

ARGUS INNOVATORS QUARTERLY UPDATE – 3Q 2023

Argus Innovators – Investment Objective

The Argus Innovators portfolio seeks to outperform the S&P 500 over a period longer than 12 months by holding a basket of stocks issued by companies with proven records of innovation. The portfolio focuses on innovative 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 adopted across industry verticals.

Strategy Overview

Beginning with the Argus Universe of Coverage, Argus Portfolio Managers select an initial group of high-innovation companies based on a range of industry sources and Argus research analyst input.

They screen 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 percentage 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.

Portfolio Managers then select at least 25 stocks that meet the screening criteria while also providing diversification, with representation in at least 9 of the 11 GICS sectors.

PORTFOLIO CHARACTERISTICS INNOVATORS

(3 month period ending 9/30/2023)	Innovators Portfolio	S&P 500
No. of Holdings	34	500
Avg. Market-Cap \$B	442.70	642.44
Dividend Yield %	1.16	1.60
Price/Earnings	22.77	20.31
Price/Book	4.36	2.86
Beta	1.11	---
Active Share	78.01	---
Turnover %	0.79	---

Source: Telemet Orion

ANNUALIZED TOTAL RETURNS (as of 9/30/2023)	Quarter To Date	Year To Date	Latest 1 Year	Latest 3 Year	Latest 5 Year
Argus Innovators- Net of Fees	-1.31%	16.99%	26.03%	6.36%	9.57%
Argus Innovators- Gross of Fees	-1.24%	17.26%	26.43%	6.69%	9.91%
S&P 500 w/Div	-3.27%	13.07%	21.62%	10.15%	9.92%

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

Key Professionals

John Eade

President – Portfolio Manager

Jim Kelleher, CFA

Director of Research

Holdings (as of 9/30/2023)

Largest Holdings by Weight

Nvidia Corp.	7.2%
Eli Lilly & Co.	6.0%
Old Dominion Freight Line	4.9%
Alphabet inc.	4.7%
Apple inc.	4.5%

Largest Sector Weightings

Information Technology	27.1%
Financials	17.8%
Industrials	16.4%
Health Care	15.1%
Communication Services	8.7%

Contact Us

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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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