

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:

\$215 Million

Benchmark:

S&P 500® with Dividends

*Portfolio Characteristics:

Growth & Value Representation		
WTD Avg. Market Cap (B):	\$303	
Number of Holdings:	45-55	
Portfolio PE:	25.2	
ROE 5-Year Average:	24.0	
Dividend Yield (%):	2.18	
S&P Global Ratings of Holdings:		
	A+	A+/A/A-
Argus Core	45%	79%
S&P 500	34%	63%

**Source: Bank of New York Mellon.
Data from a representative
account in the Argus Core Equity
composite as of 9/30/2020.*

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

In October, the top FAANG S&P performers continued to face heavy selling pressure (with the exception of Alphabet). Stocks closed October with their worst week since the early days of the pandemic. Despite a generally positive week for 3Q20 earnings and better-than-expected 3Q GDP, markets were hurt by concerns about possible new lockdowns amid surging coronavirus infections.

In October, the Argus Core Equity portfolio outperformed, minimizing risk through its use of well diversified, equally weighted holdings. The S&P 500 with dividends fell in October, returning -2.66%, while the Core Equity portfolio was down a smaller amount, returning -2.22% (net of fees).

On the economic front, the 33.1% annualized growth in 3Q20 GDP, reported on October 29, was about two percentage points above consensus and marked a strong rebound from the 31.4% decline in 2Q20. Weekly unemployment claims, though still high by historical standards, also continued to trend lower. First-time claims fell to 751,000 for the week ended 10/24/20, the lowest level since mid-March, and continuing claims fell by 709,000 to 7.75 million for the week ended 10/17/20. The University of Michigan's consumer sentiment index also rose slightly, to 81.8, reflecting the impact of better-than-expected economic data.

Looking Ahead

Argus continues to believe that 2Q20 marked the trough of the recession, and that GDP will improve through year-end and into 2021. Our annual forecast now calls for overall GDP to decline about 1% in 2020 and rebound at a low to mid-single-digit rate in 2021. Argus expects the U.S. economy to reach pre-pandemic levels in 2021 or possibly late in 2020.

In the current environment, we recommend that investors focus on high-quality companies with strong balance sheets and experienced management. During this period of unprecedented upheaval, we at Argus Investors' Counsel continue to follow 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.



Rebalancing
Ongoing rebalancing maintains portfolio weighting distribution.

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

Selection
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 10/31/2020	% of Portfolio
Apple Inc.	2.6
Alphabet Inc.	2.5
Amazon.com Inc.	2.5
Nvidia Corp.	2.4
Microsoft Corp.	2.4
Total	12.4

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. Returns are presented gross and net of management fees and include the reinvestment of all income. Past results are not indicative of future returns.