ARGUS®

INVESTMENT ANALYSIS

MODEL PORTFOLIOS

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HOW TO USE THE MODEL PORTFOLIOS

Since 1997, Argus has maintained model portfolios that help brokers, account reps and others manage investment holdings for a wide range of clients.

Argus Model Portfolio managers rely exclusively on analysis provided by the investment analysts at Argus Research, which does not trade for its own account or engage in investment banking. Argus has been a source of independent research since 1934.

In managing the model portfolios, the team applies a consistent approach. Portfolio monitoring is an ongoing process; model portfolio managers interact regularly with other Argus research analysts to obtain their best "total-return" ideas within the parameters of the model portfolios. Software that draws on our proprietary research database enables the managers to perform scenario analyses. The managers, armed with performance and benchmark data, and working within the portfolios' objectives and constraints, then rebalance the models. Changes to the portfolios are distributed to clients via e-mail and through the Argus web site.

The genus "model portfolio" occupies its own niche in the realm of investment management. A model portfolio is neither an index, such as the S&P 500, nor an actively managed mutual fund. Indices, typically the benchmarks against which model portfolios are compared, are an inexact measurement device. For example, index performance does not reflect any transaction costs or management fees; it also ignores bid-ask spreads and execution effects, such as large block trades in small-float stocks. Unlike an index, the hypothetical model portfolios are actively managed, enabling managers to focus on securities they believe are likely to outperform the market. Whereas replication of a major index requires hundreds of holdings, the active management component permits the model portfolio manager to focus on a smaller number of securities.

Unlike a mutual fund, the Argus Model Portfolios are not adjusted on a real-time basis, except in exceptional cases. With mutual funds, the daily monitoring function can potentially lead to high levels of churn and potentially adverse tax consequences.

More significantly, mutual fund portfolio managers often rely for investment advice on the sell-side divisions of the major brokerages, which furnish investment research in hopes of generating brokerage commissions. In our view, this practice can sometimes lead to conflicted research.

Performance statistics are updated quarterly. These include rolling three-month, annual, and multiyear performance dating back to the portfolios' origins in 1997. The model portfolio values are adjusted to reflect hypothetical transaction costs and a management fee in line with actual commission and management schedules. Accordingly, performance is calculated net of fees and transaction costs, in line with industry standards. Past performance of the model portfolios is not indicative of future performance.

Jim Kelleher, CFA
Phil Weiss, CFA

TRADERS' CORNER (10/12/10)

EQUITY INCOME: pages 2-5

Purchase: 125 shares of Buckeye Partners LP (NYSE: BPL), at $63.97 (4.42% of the portfolio).

Sell: 100 shares of Caterpillar Inc. (NYSE: CAT), at $79.75 (100% of the position).

22 shares of Vector Group Ltd. (NYSE: VGR), at $18.43 (100% of the position).

68 shares of General Maritime Corp. (NYSE: GMR), at $4.41 (100% of the position).

GROWTH & INCOME: pages 6-9

Purchase: 200 shares of The Kroger Co. (NYSE: KR), at $21.54 (2.74% of the portfolio).

Sell: 100 shares of SAP AG (NYSE: SAP), at $51.58 (100% of the position).

MID-CAP GROWTH: pages 10-13

Purchase: 300 shares of Applied Materials Inc. (NGS: AMAT), at $11.79 (1.40% of the portfolio).

Sell: 200 shares of Hologic Inc. (NGS: HOLX), at $16.05 (100% of the position).

250 shares of BigBand Networks, Inc. (NGM: BBND), at $3.01 (100% of the position).

EQUITY INCOME MODEL PORTFOLIO

Portfolio Description

INVESTMENT OBJECTIVE

The objective of the hypothetical Equity Income Model Portfolio is to seek an above-average level of current income. Long-term capital appreciation is a secondary goal.

INVESTOR PROFILE

The Equity Income Model Portfolio may be appropriate for investors who seek current income and long-term capital appreciation as a secondary goal. This portfolio is designed for investors who have a tolerance for risk and are willing to accept volatility in the portfolio's value. The Equity Income Model Portfolio is not intended to be a complete investment program.

PORTFOLIO CONSTRAINTS

The hypothetical Equity Income Model Portfolio includes stocks selected from the Argus Research universe of coverage. Both BUY-rated stocks and HOLD-rated stocks are suitable for inclusion; BUY-rated, HOLD-rated and SELL-rated stocks may be removed from the model portfolio. Changes to the portfolio are historically executed on a monthly basis and are historically communicated by an Argus Action Alert. At the discretion of the portfolio manager, portfolio holdings downgraded to SELL by Argus Research analysts may be removed from the portfolio immediately or may be removed during the subsequent monthly portfolio review. No single issue is meant to represent more than 10% of the portfolio, but the high volatility of individual holdings may result in one or more holdings exceeding this metric. Except to facilitate transactions, the Equity Income Model Portfolio does not target a hypothetical cash balance.

PORTFOLIO RISKS

An investment in the Equity Income Model Portfolio is subject to a range of market, income, sector, and management risks.

Market Risk. Market risk is the possibility that market values of securities within the portfolio will decline. Investments in equity securities generally may be affected by changes in the stock markets which historically fluctuate substantially over time, sometimes suddenly and sharply. Moreover, different types of stocks and sectors may rapidly shift in and out of favor depending on the market and economic conditions. Because the Equity Income Model Portfolio does not target a hypothetical cash balance, returns of the portfolio may be more volatile than 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 the continuing declaration of dividends by the securities selected for the portfolio. If dividends are reduced or eliminated, income from the Equity Income Model Portfolio will likely decline.

Sector Risk. The Equity Income Model Portfolio may emphasize certain sectors of the market. As such, portfolio returns may deviate substantially from 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 universe of coverage. Changes to the portfolio may be inflexibly limited to a monthly schedule.

EQUITY INCOME MODEL PORTFOLIO
Performance

ANNUAL PERFORMANCE

The following table shows the hypothetical annual returns of the Equity Income Model Portfolio. Net of fee results include hypothetical direct trading costs of $25 per trade and a hypothetical annual management fee of 100 basis points. Performance results do not address tax considerations. For comparison purposes, returns of the model portfolio are compared to returns for the S&P 500 index. In October 2005, the performance benchmark for the Equity Income Model Portfolio was changed to the S&P 500 index from the Russell Top 200 Index. This change was undertaken to more closely align the benchmark with the Argus Universe of Coverage. Past performance of the Equity Income Model Portfolio is not indicative of its future performance.

HISTORICAL RETURNS

EQUITY INCOME
Inception Date: 12/31/1997
Annualized Return Since Inception through 9/30/10: 3.92%

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	3Q10
Equity Income Annual Returns Net of Fees, %	17.3	-12.4	1.3	2.6	-10.7	25.5	13.4	3.2	20.27	-0.9	-25.9	19.2	13.96
Benchmark Returns (S&P 500 Index)	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8	5.5	-37.0	26.4	11.3
Equity Income Portfolio Beta	0.17	0.05	0.72	0.31	0.62	0.96	0.75	0.74	0.78	0.97	0.91	1.10	0.80
Standard Deviation Monthly Returns, %	4.6	3.1	6.2	2.3	4.4	3.6	2.2	2.2	1.6	3.0	5.8	6.9	5.0
Equity Income Portfolio Turnover, %	-	-	-	-	-	-	47.2	56.9	46.2	56.8	58.8	51.7	55.6
Model 2-Year		1.4	-5.8	1.9	-4.3	5.9	19.3	8.2	11.4	9.2	-14.3	-6	
Benchmark Returns (S&P 500 Index)		24.7	4.9	-10.5	-17.2	0.1	19.5	7.9	10.2	10.5	-18.5	-10.7	
Model 3-Year			1.3	-3.1	-2.5	4.8	8.3	13.7	12.1	7.1	-4.1	-4.3	
Benchmark Returns (S&P 500 Index)			12.3	-1.0	-14.6	-4.1	3.6	14.4	10.4	8.6	-8.4	-5.6	
Model 4-Year				1.6	-5.1	3.9	6.8	7.0	15.3	8.7	-2.3	1.3	
Benchmark Returns (S&P 500 Index)				5.7	-6.8	-5.3	-0.5	3.9	14.8	9.2	-5.2	-0.7	
Model 5-Year					-9.1	0.4	5.7	6.1	9.5	11.8	0.7	1.7	
Benchmark Returns (S&P 500 Index)					-0.6	-0.6	-2.3	0.5	6.2	12.8	-2.2	0.4	
Model 6-Year						3.0	2.5	5.3	3.0	7.7	4.4	3.5	
Benchmark Returns (S&P 500 Index)						3.8	1.3	-1.1	2.9	6.1	2.4	2.1	
Model 7-Year							4.4	2.6	7.3	7.0	2.1	6.4	
Benchmark Returns (S&P 500 Index)							4.8	1.8	1.1	3.3	-1.5	5.5	
Model 8-Year								4.3	4.6	6.2	2.2	4.1	
Benchmark Returns (S&P 500 Index)								4.8	3.4	1.7	-2.9	1.6	
Model 9-Year									6.0	4.0	2.1	3.9	
Benchmark Returns (S&P 500 Index)									6.0	3.7	-3.6	0	
Model 10-Year										5.3	0.5	3.3	
Benchmark Returns (S&P 500 Index)										5.9	1.4	-0.9	

Fees: Performance figures are presented net of a hypothetical 100 basis point annual management fee and direct trading expenses of $25 per trade.

The performance the model portfolio may vary from its performance benchmark.
Past performance is not indicative of future performance.

EQUITY INCOME MODEL PORTFOLIO
Monthly Discussion & Notes

In our hypothetical Equity Income model portfolio, we are selling two positions resulting from corporate actions. These are a 22-share position in the VGR shares of Vector Group; and a 68-share position in the GMR shares of General Maritime.

We are also selling our position in the CAT shares of Caterpillar Inc. The worldwide leader in construction machinery is also a major provider of equipment for agricultural and industrial applications, as well as one of the leading providers of heavy duty engines. Fueled by growth in emerging economies such as China, Caterpillar has been routinely outperforming expectations and raising its guidance. The stock has had a particularly strong surge in the past month, rising approximately $10. Since inclusion in the Equity Income portfolio in August 2009, the CAT shares have advanced more than 75% while providing a 2%-plus dividend yield.

Using asset sale proceeds as well as cash on hand, we are initiating a position in the BPL units of Buckeye Partners LP. Formed in 1986, Buckeye Partners is a publicly traded partnership that owns and operates one of the largest independent refined petroleum products pipeline systems in the U.S. (in terms of volumes delivered), with approximately 5,400 miles of pipeline. The partnership also owns 67 refined petroleum products terminals, operates and maintains approximately 2,400 miles of pipeline under agreements with major oil and chemical companies, owns a major natural gas storage facility in northern California and markets refined petroleum products in certain of the geographic areas served by its pipeline and terminal operations. The general partner of Buckeye Partners LP is owned by Buckeye GP Holdings. Buckeye continues to benefit from a stronger commercial focus since its reorganization last year, and management remains optimistic about future growth in all business segments. We recently raised our 2010 earnings estimate to $3.90 per unit from $3.80. Further ahead, we look for pipeline throughput growth of 5%-6% in 2011 and project EPS of $4.00. We estimate that the company can continue to grow earnings at an average pace of 6% annually over the next five years, fueled by accretive acquisitions and organic growth projects. We believe that management will continue to raise the annual cash distribution as the partnership increases cash flow from operations. The distribution carries an annual yield of about 6.1% at recent prices.

Purchase: 125 shares of Buckeye Partners LP (NYSE: BPL), at $63.97 (4.42% of the portfolio).

Sell:

100 shares of Caterpillar Inc. (NYSE: CAT), at $79.75 (100% of the position).

22 shares of Vector Group Ltd. (NYSE: VGR), at $18.43 (100% of the position).

68 shares of General Maritime Corp. (NYSE: GMR), at $4.41 (100% of the position).

EQUITY INCOME MODEL PORTFOLIO

Company	Ticker	Sector	% of Portfolio	Recent Price	No. Shares	P/E Ratio	Current-Year Dividend Estimate	Current-Year Projected Yield	Forcast Growth Rate
E I du Pont de Nemours and Co	DD	Basic Materials	3.81%	$46.66	150	15.7	$1.64	3.5%	6
PPG Industries Inc	PPG	Basic Materials	4.09%	$75.21	100	16.4	$2.18	2.9%	6
Home Depot Inc	HD	Consumer Discretionary	3.47%	$31.89	200	16.8	$0.95	3.0%	10
Yum! Brands Inc	YUM	Consumer Discretionary	3.89%	$47.65	150	18.9	$0.88	1.8%	12
Coca-Cola Co	KO	Consumer Staples	3.23%	$59.41	100	17.1	$1.76	3.0%	8
BUCKEYE PARTNERS STK UN	BPL	Energy	4.42%	$64.97	125	16.7	$3.81	5.9%	6
Chevron Corp	CVX	Energy	4.57%	$83.94	100	8.8	$2.84	3.4%	5
ConocoPhillips	COP	Energy	3.25%	$59.61	100	9.5	$2.15	3.6%	8
Marathon Oil Corp	MRO	Energy	3.86%	$35.48	200	10.6	$0.99	2.8%	8
Kimco Realty Corp	KIM	Financial	3.66%	$16.82	400	14.4	$0.64	3.8%	6
Sun Life Financial Inc	SLF	Financial	2.85%	$26.14	200	10.5	$1.38	5.3%	10
Abbott Laboratories	ABT	Healthcare	2.87%	$52.81	100	12.8	$1.84	3.5%	11
Bristol-Myers Squibb Co	BMY	Healthcare	3.70%	$27.16	250	12.2	$1.28	4.7%	5
Johnson & Johnson	JNJ	Healthcare	4.30%	$63.23	125	13.5	$2.24	3.5%	9
Merck & Co Inc	MRK	Healthcare	4.02%	$36.91	200	10.9	$1.52	4.1%	7
Pfizer Inc	PFE	Healthcare	2.85%	$17.46	300	7.7	$0.72	4.1%	2
3M Co	MMM	Industrials	2.43%	$89.16	50	15.2	$2.12	2.4%	12
Analog Devices Inc	ADI	Technology	2.64%	$32.34	150	14.0	$0.84	2.6%	12
AT&T Corp	T	Telecommunications	4.33%	$28.22	282	12.4	$1.68	6.0%	5
Windstream Corp	WIN	Telecommunications	3.30%	$12.14	500	14.3	$1.00	8.2%	-3
Alliant Energy Corp	LNT	Utility	3.93%	$36.14	200	13.9	$1.58	4.4%	6
American Electric Power Co Inc	AEP	Utility	2.96%	$36.19	150	11.7	$1.68	4.6%	6
CenterPoint Energy Inc	CNP	Utility	3.50%	$16.09	400	14.6	$0.78	4.8%	7
DTE Energy Co	DTE	Utility	2.57%	$47.22	100	13.3	$2.15	4.6%	4
Exelon Corp	EXC	Utility	2.94%	$43.20	125	11.2	$2.14	5.0%	7
Southern Company	SO	Utility	2.05%	$37.71	100	16.0	$1.80	4.8%	5
Spectra Energy Corp	SE	Utility	2.55%	$23.45	200	15.6	$1.00	4.3%	6
UIL Holdings Corp	UIL	Utility	3.90%	$28.67	250	14.0	$1.73	6.0%	4
Westar Energy Inc	WR	Utility	4.03%	$24.67	300	14.5	$1.24	5.0%	5
Totals/Averages			**100%**			**13.6**		**4.2%**	**7**

Cash Balance: $5,926.

Prices as of 10/8/10 close; additions/deletions priced at the open on 10/11/10.

GROWTH & INCOME MODEL PORTFOLIO

Portfolio Description

INVESTMENT OBJECTIVE

The objective of the hypothetical Growth & Income Model Portfolio is to seek current income and long-term growth of capital.

INVESTOR PROFILE

The Growth & Income Model Portfolio may be appropriate for investors who seek current income and long-term growth of capital. This portfolio is primarily designed for investors who have a tolerance for risk and who are willing to withstand volatility in the portfolio's value. The Growth & Income Model Portfolio is not intended to be a complete investment program.

PORTFOLIO CONSTRAINTS

The hypothetical Growth & Income Model Portfolio includes stocks selected from the Argus Research universe of coverage. Both BUY-rated stocks and HOLD-rated stocks are suitable for inclusion; BUY-rated, HOLD-rated and SELL-rated stocks may be removed from the model portfolio. Changes to the portfolio are historically executed on a monthly basis and are historically communicated by an Argus Action Alert. At the discretion of the portfolio manager, portfolio holdings downgraded to SELL by Argus Research analysts may be removed from the portfolio immediately or may be removed during the subsequent monthly portfolio review. No single issue is meant to represent more than 10% of the portfolio, but the high volatility of individual holdings may result in one or more holdings exceeding this metric. Except to facilitate transactions, the Equity Income Model Portfolio does not target a hypothetical cash balance.

PORTFOLIO RISKS

An investment in the Growth & Income Model Portfolio is subject to a range of market, income, sector, and management risks.

Market Risk. Market risk is the possibility that market values of securities within the portfolio will decline. Investments in equity securities may be affected by changes in the stock markets which historically fluctuate substantially over time, sometimes suddenly and sharply. Moreover, different types of stocks and sectors may rapidly shift in and out of favor depending on the market and economic conditions. Because the Growth & Income Model Portfolio does not target a hypothetical cash balance, returns of the portfolio may be more volatile than similar portfolios that maintain cash positions as part of a defensive strategy.

Income Risk. The ability portfolio's ability to generate income depends on the earnings and the continuing declaration of dividends by the securities selected for the portfolio. If dividends are reduced or eliminated, income from the Growth & Income Portfolio will likely decline.

Sector Risk. The Growth & Income Model portfolio may emphasize certain sectors of the market. As such portfolio returns may deviate substantially from 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 universe of coverage. Changes to the portfolio may be inflexibly limited to a monthly schedule.

GROWTH & INCOME MODEL PORTFOLIO
Performance

ANNUAL PERFORMANCE

The following table shows the hypothetical annual returns of the Growth & Income Model Portfolio. Net of fee results include hypothetical direct trading costs of $25 per trade and a hypothetical annual management fee of 100 basis points. Performance results do not address tax considerations. For comparison purposes, returns of the model portfolio are compared to returns for the S&P 500 index. In October 2005, the performance benchmark for the Growth & Income Model was changed to the S&P 500 index from the Russell 1000 Index. This change was undertaken to more closely align the benchmark with the Argus Universe of Coverage. Past performance of the Growth & Income Model Portfolio is not indicative of its future performance

HISTORICAL RETURNS

GROWTH & INCOME
Inception Date: 12/31/1997
Annualized Return Since Inception through 9/30/10: 2.48%

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	3Q10
Growth & Income Annual Returns Net of Fees, %	13.1	-0.2	17.8	-9.8	-25.9	20.8	11.9	8.2	17.8	4.7	-35.1	25.0	11.4
Benchmark Returns (S&P 500 Index)	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8	5.5	-37.0	26.4	11.3
Growth & Income Portfolio Beta	0.64	0.58	0.86	0.76	0.99	1.09	0.79	0.92	0.49	1.08	1.17	0.96	1.02
Standard Deviation Monthly Returns, %	4.6	3.3	4.5	4.7	6.5	3.9	2.1	2.3	1.2	3.6	7.3	6.5	6.3
Growth & Income Portfolio Turnover, %	-	-	-	-	-	-	51.3	50.1	48.4	57.9	58.3	50.1	57.4
Model 2-Year		6.2	8.5	3.1	-18.2	-5.4	16.2	10.0	12.9	11.0	-17.6	-9.9	
Benchmark Returns (S&P 500 Index)		24.7	4.9	-10.5	-17.2	0.1	19.5	7.9	10.2	10.5	-18.5	-10.7	
Model 3-Year			10.0	2.0	-7.6	-6.9	0.1	13.5	12.5	10.1	-7.2	-5.3	
Benchmark Returns (S&P 500 Index)			12.3	-1.0	-14.6	-4.1	3.6	14.4	10.4	8.6	-8.4	-5.6	
Model 4-Year				4.7	-4.9	-0.9	-1.4	2.2	13.4	12.8	-3	0	
Benchmark Returns (S&P 500 Index)				5.7	-6.8	-5.3	-0.5	3.9	14.8	9.2	-5.2	-0.7	
Model 5-Year					-2.3	-1.0	1.3	-0.5	5.0	12.5	-0.6	1.6	
Benchmark Returns (S&P 500 Index)					-0.6	-0.6	-2.3	0.5	6.2	12.8	-2.2	0.4	
Model 6-Year						1.2	1.0	2.4	2.4	4.9	2.6	3.2	
Benchmark Returns (S&P 500 Index)						3.8	1.3	-1.1	2.9	6.1	2.4	2.1	
Model 7-Year							2.7	2.0	4.5	2.7	-2	5.6	
Benchmark Returns (S&P 500 Index)							4.8	1.8	1.1	3.3	-1.5	5.5	
Model 8-Year								3.3	3.9	4.5	-3	1	
Benchmark Returns (S&P 500 Index)								4.8	3.4	1.7	-2.9	1.6	
Model 9-Year									4.8	4.0	-0.9	-0.3	
Benchmark Returns (S&P 500 Index)									6.0	3.7	-3.6	0	
Model 10-Year										4.8	-0.8	1.3	
Benchmark Returns (S&P 500 Index)										5.9	1.4	-0.9	

Fees: Performance figures are presented net of a hypothetical 100 basis point annual management fee and direct trading expenses of $25 per trade.

The performance the model portfolio may vary from its performance benchmark.
Past performance is not indicative of future performance.

GROWTH & INCOME MODEL PORTFOLIO
Monthly Discussion & Notes

In our hypothetical Growth & Income model portfolio, we are selling our position in the SAP ADRs of SAP AG. Based in Germany, SAP is leading global provider of business organization software for large corporations in the manufacturing and services industries. SAP Business Suite software handles tasks such as supplier relationships, production and warehouse management, sales, administration and customer relationships. Mid-sized firms use SAP Business All-in-One for comparable organizational solutions. SAP also offers various business analytics and enterprise software solutions. Since inclusion in the Growth & Income model portfolio in December 2009, the SAP ADRs have advanced 16% while delivering a 1.2% dividend yield.

Using cash on hand and asset sale proceeds, we are establishing a position in the KR shares of The Kroger Company, the Cincinnati-based grocery chain. Kroger owns and operates nearly 2,500 retail supermarkets and multi-department stores in 31 states. KR also operates 779 convenience stores, 375 fine jewelry stores, 909 supermarket fuel centers, and 40 processing plants in the U.S. These plants make about 40% of KR's private-brand units. Kroger has pharmacies in about 87% of its food stores. Retail supermarkets and multi-department stores accounted for 95% of $77 billion in FY10 annual sales. The company's name plates include Kroger, Ralphs, Fred Meyer, Food 4 Less, King Scoopers, Smith's, Fry's, Dillon's, QFC and City Market. Major competitors include Wal-Mart, other grocery chains and the club stores. For the fiscal 2011 second quarter ending August 14, Kroger topped our sales and EPS estimates. The company has consistently increased comparable sales and management has been working to strengthen customer relationships by offering targeted coupons and rewards to its best customers. We believe that earnings will benefit as the economy improves.

Purchase: **200 shares of The Kroger Co. (NYSE: KR),** at $21.54 (2.74% of the portfolio).

Sell: **100 shares of SAP AG (NYSE: SAP),** at $51.58 (100% of the position).

GROWTH & INCOME MODEL PORTFOLIO

							Current-Year		Forcast
Company	Ticker	Sector	% of Portfolio	Recent Price	No. Shares	P/E Ratio	Dividend Estimate	Projected Yield	Growth Rate
E I du Pont de Nemours and Co	DD	Basic Materials	3.01%	$46.66	100	15.7	$1.64	3.5%	6
Vulcan Materials Co	VMC	Basic Materials	2.37%	$36.79	100	1839.5	$1.00	2.7%	6
Genuine Parts Co	GPC	Consumer Discretionary	4.35%	$45.02	150	16.4	$1.64	3.6%	7
Home Depot Inc	HD	Consumer Discretionary	3.08%	$31.89	150	16.8	$0.95	3.0%	10
Kroger Co	KR	Consumer Staples	2.74%	$21.29	200	11.8	$0.39	1.8%	10
Exxon Mobil Corp	XOM	Energy	6.22%	$64.38	150	11.1	$1.74	2.7%	6
Occidental Petroleum Corp	OXY	Energy	5.36%	$83.18	100	14.9	$1.47	1.8%	6
Bank of New York Mellon Corp	BK	Financial	1.71%	$26.54	100	11.4	$0.36	1.4%	14
Chubb Corp	CB	Financial	3.63%	$56.33	100	10.6	$1.48	2.6%	6
MetLife Inc	MET	Financial	3.79%	$39.18	150	9.2	$0.74	1.9%	10
Morgan Stanley	MS	Financial	3.26%	$25.32	200	7.3	$0.20	0.8%	13
NYSE Euronext	NYX	Financial	5.62%	$29.07	300	12.4	$1.20	4.1%	10
Becton Dickinson & Co	BDX	Healthcare	4.82%	$74.75	100	14.7	$1.48	2.0%	11
Pfizer Inc	PFE	Healthcare	2.25%	$17.46	200	7.7	$0.72	4.1%	2
Deere & Company	DE	Industrials	4.86%	$75.35	100	17.3	$1.16	1.5%	7
United Parcel Service Inc	UPS	Industrials	4.35%	$67.53	100	19.6	$1.88	2.8%	11
Intel Corp	INTC	Technology	3.77%	$19.52	300	9.7	$0.63	3.2%	12
Jabil Circuit Inc	JBL	Technology	2.84%	$14.71	300	6.6	$0.28	1.9%	13
Qualcomm Inc	QCOM	Technology	2.88%	$44.76	100	19.0	$0.72	1.6%	15
Texas Instruments Inc	TXN	Technology	2.78%	$28.73	150	11.1	$0.48	1.7%	12
Visa Inc	V	Technology	4.77%	$74.00	100	18.7	$0.50	0.7%	20
CenturyLink Inc.	CTL	Telecommunications	3.84%	$39.76	150	11.8	$2.90	7.3%	4
Verizon Communications Inc	VZ	Telecommunications	4.23%	$32.83	200	15.1	$1.93	5.9%	4
AGL Resources Inc	AGL	Utility	2.51%	$38.88	100	13.0	$1.76	4.5%	7
American Electric Power Co Inc	AEP	Utility	2.33%	$36.19	100	11.7	$1.68	4.6%	6
Oneok Inc	OKE	Utility	4.65%	$48.13	150	16.3	$1.80	3.7%	5
TECO Energy Inc	TE	Utility	3.97%	$17.62	350	12.6	$0.82	4.7%	8
Totals/Averages			**100%**			**56.8**		**3.0%**	**9**

Cash Balance: $2,414.

Prices as of 10/8/10 close; additions/deletions priced at the open on 10/11/10.

MID-CAP GROWTH MODEL PORTFOLIO

Portfolio Description

INVESTMENT OBJECTIVE

The objective of the hypothetical Mid-Cap Model Portfolio is to seek capital growth. Any hypothetical income received from the investment of securities is incidental to the portfolio's objective.

INVESTOR PROFILE

The Mid-Cap Model Portfolio may be appropriate for investors who seek capital growth over the long-term and do not seek current income from their investment. This portfolio is primarily designed for investors who have a high tolerance for risk, are willing to accept the increased risks of investing in medium-sized companies and are willing to withstand volatility in the value of this non-diversified portfolio. The portfolio is not intended to be a complete investment program.

PORTFOLIO CONSTRAINTS

The hypothetical Mid-Cap Model Portfolio includes stocks selected from the Argus Research universe of coverage. Companies selected for inclusion in the Mid-Cap Growth portfolio historically have market capitalization in a range of $1 billion to $10 billion. Volatility in the market may cause market caps of some component stocks to move above or below the target range. Both BUY-rated stocks and HOLD-rated stocks are suitable for inclusion; BUY-rated, HOLD-rated and SELL-rated stocks may be removed from the model portfolio. Changes to the portfolio are historically executed on a monthly basis and are historically communicated by an Argus Research Action Alert. At the discretion of the portfolio manager, portfolio holdings downgraded to SELL by Argus Research analysts may be removed from the portfolio immediately or may be removed during the subsequent monthly portfolio review. No single issue is meant to represent more than 10% of the portfolio, but the high volatility of individual holdings may result in one or more holdings exceeding this metric. Except to facilitate transactions, the Mid Cap Growth Model Portfolio does not target a hypothetical cash balance.

PORTFOLIO RISKS

An investment in the Mid-Cap Growth Model Portfolio is subject to a range of market, sector, medium-sized security, and management risks.

Market Risk. Market risk is the possibility that market values of securities within the portfolio will decline. Investments in equity securities generally may be affected by changes in the stock markets which historically fluctuate substantially over time, sometimes suddenly and sharply. Moreover, different types of stocks and sectors may rapidly shift in and out of favor depending on the market and economic conditions. Because the Mid-Cap Growth Model Portfolio does not target a hypothetical cash balance, returns of the portfolio may be more volatile than similar portfolios that maintain cash positions as part of a defensive strategy.

Sector Risk. The Mid-Cap Growth Model Portfolio may overweight select selectors including but not limited to technology, healthcare, financial services, and energy. As such portfolio returns may deviate substantially from diversified portfolios.

Risks of Medium-Sized Securities. Companies within this model portfolio are selected because the manager believes they have growth potential. But these companies may lack an established market and may lack a proven record of sales and earnings growth. With limited resources, these companies may not be able to commercialize proprietary technology or be able to partner with established firms to bring products to market. Moreover, company management may not have the experience to develop and execute appropriate operating plans. As such companies within the Mid-Cap Growth Portfolio may be subject to more abrupt or erratic market movements than securities of larger established companies or the stock market in general. Moreover, medium-sized companies as a group may under perform larger companies for an extended period. Finally, medium-sized companies are generally less liquid than large companies.

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 universe of coverage. Changes to the portfolio may be inflexibly limited to a monthly schedule.

MID-CAP GROWTH MODEL PORTFOLIO
Performance

ANNUAL PERFORMANCE

The following table shows the hypothetical annual returns of the Mid-Cap Growth Model Portfolio. Net of fee results include hypothetical direct trading costs of $25 per trade and a hypothetical annual management fee of 100 basis points. Performance results do not address tax considerations. For comparison purposes, returns of the model portfolio are compared to returns for the S&P 500 index. In October 2005, the performance benchmark for the Mid-Cap Growth Model Portfolio was changed to the S&P 500 index from the Russell 3000 Growth Index. This change was undertaken to more closely align the benchmark with the Argus Universe of Coverage. Past performance of the Mid-Cap Growth Portfolio is not indicative of its future performance.

HISTORICAL RETURNS

MID-CAP GROWTH
Inception Date: 12/31/1997
Annualized Return Since Inception through 9/30/10: 6.79%

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	3Q10
Mid-Cap Growth Annual Returns Net of Fees, %	23.3	108.2	-20.9	-19.7	-30.6	50.3	18.6	19.6	8.5	4.5	-43.4	35.3	15.6
Benchmark Returns (S&P 500 Index)	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8	5.5	-37.0	25.4	11.3
Mid-Cap Growth Portfolio Beta	1.18	2.63	1.55	2.50	1.72	1.27	2.43	1.56	1.86	1.16	1.20	0.86	1.06
Standard Deviation Monthly Returns, %	10.1	12.0	16.4	15.2	11.0	5.5	5.6	4.1	4.3	3.8	8.2	7.2	6.6
Mid-Cap Growth Portfolio Turnover, %							57.3	44.8	42.6	69.1	73.2	68.8	49.5
Model 2-Year		60.2	28.3	-20.3	-25.4	2.1	33.5	19.1	13.9	6.5	-23.1	-12.5	
Benchmark Returns (S&P 500 Index)		24.7	4.9	-10.5	-17.2	0.1	19.5	7.9	10.2	10.5	-18.5	-10.7	
Model 3-Year			26.6	9.8	-23.9	-5.7	7.3	28.7	15.5	10.7	-13.7	-7.2	
Benchmark Returns (S&P 500 Index)			12.3	-1.0	-14.6	-4.1	3.6	14.4	10.4	8.6	-8.4	-5.6	
Model 4-Year				13.0	-2.1	-9.8	-0.2	10.3	23.3	12.6	-6.4	-3.5	
Benchmark Returns (S&P 500 Index)				5.7	-6.8	-5.3	-0.5	3.9	14.8	9.2	-5.2	-0.7	
Model 5-Year					2.5	6.6	-4.7	3.5	9.9	19.3	-1.9	0.8	
Benchmark Returns (S&P 500 Index)					-0.6	-0.6	-2.3	0.5	6.2	12.8	-2.2	0.4	
Model 6-Year						9.3	8.6	-1.0	4.3	9.0	5.4	3.5	
Benchmark Returns (S&P 500 Index)						3.8	1.3	-1.1	2.9	6.1	2.4	2.1	
Model 7-Year							10.5	10.1	0.3	4.3	-0.7	9.2	
Benchmark Returns (S&P 500 Index)							4.8	1.8	1.1	3.3	-1.5	5.5	
Model 8-Year								11.6	9.9	0.8	-3.3	3.2	
Benchmark Returns (S&P 500 Index)								4.8	3.4	1.7	-2.9	1.6	
Model 9-Year									11.3	9.3	-5.5	0.3	
Benchmark Returns (S&P 500 Index)									6.0	3.7	-3.6	0	
Model 10-Year										10.6	2.3	-2	
Benchmark Returns (S&P 500 Index)										5.9	1.4	-0.9	

Fees: Performance figures are presented net of a hypothetical 100 basis point annual management fee and direct trading expenses of $25 per trade.

The performance the model portfolio may vary from its performance benchmark.
Past performance is not indicative of future performance.

MID-CAP GROWTH MODEL PORTFOLIO
Monthly Discussion & Notes

Argus Research continuously seeks to reconcile recommendations within the Argus Model Portfolios with our GIPS-compliant performance accounting system from Advent Inc. We have discovered minor incongruities between the accounts as shown in our published Model Portfolios and the accounts as recorded in Advent. These incongruities are principally related to corporate events such as stock dividends or spin-offs resulting in "stump" positions. Within Mid-Cap Growth, two positions indicated as completely divested within the Model Portfolios were actually only partly divested within Advent. We are reconciling these incongruities in this month's Model Portfolio report.

In our hypothetical Mid-Cap Growth model portfolio, we are selling positions resulting from reconciliation with our Advent accounting system. The two holdings represent positions recorded as completely divested that actually were partially divested. This includes a 200-share position in Hologic Inc., a provider of medical diagnostic and digital imaging equipment; and BigBand Networks, a provider of video networking gear such as switched digital video (SDV) systems and quadrature amplitude modulation (QAM) systems. A portion of the HOLX shares were divested when they met out return objectives. A portion of the BBND shares were divested when the company's performance failed to meet our objectives for the Mid-Cap Growth portfolio.

Using sale proceeds and cash on hand, we are establishing a position in the AMAT shares of Applied Materials, the largest manufacturer of semiconductor capital equipment in the U.S.

Purchase: 300 shares of Applied Materials Inc. (NGS: AMAT),
at $11.79 (1.40% of the portfolio).

Sell: 200 shares of Hologic Inc. (NGS: HOLX),
at $16.05 (100% of the position).
250 shares of BigBand Networks, Inc. (NGM: BBND),
at $3.01 (100% of the position).

The company develops, manufactures and services integrated circuit (IC) fabrication equipment, including products used in deposition, etching, ion implantation, metrology, wafer inspection and mask-making. In recent years, Applied Materials has expanded its presence in flat panel displays and in solar wafer fabrication. Applied Materials reported a strong fiscal 3Q10 (ended July 2010), featuring a 1.08 book-to-bill ratio and 150%-plus year-over-year order growth. Overall sales rose 10% sequentially, supporting a solid non-GAAP gross margin of 44%. Demand was particularly good in the Energy & Environmental Solutions (EES) segment. Applied Materials has exited the thin-film solar wafer equipment business, which it called SunFab; going forward, the company will focus on providing wafer fabrication equipment for crystalline silicon solar PV applications. Management looks for additional 2.5% sequential revenue growth (at the guidance midpoint) in fiscal 4Q10, led by the silicon segment and the EES business, along with rising profitability amid expanding margins.

MID-CAP GROWTH MODEL PORTFOLIO

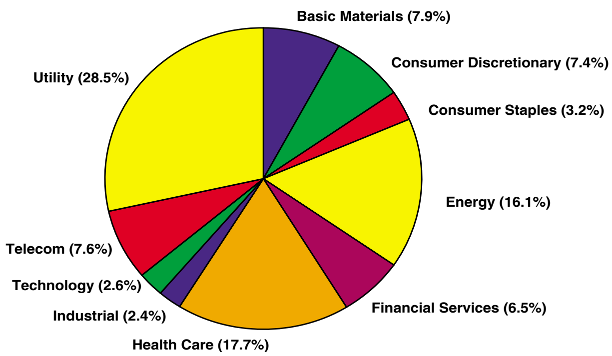
Company	Ticker	Sector	% of Portfolio	Recent Price	No. Shares	P/E Ratio	Current-Year Dividend Estimate	Current-Year Projected Yield	Forcast Growth Rate
Goodyear Tire & Rubber Co	GT	Consumer Discretionary	2.75%	$11.57	600	35.1	$0.00	0.0%	12
Herbalife Ltd	HLF	Consumer Discretionary	5.11%	$64.51	200	14.6	$0.90	1.4%	18
JC Penney Co Inc	JCP	Consumer Discretionary	4.50%	$32.49	350	22.6	$0.80	2.5%	12
Scripps Networks Interactive I	SNI	Consumer Discretionary	3.75%	$47.28	200	23.1	$0.30	0.6%	10
Ralcorp Holdings Inc	RAH	Consumer Staples	2.35%	$59.26	100	13.2	$0.00	0.0%	11
Sanderson Farms Inc	SAFM	Consumer Staples	3.13%	$39.52	200	7.4	$0.60	1.5%	12
Noble Corp	NE	Energy	5.41%	$34.12	400	11.2	$1.60	4.7%	15
Tidewater Inc	TDW	Energy	3.55%	$44.86	200	13.8	$1.00	2.2%	12
IntercontinentalExchange Inc	ICE	Financial	5.56%	$112.36	125	19.5	$0.00	0.0%	20
Lazard Ltd	LAZ	Financial	2.13%	$35.84	150	20.5	$0.50	1.4%	12
State Auto Financial Corp	STFC	Financial	2.50%	$15.79	400	38.5	$0.60	3.8%	6
Allscripts Misys Healthcare	MDRX	Healthcare	5.12%	$18.48	700	23.7	$0.00	0.0%	20
AmerisourceBergen Corp	ABC	Healthcare	2.51%	$31.67	200	14.6	$0.36	1.1%	10
Cephalon Inc	CEPH	Healthcare	2.44%	$61.50	100	8.3	$0.00	0.0%	15
United Therapeutics Corp	UTHR	Healthcare	6.63%	$55.84	300	27.1	$0.00	0.0%	25
AECOM Technology Corp	ACM	Industrials	3.87%	$24.40	400	11.9	$0.00	0.0%	14
AirTran Holdings Inc	AAI	Industrials	2.92%	$7.36	1000	12.5	$0.00	0.0%	15
Amerigon Inc	ARGN	Industrials	7.39%	$10.37	1800	28.0	$0.00	0.0%	15
Activision Blizzard Inc	ATVI	Technology	2.20%	$11.11	500	15.4	$0.15	1.4%	15
Applied Materials Inc	AMAT	Technology	1.40%	$11.82	300	14.1	$0.26	2.2%	11
Dell Inc	DELL	Technology	3.80%	$13.69	700	10.6	$0.00	0.0%	11
Digital River Inc	DRIV	Technology	2.80%	$35.34	200	44.2	$0.00	0.0%	12
Emulex Corp	ELX	Technology	1.62%	$10.22	400	22.2	$0.00	0.0%	12
First Solar Inc	FSLR	Technology	5.45%	$137.62	100	18.7	$0.00	0.0%	12
IHS Inc.	IHS	Technology	2.71%	$68.37	100	23.3	$0.00	0.0%	17
Polycom Inc	PLCM	Technology	1.64%	$27.54	150	19.1	$0.00	0.0%	14
Vishay Intertechnology Inc	VSH	Technology	2.72%	$9.82	700	7.2	$0.00	0.0%	12
Aqua America Inc	WTR	Utility	4.05%	$20.44	500	23.2	$0.55	2.7%	9
Totals/Averages			**100%**			**19.8**		**0.9%**	**14**

Cash Balance: $1,300.

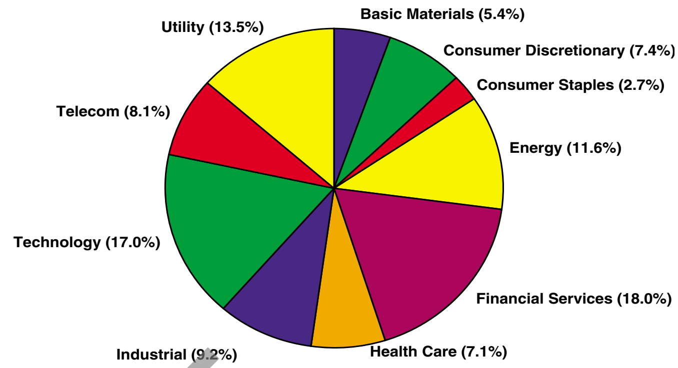
Prices as of 10/8/10 close; additions/deletions priced at the open on 10/11/10.

SECTOR COMPARISON

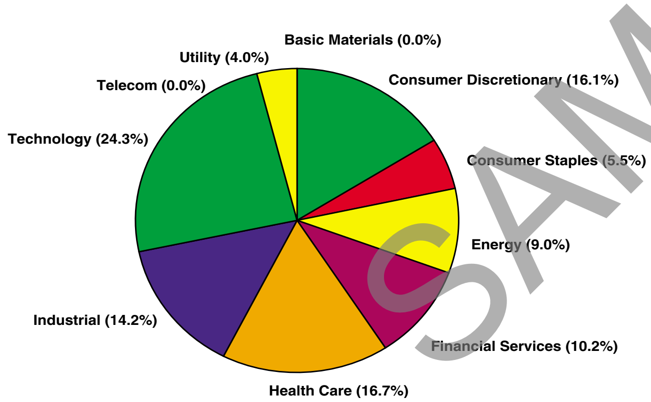
EQUITY INCOME



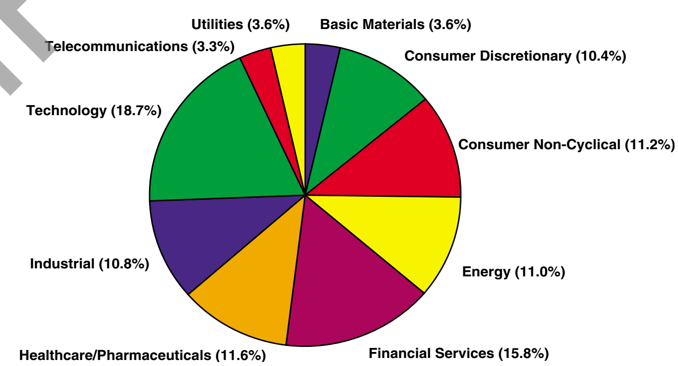
GROWTH & INCOME



MID-CAP GROWTH



S&P 500 SECTOR WEIGHTING



Methodology & Disclaimer

ABOUT ARGUS

Argus Research, founded by Economist Harold Dorsey in 1934, has built a top-down, fundamental system that is used by Argus analysts. This six-point system includes Industry Analysis, Growth Analysis, Financial Strength Analysis, Management Assessment, Risk Analysis and Valuation Analysis.

Utilizing forecasts from Argus' Economist, the Industry Analysis identifies industries expected to perform well over the next one-to-two years.

The Growth Analysis generates proprietary estimates for companies under coverage.

In the Financial Strength Analysis, analysts study ratios to understand profitability, liquidity and capital structure.

During the Management Assessment, analysts meet with and familiarize themselves with the processes of corporate management teams.

Quantitative trends and qualitative threats are assessed under the Risk Analysis.

And finally, Argus' Valuation Analysis model integrates a historical ratio matrix, discounted cash flow modeling, and peer comparison.

THE ARGUS RESEARCH RATING SYSTEM

Argus uses three ratings for stocks: BUY, HOLD, and SELL. Stocks are rated relative to a benchmark, the S&P 500.

- A BUY-rated stock is expected to outperform the S&P 500 on a risk-adjusted basis over a 12-month period. To make this determination, Argus Analysts set target prices, use beta as the measure of risk, and compare expected risk-adjusted stock returns to the S&P 500 forecasts set by the Argus Market Strategist.
- A HOLD-rated stock is expected to perform in line with the S&P 500.
- A SELL-rated stock is expected to underperform the S&P 500.

The hypothetical model portfolios may include stocks rated either BUY or HOLD. Generally, the model portfolio management team favors BUY-rated stocks for inclusion. However, in order to achieve objectives such as suitable industry diversification, or low turnover, HOLD-rated stocks may be included in the models.