Dividend Select Quarterly Commentary
2023: Third Quarter

Argent

Performance Summary

For the third quarter of 2023, the Argent Dividend Select strategy returned -0.68% versus -3.17% for the Russell 1000 Value benchmark index, outperforming by 248 basis points net of fees.

Performance Summary as of September 30, 2023		3Q23	YTD	1 Year	3 Year*	5 Year*	10 Year*	15 Year*	Since Inception*
Argent Dividend Select	Net (%)	-0.68	2.82	16.17	11.05	7.61	9.54	9.70	8.56
Russell 1000 Value		-3.16	1.79	14.44	11.05	6.23	8.45	8.59	7.28
Excess Return		**2.48**	**1.03**	**1.73**	**0.00**	**1.38**	**1.09**	**1.11**	**1.28**

*Annualized for periods longer than one (1) year. Strategy inception date is 01/31/2005.
For comparison purposes, the strategy is measured against the Russell 1000 Value Index. Past performance is no guarantee of future results. Data is as of 09/30/23 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. This presentation was prepared by Argent Capital Management and may contain confidential information. Unauthorized use, disclosure, copying, dissemination or redistribution of this presentation is strictly prohibited.

Stock selection contributed most of the outperformance, but allocation effects were also positive. Argent Dividend Select performance was led by positive stock selection in the Industrials, Healthcare, and Financials sectors. Stock selection in the Technology sector and stock selection and allocation in the Energy sector detracted from performance.

Sector gains for the Russell 1000 Value benchmark were limited to the Energy sector alone in the third quarter. Technology and Financials were the only other sectors to outperform the Russell 1000 Value benchmark. Most sectors suffered mid-single-digit declines. Interest rate-exposed and Consumer Discretionary sectors were under pressure. Real Estate, Utilities, and Consumer Discretionary sectors dropped 8.83%, 9.18%, and 9.30%, respectively.

In the third quarter, recession fears weighed on the Russell 1000 Value Industrials sector, which was lower by more than 5%. The Argent Dividend Select Industrials outperformed due to strong stock selection. Power management provider Eaton Corp. led the gains. The company benefits from multiple secular trends proving resilient to the macroeconomic slowdown, including electrification, digitalization, and significant mega-project investments. Electrification refers to replacing a process that uses fossil fuels with electric power, part of the clean energy evolution. Electric vehicles are an example. Digitalization refers to the transition of specific products from analog to digital format. Mega-projects refer to project investments of $1 billion or more. Each trend has contributed to a step-function change in Eaton's organic orders and backlog. Management has stated that even during a recession, there is a three-year demand backlog to address before the cadence of earnings guidance could be affected.

The Russell 1000 Value Healthcare sector fell more than 5% in the third quarter, underperforming the benchmark index. Argent Dividend Select's Healthcare exposure outperformed due to strong stock selection. Several notable headwinds are weighing on the sector, including residual higher labor costs and the impact of GLP-1 weight loss drugs. Pharmaceutical company AbbVie is facing a patent expiration for its blockbuster immunotherapy drug Humira. Investors have been skeptical that the company will be able to make up for the lost revenue when biosimilar competitors enter the market. Early trends have been better than anticipated, and revenue from other critical drugs in the AbbVie portfolio, Skyrizi and Rinvoq, is improving. A robust drug pipeline and focus on oncology boosted investor confidence during the quarter despite the Humira patent loss. AbbVie led the gains in the Argent Dividend Select Healthcare sector.

The Russell 1000 Value Financials sector outperformed the benchmark in the third quarter, led by strength in the Capital Markets industry. Argent Dividend Select Financials outperformed on positive contributions from two holdings in that group, Houlihan Lokey, Inc. and Blackstone, Inc. Houlihan Lokey is a leading global investment bank with expertise in mergers and acquisitions, capital markets, financial restructurings, and valuation advisory. The company benefitted from strength in Financial Restructuring given the large volume of low-cost debt maturing. On the deal front, management believes the bottom is in for the cycle. More lenders are willing to step in with financing, Europe is showing signs of life, and there is an improving appetite for deals. Mandates that had been delayed are moving forward again and getting multiple offer sheets. This has not been the case for several quarters. Investors were equally confident that alternative investment manager Blackstone was beginning to operate in a better environment, or at minimum, that it was no longer worsening. With tighter financial conditions, demand for private credit has accelerated, and at the same time, calmer nerves translated to investors slowing the pace of withdrawals from the company's real-estate venture.

The Energy sector significantly outperformed the Russell 1000 Value benchmark and all other sectors based on oil prices that rose nearly 30% in the third quarter. Argent Dividend Select underperformed on allocation and stock selection. Pioneer Natural Resources is at the forefront of oil companies pledging to focus on shareholder returns over increasing production at any cost. Production efficiency and prudent use of cash flows are welcome changes in an industry where generating positive returns above the cost of capital over the long term has proven difficult. The strategy has a more defensive posture but positions the company to withstand the inevitable downcycle better. Argent Dividend Select holds two positions, Pioneer and Chevron Corp. Both generated strong returns in the third quarter but trailed the benchmark Energy sector, which was up more than 12%.

The year-to-date outperformance in the Technology sector has been well publicized. Still, in the third quarter, technology shares underperformed the Russell 1000 Value benchmark as investors digested the early-year gains. Stock selection led to negative attribution in the Argent Dividend Select portfolio. Mega-cap cloud service providers have been the market leaders in 2023, Oracle Corp. among them. However, the A.I.-related demand led to elevated growth expectations, and the shares dragged on third-quarter performance. When Oracle reported its fiscal first-quarter earnings, licensing revenue missed consensus Wall Street estimates, and forward guidance fell short. Cerner results were an additional drag, and the outlook for capital expenditures disappointed in light of bookings strength. Management is confident it is a timing issue while the company builds out its data center capacity before GPU demand converts to Oracle Cloud Infrastructure (OCI) revenue. Despite coming short of lofty investor expectations, Oracle Cloud services growth was up nearly 30% year-over-year, A.I. workloads are a rapidly increasing part of the story, and expense controls translate to margin expansion and strong cash flows.

Quarterly Attribution Analysis, September 30, 2023
Argent Dividend Select Strategy vs. Russell 1000 Value Index*

	Argent Dividend Select			Russell 1000 Value			Variation			Attribution Analysis		
	Average Weight	Total Return	Contribution to Return	Average Weight	Total Return	Contribution to Return	Average Weight	Total Return	Contribution to Return	Allocation Effect	Selection + Interaction	Total Effect
Comm. Services	--	--	--	5.06	-4.13	-0.21	-5.06	4.13	0.21	0.05	--	0.05
Cons. Discretionary	8.88	-2.85	-0.25	5.11	-9.30	-0.47	3.77	6.44	0.22	-0.24	0.59	0.36
Consumer Staples	4.96	-6.18	-0.31	8.33	-5.11	-0.44	-3.37	-1.07	0.12	0.07	-0.05	0.01
Energy	7.85	9.73	0.69	8.47	12.27	0.92	-0.61	-2.54	-0.23	-0.09	-0.18	-0.27
Financials	23.33	1.27	0.33	20.52	-0.57	-0.14	2.81	1.83	0.48	0.09	0.41	0.50
Health Care	12.54	1.89	0.13	15.45	-5.27	-0.82	-2.90	7.16	0.96	0.08	0.87	0.95
Industrials	21.10	3.58	0.69	13.34	-5.49	-0.71	7.76	9.07	1.40	-0.18	1.89	1.71
Technology	12.51	-6.59	-0.80	9.05	-2.53	-0.22	3.47	-4.06	-0.58	0.02	-0.52	-0.50
Materials	2.85	-4.80	-0.14	4.79	-4.38	-0.21	-1.95	-0.42	0.07	0.03	-0.01	0.01

Argent

Quarterly Attribution Analysis, September 30, 2023 Continued
Argent Dividend Select Strategy vs. Russell 1000 Value Index*

	Argent Dividend Select			Russell 1000 Value			Variation			Attribution Analysis		
	Average Weight	Total Return	Contribution to Return	Average Weight	Total Return	Contribution to Return	Average Weight	Total Return	Contribution to Return	Allocation Effect	Selection + Interaction	Total Effect
Real Estate	2.81	-17.78	-0.49	4.81	-8.33	-0.39	-2.00	-9.45	-0.09	0.13	-0.35	-0.21
Utilities	2.11	-22.26	-0.50	5.07	-9.18	-0.47	-2.96	-13.08	-0.03	0.19	-0.31	-0.12
Cash	1.04	1.13	0.01	--	--	--	1.04	1.13	0.01	0.04	--	0.04
Total	**100.00**	**-0.63**	**-0.63**	**100.00**	**-3.17**	**-3.17**	**--**	**2.54**	**2.54**	**0.19**	**2.34**	**2.54**

*This is based on the holdings history of a representative portfolio of the Argent Dividend Select Strategy. 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. Past performance is no guarantee of future results.

Market Commentary

The first-half outperformance of Growth over Value on the back of strength in mega-cap technology shares was well-publicized. Early in the third quarter, there were hints of a rotation, and the Russell Value index rose to new 52-week highs by the end of July. The catalyst was the market growing increasingly comfortable with the soft-landing scenario. Economic data was mostly better than expected, while cooling inflation figures instilled confidence in the Fed pause. In the past 50-plus years, August and September have been a more difficult seasonal stretch for the market. That typical weakness reappeared in what is historically the weakest two-month period of the year. Growth and Value were pressured equally, finishing the quarter with low-single-digit declines.

The narrative changed quickly when a few key inflation inputs reversed previous month-over-month declines and turned higher when August data was reported. Used-car prices, Prices Paid in the ISM Manufacturing Index, oil and gasoline prices, and other closely watched measures all increased. At the same time, the GDPNow model predicted third quarter GDP near 6%, galvanizing the Federal Reserve to get more Hawkish, and investors faced an even “higher-for-longer” interest rate scenario. The yield on the 10-year Treasury shot up more than 50 basis points higher in September, hitting the highest levels since before the Great Financial Crisis in 2007. That is an extraordinary rate of change.

It has been a long time since the market faced this type of interest rate environment. Whatever the views on inflation, prices are not coming down; they are moving higher, just less aggressively. The rate for a 30-year fixed mortgage is rapidly approaching 8%. The yield curve has been inverted for more than a year, and real yields sit comfortably above expected inflation for the first time in more than 15 years, implying financial conditions are amply restrictive. The change is having a notable impact on the performance of traditional dividend payers. Various additional outlets for yield have supplanted the concept of T.I.N.A. (there is no alternative). The prospect of a significantly higher cost of financing and alternatives for a guaranteed return weighed on the benchmark Real Estate and Utility sector in the third quarter. Across the Russell 1000 Value index, the year-to-date returns of the top hundred companies with the highest dividend yield are down double-digits. The market is paying for earnings durability over yield, and if the specifics of the business are under pressure, yield is no longer enough.

The resilience of the economy is notable. The labor market, though showing some cracks, remains tight. Keeping rates higher impacts people and companies that need to borrow or refinance today. Still, many people and companies met all their borrowing needs during the pandemic and are not presently impacted by higher borrowing costs. Strong balance sheets are one element contributing to the year-to-date outperformance of higher-quality companies.

Furthermore, monetary tightening is partially offset by the ample fiscal stimulus, including the CHIPs Act, Inflation Reduction Act, and Infrastructure Investment & Jobs Act (IIJA). That spending is fueling momentum in multiple trends, including mega-project construction, electrification, and the re-shoring of manufacturing. Multi-family construction has slowed, but the U.S. is still undersupplied with new single-family homes.

Has 2023 been a good year for stocks or not? It depends on where investors look for the answers. Banks recovered from their spring lows but retreated again in the third quarter. While the risks of failure have been mitigated, the overhang of higher deposit costs and net interest margin compression remains. Traditional defensive stocks like utilities and real estate investment trusts (REITs) are feeling the effects of higher rates and are the two worst-performing sectors thus far in 2023.

Nonetheless, it is misleading to characterize the market as having traction only as it relates to technology and artificial intelligence. Those stocks have undoubtedly been leaders, but the market has also rewarded higher-quality companies with favorable industry trends and less financing risk. The Russell 1000 Value Industrial sector declined more than 5% in the third quarter but is still up nearly 7% year-to-date.

The economy has been more resilient to higher interest rates than expected. Still, it is fair to question valuation with discount rates reversing higher after declining for over a decade. It has been a long time since the input of the denominator effects had this kind of impact on fair value models. It helps explain investor preference for the "Magnificent 7" stocks – Nvidia, Meta, Amazon, Microsoft, Apple, Alphabet, and Tesla - as a refuge. Those companies enjoy an extraordinary competitive advantage and exceptional forward earnings forecasts. The added benefits from A.I.-related spending have been substantial.

The third quarter earnings season and forward guidance will be telling. Expectations are for a high-single-digit decline in the third quarter and a mid-single-digit decline in the fourth quarter before an inflection higher to 8% earnings growth next year. Key questions include the impact of the broad macro pressure on sales and inventories, how orders and backlogs are trending, the change in costs of labor and materials, and the stability of pricing power. At quarter-end, there was a notable lack of bellwether companies preannouncing bad news in any meaningful way.

Top Contributors

Blackstone, Inc. (BX) is an asset manager of alternative investments and a provider of financial advisory services globally. While headwinds from inflation, interest rates, and banking sector instability persist, greater clarity on the impacts is helping to soothe sentiment across public and private markets. Even as conditions are challenging, Blackstone is growing fee-earning assets under management, successfully raising closed-end funds, and sitting on substantial dry powder, representing future fee revenue growth. The pace of redemptions in the real-estate segment continues to slow, and demand for private credit is healthy and increasing. In September, the company was added as a constituent in the S&P 500 Index, creating additional demand for the stock.

Pioneer Natural Resources Company (PXD) is an independent oil and gas exploration and production company in the United States. The price of oil rose nearly 40% in the third quarter on continued OPEC-related supply constraints, and energy significantly outperformed all other sectors. Pioneer retains an advantageous oil and gas reserve position but has lagged peers in its production efficiency. Higher oilfield services costs and a more restrictive financing environment incentivize increasing efficiency. That showed signs of turning around in the third quarter when the company increased its production outlook while lowering its expected capital expenditures. Share buybacks and dividends highlight an extensive capital return program that translates to roughly 75% of free cash flow.

Eaton Corp., PLC (ETN) manufactures industrial, vehicle, construction, commercial, and aerospace power management products. The company transitioned the portfolio to higher growth and higher return end-markets and is exposed to several of the largest addressable markets within industrials, including electrification, energy transition, and digitalization. Additional opportunities arise from the ramp-up of megaprojects, defined as those costing more than $1B to execute. Eaton benefits from accelerated orders and a healthy, record backlog, driving expected high-single-digit organic growth and expanded segment margins. In addition to the consistent mid-single-digit dividend growth, management is committed to $300m-$600m in share repurchases throughout the year.

AbbVie, Inc. (ABBV) is a global, research-based pharmaceutical company. The company has been pressured by the patent cliff of its flagship autoimmune drug, Humira. Generic alternatives are entering the market but share erosion has trended better than expected. With Humira generics entering the market, the company is relying on other drugs in its portfolio and the pipeline to make up for the lost revenues. Immunology drugs Skyrizi and Rinvoq are well-positioned, with recent approval for new indications. The aesthetics business, bolstered by the acquisition of Allergan in 2020, and its growing oncology portfolio remain catalysts for future growth.

Automatic Data Processing (ADP) is one of the world's largest processors of payrolls and tax filings. Macro-related pressures have been top of mind for investors, particularly the Professional Employer Organization (PEO) segment, but the company's business model has proven more resilient than expected. It is designed for various environments, including weaker cycles when client cost-cutting initiatives become the priority. In addition, strong bookings, record client revenue retention, and headcount growth added to investor confidence. Substantial free cash flow and improving margin support the consistent dividend.

Top Detractors

Extra Space Storage, Inc. (EXR) is a self-administered and self-managed real estate investment trust (REIT) that owns nearly 2,500 self-storage properties in the U.S. The rise in interest rates has had a broad and significant impact on the REIT industry. The cost of financing on deal flow, debt coming due for refinancing, and the alternatives now available with higher yields are all weighing. For Extra Space, maintaining or increasing occupancy has required lower pricing due to increased rate sensitivity, which weighed on same-store revenue growth. This is despite muted new supply entering the market. The recently completed merger with Life Storage, Inc. (LSI) is expected to drive significant synergies and accretion to the earnings profile of the business. Management believes Life Storage kept its pricing too high during the spring and early summer, impacting occupancy trends.

NextEra Energy, Inc. (NEE) is the world's largest renewable energy generator from the wind and sun. It operates the largest electric utility in Florida. Higher rates have weighed on utilities, and it was the worst-performing sector in the third sector and remains the worst-performing year-to-date. Furthermore, the company announced the sale of its Florida Power & Light electric utility to Chesapeake Utility Corp. for $925 million. While that deal was viewed favorably, NextEra simultaneously lowered its expectations for limited partner distribution per unit growth to 5%-8% annually through at least 2026 from the prior guidance of 12%-15% growth. The company cited higher interest rates and the increased cost of financing as the culprit.

Oracle Corp (ORCL) is a global enterprise software company offering a range of cloud-based applications and platforms as well as hardware and services to help companies improve their processes. Mega-cap technology stocks generally corrected in the third quarter after a stellar first half of the year. Investors reacted to some deceleration in the hyper scalers cloud services growth rates. With an increase in customer wins, Oracle is making inroads in the cloud infrastructure landscape versus the big three providers, Amazon Web Services (AWS), Google, and Microsoft. Momentum is building for its budding platform Oracle Cloud Infrastructure (OCI), supported by demand for generative AI and the depth of market provided by its application and database customers.

Microsoft Corp (MSFT) is a global software company offering cloud, application, and security solutions. Mega-cap technology stocks generally corrected in the third quarter after a stellar first half of the year. Investors reacted to some deceleration in the hyper scalers cloud services growth rates. Management was also cagey about 2024 guidance details after having to cut guidance earlier this year. Nonetheless, the longer-term outlook for Microsoft remains robust. The company's three focus areas are 1) helping customers realize all the benefits of the cloud, 2) infusing AI technologies into its products, and 3) cutting operating expenses. This economic environment is fertile ground for Microsoft's core value proposition to businesses: consolidate all your digital spending with us in exchange for group discounts.

Texas Instruments, Inc. (TXN) is a global semiconductor design and manufacturing company producing analog and embedded processors, the workhorses of the industry. Technology shares broadly corrected in the third quarter. Texas Instruments was under pressure from the dual impact of the ongoing downcycle in semiconductors and the fabrication investments necessary to build out its 300mm capacity footprint. The increase in capital expenditures, which are now fully ramped up, led to negative free cash flow for the first time in several years. End market performance remains mixed to negative, with the Communications and Enterprise segments declining sequentially but the Consumer segment turning positive. Management is unapologetically focused on having the 300mm infrastructure necessary to support its long-term growth strategy.

Buys

Thermo-Fisher Scientific Inc (TMO) is a global leader in the life sciences industry. The company manufactures and distributes analytical instruments, scientific equipment, consumables, and other laboratory supplies. An inventory correction has pressured the bioprocessing industry due to the unusual order patterns during the COVID-19 pandemic. In addition, weaker macro-related biopharma spending and soft demand from China have weighed on the business. Thermo-Fisher has proven itself an excellent operator over multiple cycles and has wrung out excess costs in preparation for the recovery. The company has a strong track record of peer-leading organic growth, margin expansion, and increasing free cash flow generation. The excess cash supports a favorable capital allocation program that includes new product innovation, acquisitions, and consistent mid-teens dividend growth.

Republic Services, Inc. (RSG) Republic Services is the second-largest waste management company in the U.S. The company has a diverse business model broken down into four segments: Franchise, Small & Mid-Sized, Large Urban, and Environmental Solutions. Republic Services has a long track record of using its formidable cash flows to fund profitable growth through consistent acquisitions. Beyond consolidation, future growth avenues are accelerating from the trends in clean energy, including recycling, environmental services, and renewable natural gas (RNG) optionality. In addition, favorable pricing trends have been a positive lever for the business and industry returns for many years. The company has invested $2.2 billion in acquisitions over the last three years while increasing its dividend for 18 years straight.

Sells

Bristol-Myers Squibb Company (BMY) develops, licenses, manufactures, markets, and distributes biopharmaceutical products worldwide. Bristol-Myers' stock has lagged behind its peers for some time, but optimism on the company's new drug pipeline and attractive valuation created an upside opportunity. Unfortunately, consistent execution issues ahead of the new product contribution negatively impacted earnings power and limited the potential for multiple expansions. The loss of patent protection for critical pharmaceuticals Eliquis and OPDIVO is a well-known risk, while the catalyst path ahead remains challenging.

Crown Castle International Corp (CCI) is a real estate investment trust. Crown Castle owns, operates, and leases cell towers and other infrastructure for wireless communications. In addition to owning cell towers, Crown Castle invests in small cell and fiber networks to expand its wireless coverage. However, the pace of small-cell installations has been slower than expected. In addition, the softer economy has led major telecom carriers to slow spending on fiber network buildouts. The impact of weaker-than-expected leasing activity and higher-than-anticipated customer churn negatively weighed on earnings growth.

Northrop Grumman Corporation (NOC) is an American multinational aerospace and defense technology company. It is one of the largest weapons manufacturers and military technology providers. The company operates through four segments: Defense Systems, Aeronautics Systems, Mission Systems, and Space Systems. Northrop Grumman has been repositioning its business to focus on higher growth opportunities. For example, the Space segment has quickly emerged as one of the most critical areas for commercial and defense priorities. At the same time, the company is facing pressure on its free cash flow and margins, given costs related to specific development programs and more stubborn supply chain headwinds. Its premium valuation versus peers leaves the company vulnerable to reversion. At the same time, there is ongoing risk related to the defense budget.

Principal Financial Group, Inc. (PFG) Principal Financial Group Inc. provides retirement savings, investment, and insurance products and services. The company's United States and international operations also engage in asset accumulation and management. In addition, Principal Financial Group provides a range of insurance products, including individual and group life insurance, group health insurance, individual and group disability insurance, and group dental and vision insurance. Principal Financial Group has been growing two of its most profitable businesses: International Insurance and Principal Global Investors. This has allowed Principal Financial Group to increase its return on assets. Nonetheless, the company faces fee pressure and weaker fund flows while valuation has remained stretched versus the peer group. It is an expensive stock with limited visibility into fundamental improvement that creates reasonable upside scenarios.

Argent Dividend Select Strategy Top Contributors and Detractors for Quarter Ending September 30, 2023*					
Top Contributors	Avg. Weight	Total Effect	Top Detractors	Avg. Weight	Total Effect
Blackstone Inc.	3.43	0.60	Microsoft Corporation	3.49	-0.14
Eaton Corp. Plc	5.70	0.48	Texas Instruments	2.36	-0.16
Pioneer Natural Resources	3.67	0.47	Oracle Corporation	2.78	-0.18
AbbVie, Inc.	3.14	0.44	NextEra Energy, Inc.	2.11	-0.29
Automatic Data Processing, Inc.	3.41	0.40	Extra Space Storage Inc.	1.93	-0.29

*Analysis based on the holdings history of a representative portfolio of the Argent Dividend Select Strategy. 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. Past performance is no guarantee of future results.

Portfolio Positioning

In the third quarter, the Argent Dividend Select portfolio eliminated four positions, added to three existing positions, and established one new position. In each instance where we elected to sell, there was a lack of confidence in the case for long-term outperformance and the opportunity to upgrade the portfolio.

Financial services provider Principal Financial has been successfully growing two key segments of its business: global insurance and investments, resulting in peer-leading returns on assets. It's been rewarded with a premium multiple, but despite the company executing its intended strategy, shares have been consistently in line or lagged. The catalyst needed to alter that course is undefined, and we elected to sell.

Questions on the growth outlook for both Bristol-Myers Squibb, Co. and Northrop Grumman, Corp. led to scrutiny of both holdings. For Bristol-Meyers, investors are optimistic the drug pipeline will help offset the patent loss for key drugs Eliquis and OPDIVO. There is embedded uncertainty in any pharmaceutical company's drug approval process, but management missteps exacerbated issues for Bristol-Myers. We require management to perform in areas within its control. The inability to correct course and a muddy path for future growth created too much uncertainty.

Given its peer-leading growth profile, Northrop has been rewarded with a premium multiple. Investor focus shifted to the bottom line when increased costs associated with various development programs were amplified by ongoing supply chain disruption. Valuation compression is a risk considering the ever-present Department of Defense budget negotiations, particularly in an election year.

Crown Castle, Inc. and other real estate investment trusts feel the effects of higher interest rates on the cost of financing and alternatives to the yield provided for income-focused investors. More specifically, the company has not achieved the growth it expected from small cell tower installations. The slowdown in spending from major telecom carriers pushed out an inflection higher in the growth rate, and we elected to exit the position.

New positions were established in healthcare testing and consumable provider Thermo-Fischer Scientific, Inc., and environmental services and waste disposal company Republic Services, Inc. Both fit our definition of an enduring business with a track record of compounding cash flows. Thermo-Fischer's short-term headwinds in its bioprocessing segment from an extended inventory correction created an opportunity to invest in a superb business with peer-leading organic growth at a more favorable valuation. Excess cash flow has consistently translated into dividend growth. Republic Services has consistently increased its returns by using its formidable cash flow to fund acquisitions and a favorable capital return program. Favorable industry trends from clean energy initiatives add additional catalysts for future growth.

Position sizes were increased in Houlihan Lokey, Inc. and UnitedHealth Group, Inc. Houlihan Lokey is offsetting weakness in its mergers & acquisitions business with increased activity in its restructuring segment. Management is confident in a cycle trough for the corporate finance business that should translate into increased revenue from a better deal environment. Combined with a peer-leading compensation ratio; there is margin expansion potential in 2024. UnitedHealth is offsetting a higher medical loss ratio (MLR) with increased Medicare enrollment, a steady commercial book, and benefits from the Change Healthcare acquisition. In addition, margin expansion in Optum Health and Medicare Advantage will bolster earnings growth.

Portfolio turnover was 7% in the third quarter and is 24% year-to-date.

Sincerely,
Argent Dividend Select Team

Argent Capital Management, LLC

ARGENT LARGE CAP DIVIDEND SELECT COMPOSITE

January 31, 2005 through September 30, 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	26.74	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	26.61	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	16.48	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	9.87	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	8.72	5.96						
Five -Year Annualized	8.05	7.73	6.67						
Ten -Year Annualized	11.85	11.50	10.29						
Fifteen -Year Annualized	8.53	8.10	6.96						
Information for period(s) September 30, 2023									
3rd Quarter 2023	-0.60	-0.68	-3.16	16.45	17.35	271	662	2,915	
Rolling 1 – Year	16.53	16.17	14.44						
Rolling 3 – Year	11.39	11.05	11.05						
Rolling 5 - Year	7.93	7.61	6.23						
Rolling 10 - Year	9.88	9.54	8.45						
Rolling 15 - Year	10.11	9.70	8.59						
Since Inception Annualized	9.03	8.56	7.28						

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 exclude 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-fee 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 and 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 are reduced by a model fee derived by applying the standard fee schedule in effect for the respective period.

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.