

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:

\$201 Million

Benchmark:

S&P 500® with Dividends

Portfolio:

Growth & Value Representation
WTD Avg. Market Cap: \$211B
Number of Holdings: 45-55

Core Equity Highlights for April*

	Argus	S&P
ROE 5-Year Avg.	20.5%	18.0%
A+ S&P Rated Stocks	50.0%	36.0%
Dividend Yield	2.34%	1.94%

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

Performance notes on page 2.

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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

In April, the government reported U.S. non-farm business sector labor productivity rose 3.6% in the first quarter from 4Q 2018, as output rose 4.1% while hours worked increased 0.5%. Full year productivity rose 2.4% from a year earlier, the strongest year-over-year gain since the third quarter of 2010. First quarter GDP also rose a strong 3.2%, well above the consensus forecast. The S&P 500 and Nasdaq Composite both reached all-time highs in the last full week of trading in April. The S&P with dividends was up 4.05% for the month of April.

Nevertheless, investor skepticism - particularly at the retail level - remained intense.

Argus Core Equity Portfolio Commentary

Walt Disney, now in the Communication Services sector, was the best performing stock in the portfolio for the month of April, up 23.4%. Four of the top 10 portfolio stocks were Financials. Because most analysts expected the trading slump to negatively impact 1Q earnings for Financial companies, investors rewarded Financial stocks when the earnings declines were less severe than initially expected. Morgan Stanley rose 14.3%, Blackrock 13.5%, and U.S. Bancorp 10.6% for the month. Other outperformers included Information Technology stocks Texas Instruments and Microsoft. Microsoft stock rose 10.7% on strong earnings, and Texas Instruments rose 11.1% after topping the 1Q consensus estimate and issuing positive 2Q guidance.

Laggards included Energy stock Occidental Petroleum, which fell to the bottom ten, on concerns that its bid for Anadarko would raise debt significantly. Consumer Staples stock Walgreens Boots Alliance remained the worst performer in the portfolio.

Looking Ahead

Argus continues to follow its strategy of investing in financially strong companies with uncorrelated revenue streams, and paring back the winners to maintain portfolio weighting diversification. We believe this remains the best way to take advantage of persistent stock and industry rotation while capturing long-term gains.

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*

What Sets Argus Apart...

Trusted Fiduciary

In response to client demand for our portfolio management, Argus Investors' Counsel, Inc. was incorporated and registered with the SEC in 1960.

Extensive Research

Argus Research, founded in 1934, was one of the earliest firms to produce fundamental, independent research on a systematic basis.

Long Term Client Relationships

Many of our clients have been with us for decades; a testament to our people and our disciplined investment process.

Argus Core Equity Portfolio As of April 30, 2019

Top 5 Holdings	11.6%
Microsoft Corp.	2.4%
Amazon.com Inc.	2.3%
Visa Inc.	2.3%
Air Products & Chemicals Inc.	2.3%
Costco Wholesale Corp.	2.3%

Annualized Performance - Argus Core Equity Composite

Trailing Period	Composite (Gross)	Composite (Net)	S&P 500 (w/Dividends)	Alpha	Beta	Standard Deviation	Tracking Error	Sharpe Ratio	Info Ratio
3 Years	13.71	13.32	13.51	0.56	0.97	11.97	2.09	1.04	0.10
5 Years	11.00	10.64	10.91	0.25	0.98	10.85	2.30	0.94	0.04
10 Years	16.25	15.89	15.92	0.13	1.01	14.03	2.28	1.13	0.14

*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.