

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):	\$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 as of 3/31/2020.*

Performance notes on page 2.

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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

April was heralded as one of the best months in stock market history, with a 12.7% increase in the S&P 500 index; however, it should be taken in the context of almost exactly reversing March's 12.5% decline.

For stocks, investors continue to weigh the positive impact of massive monetary and fiscal stimulus programs against the bleak outlook for corporate earnings and weak economic data. In the last week of April, the gloomy data included weaker-than-expected showings for 1Q GDP, March consumer spending, and April consumer confidence. Although weekly unemployment claims slowed, more than 30 million U.S. workers have filed for benefits in just the past six weeks. And along with their 1Q earnings reports, many companies withdrew their full-year guidance, and cut or suspended dividends and stock buybacks.

Looking Ahead

Argus expects sharply lower GDP in 2Q20, followed by a more modest GDP decline in 3Q. We then expect a flattening out across late 2020 into early 2021. We look for a strong rebound in activity in the middle quarters of 2021 and for the economy to be back to "normal" by late 2021. That said, the stock market is anticipatory, and we would expect stocks to stage a sustainable recovery before the economy completes its recovery. As such, our revised 12-month forecast range for the S&P 500 is 2,000-3,500, with a 2800 target.

We continue to adhere to our disciplined investment process, driven by our focus on financial strength and thoughtful diversification. The strategy includes a disciplined approach to counter-momentum rebalancing and does not seek to follow prevailing trends, which often prove short-lived.

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.

Top 5 Holdings as of 4/30/2020	% of Portfolio
Amazon.com Inc.	2.5
Microsoft Corp.	2.5
Amgen Inc.	2.5
Alphabet Inc.	2.4
Adobe Inc.	2.4
Total	12.3

COVID-19 Update:

Argus Investors' Counsel, Inc., Argus Research Company, Vickers Stock Research, and Argus-Vickers continue to operate on a virtual basis until further notice. Argus' business continuity plans have ensured that there is no interruption in the services we provide to you and no interruption in your ability to contact us as you normally do, be that by telephone, electronic communication or mail.

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**.

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. 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.