



For the second quarter of 2018, Argent's Mid Cap strategy returned 0.03% (*net of fees*) behind the Russell Mid Cap® Index return of 2.8%. While we wish we could outperform every quarter, we expect to see this type of short-term performance on occasion. Argent is focused on investing for the long term and our strategy continues to outperform the Russell Mid Cap on a trailing one-year, three-year and since-inception basis (*net of fees*).

The first half of 2018 is in the books, and with it, we've seen two tailwinds for mid cap stocks: corporate tax reform and the strength of the U.S. dollar. Since the new tax plan was finalized in December, corporate tax rates have fallen from 35 percent to 21 percent. Mid cap companies tend to generate more of their revenue domestically, while large cap companies are likely to have more overseas exposure. With higher domestic revenues, mid caps are poised to receive greater benefits from the tax reform. The good news is that this increase in cash flow to mid cap companies should directly fuel growth, jobs and wages in the United States. Another tailwind for mid cap companies is the rising dollar. Since most mid caps' revenues are domestic, they tend to be more insulated than large companies, whose goods and services can become more expensive for foreign buyers when the dollar is strong.

Mid cap stocks are often overlooked by the media – they are U.S. companies that are large enough to be stable businesses, but are frequently not yet household names. One such company, headquartered in Baton Rouge, Louisiana, is Amedisys, one of the largest providers of personalized home health and hospice care services in the country. Amedisys piqued our interest as industry reports indicated the home care industry is growing twice as fast as the overall economy with multiple growth tailwinds, including an aging population and lower costs compared to hospital-based care.

In order to add a company to an Argent portfolio, it must meet the criteria outlined in our Change-BasedSM investment process. Two of these criteria are being able to identify positive change occurring in the company, and accelerating earnings or revenues as a result of the change. Several years ago, despite the growth in the home health care industry, Amedisys had operational problems that caused poor quality of care, high employee turnover and lower payments from Medicare and other insurance customers. In 2017, a new senior leadership team was brought in to manage a company turnaround. The new Chief Executive Officer realigned management compensation to incentivize both himself and his team to focus on the problem areas. The management team now gets paid more if they improve the quality of care, which results in better patient outcomes, higher payments from insurers and reduced employee turnover. This positive change resulted in a 40% growth in earnings over the past year and made Amedisys an attractive addition to Argent's Mid Cap strategy.

As always, we appreciate your interest in Argent Capital Management. We have four very successful equity strategies – Large Cap U.S., Small Cap U.S., Dividend Select and Mid Cap U.S. We are very proud of all, and if you have questions on any of these, or know others who might have an interest in our strategies and mailings, please call us.

Sincerely,

Kirk McDonald
Senior Research Analyst – Quantitative

This is supplied as supplemental information to the composite disclosures presented later in this document. Past performance is no guarantee of future results. Views expressed herein represent the opinion of the portfolio manager as of the date above and are subject to change. The information provided in this report should not be considered a recommendation to purchase or sell any particular security. You should not assume that investments in any securities within these sectors were or will be profitable. A list of stocks recommended by Argent in the past year is available upon request.

Argent Capital Management, LLC

ARGENT MID CAP COMPOSITE March 31, 2014 through June 30, 2018

For the period ending December 31,	Composite Return % Gross-of-Fees	Composite Return % Net-of-Fees	Russell Mid Cap Return (%)	Composite 3-Yr St. Dev (%)	Russell Mid Cap 3-Yr St. Dev (%)	Number of Composite Accounts	Composite Assets (\$ millions)	Principal Business Assets (\$ millions)	Internal Dispersion (%)
2017	25.55	25.22	18.52	11.24	10.36	19	27	2,898	0.27
2016	13.12	12.85	13.80	NA	NA	17	20	2,604	0.70
2015	-0.79	-0.94	-2.44	NA	NA	11	14	2,357	0.00
2014 (3-31-14 to 12-31-14)	9.98	9.98	9.36	NA	NA	1	1	2,817	NA
Three -Year Annualized	12.11	11.87	9.58						
Information for period(s) ending June 30, 2018									
2 nd Quarter 2018	0.09	0.03	2.82	11.17	10.31	24	40	2,921	
Trailing 1-Year	13.67	13.39	12.33						
Trailing 3-Year	11.45	11.18	9.58						
Since Inception Annualized	10.58	10.38	9.54						

Disclosures:

- Argent Capital Management, LLC ("Argent") is an independent investment management firm comprised of two distinct business entities: the Non-Wrap Fee/SMA Business of Argent Capital Management, LLC ("Principal Business"), which does not include wrap fee/SMA clients; and the Wrap Fee/SMA Business of Argent Capital Management, LLC ("Wrap Business"), which includes only wrap fee/SMA clients. The Principal Business claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. The Principal Business has been independently verified for the period January 1, 2003 through December 31, 2017. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.
- This composite represents investment performance for portfolios in U.S. equities with strong earnings and mid-capitalization, for which Argent has sole investment discretion. Portfolios typically include 40-50 equity holdings. This composite was created in April 2016. A complete list and description of composites is available upon request. The name was changed from Argent Special Situations Composite to Argent Mid Cap Composite in December 2017.
- The benchmark is the Russell Mid Cap® Index which measures the performance of the mid-cap segment of the U.S. equity universe. It includes approximately 800 of the smallest securities in the Russell 1000 Index. Russell Investment Group is the source and owner of the Russell Index data contained or reflected in this material and all trademarks and copyrights related thereto. The presentation may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. This is a presentation of Argent. Russell Investment Group is not responsible for the formatting or configuration of this material or for any inaccuracy in Argent's presentation thereof.
- Valuations are computed and performance reported in U.S. currency. Performance results are total return, (i.e. include the reinvestment of all income). Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Past performance is no guarantee of future results.
- Gross-of-fee returns are presented before management and certain custodial fees, but after all trading expenses except for accounts with asset-based-pricing fees. Net of fee performance is calculated by reducing gross performance by actual management fees incurred and any asset-based-pricing fees for applicable portfolios as asset-based-pricing fees are considered a trading expense. The composite includes portfolios that pay a fee based on a percentage of assets under management. The composite includes accounts with asset-based-pricing fees which represented approx. 5% of composite assets during the years 2016 and 2017.
- Standard annual advisory fees are calculated as a percentage of assets under management according to the following schedule; 1% on the first \$1M, .80% on the next \$2M, .65% on the balance thereafter, although fees may be negotiated or waived in certain circumstances. Non-fee paying accounts represent 100% of the composite during 2014, 1.1% in 2015, 8.5% in 2016, and 10.1% in 2017.
- Internal dispersion is calculated using the asset-weighted standard deviation of all portfolios that were included in the composite for an entire year, net of fees.
- The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The standard deviation is not presented for years 2014 through 2016 since the composite inception date of 3/31/14 does not provide historical data to calculate a 3-year formula.