ARGUS®

MONTHLY RESEARCH WEBINAR

INCOME INVESTING

Moderator:

Jim Kelleher, CFA

Director of Research

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55 Broadway • New York, N.Y. 10006

Telephone: (212) 425-7500

WHAT'S NEW AT ARGUS?

Income Investing

- Jim Kelleher, CFA, Argus Director of Research
- Kevin Heal, Chief Fixed Income Strategist
- Marie Ferguson, Senior Analyst

Argus New Products

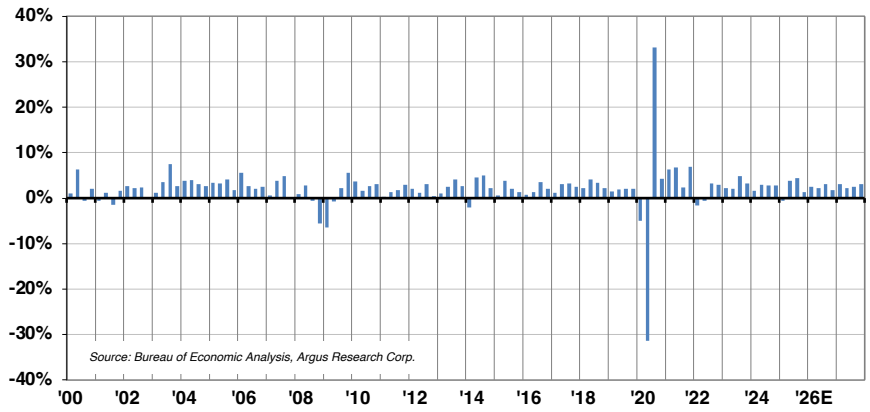
- Market Beat Daily Newsletter
- Market Beat Daily Podcast

Argus Quick Notes

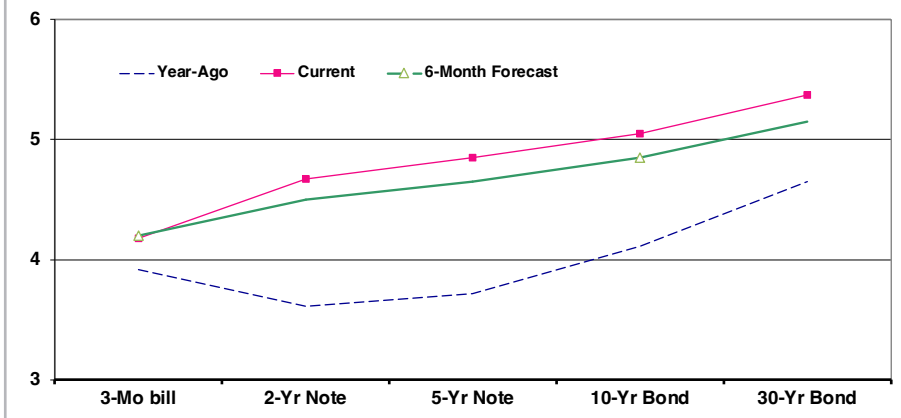
- Healthcare Names Benefiting from Rotation
- Shooting Stars & Falling Angels in 3Q26
- Global Stock Stars
- Will the Holidays be Happy?
- Find these on the Home Page of our Website

MACRO FORECASTS

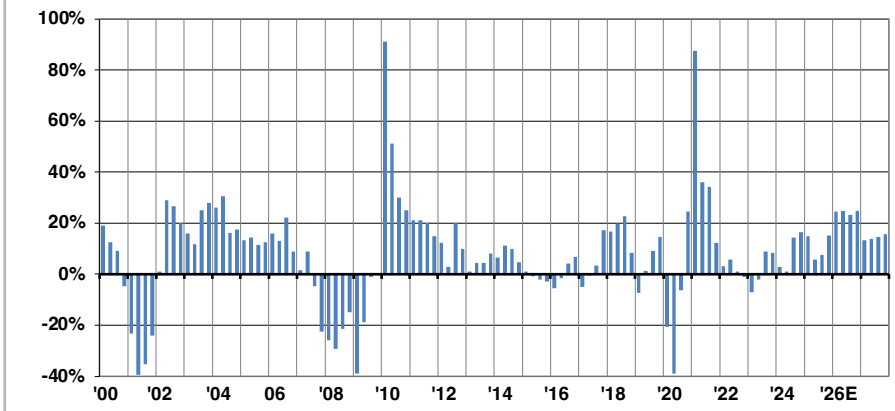
REAL GDP W/FORECASTS



TREASURY YIELD CURVE (%)



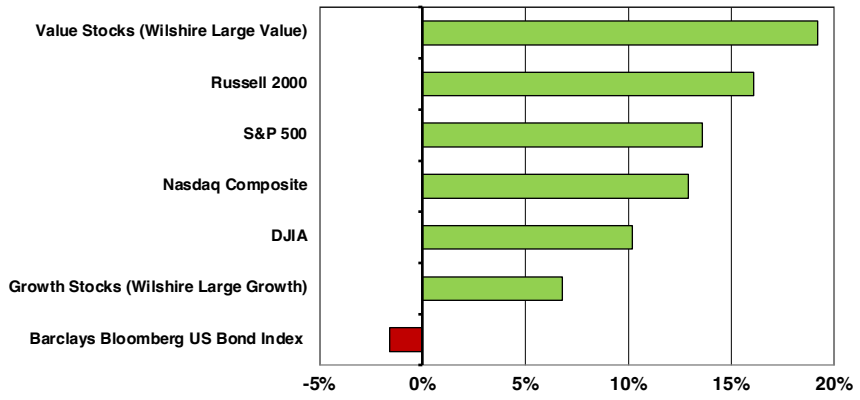
S&P 500 QUARTERLY EARNINGS GROWTH



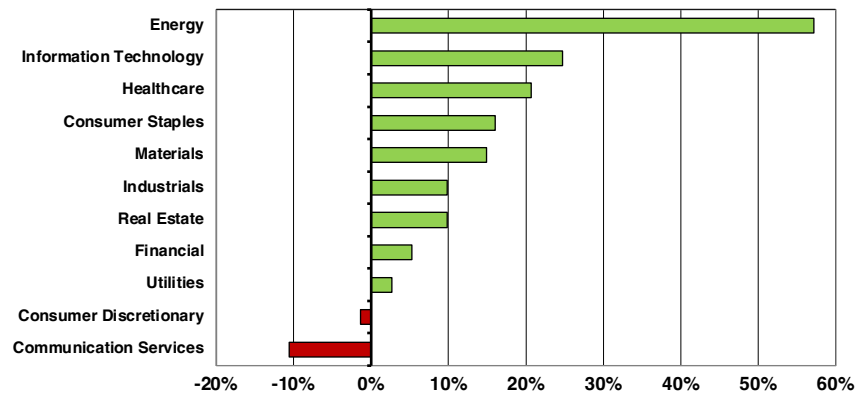
MARKET PERFORMANCE

DATA AS OF OCTOBER 29, 2026

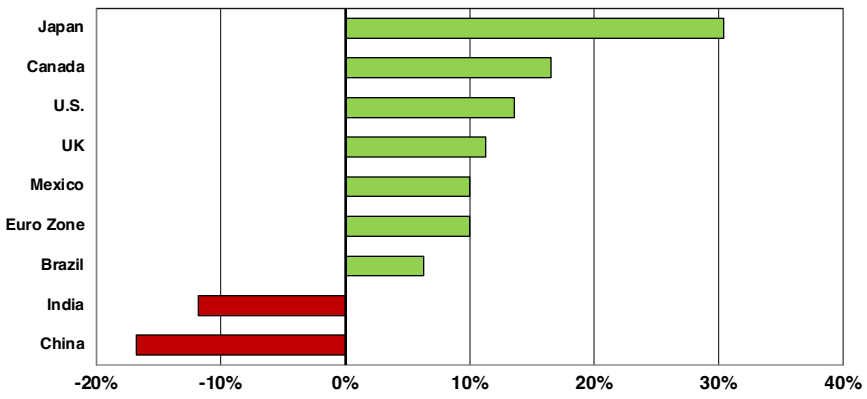
MAJOR INDEX



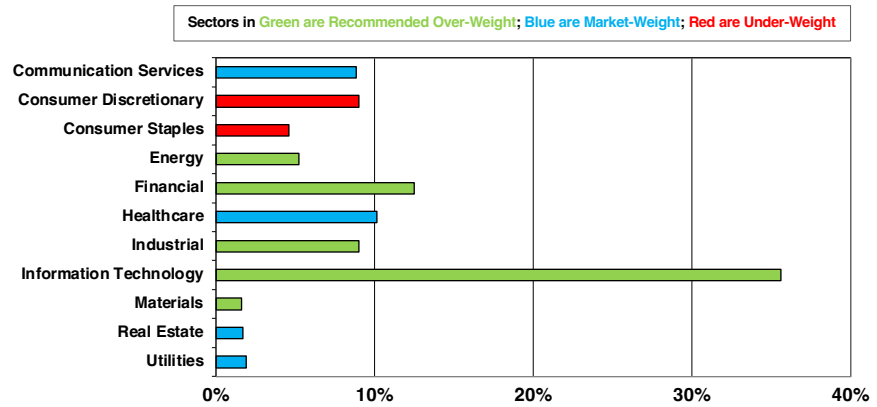
SECTOR



GLOBAL EQUITY MARKETS



MARKET SECTOR DISTRIBUTION - PERCENT OF S&P 500



INCOME STOCKS – SECTOR ROTATION

Periods of Rising Rates

- Income stocks fall as fixed income yields rise
- 2009, 2010 – Utilities #9 in S&P 500 sector performance

Periods of Declining Rates

- Income stocks rise as fixed income yields fall
- 2014, 2018 – Utilities #2 in S&P 500 sector performance
- 2024, 2025 – top-five sector performance

INCOME SECTORS – REITS AND UTILITIES

- **The S&P 500 currently yields about 1.1%**
- **Argus Utility Coverage yield: 3.3%**
  - average dividend growth: 5%
- **Argus REIT coverage yield: 3.9%**
  - average dividend growth: 4%

REAL ESTATE SECTOR OVERVIEW

The Real Estate Sector accounts for about 2% of the S&P 500

- Our Recommendation is Market Weight

Real Estate Sector Performance

- YTD 2026: Real Estate sector is up 4%; S&P 500 up 13%
- Hospitality, up 44%; Healthcare, up 23%; Data Center, up 20%
- Office REITs, down 8%; Industrial REITs, down 1%

Segment Trends

- Apartment REITs – Consolidation, strong demographic trends
- Retail REITs – above-peer yields
- Hotel & Hospitality REITs – leading in 2026
- Digital REITs – AI sensitivity & SpaceX

REIT SECTOR INVESTMENT THEMES

- **SpaceX Disruption**
  - AMT, CCI
- **Top Dividend Growers**
  - PLD, REG, VTR, EQIX
- **Adjacent Opportunities**
  - VMRK, KIM, HST
- **Top FFO Growers**
  - EQIX, PLD, DLR
- **Merger in Residential Segment**
  - VRMK
- **Data REITs: Leaders through 2028**
  - EQIX, DLR, AMT, CCI

UTILITY SECTOR OVERVIEW

- **The Utility Sector accounts for about 2% of the S&P 500**
- **Our Recommendation is Market Weight**
- **Utility Sector Performance**
  - YTD 2026: Utility sector up 1%; S&P 500 up 13%
  - Gas Utilities, up 3%; Electric Utilities, down 2%
  - Water Utilities, up 9%; Independent Power Producers, down 10%
- **Utility Fundamentals**
  - Sector EPS growth 3%-5%
  - Total Return forecast mid- to high-single digits
  - Regulatory actions driving performance
- **Utilities are using capital to:**
  - Expand transmission, invest in cleaner generation

UTILITY SECTOR INVESTMENT THEMES

- **Large Transmission Leaders**
  - NEE, AEP, AEE, XEL
- **Regional Opportunities**
  - SRE, PNW, ATO
- **Projected Data Center Growth Potential**
  - AEP, FE, DUK, SO, ETR, NEE
- **Top Earnings Growers**
  - PNW, PPL, EXL, SWX, ETR
- **Planned Combination & Pushback**
  - NEE, D
- **High Yield**
  - ES, EIX, D (HOLD-rated); FE, PNW (BUY-rated)

FIXED INCOME ETF PORTFOLIOS

ARGUS®

3 Models

- Conservative
- Growth
- Aggressive

Core Holdings

- Treasuries, Short-Term Bonds

Opportunistic

- Preferreds, Corporates, Senior Loans, Mortgage-related, TIPs

Daily Monitoring

Quarterly Updates

Portfolio Change Factors

- Interest Rate Forecasts
- Valuation/Yield Curve
- Upcoming Fed Activity

PORTFOLIO PICKS

Portfolio Selector Focus List:	EQUINIX	Southern Company					
Equity Income:	KIMCO REALTY	PSEG					
Growth & Income:	EQUINIX	Sempra Energy	Southern Company				
Institutional:	VERITAS	Ameren	Southern Company				
High Yield:	rithm	SIMON	AMERICAN ELECTRIC POWER	DUKE ENERGY	National Fuel	ppl	
Min Vol:	AMERICAN ELECTRIC POWER	Southern Company	WEC Energy Group				

ARGUS CALENDAR

Webinars

- November 2026: Income Investing
- December: Outlook for 2027
- January 2027: Analysts Top Picks for 2027

November Events

- November Post-Webinar Client Survey
- Argus Dividend Growers, Series 50 w/SmartTrust
- Princeton Panel: Digital Frontier & Stablecoin
- TD Wealth MoneyTalk Live w/Taylor Conrad

November Corporate Access

- Boeing (11/19/26) w/Kris Ruggeri

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