



April 2018

Argus Investors' Counsel, Inc.
Independent Investment Management Since 1960

ARGUS CORE EQUITY STRATEGY

Philosophy

While many equity market participants construct investment strategies in response to recent events, Argus constructs its Core Equity portfolios to prosper in a range of market environments using the following key elements:

- *Broad diversification using uncorrelated revenue streams*
- *Financial strength as a primary stock selection criterion*
- *Counter-momentum rebalancing of holdings*
- *Independent fundamental research*

Annual Returns

Year End	Composite (Gross)	Composite (Net)	S&P 500 Index
2017	20.93%	20.51%	21.83%
2016	16.84%	16.48%	11.96%
2015	-2.58%	-2.87%	1.38%
2014	15.83%	15.47%	13.69%
2013	33.98%	33.57%	32.39%
2012	14.72%	14.36%	16.00%
2011	2.86%	2.56%	2.11%
2010	11.30%	10.97%	15.06%
2009	32.85%	32.49%	26.46%
2008	-32.91%	-33.07%	-37.00%
2007	6.20%	6.04%	5.49%

Past performance is not indicative of future results. Source: Argus Core Equity Composite Returns in the table were calculated by Advent, which utilizes the Modified Dietz Methodology.

*PerformanceNotes

Argus Investors' Counsel, Inc. (AIC) is an SEC-registered investment advisor that provides investment advisory services to institutional and individual investors. The Argus Core Equity Composite contains fee-paying fully discretionary core equity accounts that do not contain investment restrictions. Returns in this report are presented gross and net of management fees and include the reinvestment of all income. AIC's SEC registration does not imply a certain level of skill or training. The information in this document has not been approved or verified by the SEC or by any state securities authority. Annual and annualized periods are calculated based on geometrically linked monthly returns. AIC claims compliance with the Global Investment Performance Standards (GIPS®). AIC has been verified firm-wide by Ashland Partners & Company, LLP from January 1, 1995 through March 31, 2017 and by ACA Performance Services from April 1, 2017 through December 31, 2017. The US dollar is the currency used to express performance. Past results are not indicative of future returns. To obtain a complete list and description of AIC's composites and/or a GIPS-compliant presentation, please contact Richard Ciuba at (646) 747-5439 or Cathleen Lesko at (203) 548-9883.

Key Professionals

Sharon D. Wagoner

Chairman – Portfolio Manager

Donna M. Palais

VP – Portfolio Manager

Jim Kelleher, CFA

Director of Research

Peter Canelo

Investment Strategist

Key Statistics

Assets in the Core Strategy:

\$219 Million

Benchmark:

S&P 500® with Dividends

Historical Tracking Error:

1.93%-2.46%

Diversification:

Growth & Value Representation
Minimum \$10 B Market Cap
WTD Avg. Market Cap: \$177 B
Number of Holdings: 45-55

**Past performance is not indicative of future results. Portfolio characteristics and performance data presented in this document are representative only. The information contained herein is intended for institutional investors only. See Performance Notes on page 1.*

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Firm Overview

Argus Investors' Counsel, Inc. (AIC) is a women-owned and managed SEC registered investment advisor. Argus was incorporated and registered with the SEC in 1960. We specialize in equity investment management for institutional and private investors. Our clients include corporations, public and private pension funds, Taft Hartley organizations, foundations, endowments, and high net-worth individuals.

Our flagship product, the Argus Core Equity Strategy, is based on a rigorous fundamental approach. The Core Strategy seeks to outperform the S&P 500® with dividends over a full market cycle, while limiting downside risk.

Our Argus Team can build a portfolio to meet your requirements for socially responsible investing.

Market and Portfolio Commentary

The stock market began to recover in April, but remains little changed year-to-date. For the month, the S&P 500 with dividends returned 0.38%. The Argus Core Equity Strategy outperformed, returning 0.61% (net of fees).

In the first half of April, market growth was driven in part by investor optimism about 1Q earnings following the recent corporate tax cut, and by the relatively low starting value of the index following a weak March. However, the market again faced pressure in the second half of April, as it had in February, on concerns about rising interest rates.

In the 1Q earnings season, we expect another quarter of double-digit EPS growth. Our full-year S&P 500 EPS estimate calls for a record high \$160, up 20% from 2017 with help from lower taxes and higher oil prices, which have boosted Energy companies and their Industrial sector suppliers. We also expect export-oriented companies to benefit from a weaker dollar, despite the potential for a global trade war.

Argus continues to believe that exceptional earnings growth will outweigh any near-term impact from rising interest rates. We believe that our strategy is well positioned to take advantage of rotation in industry and stock leadership, and will continue to provide downside protection in a volatile market, as it did in March and April.

Annualized Performance – Argus Core Equity Composite ***

(As of April 30, 2018)

Trailing Period	Argus Composite (Gross)	Argus Composite (Net)	S&P500® Benchmark (with dividends)
Month	0.65	0.61	0.38
1 Year	13.53	13.17	13.27
3 Year	11.29	10.94	10.57
5 Year	13.46	13.11	12.96
10 Year	9.98	9.64	9.02

***Performance numbers above are calculated using the Modified Dietz method from Advent.