the Company for over 40 years through varying economic and market conditions, overseeing the remarkable growth of Argo's assets, its operations and shareholder numbers.

1971

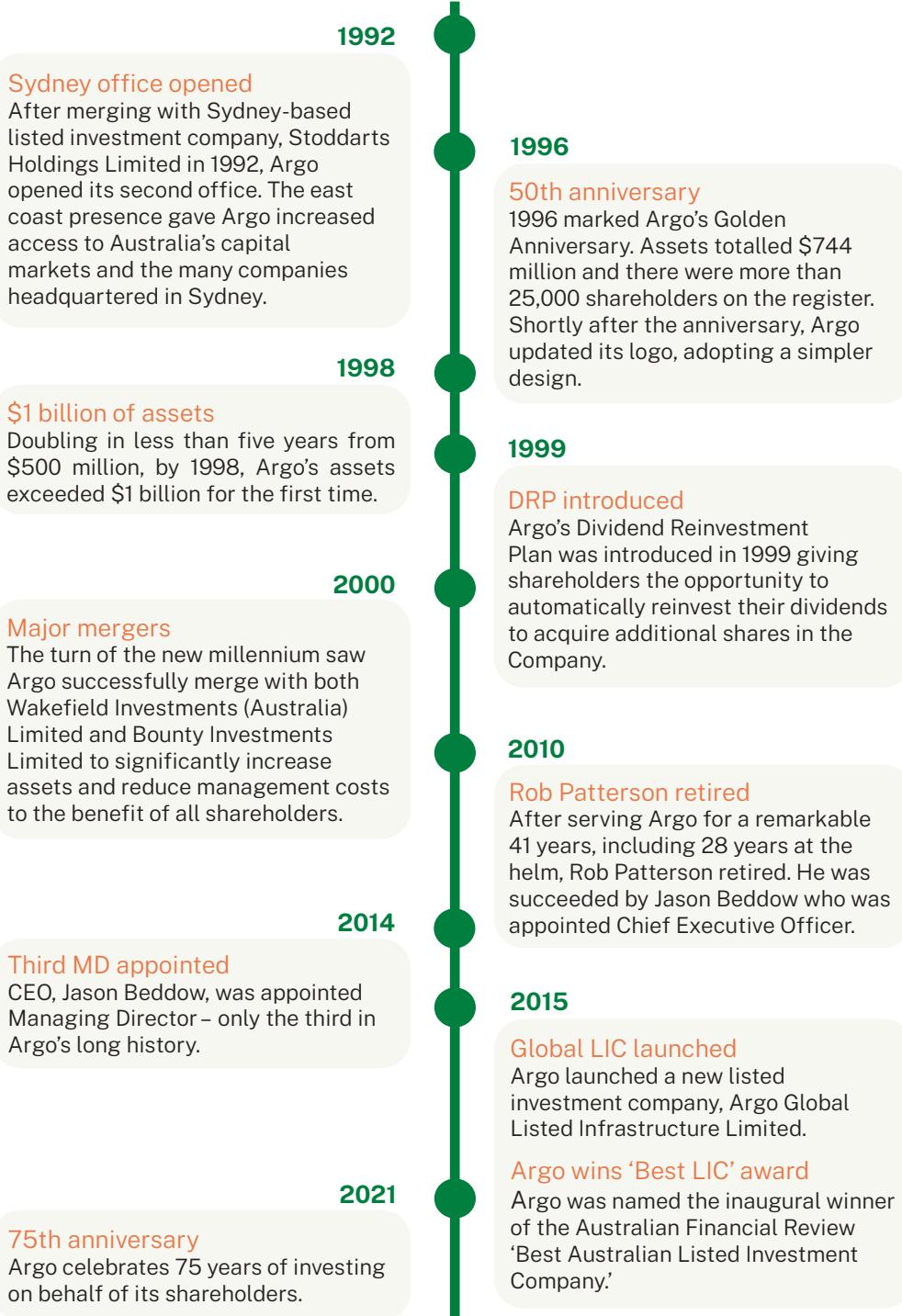
25th anniversary

Argo marked its first major milestone in 1971, celebrating 25 years since it was founded. In 1976, Argo's net operating profit exceeded \$1 million for the first time.

1987

First fully franked dividend

With the introduction of Australia's imputation system in 1987, Argo paid its first fully franked dividend to shareholders.



Our name

The name Argo is from the Ancient Greek fable of *Jason and the Argonauts* who sailed their ship “Argo” in a lifelong search for the mythical golden fleece.

While we have used the name Argo since the beginning, Argo's branding has evolved over time. An image of a ship was first adopted in 1961 and joined the name ‘Argo Investments Limited’ to form the first logo. The ship icon and lettering was simplified in the late 1990s before the words ‘Investing in Australia’ were added to the logo in 2002.

To mark the occasion of Argo's 75th anniversary, we have refreshed our visual identity, including the Argo logo. As communications increasingly move online, a key consideration when redesigning the logo was to ensure its adaptability in a digital environment.



Chairmen

1946 - 1953	Kevin Ward QC
1953 - 1982	Alf Adamson
1982 - 1984	Sir Donald Bradman AC
1984 - 1993	Lew Barrett AO OBE
1993 - 1998	David Wicks QC
1998 - 2012	Chris Harris
2012 - 2018	Ian Martin AM
2018 - present	Russell Higgins AO

From the archives - a post-war portfolio

<u>ARGO INVESTMENTS LIMITED.</u>	
<u>LIST OF INVESTMENTS AS AT 31ST MARCH, 1947.</u>	
<u>Ordinary Shares.</u>	
Associated Pulp and Paper Mills Ltd., shares of £1 each	200
Bonds Industries Ltd., shares of £1 each	200
Bonds Industries Ltd., shares of £1 each paid to 5/-	50
Broken Hill South Ltd., shares of 5/- each	100
Browns Dry Cleaning Co. Ltd., shares of 5/- each	200
Burlington Mills (Australia) Ltd., shares of £1 each	50
Burlington Mills (Australia) Ltd., shares of £1 ea.paid to 2/6	50
Carpet Manufacturers Ltd., shares of £1 ea. paid to 2/6	200
Commercial Finance Co. Ltd., shares of £1 each	700
Commonwealth Engineering Co. Ltd., shares of £1 each	200
Cyclone Co. of Australia Ltd., shares of £1 each	100
Dennys Lascelles Ltd., shares of £1 each	300
Drug Houses of Australia Ltd., shares of £1 each	200
Elder Smith & Co. Ltd., shares of £1 each paid to 12/-	210
Felt & Textiles of Australia Ltd., shares of £1 each	200
Great Boulder Pty. Ltd., shares of 2/- each	200
G. & R. Wills & Co. Ltd., shares of 5/- each	400
xLee Transport Co. Ltd., shares of £1 each	1100
Leviathan Ltd., shares of £1 each	200
Lion Brewing & Malting Co. Ltd., shares of £1 each	200
Mayne Nickless Ltd., shares of £1 each	100
Mick Simmons Ltd., shares of £1 each	100
Miller Anderson Ltd., shares of £1 each	100
Moffat Virtue Ltd., shares of 12/6 each	200
Moulded Products Ltd., shares of £1 each	100
McIlwraith, McEacharn Ltd., shares of £1 each	200
Onkaparinga Woollen Co. Ltd., shares of £1 each	100
Onkaparinga Woollen Co. Ltd., shares of £1 ea.paid to 12/6	200
Overseas Corporation Ltd., shares of £1 each	100
Pope Industries Ltd., shares of £1 each	400
Prests Ltd., shares of £1 each	200
Quarry Industries Ltd., shares of £1 each	400
S.A. Portland Cement Co. Ltd., shares of £1 each	100
Silverton Tramway Co. Ltd., shares of 10/- each	200
Swallow & Ariell Ltd., shares of 30/- each paid to 20/-	200
Wallaroo Mt. Lyell Fertilisers Ltd., shares of £1 each	200
Yarra Falls Ltd., shares of £1 each	200
Yellow Express Carriers Ltd., shares of 8/9 each	300
Zinc Investments Ltd., shares of 4/- each	1000

Argo's list of investments published in the first Annual Report in 1947.

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