

## 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:

\$197 Million

### Benchmark:

S&P 500® with Dividends

### Portfolio Characteristics:

Growth & Value Representation

WTD Avg. Market Cap (B): \$251

Number of Holdings: 45-55

Portfolio PE: 24.0

ROE 5-Year Average: 22.1

Dividend Yield (%): 2.22

S&P Global Ratings of Holdings:

	A+	A+/A/A-
Argus Core	49%	79%
S&P 500	37%	63%

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

Performance notes on page 2.

## 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 down side risk.

Our team can build a portfolio to meet your specific needs, including portfolios for socially responsible investing.

## Argus Market Commentary

January got off to a good start and stocks reached all-time highs at mid-month. But any market that has had a good run is vulnerable, particularly when an event comes out of nowhere to disrupt multiple industries. Such an event is the coronavirus, which has impacted every industry dependent on trade with Asia and led to a decline in energy demand.

In January, continued weakness in the Energy and Materials sectors hurt the performance of the Core Equity portfolio. On the positive side, strength in Information Technology and Consumer Discretionary stocks helped mitigate most of this negative impact. New Utility sector holding NextEra Energy was a standout performer for the month, rising 10.8%. In all, the Core Equity strategy returned -0.59% (net of fees) in January, below the -0.04% return for the benchmark.

## Looking Ahead

Argus expects U.S. GDP growth to moderate to 2.0% in 2020 and 2021 from an estimated 2.3% growth in 2019 and 2.5% growth in 2018. These forecasts assume continued strength in the consumer sector, a stable to declining dollar, an average 2020 oil price of \$55-\$65 per barrel, and stable interest rates. We look for modest growth in capital investment as trade tensions cool. There is no change in our assessment of the investment environment, which still supports growth in U.S equities.

Argus continues to focus on the stocks of financially strong companies and to manage the portfolio through counter-momentum rebalancing. We believe this remains the best way to take advantage of persistent stock and industry rotation while also 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.

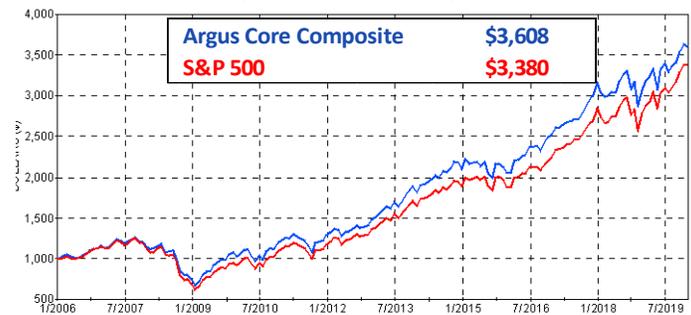
### Extensive Research

Argus Research, a division of Argus Investors' Counsel, 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.

**Core Equity Composite - Growth of \$1,000**  
January 31, 2006 – January 31, 2020



**Argus Core Equity Portfolio as of January 31, 2020**

Trailing Period	Composite % (Gross)	Composite % (Net)	S&P 500 TR (w/Dividends)
1 Year	17.39	16.95	21.68
3 Years	12.77	12.38	14.54
5 Years	11.46	11.09	12.37
10 Years	13.45	13.09	13.97
14 Years	9.60	9.28	9.09
Cumulative Since 01/31/2006	260.65	246.43	238.04

### **\*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. The Growth of an Investment chart was sourced from PSN Informa using gross of fees data. 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.