

ARGUS CORE QUARTERLY UPDATE – 4Q 2021

Core Equity – 4Q21

The Argus Core Equity strategy uses a rigorous fundamental approach to create a diversified portfolio of financially strong companies.

The economy and the markets had another remarkable year in 2021, with both the Core Equity portfolio and the benchmark returning more than 24%. The market advance was fueled by reopening optimism, strong corporate earnings growth, and medical breakthroughs.

While 2021 as a whole was good for stocks, the fourth quarter replayed trends seen earlier in the year, with rotation into cyclical beneficiaries followed by re-rotation into old growth favorites. Technology stocks performed strongly, led by a 42% gain in 4Q for Nvidia, which nonetheless fell 10.24% in December amid pressures on growth names.

Looking Ahead

In 2022, Argus believes that U.S. equities will continue to benefit from strong corporate earnings; however, we look for a more modest return in the 8%-10% range given rising interest rates, ongoing supply-chain challenges, geopolitical tensions, and what is likely to be a polarizing and hotly contested mid-term election.

In 2023, Argus expects consumer spending and capital investment in intellectual property products and equipment to drive continued recovery in the U.S. economy. Our preliminary GDP growth forecast for 2023 is 2.3%, still above the Fed's long-run GDP growth rate forecast of 1.8%-2.0%.

We would remain positioned in the stock market across 2022, with a willingness to ride out any near-term volatility in pursuit of long-term gains.

Key Professionals

Sharon D. Wagoner
 Chairman – Portfolio Manager

Donna M. Palais
 VP – Portfolio Manager

Jim Kelleher, CFA
 Director of Research

Holdings (as of 9/30/2021)

Largest Holdings by Weight

Costco Whls Corp.	2.4%
Microsoft Corp.	2.3%
Alphabet Inc.	2.2%
Zoetis Inc.	2.2%
Home Depot Inc.	2.2%

Largest Sector Weightings

Information Technology	24.7%
Healthcare	14.0%
Consumer Staples	12.0%
Industrials	11.8%
Financials	9.8%

Contact Us

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ANNUALIZED TOTAL RETURNS (as of 12/31/2021)	Month To Date	Quarter To Date	Year To Date	Latest 1 Year	Latest 3 Year	Latest 5 Year	Latest 10 Year
Argus Core Equity- Net of Fees	5.16%	8.59%	24.62%	24.62%	22.28%	16.00%	15.41%
Argus Core Equity- Gross of Fees	5.16%	8.70%	25.04%	25.04%	22.71%	16.41%	15.79%
S&P 500 w/Div	4.48%	11.03%	28.71%	28.71%	26.07%	18.47%	16.55%

Source: Advent. Core Equity Composite Inception date is 12/31/1994.

Leave the Investing to Us

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.

At Argus Investors' Counsel, we continue to adhere to our disciplined investment process, driven by our focus on financial strength and thoughtful diversification.

What Sets Argus Apart...

- ✓ A trusted fiduciary since 1960
- ✓ Women-owned and managed
- ✓ Acknowledged authority on independent research for 85+ years
- ✓ Experienced portfolio managers who have worked together for 25+ years
- ✓ Award-winning research analysts

Contact Cathleen Lesko or Richard Ciuba for more information and to obtain a GIPS Report. Portfolios are offered to clients as Separately Managed Accounts and are also available to RIAs on various platforms, including Envestnet, Fidelity Wealthscape, and Schwab. In addition to Innovators, Dividend Growers, Core and ESG portfolios, customized portfolios to meet your client-specific needs are available.

Performance Notes:

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