



The Argent Dividend Select portfolio gained 8.3% for the third quarter, outpacing the Russell 1000 Value® Index return of 5.6%. Perhaps even more impressive is the strategy's consistent track record. It is not only outperforming its benchmark over recent time periods but every major time period since inception including the trailing one, three, five, ten and fifteen-year periods (net of fees). It's always a good time to invest in dividend paying stocks, but during a low interest rate environment, they make an even more compelling investment.

A key driver of outperformance for the strategy has been our investments in the Information Technology sector and in particular, Microsoft Corporation and Skyworks Solutions, Inc. Microsoft develops, licenses and supports a range of software products, services and gaming platforms for computing devices worldwide. The company has returned over 30% year-to-date. Microsoft is well-positioned to continue growing as many businesses shift their computing from internal company servers to Microsoft's public cloud service, Azure. Microsoft possesses strong cash flows and has a historical track record of returning cash to shareholders in the form of stock buybacks and dividends. Although Microsoft isn't one of the highest yielding stocks in the Dividend Select portfolio, the company grew its dividend by 30% over the last three years! With an impressive balance sheet, little debt, and benefiting from the migration to the cloud, we believe Microsoft is a compelling investment.

Another Information Technology company benefiting the portfolio is Skyworks Solutions. Skyworks provides semiconductors worldwide. The company's products support smartphones as well as tablet, automotive, broadband, cellular infrastructure and energy management applications. The company is well-positioned to benefit from the expected transition to 5G (fifth-generation) smartphones. Because of the increased complexity of 5G smartphones, Skyworks has the potential to generate more profit from the upcoming transition to 5G technology. It also returns the majority of its excess capital to shareholders in the form of dividends and share buybacks. In fact, Skyworks grew its dividend 50% over the last three years.

Going forward, we continue to position the Dividend Select portfolio for success. We look for companies with strong cash flow, solid balance sheets and offer sustainable and growing dividends. Ideally, we purchase quality, dividend growing companies and hold them for the long term. This theme can be illustrated by our decision to increase our exposure to Financials during the year. The Financial sector was one of the hardest-hit sectors during the COVID-19 induced stock market volatility. Using the Global Financial Crisis as a guidepost, investors priced in a worst-case scenario for Financials. With a long-term investment horizon in mind, we believe investors had an overly pessimistic view considering the strong balance sheet positions for some of the names in the sector. As a result, we added to some of our existing investments within the sector such as Discover Financial Services, Regions Financial Corporation and Truist Financial Corporation. We also added BlackRock, Inc., the world's largest asset manager.

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 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, please call us.

Sincerely,

A handwritten signature in blue ink, appearing to read "Scott Harrison".

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."