

Argus Performance Review

JANUARY 2026

Argus Research produces independent research for investors. Since 1934, our business has been to produce, distribute, and market high-quality investment and economic research. Our recommendations – BUY, HOLD and SELL – reflect the judgment of an Argus analyst about a company’s prospects as an investment in terms of value, expected growth, and risks.

Argus Research does not bring companies public, advise companies on mergers and acquisitions, broker trades, or make markets in stocks. This independence allows us to make critical judgments about companies that we might not be so free to make were we competing for a firm’s underwriting business. And because we’re not a broker/dealer, we don’t have “inventory” of a stock that we have to move with a potentially compromised recommendation. Our interests are aligned with our investing customers.

Over the 90 years we have been in business, we have developed a six-point system for analyzing stocks. The system involves rigorous quantitative analysis into a company’s growth prospects, financial strength, and valuation. But it is not a black box. The framework also requires in-depth qualitative analysis into the company’s industry, the risks it faces, and, most importantly, the quality and integrity of its management team. There is also a high level of oversight. Each potential rating change must be submitted to Argus’ Investment Policy Committee for final approval. We believe the Argus Research Six-Point System, combined with our independence and access to information, gives us an edge as we develop our ideas, forecasts, and ratings.

In this Annual Performance Review, we provide some measurement of the success and/or effectiveness of our proprietary investment approach. It is not easy to define either “quality” or “performance” in investment research. For some clients, the focus is on stock picks. For others, timeliness is critical. Still others are interested in differentiated industry insights and perspectives. Buysiders value relationships and access.

We approach performance from four angles:

- 1 Our Analyst Stock Recommendations
- 2 Analyst Awards
- 3 Our Model Portfolios
- 4 Our A6 Quant Model Stock Recommendations

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For more information about Argus Research and performance, please contact Argus President John Eade or Director of Research Jim Kelleher, CFA.

ARGUS RATINGS VS. THE BENCHMARK

We compare the performance of our ratings against our research industry peers and the benchmark S&P 500 as an important part of our quality control program. For this review, we rely on data from Investars (www.investars.com).

Investars uses a “SmartIndex” methodology to quantify the performance of stock ratings provided by research firms. In the SmartIndex method, stocks with buy, neutral, and sell ratings in each firm are classified into three indices. At the initial day of the indices, stocks covered by each firm are classified into the above three indices according to their ratings. An initial value, e.g., 100, is assigned to each index. The value distributed to each stock is determined by either a market-cap or equal-weight method.

The outcome of the SmartIndex method is a date-value series representing the performance of a firm’s positive, neutral, and negative rating indices.

In the table below, we report the performance of a SmartIndex comprised of our analyst-followed BUY-rated stocks in the S&P 500. The SmartIndexes are compared against a group of our peers, the benchmark S&P 500 Index, and the S&P 500 Equal-Weighted Index for one-year, three-year, and five-year periods.

Investors should understand that the methodologies employed by firms such as Investars may show biases toward companies that focus their coverage on large-cap or small-cap stocks, or by sector. Further, in a bull market, firms that tend to have more stocks on the BUY list often outperform their peers, while in a bear market, firms that tend to have more stocks on the SELL list often outperform.

ARGUS RESEARCH PERFORMANCE COMPARISON

Portfolio	Investars SmartIndex Returns (%)		
	1-Year	3-Year	5-Year
ARGUS BUY LIST (S&P 500)	17.6	56.5	81.8
Peer Average *	15.7	48.4	75.4
S&P 500 Equal-Weight Index	9.3	35.3	49.8
S&P 500 Index	16.4	78.3	82.3

For periods ending December 31, 2025

** Approximately 25 fundamental research firms measured by Investars (www.investars.com).*

ARGUS ANALYST PERFORMANCE

As part of our performance measurement process, we look at the accuracy of our individual analysts. Our sources for this review in the past have included Starmine/Financial Times, Factset/The Wall Street Journal, and Bloomberg. These organizations measure the accuracy of individual analyst stock recommendations and earnings estimates.

Below, we are using data from Bloomberg, which measures the performance of stock recommendations according to its proprietary Bloomberg Absolute Return Rank (BARR) methodology.

According to Bloomberg, analysts are measured by calculating the total return generated by their recommendation(s) for each individual security they cover. A score is assigned to the analyst based on the analyst's percentile rank compared with all analysts for the security. An average score for the analyst's portfolio is then calculated.

For Table 1, we have tabulated the number of times our analysts' BARR ratings was in the Top 5 among their company-coverage peers for their individual stock recommendations over the 12-month period ending December 30, 2025. Table 1 lists the analysts that achieved this level of performance accuracy at least 10 times.

We have also calculated a "batting average" which demonstrates the percentage of the time an analyst placed in the Top 5 for the companies in their full coverage universe. Table 2 lists the analysts that achieved a "batting average" of at least .400, or 40%. Note that Argus analysts rank among the Top 5 analysts for more than 60% of companies under coverage.

Table 1
BLOOMBERG PERFORMANCE RANKINGS
NUMBER OF TOP 5 FINISHES

Analyst	Sector	#
John Staszak, CFA	Consumer	34
Jim Kelleher, CFA	Technology	34
Bill Selesky	Energy	33
Marie Ferguson	Income	30
Steve Biggar	Financial	27
Kevin Heal	Financial	26
David Toung	Healthcare	21
Kris Ruggeri	Industrial	18
Taylor Conrad	Consumer	18
John Eade	Clean Tech	17
Jasper Hellweg	Healthcare	16
Christine Dooley	Consumer	15
Joe Bonner, CFA	TMT	13
Alexandra Yates	Materials	11
Chris Graja, CFA	Consumer	11

Table 2
BLOOMBERG BATTING AVERAGE
PERCENTAGE OF TOP 5 RANKINGS

Analyst	Sector	%
Steve Biggar	Financial	79%
David Toung	Healthcare	75%
Kevin Heal	Financial	74%
Bill Selesky	Energy	73%
Jasper Hellweg	Healthcare	67%
Taylor Conrad	Consumer	64%
John Staszak, CFA	Consumer	64%
Jim Kelleher, CFA	Info. Technology	64%
Marie Ferguson	Income	64%
Kris Ruggeri	Industrial	58%
Chris Graja, CFA	Consumer	55%
John Eade	Clean Energy	55%
Christine Dooley	Consumer	54%
Alexandra Yates	Materials	48%
Joe Bonner, CFA	TMT	41%

Bloomberg data as of 12/31/25

ARGUS MODEL PORTFOLIOS

Since 1997, Argus has managed model portfolios, including the Growth & Income, Institutional, Growth, and Equity Income models. Our Model Portfolio report includes Investment Policy Statements for each of the hypothetical models, including objectives, portfolio constraints, and risks.

The objective of the Growth & Income Model Portfolio is to seek current income and long-term growth of capital.

The objective of the Institutional Model Portfolio is to seek capital growth and income.

The objective of the Growth Model Portfolio, which was launched in 2017 and replaced a Mid-Cap Model, is to seek capital appreciation.

The objective of the Equity Income Model Portfolio is to seek an above-average level of current income.

The following table shows the returns of the model portfolios through 2025. All returns reflect the reinvestment of dividends and other earnings. Net performance results include an annual hypothetical management fee of 100 basis points charged once each quarter. As of January 2022, there are no hypothetical trading costs associated with the Argus model portfolios. Performance results do not address tax considerations. For comparison purposes, returns of the Growth & Income, Institutional, and Growth model portfolios are compared to returns for the S&P 500 index. This benchmark was chosen because it is aligned with the Argus Universe of Coverage. The benchmark for the Equity Income model portfolio is the Russell 1000 Value Index

ARGUS MODEL PORTFOLIOS

Portfolio	1-Year	3-Year	5-Year
Growth & Income (gross of fees)	8.9%	25.5%	15.3%
Growth & Income (net of fees)	7.8%	24.3%	14.2%
Institutional (gross of fees)	13.1%	19.4%	11.8%
Institutional (net of fees)	12.0%	18.3%	10.7%
Growth (gross of fees)	8.4%	25.8%	14.8%
Growth (net of fees)	7.4%	24.6%	13.7%
S&P 500	17.9%	23.0%	14.4%
Equity Income (gross of fees)	25.0%	17.5%	14.3%
Equity Income (net of fees)	23.8%	16.3%	13.2%
Russell 1000 Value	17.4%	22.7%	13.6%

For the periods ending 12/31/2025

Past performance of the model portfolios is not indicative of future performance

ARGUS A6 QUANT METHODOLOGY

Based on client demand for more stocks with Argus ratings, we developed a quantitative rating system that is based on our fundamental Six-Point Valuation System. We call this our A6 methodology, and we apply it to the S&P 1500 index to generate ratings and reports for this wider group of stocks.

Our A6 methodology incorporates dozens of proprietary data points, fundamental ratios, growth rates, performance measures, and valuation multiples. It generates sub-ratings for each of our six areas of analysis: Growth, Financial Strength, Industry, Management, Risk, and Valuation. Each stock is assigned a sub-rating for each category. These sub-ratings are determined by the analytical scores, and are High, Medium, or Low. The sub-ratings are then weighted, and rolled up into an overall Argus A6 rating.

Each stock in the Argus fundamental universe is also covered in the A6 quant universe. We run the algorithm once a week.

One of our goals with the A6 ratings -- in addition to providing ratings on more stocks -- is to align as closely as possible the A6 stock ratings with our analysts' fundamental ratings. We will never reach 100%, as our analysts go well beyond mere ratios and growth rates to make their determinations. But the data in the below table shows that our A6 quant ratings match up with our analyst fundamental ratings more than two-thirds of the time. We also include the BUY-rating distributions for each of the 11 sectors, with the idea that the sectors we rate as being Over-Weight should have a relatively higher percentage of BUY ratings than the sectors that are not rated as highly.

UNIVERSE COMPARISON – ARGUS FUNDAMENTAL, ARGUS A6 QUANT

Coverage Universe	Argus Fundamental	Argus A6 Quant
Stocks In Coverage	504	1602
% Stocks on BUY List	75%	43%
% Stocks on HOLD List	25%	50%
% Stocks on Sell List	0%	7%
% Ratings Match w/ Argus Fundamental	100%	68%
Sectors in Coverage	11	11
% BUYs in Over-Weight Sectors		
Communication Services	63%	39%
Financial	83%	63%
Healthcare	71%	54%
Information Technology	85%	63%
Utilities	84%	71%
% BUYs in Market-Weight Sectors		
Consumer Staples	51%	35%
Energy	71%	35%
Industrial	82%	47%
Materials	77%	35%
Real Estate	68%	30%
% BUYs in Under-Weight Sectors		
Consumer Discretionary	70%	25%

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