

## 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:

\$160 Million

### Benchmark:

S&P 500® with Dividends

### Portfolio Characteristics:

Growth & Value Representation

WTD Avg. Market Cap (B): \$225

Number of Holdings: 45-55

Portfolio PE: 17.9

ROE 5-Year Average: 23.7

Dividend Yield (%): 2.68

S&P Global Ratings of Holdings:

	A+	A+/A/A-
Argus Core	48%	80%
S&P 500	39%	64%

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

**Performance notes on page 2.**

## CONTACTUS:

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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 March, the coronavirus was the main headwind for the S&P and the Argus Core Equity Portfolio. The S&P 500 fell 12.35%. The Core Equity Portfolio outperformed the S&P, returning -10.01%.

From an intraday peak of 3,394 to an intraday low of 2,191, the S&P 500 fell 35% in just 23 days. As gains and losses are not symmetrical, the index would need to rally about 50% off the low to recapture past peaks. Stocks rose nearly 20% in the middle three days of the final full trading week of March, before backing down again on 3/27/20. The rally had some investors wondering if "the low was in." But in past big selloffs, the confirming low retest has come months later.

## Looking Ahead

Argus is now looking for a recession in 2020, though we are not currently forecasting an extended recession that drags into 2021. Our forecast is for weak GDP growth in the first quarter of 2021, followed by 6% growth in the middle quarters and a moderation to normal 2% growth in 4Q21. The clear performance driver will be where the nation stands relative to the progression of the disease. China is down "only" 11% because investors perceive that its worst moment has passed.

In the near term, it is clear that volatility will continue. During this unprecedented period of upheaval, we continue to adhere to our disciplined investment process. We believe it is even more important to invest in the most financially strong companies with diversified revenue streams — companies that are able to withstand a temporary loss of revenue in a portion, rather than the entirety, of their business, and that are well positioned to recover when the worst of the crisis has passed.

# 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  
March 31, 2006 – March, 2020**



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

Trailing Period	Composite % (Gross)	Composite % (Net)	S&P 500 TR (w/Dividends)
3 Years	4.49	4.12	5.10
5 Years	6.56	6.20	6.73
10 Years	13.45	13.09	13.97
14 Years	7.81	7.49	7.29
Cummulative Since 01/31/2006	186.44	175.02	167.83

### **\*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, 2019. 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.