

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:

\$210 Million

Benchmark:

S&P 500® with Dividends

*Portfolio Characteristics:

Growth & Value Representation		
WTD Avg. Market Cap (B):	\$286	
Number of Holdings:	45-55	
Portfolio PE:	21.9	
ROE 5-Year Average:	23.9	
Dividend Yield (%):	2.30	
S&P Global Ratings of Holdings:		
	A+	A+/A/A-
Argus Core	46%	80%
S&P 500	39%	63%

**Source: Bank of New York Mellon.
Data from a representative
account in the Argus Core Equity
composite as of 6/30/2020.*

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 down side risk.

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

Argus Market Commentary

The S&P 500 rose nearly 2% in June, then jumped 5.64% in July and 7.19% in August, despite high unemployment and rising COVID-19 cases. Investors focused on strengthening economic data (particularly in housing), increased public recognition of the need to wear masks and maintain social distancing, and steady progress on leading vaccine candidates.

The continuing claims number exceeded 20 million early in the pandemic. While the employment environment remains weak it is improving.

In August, market performance was led by the Information Technology sector, which accounted for six of the top 10 stocks in the Core Equity Portfolio. The portfolio leaders were Nvidia (+26%), Apple (+21.4%), and Adobe (+15.5%). The portfolio also benefited from some rotation into other sectors, including Communication Services, Industrial, and Consumer Discretionary.

Looking Ahead

Argus looks for a 6% absolute rise in 3Q20 GDP from 2Q, which translates into an annualized gain of about 24%. We expect further improvement in economic activity going forward, though with more moderate growth in 4Q20. Our forecasts now call for full-year GDP to decline in the low single digits, and then to rebound at a low double-digit pace in 2021.

Given mixed headlines on the economy and the upcoming presidential election, investors should expect volatile market conditions through at least the balance of 2020.

We continue to adhere to our disciplined investment process, driven by our focus on financial strength and thoughtful diversification. 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.



Ongoing rebalancing maintains portfolio weighting distribution.

In depth assessment of current and potential selections.
Real time monitoring of price movements and position weights.
Utilizes objective independent research.

Equal weighting of holdings.
Broad diversification with uncorrelated revenue streams.
Financial strength – primary criteria.
Bottom-up stock selection.

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 8/31/2020	% of Portfolio
Apple Inc.	3.2
Nvidia Corp.	3.0
Amazon.com Inc.	3.0
Microsoft Corp.	2.7
Adobe	<u>2.6</u>
Total	14.5

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.