

## 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:

\$178 Million

### Benchmark:

S&P 500® with Dividends

### Portfolio Characteristics:

Growth & Value Representation		
WTD Avg. Market Cap (B):		\$233
Number of Holdings:		45-55
Portfolio PE:		22.4
ROE 5-Year Average:		22.1
Dividend Yield (%):		2.45
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:

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*Our hearts go out to all impacted by the COVID-19 global crisis.*

## 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

For the month of February, the broad selloff across all sectors and companies contributed to a negative 8.23% return for the S&P 500. The Core Equity Portfolio dropped 8.33% (gross of fees).

The Commerce Department reported in late February that 4Q19 GDP grew at a 2.1% rate. The Coronavirus had no impact on 4Q19 GDP, but is certain to push GDP growth down in at least the first and second quarters of 2020.

Prior to COVID-19, Information Technology had been the market's hottest sector. The coronavirus will likely slow the rapid rollout of disruptive technologies such as 5G and artificial intelligence. However, over the long term, we expect Technology to continue to command a growing share of S&P sector weight and to sustain its recent outperformance.

In February, continued weakness in the Energy and Materials Sectors weighed heavily on the portfolio. Argus reduced its exposure to the Energy sector in late 2019 with the removal of Occidental Petroleum from the portfolio.

## Looking Ahead

Argus has lowered its economic growth forecast and is expecting GDP will turn negative by 2Q.

In this unstable environment, it will become even more important to invest in financially strong companies — especially those with well-diversified revenue streams that can withstand a temporary loss of revenue in a portion of their business. 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  
February 28, 2006 – February 29, 2020**



**Argus Core Equity Portfolio as of February 29, 2020**

Trailing Period	Composite % (Gross)	Composite % (Net)	S&P 500 TR (w/Dividends)
3 Years	8.14	7.76	9.87
5 Years	8.36	7.99	9.23
10 Years	12.16	11.80	12.65
14 Years	8.80	8.49	8.40
Cummulative Since 01/31/2006	225.73	212.74	209.37

### **\*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.