

Key Professionals

Sharon D. Wagoner

Chairman – Portfolio Manager

Donna M. Palais

VP – Portfolio Manager

Jim Kelleher, CFA

Director of Research

Key Statistics

Assets in the Core Strategy:

\$199 Million

Benchmark:

S&P 500® with Dividends

Portfolio:

Growth & Value Representation

WTD Avg. Market Cap: \$188B

Number of Holdings: 45-55

Core Equity Highlights for February*

	<u>Argus</u>	<u>S&P</u>
ROE 5-Year Avg	20.1%	17.7%
A+ S&P Rated Stocks	51.0%	36.0%
Dividend Yield	2.44%	2.00%

*Performance notes:

Source: Bank of New York Mellon.
Data from a representative account in the Argus Core Equity composite.

CONTACT US:

Cathleen Lesko

Client Services Manager

CLesko@argusinvest.com

(203) 548-9883

or

Richard Ciuba

Director of Business Development

RCiuba@argusresearch.com

(646) 747-5439

Firm Overview

Argus Investors' Counsel, Inc. (AIC) is a women-owned and managed SEC-registered investment advisor. AIC 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 specific needs, including creating portfolios for socially responsible investing.

Market Commentary

The economic news in February was generally positive and the market responded accordingly. In early February, the Labor Department reported that the U.S. economy added 304,000 jobs in January — the 100th month of payroll gains. The Fed also held interest rates steady. The clear catalyst for the late February rally was progress on trade, marked by the announcement that the U.S. would delay implementation of higher tariffs on \$200 billion of Chinese imports.

Argus Core Equity Portfolio Commentary

Within the Argus Core Equity portfolio, Information Technology stocks were the clear leaders, with 6 tech stocks in the top 10. Intel was up 12.4%, Visa 9.7%, Cisco 9.5%, and ADP 9.4%. Argus trimmed ADP at the end of February, capturing gains in that stock. Portfolio additions to NVidia in January also contributed to positive performance with NVidia up 7.3% in February. Energy stocks Occidental Petroleum and Schlumberger fell after President Trump told OPEC that oil prices were too high. Schlumberger, which had been a top performer, with a gain of 22.5% in January, fell 0.3% in February.

Looking Ahead

We believe that a diversified portfolio, comprised of financially strong companies, remains the best way to take advantage of persistent stock and industry rotation while also capturing long-term gains. Argus continues to manage the Core Equity portfolio with the understanding that one cannot reliably predict the market response to changing macroeconomic and geopolitical conditions.

ARGUS CORE EQUITY STRATEGY

Philosophy

Argus constructs its portfolios to capture changes in market conditions. Our view is that rotation is a persistent phenomenon in equity markets. Our stock selection, weightings, and rebalancing aid in insulating the portfolio from short-term uncertainties and market fluctuations, while enabling Argus to capture the long term positive market appreciation. Argus Core Equity portfolios are managed using the following key elements:

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

Did you know...

The Argus Core Equity Composite has outperformed the benchmark S&P 500 with dividends, on a gross-of-fees basis, for the latest 3-, 5-, and 10- year periods, ending February 28, 2019, based on the Modified Dietz method from Advent.

The longevity of Argus client relationships is a testament to our people and our disciplined investment process. We remain true to our roots in fundamental research which began nearly 85 years ago.

Argus Research, founded in 1934, was one of the earliest firms to produce fundamental, independent research on a systematic basis. In response to client demand for our portfolio management, Argus Investors' Counsel, Inc. was incorporated and registered with the SEC in 1960.

Performance -Argus Core Equity Composite

(As of February 28, 2019)

Period	Composite (Gross)	Composite (Net)	S&P 500 Index
YTD 2019	10.26%	10.16%	11.48%
2018	-4.33%	-4.67%	-4.38%
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%

*Performance Notes

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. Performance numbers above are presented gross and net of management fees, are calculated using the Modified Dietz method from Advent, and included the investment 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. The Argus Core Equity Composite was created on December 31, 1994. 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, 2018. 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 Cathleen Lesko at (203) 548-9883 or Richard Ciuba at (646) 747-5439.