Argent Wealth Management, LLC

Dear Clients,

Argent Wealth Management takes the health and security of our clients and colleagues seriously. With updated recommendations coming from local and national government officials and the medical community, we wanted to provide an update on actions we are taking to promote safety and to serve clients.

Over the last few years, we have made several technology investments that have enabled us to be fully operational at all times. Last week we implemented our business continuity plan by having most of our team work remotely from home; if necessary, all employees of Argent can work from home. We recommend conducting all meetings virtually. We have technology that allows for seamless communication via traditional email and phone as well as video conferencing, so please don't hesitate to reach out to us to set up a meeting as you would normally.

MARKET UPDATE

There is no downplaying the sharp market declines and increased volatility we've experienced or the investor anxiety that understandably comes with it. Our investment philosophy and commitment to diversified portfolios have weathered a wide range of market conditions in our three decades of experience. We're confident that our approach will guide us through the current challenges as well.

For some perspective, during the 2008-2009 global crisis, the S&P 500 declined 56% over 17 months, but that was a crisis of excessive leverage, with the financial system itself in jeopardy. The system is sounder now. Although we do expect that global economies will contract in the second quarter, we believe that most will be able to rebound later this year and early next year when the virus-related shock subsides, and pent-up demand emerges.

Historically, those that stay the course and stick to their long-term plan are rewarded. As an example, the S&P 500 earned 378% from the market's nadir on March 9, 2009 to December 31, 2019. While it will continue to be a bumpy ride, and many may feel the pressure to sell, the best course of action is to remain invested in stocks. See Charts 1 and 2 at the end of this letter for a post-World War II history of market declines and subsequent market returns, which demonstrate the resilience of stock markets over time.

On March 13th, the Wall Street Journal's Jason Zweig wrote the following in an article entitled "Stocks Are in Chaos. Control the One Thing You Can."

Nobody—not epidemiologists, not government officials, not economists and certainly not market strategists—can say how large an impact the coronavirus will end up having. The optimists might be wrong; so might the pessimists.

Investing, now more than ever, is about controlling the controllable. You can't control the markets. You can't control the coronavirus. You can control your own behavior, although that requires making accurate, honest predictions about yourself.

Controlling the controllable doesn't just mean shrugging off whatever is out of your power. It also means putting some calm and serious thought into what is within your power. Your future success may depend less on what markets do—and more on spending a few quiet minutes figuring out who you are as an investor.

Now is a good time to assess what kind of investor you are.

WHAT DO WE DO NOW?

- The portfolios we've constructed for you are based on helping you reach your longer-term goals. That includes through periodic market declines such as these. As Charts 1 and 2 show, declines are a normal part of market cycles that your portfolios are built to weather.

- We want to remind you of why we emphasize the importance of having both a cash reserve and bonds. Having enough in cash to weather a storm allows you to avoid the temptation to sell stocks when they are down. Bonds remain in the portfolio to dampen volatility and limit one's downside. Some additional notes:
    - If you need or would feel comfortable with additional cash during times like this, you can sell bonds, leaving the stock exposure in place to participate in the future rebound.
    - Defer large discretionary purchases.
    - Another way of thinking about equity exposure in times like this is to think of equities in the same way you think of your home. Your home price is fluctuating while you live in it, but most owners don't concern themselves with these price movements until they need to sell. While not as easy to do, we recommend looking at the equity exposure in your portfolio in the same way, especially since even those in retirement (or on the verge of retirement) don't need to liquidate the majority of the stocks in their portfolio in the short term.
- For those with excess cash (beyond what they need and are comfortable holding), we will work with clients on developing a plan to invest in equities at these cheaper prices. While it's impossible to time the market, and it could certainly go lower from its current level, a significant decline typically represents a good buying point for investors with a long-time horizon. Additionally, as the Fed's aggressive interest rate cutting has made bonds expensive, it might be an appropriate time to consider rebalancing portfolios.
- We will review your portfolio for opportunities to tax loss harvest, which involves selling stocks with losses and replacing them with a similar security. During 2008-9, we were able to lock in losses, in some cases allowing clients to avoid paying taxes on capital gains for several years due to the carryforward of losses exceeding $3,000.

OUR COMMITMENT TO YOU

As always, and especially during uncertain times, never hesitate to reach out to your Argent team with your questions and concerns. We are here to help guide you through the good times, and more importantly, the difficult times.

We thank you for the trust you have placed in us, and we hope you and your family remain healthy and safe.

Sincerely,

Argent Wealth Management

Chart 1

Based on post World War II S&P 500 data, corrections of 30% or more peak-to-trough during recessions are average and present buying opportunities. Corrections over 20% are rare when they don't include restrictive monetary policy, a commodity price spike, or a bubble prior to the sell-off. None of the above conditions were present prior to the current sell-off.

Recession	Related Market Sell-Off % Decline	Macro Environment: Commodity Price Spike	Macro Environment: Restrictive Monetary Policy	Macro Environment: Extreme Valuations/Bubble
Recession of 1949	-21%			●
Recession of 1953	-15%			
Recession of 1958	-22%			●
Recession of 1960-61	-14%			●
Recession of 1969-70	-36%	●	●	
Recession of 1973-75	-48%	●		
Recession of 1980	-17%	●	●	
Recession of 1981-82	-27%		●	
Early 1990s Recession	-20%	●	●	
Early 2000s Recession	-49%	●		●
Great Recession	-57%	●	●	●
2018 Correction	-18%		●	
Current Environment	N/A	No	No	No
Average in Recession	-30%			
Median in Recession	-22%			

Long-term Bear Market

Long-term Bull Market

Chart 2

When the S&P 500 falls by more than 15% in a quarter, post WWII, 100% of the time the S&P 500 is up six months, one year, and two years later.

S&P 500 PERFORMANCE AFTER 15% SINGLE-QUARTER DROPS

Date	Previous Quarter % Change	Subsequent Performance: 1Q % Change	2Q % Change	3Q % Change	4Q % Change	8Q % Change	Low Date Over Next 8Q	% Decline to Low
12/31/29	-28.9	17.2	-4.6	-13.3	-28.5	-62.1	12/17/31	-64.0
6/30/30	-18.6	-9.1	-25.0	-18.4	-27.5	-78.4	6/1/32	-78.5
12/31/30	-17.5	8.8	-3.3	-36.7	-47.1	-55.1	6/1/32	-71.3
9/30/31	-34.5	-16.4	-24.7	-54.4	-16.8	1.2	6/1/32	-54.7
12/31/31	-16.4	-10.0	-45.4	-0.5	-15.2	24.4	6/1/32	-45.8
6/30/32	-39.4	82.4	55.5	32.1	146.3	121.4	7/8/32	-0.5
3/31/33	-15.1	86.5	68.0	72.7	83.8	44.8	3/31/33	0.0
12/31/37	-23.3	-19.4	9.6	16.0	25.2	18.4	3/31/38	-19.4
3/31/38	-19.4	36.0	44.0	55.4	29.2	44.1	3/31/38	0.0
3/31/39	-16.9	-1.1	18.6	13.8	11.6	-9.3	6/10/40	-18.1
6/30/40	-18.5	6.8	6.0	-0.2	-1.3	-16.8	4/28/42	-25.2
9/30/46	-18.8	2.3	1.4	1.7	1.0	3.5	5/17/47	-8.4
6/30/62	-21.3	2.8	15.3	21.6	26.7	49.2	10/23/62	-2.3
6/30/70	-18.9	15.8	26.7	37.9	37.1	47.3	7/7/70	-2.1
9/30/74	-26.1	7.9	31.2	49.8	32.0	65.6	10/3/74	-2.0
12/31/87	-23.2	4.8	10.7	10.1	12.4	43.0	1/20/88	-1.8
9/30/02	-17.6	7.9	4.0	19.5	22.2	36.7	10/9/02	-4.7
12/31/08	-22.6	-11.7	1.8	17.0	23.5	39.2	3/9/09	-25.1
All Cases								
Mean	-22.1	11.7	10.5	12.4	17.5	17.6		-23.5
Median	-19.2	5.8	7.8	14.9	17.3	30.5		-13.2
% Positive	0.0	66.7	72.2	66.7	66.7	72.2		
All Periods Mean	2.0	2.0	4.0	6.0	8.3	16.6		
Post WW II								
Mean	-21.2	4.3	13.0	22.5	22.1	40.7		-6.6
Median	-21.3	4.8	10.7	19.5	23.5	43.0		-2.3
% Positive	0.0	85.7	100.0	100.0	100.0	100.0		
All Periods Mean	2.1	2.1	4.3	6.6	8.8	18.3		

Source: S&P Dow Jones Indices.

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IMPORTANT DISCLOSURE INFORMATION

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