



Company	Argo Investments
Code	ARG
Meeting	AGM
Date	21 October 2019
Venue	Adelaide Oval, Adelaide
Monitor	James Hahn

Number attendees at meeting	458
Number of holdings represented by ASA	545
Value of proxies	\$67m
Number of shares represented by ASA	8m (equal to 2 nd largest shareholder in Top 20)
Market capitalisation	\$6 billion
Were proxies voted?	Yes, on a poll
Pre-AGM Meeting?	Yes, with chair Russell Higgins

Franked dividends highest priority

Chair, Russell Higgins announced that Argo Investments would conduct voting by poll for the first time. We were very pleased with this, as we have been requesting the company to do this for several years.

The Chair also went to considerable lengths to explain the ethos of Argo's investment strategy, with regards to its recent underperformance against the S&P/ASX200 Accumulation Index. The last four years have seen 10% underperformance. However, we accept the real comparative figure is closer to 6% because it is stated after tax and fees. He noted that, in a recent survey, shareholders gave high priority to the continued payment of fully franked dividends. Therefore, the management and board have prioritised the distribution of fully franked dividends.

Managing Director, Jason Beddow continued on this theme with a detailed breakdown of the 20 largest shareholdings, which account for nearly 60% of the portfolio. His macroeconomic outlook is for a murky future with unknowns such as trade wars, zero interest rates and high asset valuations making forecasting difficult.

The ASA remains in the same position it took last year. This is to accept that Argo is a long-term value investor with a decade plus investment time frame. We therefore give them the benefit of the doubt at this stage but remain watchful.

A question regarding a possible 'welcome to country' was asked and another shareholder asked about the company's divestment of Coca-Cola.

All resolutions were passed with significant majorities and the brief meeting was followed by the usual delightful lunch. Yet again, a pleasant view of Adelaide Oval was had by all.