ARGUS U.S. DIVIDEND PORTFOLIO

INVESTMENT OBJECTIVE

The Argus U.S. Dividend Portfolio seeks to achieve an above-average total return — stock price appreciation plus dividend income — by holding a diversified basket of stocks that have shown consistent above-average rates of dividend growth, while also demonstrating a high measure of dividend safety — specifically, greater-than-average free cash flow coverage of dividends.

INVESTOR PROFILE

The Argus U.S. Dividend Portfolio may be appropriate for investors who seek current income and long-term capital appreciation. The portfolio is designed for risk-tolerant investors who are willing to accept volatility in the portfolio's value. The portfolio is not intended to be a complete investment program and there is no guarantee that it will achieve its investment objective.

PORTFOLIO STRATEGY

The portfolio is selected from equity securities in the Argus Research Universe of Coverage. Beginning with this universe of approximately 1,500 stocks, Argus uses growth, financial strength, risk, valuation and management-quality screens to narrow the list to stocks rated at least HOLD. It then eliminates all securities that do not have 3-, or 5-year compound annual dividend growth rates that are less than 25% higher than the corresponding rates for S&P 500 dividends. After that step, Argus Portfolio Managers consult with the Argus Analysts and make adjustments to ensure financial strength and proper sector diversification, resulting in a final portfolio of 25-35 names.

PORTFOLIO CONSTRAINTS

The portfolio will consist of twenty-five (25) to thirty-five (35) equally weighted stock holdings. The holdings will be reviewed on an ongoing basis and rebalanced back to equal weight as necessary. No single stock is meant to represent more than 5% of the portfolio or less than 2% of the portfolio, though the high volatility of individual holdings may result in one or more holdings exceeding or falling short of these thresholds. Holdings entering the portfolio will be added with an aggregate weight equal to that of the stocks they replace. For example, if three stocks with an aggregate weight of 10% are removed during a review, the replacement stocks will account for 10% of the portfolio. As noted above, the portfolio consists of stocks selected from the Argus Research Fundamental Universe of Coverage, and in most cases, of BUY-rated stocks. However, in order to achieve objectives such as industry diversification or low turnover, HOLD-rated stocks may be included. At the discretion of the portfolio manager, portfolio holdings downgraded to SELL by Argus Research may be removed from the portfolio immediately or during the subsequent portfolio review. Except to facilitate transactions, the portfolio does not target a hypothetical cash balance; however, cash from dividends may accumulate between portfolio rebalance dates.

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ARGUS®

PORTFOLIO RISKS

An investment in the Argus U.S. Dividend Portfolio is subject to a range of market, income, sector, and management risks.

Market Risk
The price of portfolio securities may decline due to unexpected changes in equity markets. Moreover, certain stocks and sectors may shift rapidly in and out of favor depending on market and economic conditions. Because the U.S. Dividend Portfolio does not target a hypothetical cash balance, portfolio returns may be more volatile than those of similar portfolios that maintain cash positions as part of a defensive strategy.

Income Risk
The portfolio's ability to generate income depends on the earnings and dividend payments of component securities. If dividends are reduced or eliminated, portfolio income is likely to decline.

Sector Risk
The U.S. Dividend Portfolio may emphasize certain sectors of the market. As such, portfolio returns may deviate substantially from those of diversified portfolios.

Management Risk
The portfolio manager may not be successful in selecting securities that collectively perform similar to the benchmark. Inclusion of securities is limited to the Argus Research Fundamental and Quantitative Universes of Coverage. Changes to the portfolio may be inflexibly limited by portfolio constraints.