

ARGUS INNOVATORS QUARTERLY UPDATE – 1Q 2022

Argus Innovators – 1Q22

The Argus Innovators portfolio holds a diversified portfolio of well-managed companies with proven records of innovation and a focus on sustainable cash flow and the return of capital to shareholders. The portfolio holds approximately 30 companies that spend aggressively on R&D, 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.

In 1Q22, concerns about inflation and rising interest rates pressured growth stocks in the Information Technology, Financial, and Healthcare sectors. The Argus Innovators portfolio returned -9.97% (net of fees). The top three portfolio stocks during the quarter came from the Energy and Industrial sectors.

Argus continues to focus on four types of companies to build the portfolio: 1) First-to-Market companies such as American Tower Corp.; 2) New Product Specialists such as L3 Harris Technologies; 3) Product & Process Perfectors like Target Corp.; and 4) Industry Disruptors such as BlackRock Inc.

Looking Ahead

The war in Ukraine and accelerating inflation continue to weigh heavily on the economic outlook. However, Argus Research expects resiliency from the U.S. economy and does not anticipate a recession in the near term, based in large part on strength in the consumer sector. Our forecast for GDP growth in 2022, based on our review of the latest economic fundamentals, is now 2.2%, down from 3.1%.

In 2023, Argus Research expects consumer spending and capital investment in intellectual property products and equipment to drive continued recovery in the U.S. economy. Our GDP forecast for 2023 is now 2.4%, down from 2.5%.

At Argus Investors' Counsel, we continue to manage the Innovators portfolio using a disciplined investment process, focusing on mature companies that combine a strong record of innovation with income generation, sustainable cash flow, and the return of capital to shareholders.

Key Professionals

John Eade

President – Portfolio Manager

Jim Kelleher, CFA

Director of Research

Holdings (as of 3/31/2022)

Largest Holdings by Weight

Nvidia Corp.	6.6%
Eli Lilly & Co.	4.7%
Alphabet Inc.	4.7%
Bi Techne Corp.	4.6%
Thermo Fischer Scientific	4.6%

Largest Sector Weightings

Information Technology	28.7%
Healthcare	22.4%
Financials	14.2%
Industrials	11.7%
Communication Services	4.8%

Contact Us

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ANNUALIZED TOTAL RETURNS (as of 3/31/2022)	Month To Date	Quarter To Date	Year To Date	Latest 1 Year	Latest 3 Year	Since Inception
Argus Innovators- Net of Fees	4.00%	-9.97%	-9.97%	7.13%	18.52%	14.40%
Argus Innovators- Gross of Fees	4.00%	-9.89%	-9.89%	7.45%	18.88%	14.73%
S&P 500 w/Div	3.71%	-4.60%	-4.60%	15.65%	18.92%	15.40%

Source: Advent. Innovators Composite Inception date is 2/28/2018.

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:

Argus Investors' Counsel, Inc. (AIC) is an SEC-registered investment advisor that provides investment advisory services to institutional and individual investors. 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. The Argus Innovators Composite was created on February 28, 2018. The Argus Innovators Composite contains fee-paying, fully discretionary accounts that do not contain investment restrictions. The U.S. 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. AIC claims compliance with the Global Investment Performance Standards (GIPS[®]). AIC has been verified firm-wide by ACA Performance Services from April 1, 2017 through December 31, 2020 and by Ashland Partners & Company, LLP from January 1, 1995 through March 31, 2017. GIPS[®] is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.