



With the third quarter officially in the books, we look back on the Argent Dividend Select strategy for the quarter, and we are happy with the results. The strategy has met our high expectations and delivered outperformance versus the Russell 1000 Value® Index for the third quarter, and also on a longer-term basis. The Argent Dividend Select strategy has remained particularly popular for those clients seeking a more conservative, value-oriented approach to investing.

The Federal Reserve cut interest rates by a quarter percentage point in September for the second time in the third quarter. So what does this mean for investors? When interest rates fall, the yield on newly issued bonds is lower, and investors tend to move toward other sources of return, such as dividend stocks. Dividend stocks are attractive as they offer investors the opportunity for a dividend (which hopefully increases most years) plus capital appreciation.

For one of the few times in history, we are at a time where stocks are yielding more than bonds. As of September 30, the 10-Year Treasury is yielding 1.7%, while the dividend yield on the S&P 500® Index is 1.9%. Furthermore, the Argent Dividend Select Strategy maintains a 3.0% yield, *well ahead* of the S&P 500 Index (even the 30-Year Treasury is only yielding 2.1%).

While dividend stocks may not have the sex appeal of faster-growing counterparts, these quality companies are a great way to generate returns in a time of slower economic growth and political uncertainty. According to Greenrock Research, dividend stocks often beat non-dividend paying companies over long periods of time. For example, a portfolio containing the top 20% of S&P companies ranked by dividend yield and weighted by market capitalization *outperformed* the overall S&P 500 benchmark by *2.1% annually* from 1958-2018.

In closing, the Federal Reserve has two more meetings this year (at the end of October and mid-December). We can't predict if the Federal Reserve will continue to cut rates, but we can continue to apply our Change BasedSM investment process to identify companies with strong growth potential, higher than average dividends and dividends expected to grow annually. 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,

A handwritten signature in blue ink that reads "Scott Harrison". The signature is fluid and cursive.

Scott Harrison, CFA
Portfolio Manager

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.

Performance returns cited represent past performance, which does not guarantee future results. Returns assume reinvestment of dividend and interest but returns do not reflect the effect of taxes and/or fees that an investment would incur. Please see the Dividend Select Fact Sheet on our website for additional performance details and disclaimers."

Argent Capital Management, LLC

ARGENT LARGE CAP DIVIDEND SELECT COMPOSITE

January 31, 2005 through September 30, 2019

For the period ending December 31,	Composite Return % Gross-of-Fees	Composite Return % Net-of-Fees	Russell 1000 Value Return (%)	Composite 3-Yr St. Dev (%)	Russell 1000 Value 3-Yr St Dev (%)	Number of Composite Accounts	Composite Assets (\$ millions)	Principal Business Assets (\$ millions)	Internal Dispersion (%)
2018	-10.47	-10.73	-8.27	10.30	10.82	209	528	2,542	0.65
2017	16.84	16.49	13.66	8.97	10.20	203	611	2,898	0.38
2016	13.54	13.18	17.34	9.59	10.77	192	540	2,604	0.66
2015	3.88	3.55	-3.83	10.57	10.68	178	452	2,357	0.38
2014	10.24	9.88	13.45	9.28	9.20	155	404	2,817	0.38
2013	36.93	36.50	32.53	11.24	12.70	115	282	2,478	2.30
2012	14.82	14.36	17.51	14.34	15.51	75	113	1,782	0.57
2011	3.71	3.08	0.39	17.87	20.69	25	42	1,247	1.43
2010	12.97	12.31	15.51	20.57	23.18	11	8	1,145	1.33
2009	22.88	22.12	19.69	18.19	21.10	9	6	829	2.86
Three -Year Annualized	5.90	5.58	6.95						
Five -Year Annualized	6.35	6.01	5.95						
Ten-Year Annualized	11.90	11.44	11.18						
Information for period(s) ending September 30, 2019									
3 rd Quarter 2019	3.24	3.16	1.36	11.78	12.17	215	621	2,788	
Rolling 1 - Year	2.06	1.76	4.00						
Rolling 3 - Year	9.06	8.74	9.43						
Rolling 5 - Year	8.53	8.20	7.79						
Rolling 10 - Year	12.26	11.83	11.46						
Since Inception Annualized	8.92	8.41	7.42						

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, 2018. 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 with an Equity Income investment objective for which Argent has sole investment discretion. Portfolios typically include the following as a percentage of total portfolio value: equity holdings (excluding mutual funds) greater than 80%; cash less than 10%; and fixed income, mutual funds and preferred investments less than 20%. This composite was created in September 2011. A complete list and description of composites is available upon request. The name was changed from Argent Large Cap Equity Income Composite to Argent Large Cap Dividend Select Composite in September 2012.
- The benchmark is the Russell 1000 Value Index which measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values. Performance results prior to December 31, 2012 were measured against the S&P 500 Index. Effective September 30, 2018 we will no longer present the S&P 500 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 where commissions have been waived. Net-of-fees performance is calculated by reducing gross performance by actual management fees incurred. During 2018, the composite included portfolios where commissions were waived representing less than 20% of composite assets.
- 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 less than 1% of the composite assets during the periods of 2012 - 2018.
- 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.