



2020 has given us a wild ride so far. At the beginning of the year, the scene was set for another great year of economic expansion. The U.S. market and economic data kept rising throughout most of February, until the coronavirus suddenly took over the news. Things obviously changed overnight and we saw the S&P 500® Index journey from a bull to a bear market in just 20 days.

As the first quarter of 2020 has seen heightened market volatility, dividend stocks are quickly becoming a popular income alternative. As of this writing, the yield on the 10-year U.S. Treasury bond is a mere 0.7%. Against this incredibly low-interest rate backdrop, many investors are looking for strategies to enhance the return in their portfolios. That is where a high dividend strategy like ours can really work wonders over time. The following chart shows the yield on the Argent Dividend Select strategy versus the 10-year Treasury Yield.



Of course, given the financial impact of the coronavirus there are legitimate questions about dividends. Will companies keep paying them? Will annual dividend increases, which have averaged over 6% over the past 60 years, continue to be made?

Candidly, much is unclear right now, but certain industries – hotels, airlines, oil and gas for starters – will definitely be negatively impacted. Some banks are also suspect. However, as we see things today, Argent’s Dividend Select stock portfolio seems well-positioned to ride out this storm, and it is something we are watching closely. We studied our experience in the 2008-09 market collapse. Despite an even *worse* market downturn than we have now, the Dividend Select strategy never had a year throughout the crisis where overall dividend income did not grow. In fact, taking a longer-term horizon, the 5-year dividend growth rate of the portfolio has never dipped below 6% since the inception of the strategy. The following chart shows the trailing 5-year average dividend growth rate for the Argent Dividend Select strategy.

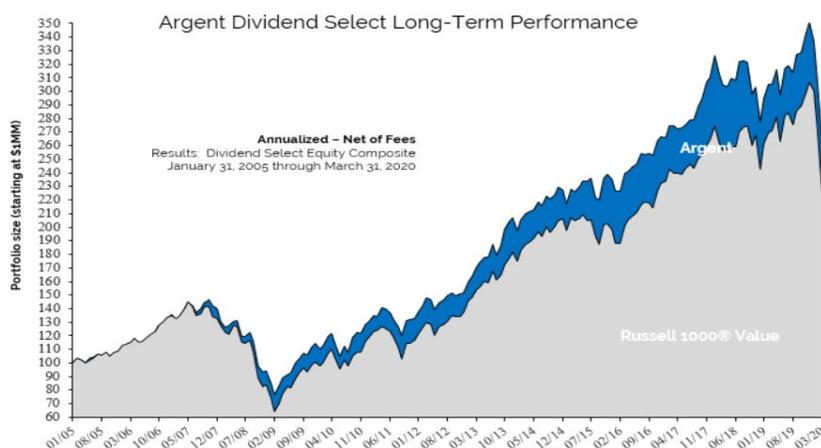
Past performance is no guarantee of future results. Views expressed herein represent the opinion of the portfolio manager as of the date above and are subject to change. The information provided in this report should not be considered a recommendation to purchase or sell any particular security. You 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.”

Trailing 5 Year Average Dividend Growth Rate for Argent Dividend Select Strategy



We cannot promise that level of growth this year, or in any year, but it is encouraging to know that our stock selection process has successfully weathered previous storms. The combination of the yield advantage over the 10-year Treasury bond, the potential for growth in the dividends paid, and the opportunity for capital appreciation in the underlying stocks themselves has historically generated an attractive return stream. This is illustrated by the following chart which shows the Argent Dividend Select long-term performance over time.



For comparison purposes, the strategy is measured against the Russell 1000 Value® Index. Past performance is no guarantee of future results. Data is preliminary as of 03/31/20 and is supplied as supplemental information to the composite disclosures presented later in this document. 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.

We continue to upgrade the quality of the stocks in the portfolio taking advantage of opportunities as they present themselves. This can be in the form of increasing position sizes of existing holdings or in adding new positions altogether. An example of this is our decision to initiate a position in Starbucks, a company we believe is a long term winner in any environment and was previously out of our reach from a valuation standpoint.

The funds used to buy Starbucks came from our decision to sell Huntsman Corporation. Huntsman is a commodity-based chemical company, and in our view its future growth is less in management's control and more dependent on commodity pricing. Given the uncertainties in the commodity markets we viewed Starbucks as a better trade and an opportunity to upgrade the portfolio.

As always, we appreciate your interest in Argent Capital Management and think it is a particularly great time for long-term investors to consider strategies investing in high dividend-paying companies. Overall, we have four very successful equity strategies – Large Cap U.S., Small Cap U.S., Dividend Select and Mid Cap U.S. 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,

Scott Harrison, CFA- Portfolio Manager

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Argent Capital Management, LLC

ARGENT LARGE CAP DIVIDEND SELECT COMPOSITE

January 31, 2005 through March 31, 2020

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 (%)
2019	26.98	26.62	26.54	11.80	11.85	213	642	3,019	0.58
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
Three -Year Annualized	9.93	9.60	9.68						
Five -Year Annualized	9.40	9.06	8.29						
Ten-Year Annualized	12.27	11.85	11.80						
Information for period(s) ending March 31, 2020									
1 st Quarter 2020	-25.53	-25.58	-26.73	15.80	16.55	217	473	2,229	
Rolling 1 - Year	-14.20	-14.44	-17.17						
Rolling 3 - Year	-1.36	-1.65	-2.18						
Rolling 5 - Year	3.25	2.94	1.90						
Rolling 10 - Year	8.54	8.15	7.67						
Rolling 15 - Year	6.94	6.45	5.41						
Since Inception Annualized	7.03	6.54	5.48						

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 2019, 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 - 2019.
- 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.