ARGUS GROWTH PORTFOLIO

INVESTMENT OBJECTIVE

The Argus Growth Portfolio seeks to outperform the S&P 500 Index over a period longer than 12 months by holding a diversified basket of stocks issued by companies with proven records of innovation. Innovation happens when information, imagination, and initiative are combined with resources and execution to create value-added products and services that boost shareholder value. The portfolio focuses on innovative companies that spend aggressively on Research & Development, generate a high percentage of sales from products launched within the past five years, apply for and receive numerous patents, and develop cutting-edge management practices and methodologies that are adopted across industry verticals.

INVESTOR PROFILE

The Argus Growth Portfolio may be appropriate for investors who seek long-term capital appreciation with current income as a secondary goal. The portfolio is designed for highly risk-tolerant investors who are willing to accept volatility in the portfolio's value. The portfolio is not intended to be a complete investment program and there is no guarantee that it will achieve its investment objective.

PORTFOLIO STRATEGY

Beginning with the Argus Research Universe of Coverage, Argus selects an initial group of high-innovation companies based on a range of industry sources and the best judgment of its analysts. It then screens this group for companies that have outperformed their respective industry averages in at least two of the following categories: Gross Margin, Operating Margin, R&D expense as a percent of sales, one-, three- or five-year revenue growth, one-, three- or five-year net income growth, and one-, three- or five-year market-cap growth. From the remaining pool, Argus selects at least 25 stocks of consistently profitable innovative companies from different market sectors, with a goal of achieving representation in at least 9 of the 11 GICS sectors.

PORTFOLIO CONSTRAINTS

The portfolio will consist of twenty-five (25) to thirty-five (35) equally weighted stock holdings. The holdings will be reviewed on an ongoing basis and rebalanced back to equal weight as necessary. To reduce turnover, existing holdings that most closely meet the selection criteria will be retained. No single stock is meant to represent more than 5% of the portfolio or less than 2% of the portfolio, though the high volatility of individual holdings may result in one or more holdings exceeding or falling short of these thresholds. Holdings entering the portfolio will be added with an aggregate weight equal to that of the stocks they replace. For example, if three stocks with an aggregate weight of 10% are removed during a review, the replacement stocks will account for 10% of the portfolio. The portfolio consists of stocks selected from the Argus Research Fundamental and Quantitative Universes of Coverage and may include stocks rated either BUY or HOLD. Generally, the portfolio management team favors BUY-rated stocks. However, in order to achieve objectives such as industry diversification or low turnover, HOLD-rated stocks may be included. At the discretion of the portfolio manager, portfolio holdings downgraded to SELL by Argus Research may be removed from the portfolio immediately or during a subsequent portfolio review or rebalance. Holdings deleted as a result of corporate actions may not be replaced until a subsequent portfolio review or rebalance. Except to facilitate transactions, the portfolio does not target a hypothetical cash balance.

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ARGUS®

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PORTFOLIO RISKS

An investment in the Argus Growth Portfolio is subject to a range of market, income, sector, and management risks.

Market Risk
The price of portfolio securities may decline due to unexpected changes in equity markets. Moreover, certain stocks and sectors may shift rapidly in and out of favor depending on market and economic conditions. Because the Argus Growth Portfolio does not target a hypothetical cash balance, portfolio returns may be more volatile than those of similar portfolios that maintain cash positions as part of a defensive strategy.

Income Risk
The portfolio's ability to generate income depends on the earnings and dividend payments of component securities. If dividends are reduced or eliminated, portfolio income is likely to decline.

Sector Risk
The Argus Growth Portfolio may emphasize certain sectors of the market. As such, portfolio returns may deviate substantially from those of diversified portfolios.

Management Risk
The portfolio manager may not be successful in selecting securities that collectively perform similar to the benchmark. Inclusion of securities is limited to the Argus Research Fundamental and Quantitative Universes of coverage. Changes to the portfolio may be inflexibly limited by portfolio constraints.