



Argus Core Equity Strategy

All Data as of September 30, 2011

Key Professionals: Years at Firm

Sharon D. Wagoner <i>Chairman – Portfolio Manager</i>	25
Donna M. Palais <i>Vice President - Portfolio Manager</i>	17
Jim Kelleher, CFA <i>Director of Research, Argus Research Company</i>	18
Peter Canelo <i>Chief Market Strategist Argus Research Company</i>	4
James W. Tierney <i>Director of Marketing</i>	6

Firm Assets Under Management
\$205 Million

Assets In Strategy
\$185 Million

Benchmark:
S&P 500®

Historical Tracking Error:
3%-3.5%

Diversification:
Growth & Value Representation
Minimum 5 Billion Market Cap
WTD Average Market Cap: 83.6B
Number of Holdings: 45-50

Disclaimer

Past performance is not indicative of future results. Portfolio characteristics and performance presented in this document is representative only. The information contained herein is intended for institutional investors only.

Firm Overview

Founded in 1934, Argus has distinguished itself with high quality, independent equity research and institutional investment management. Our flagship core strategy uses an enlightened, fundamental approach to manage Large Cap U.S. equity allocations.

Objective

Argus Core Equity seeks to outperform the S&P 500® by 200-300 basis points annualized, gross of fees, over a full market cycle with a tracking error of approximately 3%.

Philosophy

While the majority of equity market participants construct portfolios according to what has happened in the recent past, Argus manages equity portfolios with the understanding that much of future market behavior cannot be reliably forecast. Thus, Argus constructs portfolios best suited to prosper through unpredictable markets starting with the following key concepts:

The S&P 500® is an investable universe, not an investment strategy. Index construction methodologies often create risks.

Industry rotation is a persistent phenomenon in equity markets and a reliable source of alpha. An active strategy designed to benefit from industry rotation can outperform a capitalization weighted index.

Financial Strength, measured by fundamental analysis, is critical in long-term investing success.

Advantages

Predictability Produce dependable, repeatable returns that are systematic and do not rely on short-term forecasts of earnings or economic trends.

Risk Management Strict equal weighting and ongoing rebalancing manages individual stock and industry risks.

Downside Protection Our process maintains true diversification and has produced valuable downside protection in declining market environments.

Annualized Performance - Argus Core Equity Composite (As of September, 30, 2011)*

Trailing Period	Argus Composite (Gross)	Argus Composite (Net)	S&P 500 Benchmark
1 Year	-0.30%	-0.57%	1.14%
3 Years	2.67%	2.36%	1.23%
5 Years	0.28%	0.04%	-1.18%
10 Years	3.61%	3.39%	2.82%



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Risk Analysis vs. S&P 500 - Past Three Years

	AIC
Alpha (%)	1.39
Beta	0.99
STDEV	24.0
Upside Capture	102.48
Downside Capture	96.76
Information Ratio	.50
Tracking Error (%)	2.89

Supplemental Information. Source: Informa Investment Solutions

Portfolio Characteristics

	AIC	S&P 500
P/E Ratio (forward)	10.7	10.9
1yr Growth Rate % (IBES)	14.0	14.1
Price-to-Book Ratio	1.93	1.91
Dividend Yield %	2.66	2.39
Turnover Rate (5yr) %	10.51	--
Number of Issues	51	500
Wtd Average Market Cap \$Billions	83.6	87..4

Supplemental Information Source: Bank of New York Mellon Corporation

Equity Sectors

	AIC	S&P 500
Consumer Discretionary	11.89	10.57
Consumer Staples	16.80	11.67
Energy	5.89	11.63
Financials	8.72	13.59
Healthcare	12.64	12.41
Industrials	15.86	10.27
Information Technology	19.12	19.44
Materials	6.69	3.09
Telecom Services	2.39	3.09
Utilities	0	3.97

Supplemental Information. Source: Bank of New York Mellon Corporation

Top/Bottom Securities Last Quarter

Top 5 Contributors	Bottom 5 Contributors
<ul style="list-style-type: none"> Apple Computer Inc 	<ul style="list-style-type: none"> Morgan Stanley
<ul style="list-style-type: none"> Kimberly Clark 	<ul style="list-style-type: none"> Alcoa Inc
<ul style="list-style-type: none"> McDonalds 	<ul style="list-style-type: none"> Ingersoll Rand
<ul style="list-style-type: none"> IBM Corp 	<ul style="list-style-type: none"> Corning
<ul style="list-style-type: none"> Google inc 	<ul style="list-style-type: none"> Schlumberger

Supplemental Information .Source: The Bank of New York Mellon Corporation

Annual Performance	2006	2007	2008	2009	2010	YTD
AIC Gross of Fees	17.68%	6.20%	-32.91%	32.85%	11.30%	-9.18%
AIC Net of Fees	17.51%	6.04%	-33.07%	32.49%	10.97%	-9.37%
S&P 500®	15.80%	5.49%	-37.00%	26.46%	15.06%	-8.68%
Relative Return - Gross	1.88%	0.71%	4.09%	6.39%	-3.76%	-0.50%

Performance Notes

Argus Investors' Counsel, Inc. (AIC) is an SEC registered investment advisor that provides investment advisory services to institutional and individual investors.

Argus Core Equity Composite contains fee paying fully discretionary core equity accounts that do not contain investment restrictions. For comparison purposes the composite is measured against the S&P 500 Index and includes the reinvestment of income.

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.

Annual and annualized periods are calculated based upon geometrically linked monthly returns.

Information above is based upon data provided by The Bank of New York Mellon Corporation and Informa Investment Solutions.

* The Argus Core Equity Composite was created on December, 31, 1994. Compliance with the Global Investment Performance Standards (GIPS®) has been verified firmwide by Ashland Partners & Company, LLP from January 1, 1995 through September 30, 2011.

* The US dollar is the currency used to express performance. * Past Results are not indicative of future returns.

The holdings identified do not represent all of the securities purchased, sold or recommended for advisory clients.

Argus Investors' Counsel, Inc. claims compliance with the Global Investment Performance Standards (GIPS®). To receive a complete list and description of AIC's composites and/or a presentation that adheres to the GIPS® standards

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