

Shareholder Update

Half-year ended 31 December 2025



Jason Beddow
Managing Director

Dear valued shareholder,

On behalf of the Board of Argo Investments Limited (Argo), I am delighted to report an increased half-year profit and another record high fully franked interim dividend of 18.5 cents per share.

Increased half-year profit

Argo's profit for the half-year increased +7.9% to \$130.8 million.

Profit was bolstered by increased income from trading and options activities, while investment revenue from the portfolio was relatively flat when compared to the previous half-year.

Summary of financial results

	Half-year to 31 December 2025	Half-year to 31 December 2024
Profit	\$130.8 million	\$121.2 million
Earnings per share	17.2 cents	15.9 cents
Interim dividend per share (fully franked)	18.5 cents	17.0 cents
Management Expense Ratio	0.14%	0.15%

Continued dividend growth through market volatility

The fully franked interim dividend increased to a record high of 18.5 cents per share, up +8.8% on the previous corresponding period. Including franking, the interim dividend brings the grossed-up annual yield to 6.2%, based on Argo's closing share price on 6 March 2026. This is well above the S&P/ASX 200 Accumulation Index's grossed-up yield of 4.5%*.

Argo has now grown dividends +37.5% over the last five years. We have achieved this track record and maintained 100% franking through a particularly volatile period including the post-COVID market upheaval and heightened geopolitical uncertainty.

In contrast, the S&P/ASX 200 Accumulation Index's cash dividends have been volatile, and franking levels have been lower, fluctuating between approximately 65% and 85%.

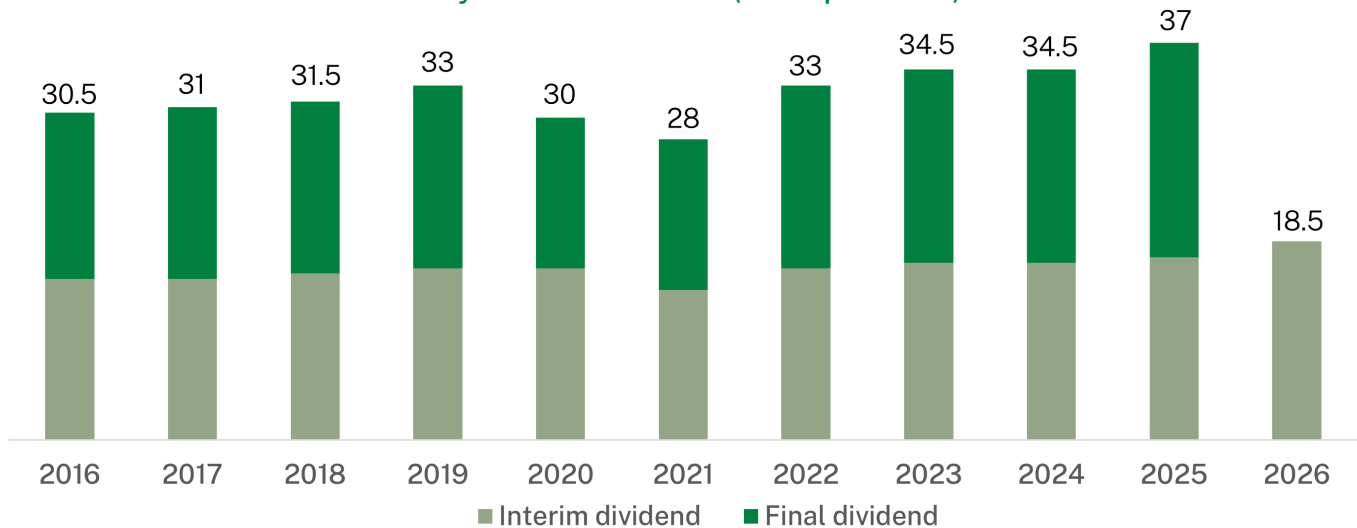
Argo's franking balance

Despite increasing our fully franked dividends in recent years, Argo still has a healthy franking account balance. Recognising that these imputation credits are more valuable to our shareholders than on our balance sheet, the Board considered it appropriate to meaningfully increase the interim dividend.

The Board is committed to sustainably growing Argo's fully franked dividends.

*using the iShares Core S&P/ASX 200 ETF as a proxy for the Index. Argo yield calculated based on the closing share price of \$8.92 on 6 March 2026, the last day before this document was sent for printing.

Fully franked dividends (cents per share)



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

The benefits of Argo compared with index ETFs

Feedback from some of our shareholders is that there is limited awareness of Argo's benefits as compared to index-tracking exchange-traded funds (ETFs), especially among younger investors. We believe there are two key benefits to emphasise:

1. Smoother dividends through market cycles

Argo aims to smooth dividends over time. ETF income can rise and fall with the market.

Because ETFs use a trust structure, they must distribute all the income they receive from their underlying holdings each year. As a result, their cash distributions are more volatile, rising and falling as company dividends and market conditions change.

In contrast, Argo is a company, so we can retain profits in stronger years and then draw on these reserves in weaker years. In practice, this means Argo can deliver more consistent dividends through market cycles.

2. Fully franked dividends

Argo's dividends have been fully franked for more than 30 years. ETF distributions are only partially franked.

Index ETFs pass through some franking credits, but this depends on the amount of franking paid by the companies in the index being replicated. This franking varies from year to year and is only ever partial.

Argo has fully franked its dividends for more than 30 years. This consistency is possible because we pay Australian corporate tax, generating our own franking credits.

In addition, because Argo is actively (not passively) managed, we prioritise stocks for our portfolio with a track record of paying franked dividends and maintaining (or, where possible, growing) dividends sustainably over time.

Find out more

To learn more about the differences between Argo and index ETFs read *Comparing Argo to Australian index-tracking ETFs* in the 'News & Insights' section of our website: argoinvestments.com.au

Portfolio movements

We made modest adjustments to the portfolio, primarily adding to our existing investments and trimming our exposures, or selling down holdings completely.

The total number of stocks in the investment portfolio decreased slightly from 85 to 83 during the period. The larger movements in the portfolio during the period are outlined at the top of the following page.

Portfolio movements continued

Purchases

CSL
Amcor
Worley
Rio Tinto
BHP Group
Generation Development Group*
Clarity Pharmaceuticals

* New position

Sales

Reece
Wesfarmers
Lynas Rare Earths
Eagers Automotive
Healius**
GPT Group**
Brambles

** Fully exited position

Investment performance

In an extremely unpredictable investing environment in calendar year 2025, Argo gained +8.1% as measured by net tangible assets (NTA) after all costs and adjusted for company tax paid. The Index rose +10.3%, before any allowance for costs.

Over the six months to 31 December 2025, Argo returned +1.4%, as compared to the Index which rose +3.6%. Argo's performance compared to the Index was driven largely by our underweight exposure to gold stocks which had a -1.5% effect on relative performance.

Gold stocks rose sharply in response to the surging gold price as investors sought safe haven assets amid the tumult of President Trump's second term. Although Argo maintains selective exposure to the gold sector with a \$100 million investment in Newmont Corporation, gold companies have grown dramatically and now account for almost 5% of the Index.

Argo's investment approach favours established businesses with sustainable dividends. We therefore tend to avoid more cyclical, speculative mining stocks which do not pay reliable dividends because their earnings and share prices can fluctuate with commodity prices. We have seen an acute demonstration of this in recent times as precious metal prices have swung wildly.

Market outlook

Economic and market forecasting is inherently difficult, but it is exceptionally challenging in the current climate. There are clear geopolitical and macroeconomic risks to the downside.

That said, Australia's economy remains in a solid position, and the predominantly domestic-focused nature of our share market helps cushion the impacts of overseas events, with many of the largest ASX-listed companies (including the banks and supermarkets) generating most earnings from within Australia.

Australian companies also demonstrated resilience in the recent corporate reporting season, with dividends rising in aggregate and company balance sheets remaining robust.

Looking ahead, Australia's economy - particularly resources companies - is positioned to benefit further from structural tailwinds, including growing demand for critical minerals (notably copper) and precious metals.

Inflation remains a tangible risk to Australia's economy and, if it proves persistent, could prompt a more aggressive monetary policy response from the Reserve Bank of Australia. In turn, higher interest rates would have a dampening effect on consumer spending with many households likely to experience increasing financial strain.

In the current investment environment, we believe the most prudent approach is broad diversification across the economy. Argo's portfolio of over 80 Australian listed companies spans multiple industries, with reliable earnings generated both domestically and offshore.

For nearly 80 years, Argo has remained resilient through changing conditions and periods of uncertainty, including geopolitical upheaval and other disruptive events. We are well-positioned to navigate the current environment, applying our conservative investment approach and remaining focused on growing our shareholders' capital while delivering a reliable income stream through market cycles.



Save the date: Information meetings

We are looking forward to hosting our Company information meetings in May!

At these meetings, we will provide an update and overview of Argo, the investment portfolio and our view of the share market. We will also present on Argo Infrastructure (ASX code: ALI) with Argo Infrastructure's New York-based portfolio manager, Cohen & Steers.

You will also have the opportunity to meet with our team face-to-face and ask us questions.

Light refreshments will be provided. No RSVP is required.

Bring a friend!



You are welcome to invite friends and/or family members to come along to an information meeting.

City	Time	Date	Venue
Melbourne	10am	Monday 11 May	Sofitel Hotel Melbourne 25 Collins Street, Melbourne
Adelaide	10am	Tuesday 12 May	Adelaide Town Hall 128 King William Street, Adelaide
Brisbane	10am	Wednesday 13 May	The Westin Brisbane 111 Mary Street, Brisbane
Sydney	10am	Thursday 14 May	Amora Hotel 11 Jamison Street, Sydney
Canberra	10am	Friday 15 May	Hyatt Hotel Canberra 120 Commonwealth Avenue, Yarralumla
Perth	10am	Tuesday 26 May	Fraser's Kings Park 60 Fraser Avenue, Kings Park

80 years of Argo

This year, we are proud to mark 80 years of investing for our loyal shareholders. From our humble beginnings in 1946, serving a handful of South Australian shareholders, to an approximately \$8 billion company today with around 90,000 shareholders, we have consistently applied our disciplined, conservative and transparent investment approach. We remain committed to serving as careful custodians of your capital.

On behalf of the Board, I thank you for your continued support of Argo.

Yours faithfully,

Jason Beddow
Managing Director