

# ARGENT DIVIDEND SELECT

Argent

SEPARATE ACCOUNT

March 31, 2023 | 1Q 2023

## WHAT WE BELIEVE

We believe the most powerful force in investing is **compounding** cash flows. Argent invests in **high quality**, attractively valued businesses that can thrive in an ever-changing world. We call these **enduring businesses**.

To us an enduring business...

- is growing cash flows,
- has a durable competitive advantage, and
- allocates capital wisely.

To capitalize on the power of compounding, we build concentrated, low turnover portfolios of these enduring businesses. **Time horizon is our edge.**

Firm AUM: \$3.1B

Argent Dividend Select AUM: \$723M

Argent Dividend Select Inception: 01/31/2005

## INVESTMENT TEAM

### Dividend Select Portfolio Team

**Scott A. Harrison, CFA** Portfolio Manager  
26 Years Experience

**Kenneth H. Crawford** Portfolio Manager  
32 Years Experience

### One Argent - Intentional Collaboration

**Kirk McDonald, CFA** Portfolio Manager  
21 Years Experience

**Peter Roy, CFA** Portfolio Manager  
24 Years Experience

**Jed Ellerbroek, Jr., CFA** Senior Research Analyst  
18 Years Experience

**Brian Reynolds, CFA, CFP** Senior Research Analyst  
16 Years Experience

**Steven K. Smith, CFA** Senior Research Analyst  
9 Years Experience

**Bill Weeks, Ph.D., CFA** Senior Research Analyst, Quantitative  
18 Years Experience

**Parker Moses, CFA** Research Analyst  
2 Years Experience

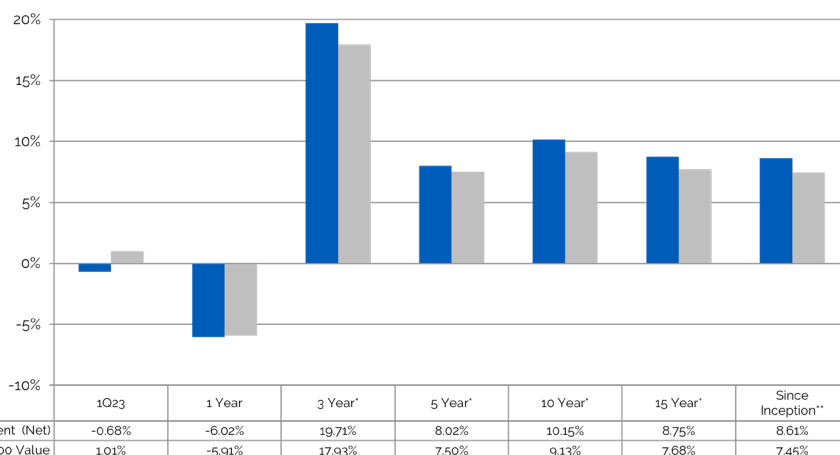
**Ward Brown** Chairman of Argent Investment Committee  
27 Years Experience

## INVESTMENT OBJECTIVE AND STRATEGY

Our Dividend Select strategy combines the art (deep fundamental research) and science (Argent Alpha Model) of investing to narrow our universe to high quality, dividend paying businesses. We perform in-depth analysis in search of durable competitive advantages in companies led by skilled, forward thinking management teams.

Argent's Dividend Select process results in a concentrated, low turnover portfolio consisting of 30-35 companies. The goal of the strategy is to outperform the Russell 1000 Value Index over the long term.

## PERFORMANCE



\*Annualized  
\*\*Since Inception, 01/31/2005 Annualized

## CHARACTERISTICS

	Argent Dividend Select	Russell 1000 Value
Number of Holdings	34	849
Weighted Avg Market Cap (MM)	\$207,691	\$154,998
Dividend Yield	2.9%	2.3%
Dividend Growth Rate (Median)	10.2%	7.3%
Forecasted P/E	17.7x	20.3x
Return on Equity	27.0%	14.0%
CFROA	11.3%	9.8%
Estimated Sales Growth (NTM)	4.2%	4.2%
Estimated EPS Growth (NTM)	6.9%	5.7%

## Statistical Summary (Since Inception as of 03/31/23)

	Argent Dividend Select	Russell 1000 Value
Beta	0.91	1.00
R-Squared	0.94	1.00
Standard Deviation	15.96%	16.97%
Up Capture	100.45%	
Down Capture	86.54%	

## TOP TEN HOLDINGS & SECTOR ALLOCATION

	Argent Dividend Select Weight (%)		Argent Dividend Select Weight (%)	Russell 1000 Value Weight (%)
Eaton Corporation plc	4.8	Communication Services	2.38	8.68
JPMorgan Chase & Co.	4.7	Consumer Discretionary	7.34	5.94
Chevron Corporation	4.5	Consumer Staples	7.27	7.61
AbbVie Inc.	3.6	Energy	7.05	7.95
UnitedHealth Group, Inc.	3.5	Financials	23.33	20.06
Tractor Supply Company	3.4	Health Care	12.63	16.35
Booz Allen Hamilton Holding Co.	3.3	Industrials	19.14	10.91
Automatic Data Processing, Inc.	3.3	Information Technology	11.27	7.97
PepsiCo, Inc.	3.3	Materials	2.95	4.48
Principal Financial Group, Inc.	3.3	Real Estate	4.51	4.46
		Utilities	--	5.60
		Cash	2.12	--

## ARGENT DIVIDEND SELECT COMPOSITE DISCLOSURES - JANUARY 31, 2005 THROUGH MARCH 31, 2023

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)	Firm Assets (\$ millions)	Internal Dispersion (%)
2022	-8.41	-8.68	-7.54	20.64	21.25	277	728	2,828	0.33
2021	27.11	26.75	25.16	18.39	19.05	257	814	3,517	0.32
2020	11.36	11.04	2.80	19.16	19.62	236	640	2,874	0.68
2019	26.98	26.62	26.54	11.82	11.85	213	642	3,019	0.58
2018	-10.54	-10.81	-8.27	10.32	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	193	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
Three -Year Annualized	9.04	8.73	5.96						
Five -Year Annualized	8.05	7.74	6.67						
Ten -Year Annualized	11.85	11.51	10.29						
Fifteen -Year Annualized	8.53	8.11	6.96						
<b>Information for period(s) March 31, 2023</b>									
1st Quarter 2023	-0.61	-0.68	1.01	17.38	17.68	280	723	3,113	
Rolling 1 - Year	-5.74	-6.02	-5.91						
Rolling 3 - Year	20.06	19.71	17.93						
Rolling 5 - Year	8.33	8.02	7.50						
Rolling 10 - Year	10.49	10.15	9.13						
Rolling 15 - Year	9.17	8.75	7.68						
Since Inception Annualized	9.08	8.61	7.45						

### Disclosures:

1. Argent Capital Management, LLC ("Argent") is a registered investment adviser with United States Securities and Exchange Commission in accordance with the Investment Advisers Act of 1940. As of October 2022, Argent was redefined to include the wrap division. Argent claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Argent has been independently verified for the periods January 1, 2003 through December 31, 2022. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Argent Large Cap Dividend Select Composite has had a performance examination for the periods January 31, 2005 through December 31, 2022. The verification and performance examination reports are available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

2. This composite represents investment performance for portfolios with an Equity Income investment objective for which Argent has sole investment discretion. Portfolios typically include 30 - 40 equity holdings with a history of dividend payments, zero fixed investments, and cash targeted to be less than 10% of the total portfolio. Prior to 7/1/21 accounts in the composite were eligible if they held 80% equities, excluding mutual funds and 20% of fixed income, mutual funds and preferred investments. The composite inception date is January 2005 and was created in September 2011. A list of composite descriptions and broad distribution pooled funds are available upon request. The name was changed from Argent Large Cap Equity Income Composite to Argent Large Cap Dividend Select Composite in September 2012.

3. 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.

4. Valuations are computed and performance reported in U.S. currency. Performance results are total return, (i.e. include the reinvestment of all income, including but not limited to dividends received). Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Past performance is no guarantee of future results. There is no guarantee that strategies, systems, indicators, or signals will result in profits or that they will not result in a full loss or losses. All investors are advised to fully understand all risks associated with any kind of investing they choose to do.

5. 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. The composite included portfolios where commissions were waived representing approx. 20% of composite assets in 2019 & 2020, 29% (2021), and 24% (2022).

6. 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 - 2021.

7. 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 external deviation is based on the 36-month gross-of-fees returns of the composite and the benchmark.