



Argent
Wealth Management, LLC

Market View

September 2023

Matt Sapir Ristuccia | Chief Investment Officer



Argent Overview

“Simplify your life”

Differentiation:

Deep knowledge and practice of Tax, Estate Planning & Investments under one roof.

AUM ~\$2 billion

Founded 1992

**Endowment
Approach to
Investments**

**Strategic
Partnership with
Hightower
Advisors LLC**

Ranked #2 in Barron's
2022 List of Top RIA
Firms

Compensation was paid for the ability to use the Barron's Top 100 RIA Firms logo in marketing materials.

Fee-only advisor

- Fiduciary
- No conflicts of interest/Total alignment with our clients

***Breadth and depth
across full spectrum of
wealth management
services***

- *Investments*
- *Financial Planning*
- *Estate Planning*
- *Tax*

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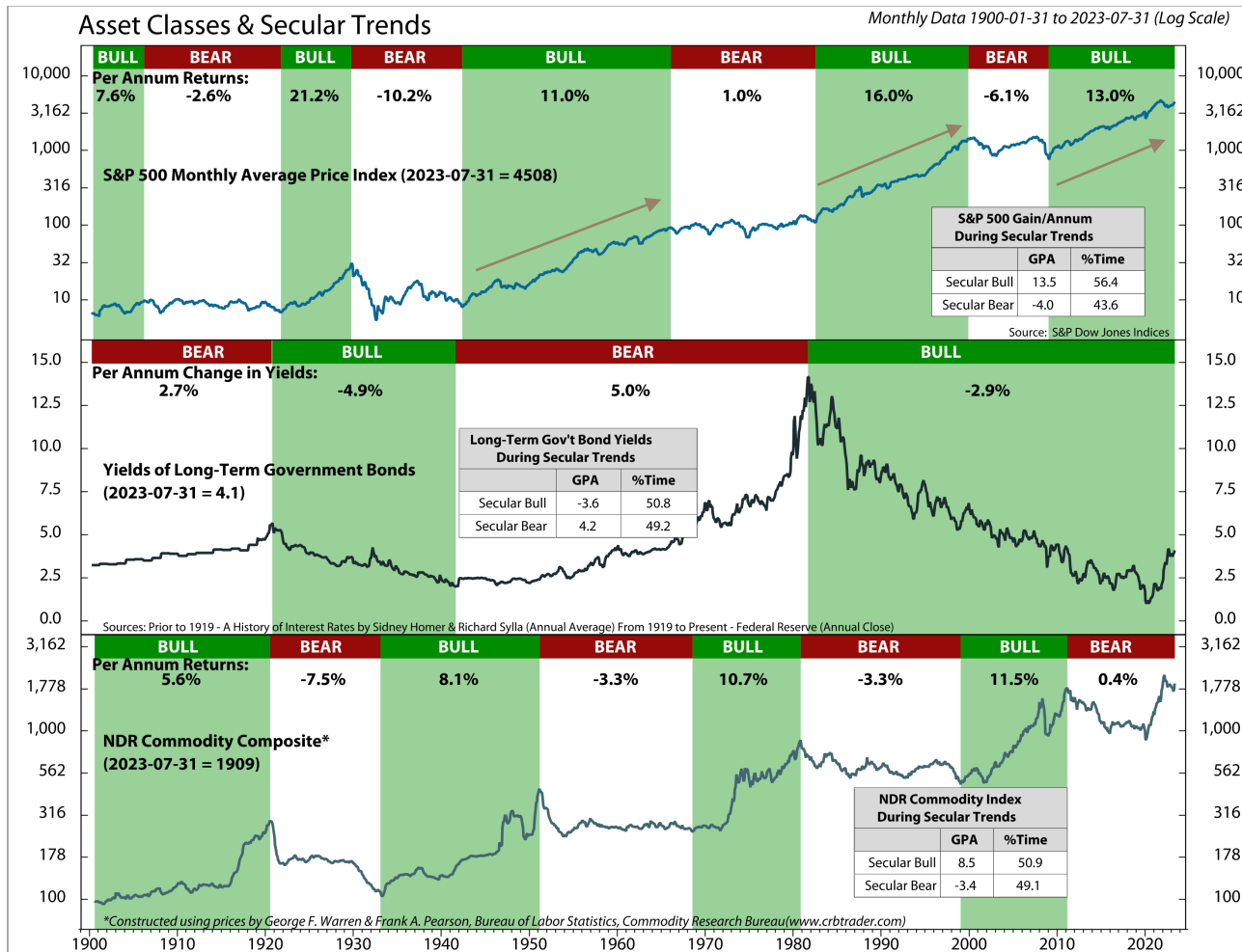




Conclusion

- Although the stock market can be volatile, there are patterns that tend to repeat.
- History would suggest the current bull market will continue through 2024.
- August-to-October tends to be a weak seasonal time of year.
- The main risk is the Fed has or will tighten too much and this could eventually cause a recession.

Secular/Long-Term Market Cycles



Stock markets go through long-term bull markets and bear markets. Ned Davis refers to these as “Secular” trends.

The last two secular bull markets lasted ~24 years and ~18 years.

The current bull market started in March of 2009.

We are ~14 years into the current secular bull market.

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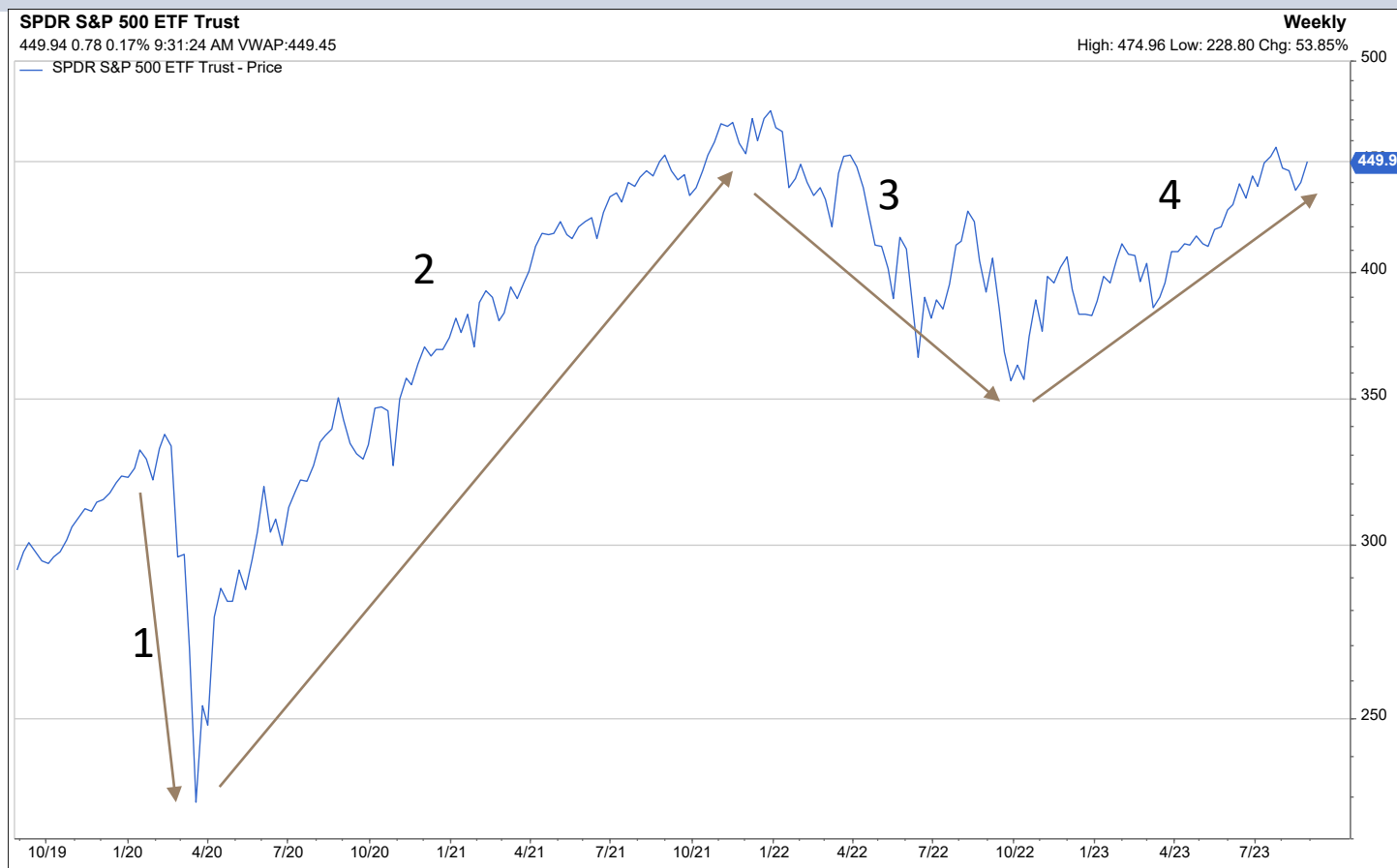


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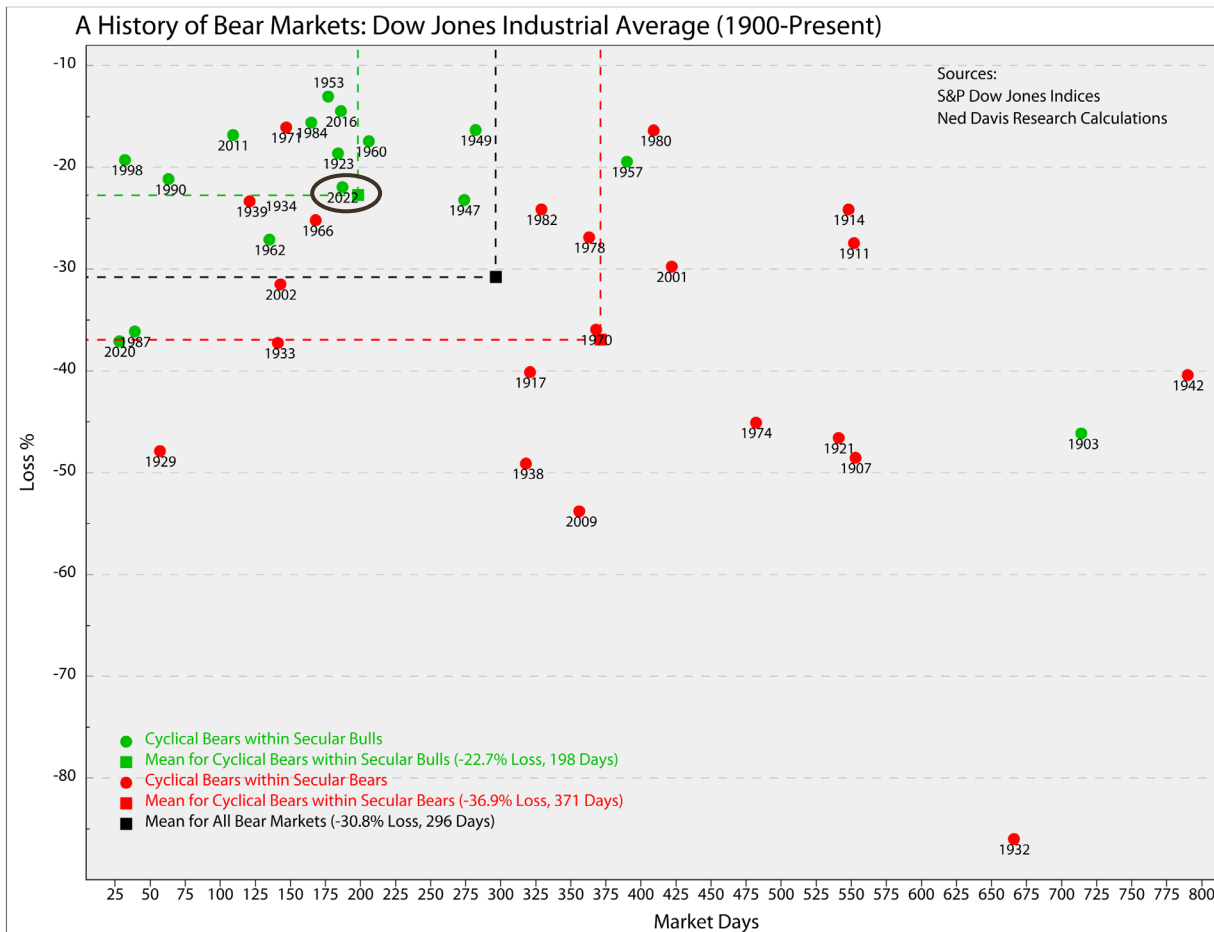
Cyclical Stock Market Cycles



- Historically, cyclical stock market cycles, which occur within secular cycles, have followed a 4-step pattern.
- 1 – Recession Bear. 2 – Post recession Bull. 3 – Non-recession Bear. 4 – New Bull.
- The current cyclical cycle is following this pattern.



History of Bear Markets



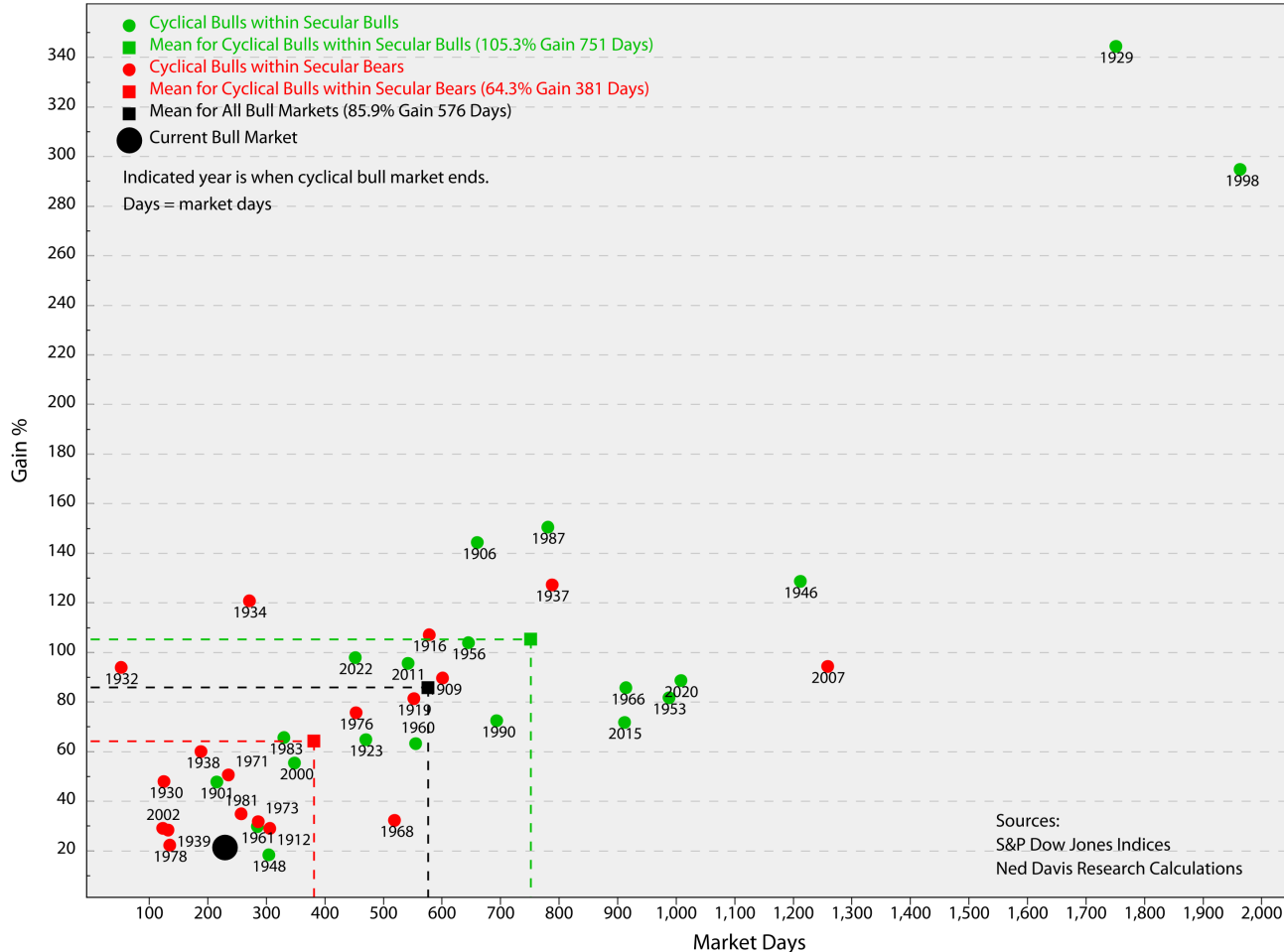
Confirming that this cycle has been like historical cycles, the return and time of the non-recessionary bear stock market in 2022 was in line with historical cyclical bear markets within secular bull markets.

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History of Bull Markets



A History of Bull Markets: Dow Jones Industrial Average (1900-Present)



It is yet to be seen if the current “new” bull market resembles historical averages.

If it does, the mean for all bull markets is an 85.9% gain over 576 days.

Using the Dow Jones Industrial Average, the current bull market is about 225 days old and is up ~20%.

The mean for a cyclical bull within a secular bull is a 105.3% gain over 751 days.

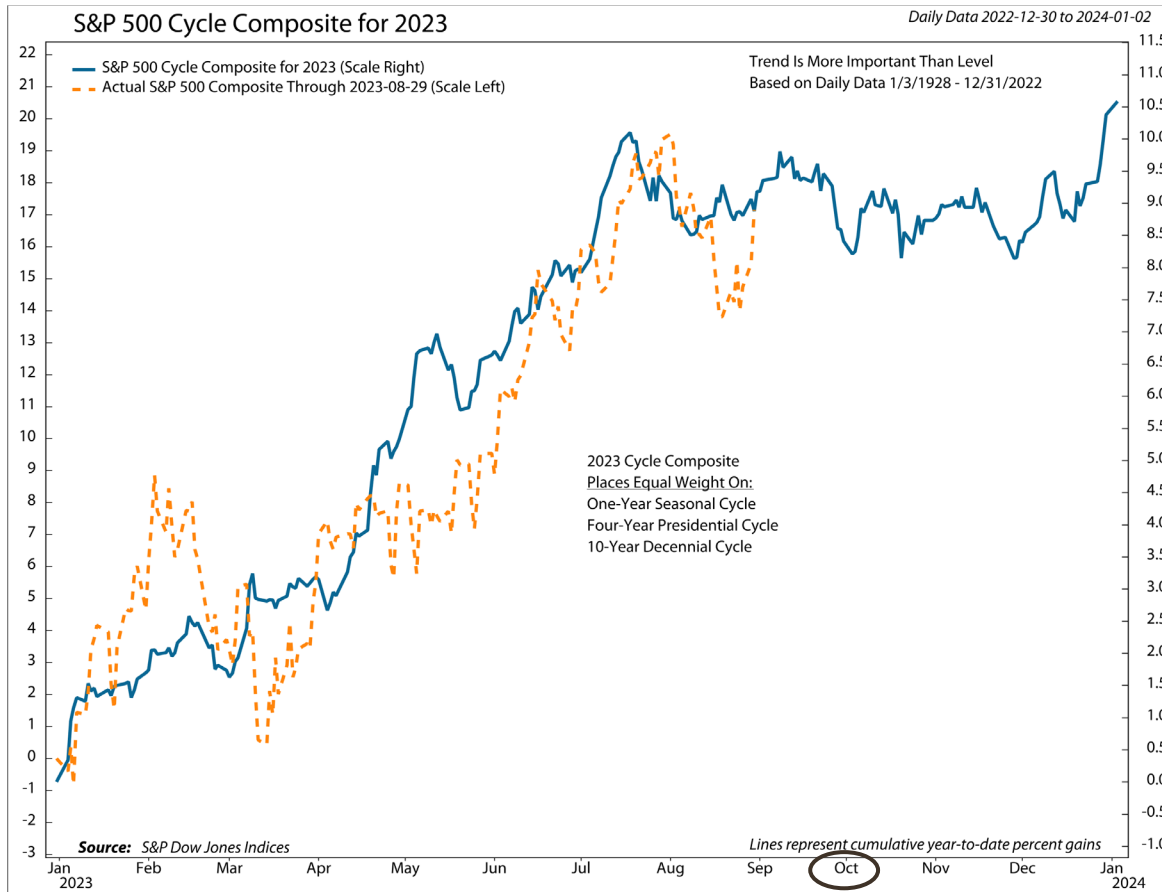
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Seasonality



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Cycle composite charts are designed to provide perspective on how repetitive historical market patterns could indicate a potential pattern for the current year. These cycle charts are based on the idea that seasonality (tendency for stock prices to behave differently during different times within a calendar year) and multi-year cycles have patterns that tend to repeat over time in the stock market. The average daily percent changes from history are accumulated to produce a representative "average year" pattern for the four-year (year one being first year of new Presidential cycle) presidential cycle. NDR averages them together to get a single composite cycle pattern that represents what is plotted in the chart.

Source Date: 8/30/2023

The stock market tends to exhibit seasonal patterns as well.

The blue line represents what a forecast of historical seasonal patterns would portend for the S&P 500.

The dotted orange line is what has happened.

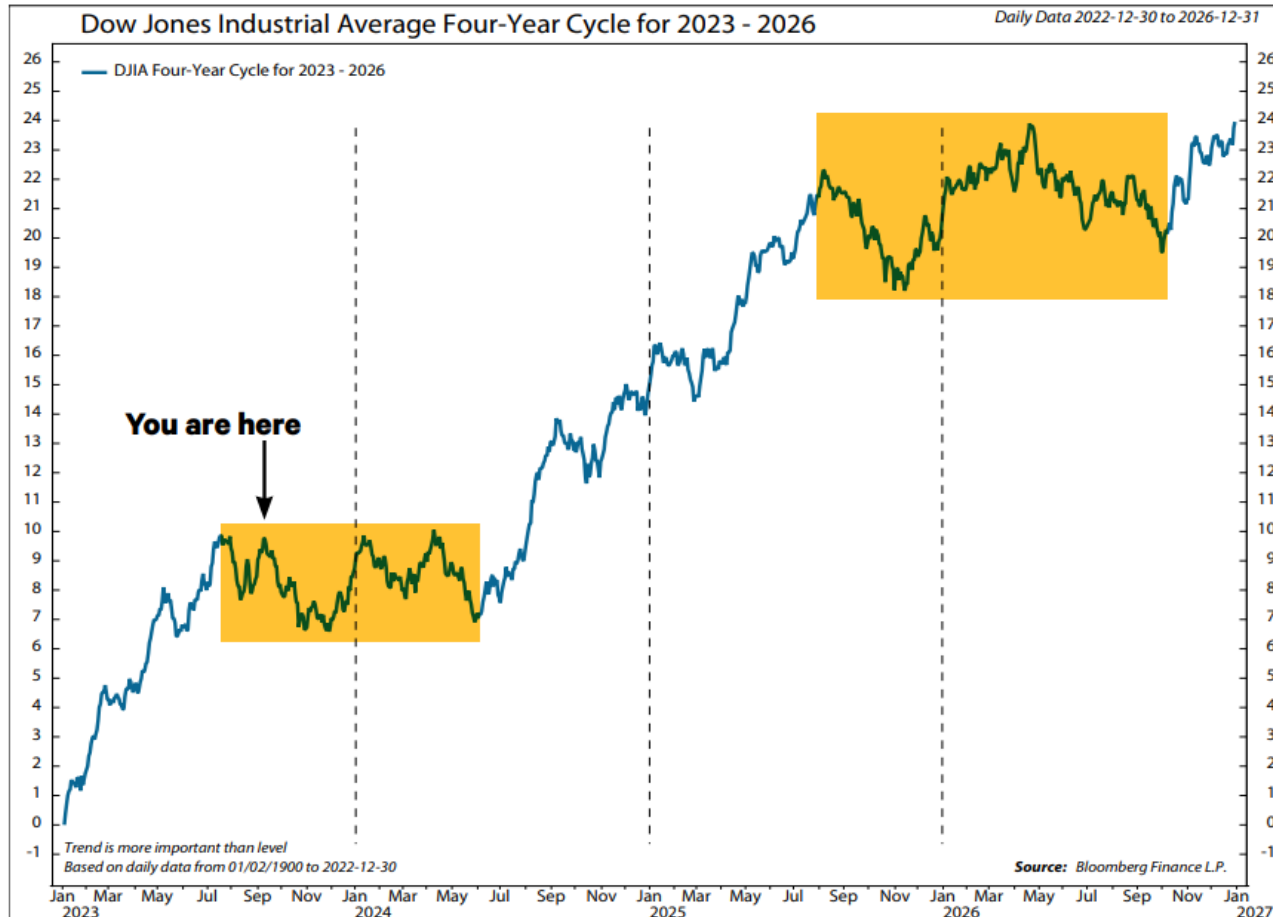
So far, the stock market has tracked the seasonal pattern closely.

This chart would suggest investors should expect some seasonal weakness until we approach year-end.

Presidential Cycle



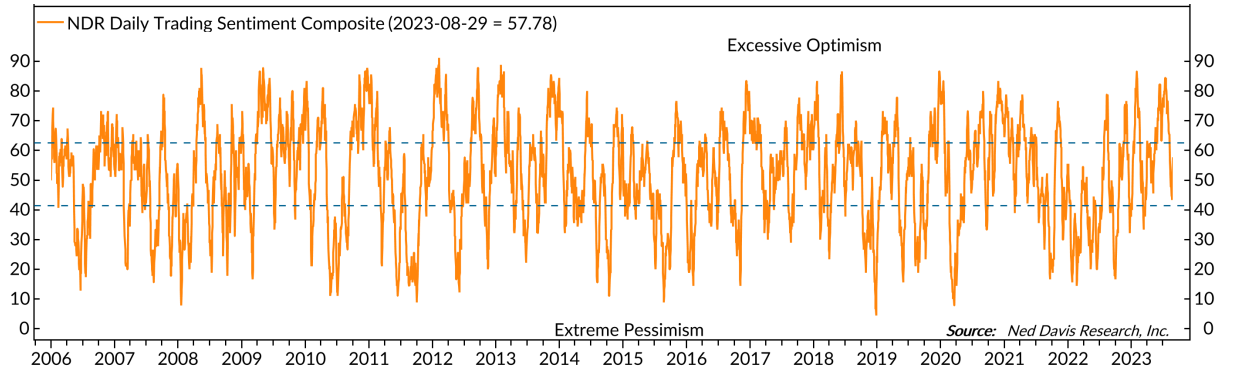
Leaving one of the best phases of 4-year cycle



The presidential cycle supports both seasonal weakness from previous slide, but also a continuation of the bull market into 2024 and potentially beyond.

Cycle composite charts are designed to provide perspective on how repetitive historical market patterns could indicate a potential pattern for the current year. These cycle charts are based on the idea that seasonality (tendency for stock prices to behave differently during different times within a calendar year) and multi-year cycles have patterns that tend to repeat over time in the stock market. The average daily percent changes from history are accumulated to produce a representative "average year" pattern for the four-year (year one being first year of new Presidential cycle) presidential cycle. NDR averages them together to get a single composite cycle pattern that represents what is plotted in the chart.

Sentiment



S&P 500 Index Performance		
Full History: 1994-12-30 to 2023-08-29		
NDR Daily Sentiment Composite is	% Gain/Annum	% of Time
Above 62.5	-6.28	28.68
41.5 - 62.5	7.85	44.12
Below 41.5	26.91	27.19
Buy/Hold = 8.28% Gain/Annum		

S&P 500 Index Performance		
Chart View: 2006-01-03 to 2023-08-29		
NDR Daily Sentiment Composite is	% Gain/Annum	% of Time
Above 62.5	-3.61	29.89
41.5 - 62.5	5.10	41.94
Below 41.5	24.52	28.17
Buy/Hold = 7.43% Gain/Annum		

The NDR trading sentiment poll went from optimistic to neutral in August.

During this time, the S&P 500 fell from it's 2023 high.

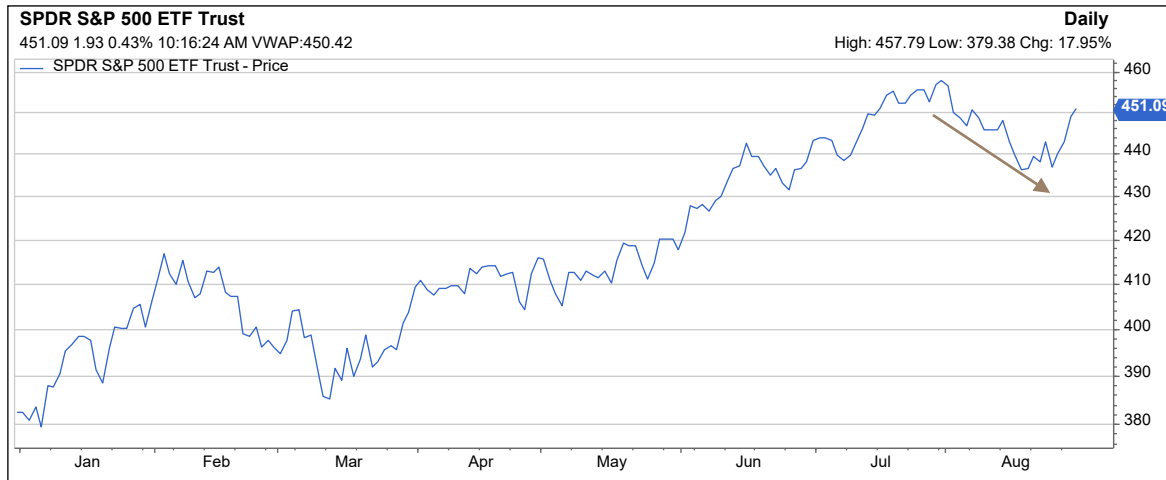
The best returns tend to occur when investors are pessimistic.

It would not be surprising to see sentiment become pessimistic, and stocks to go down more, before the bull market resumes.

DAVIS265



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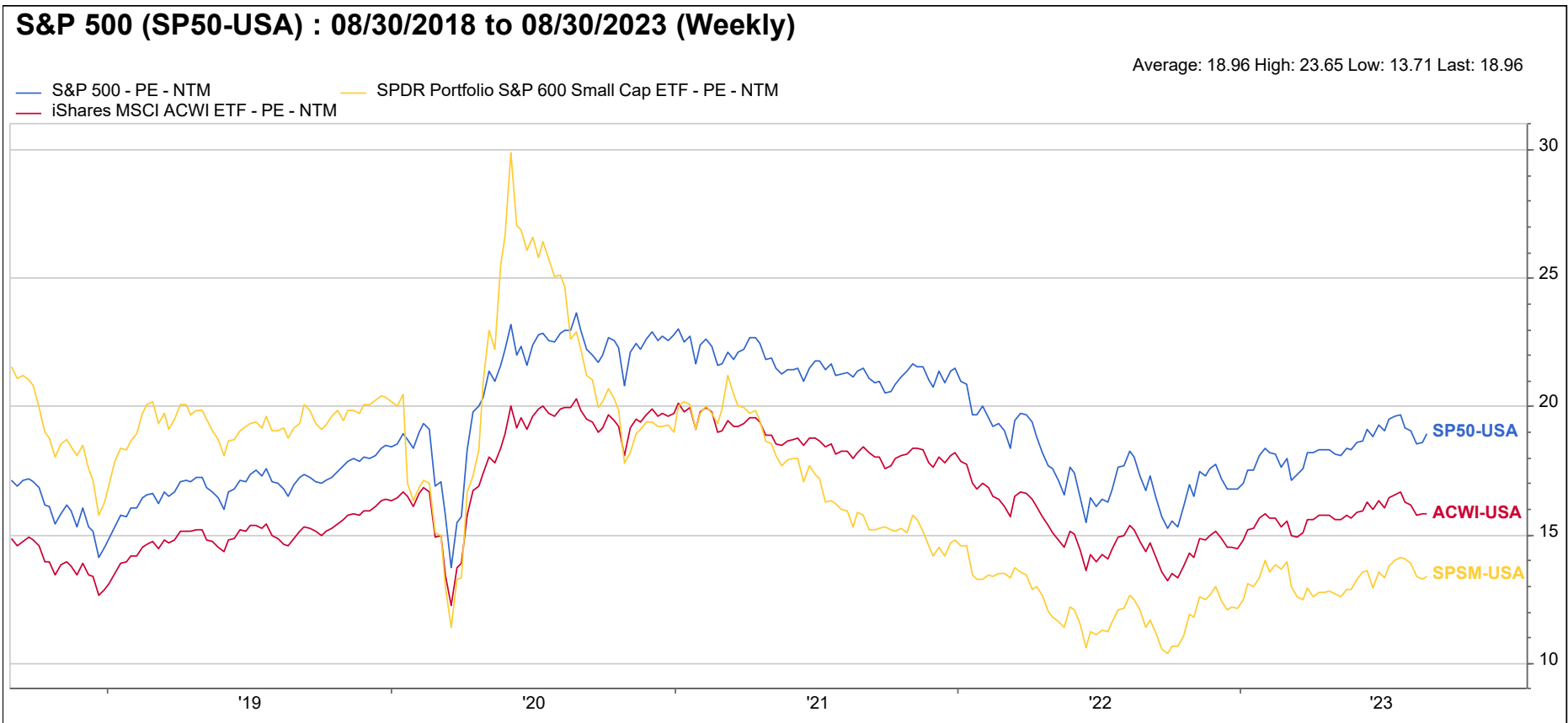


Source: FactSet and Ned Davis Research, 8/30/2023

Valuations



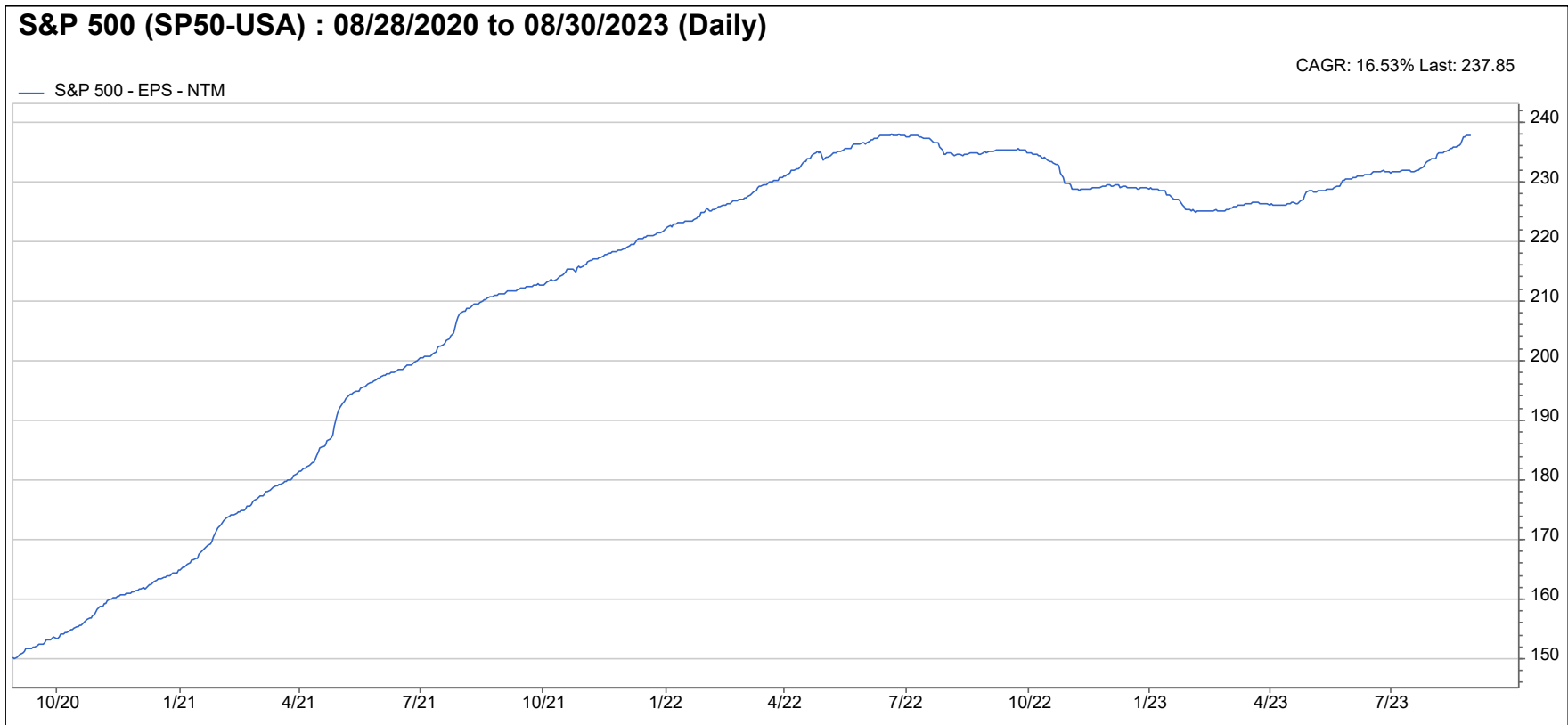
- PE – NTM (price-to-earnings next twelve months) look attractive for small cap stocks (SPSM), and albeit not cheap, reasonable for global stocks (ACWI) and the S&P 500.



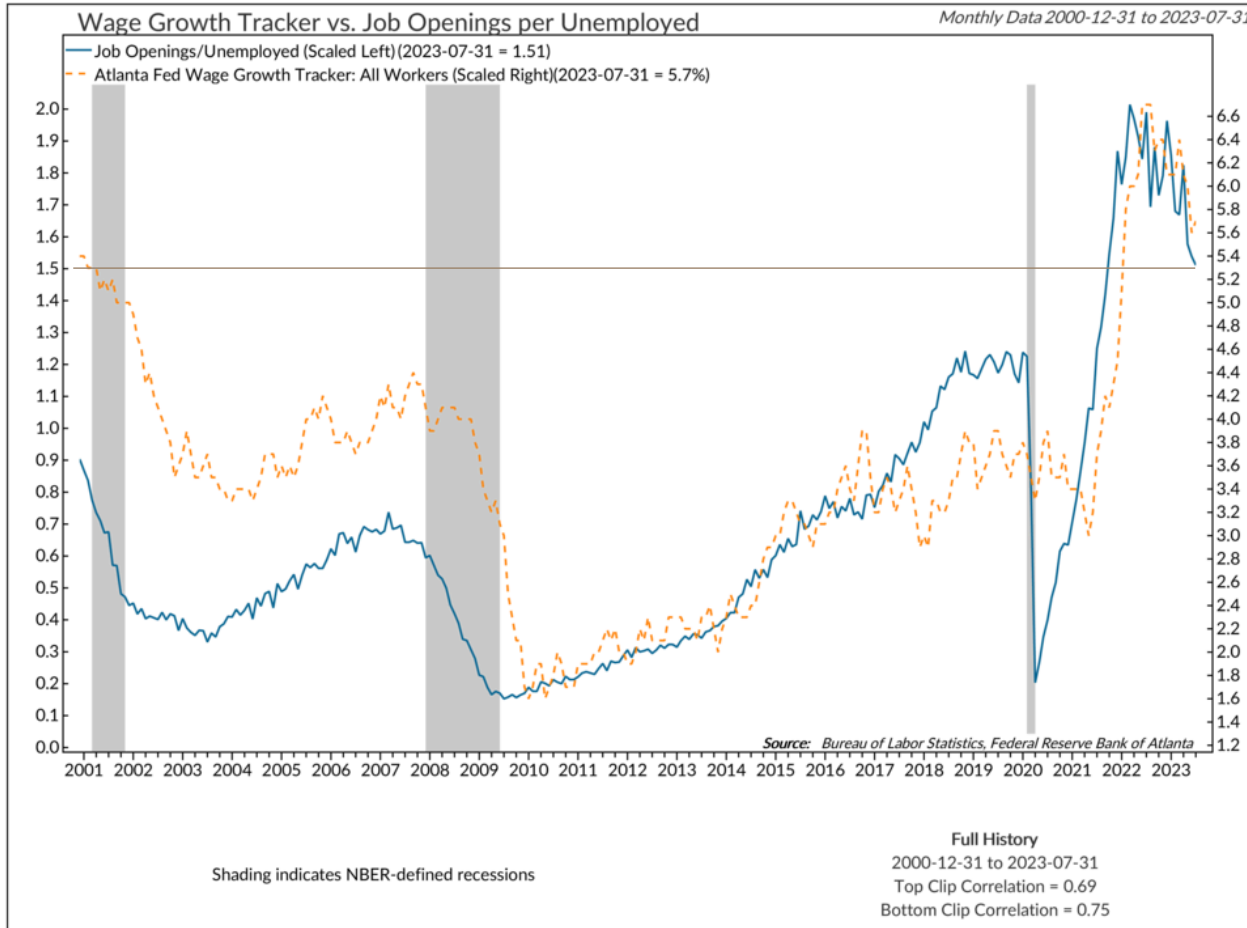
Earnings Estimates



- Earnings per share (EPS) estimates for the next twelve months (NTM) continue to increase.
- This puts downward pressure on PE ratios.



Employment Situation



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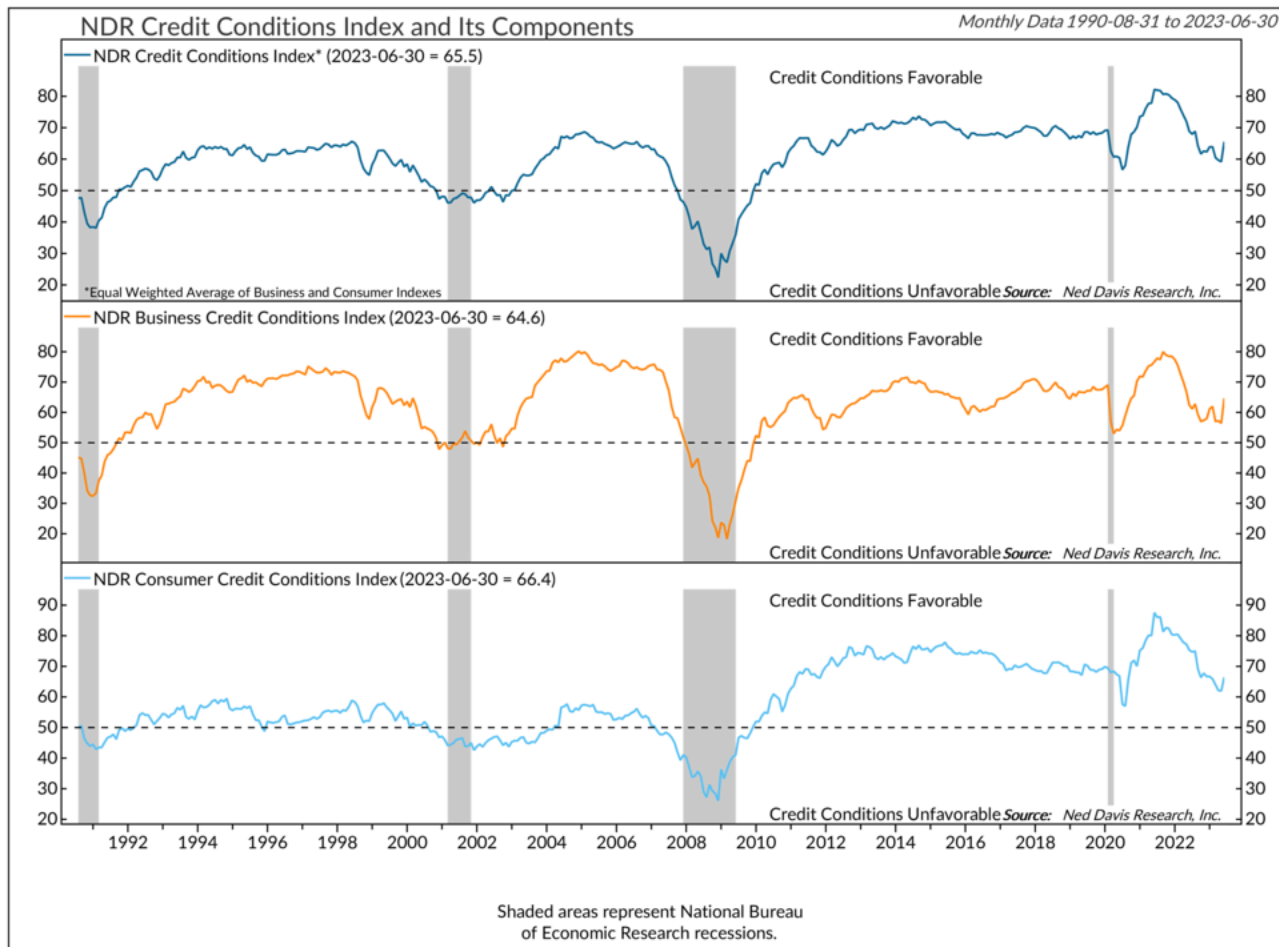


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There remains ~1.5x the amount of job openings per unemployed in the U.S., suggesting there remains more demand than supply for labor.

Despite a tight labor market, the Atlanta Fed Wage Growth Tracker continues to decline, which helps reduce inflation pressures.

Credit Conditions



ES55



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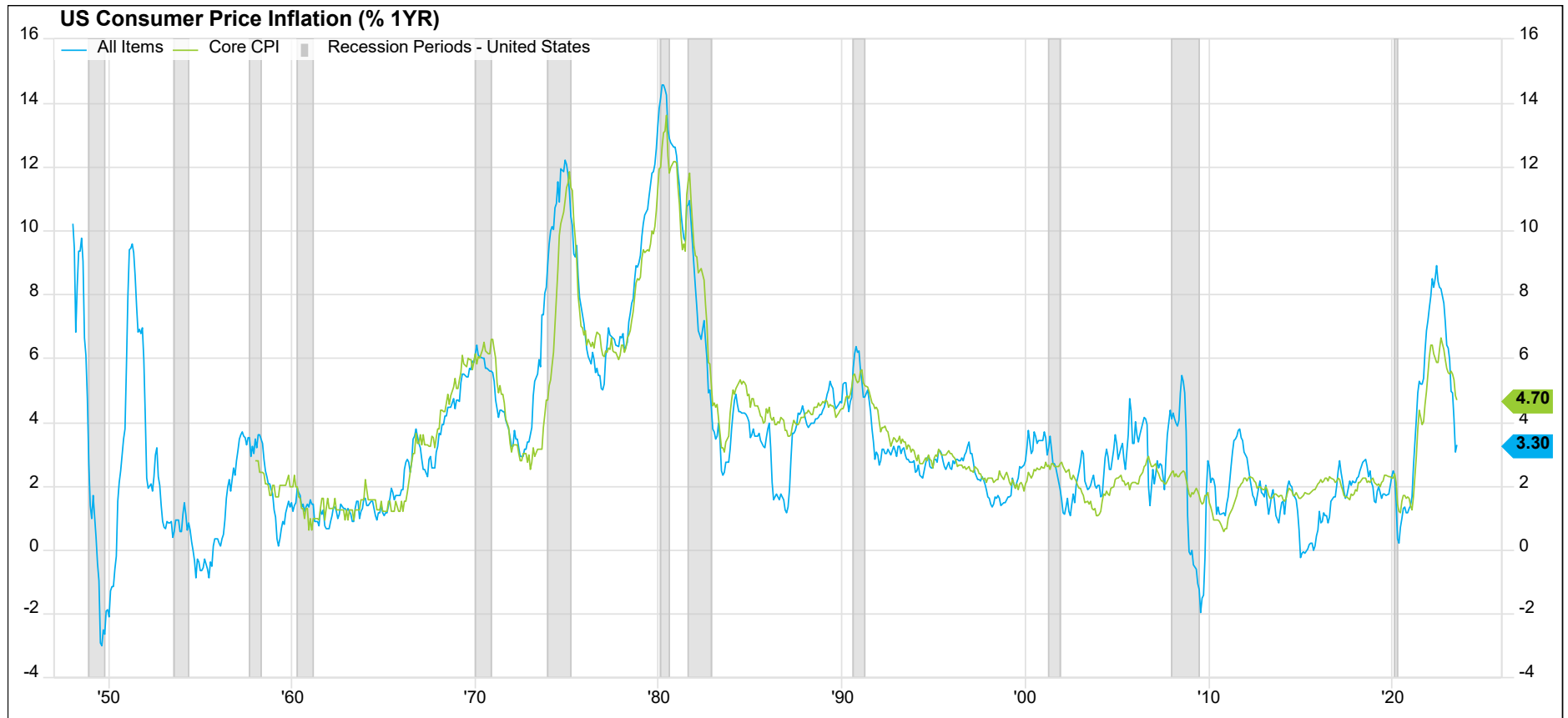
The availability of credit to consumers and businesses is improving.

If a recession was imminent, credit conditions would be worsening.

Inflation



- The job market remains robust, credit conditions are improving, and inflation is on a downward trajectory.



The Federal Reserve



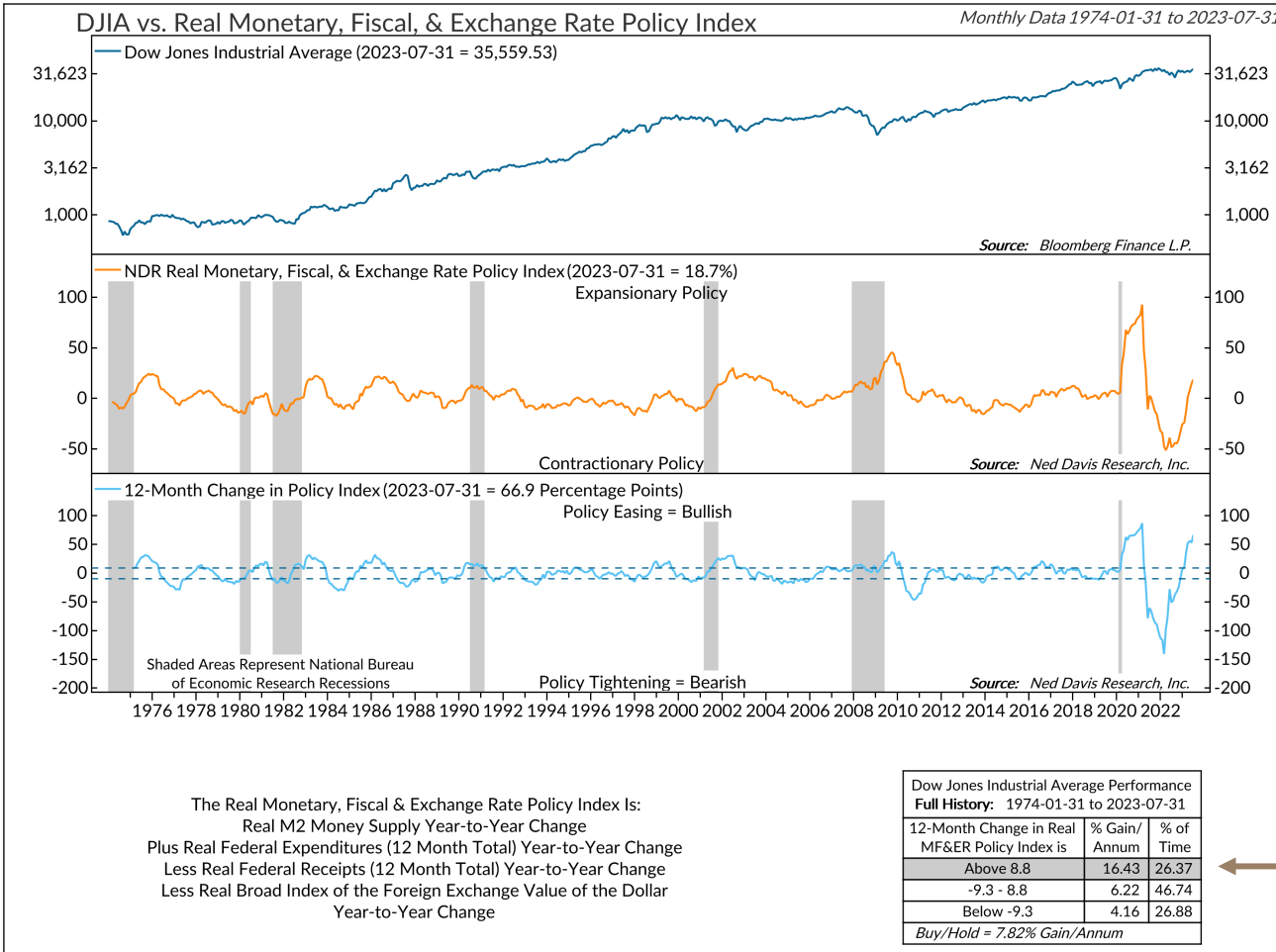
- Currently, investors expect the Fed to potentially increase the FFR one more time, and then stay above 5% for the foreseeable future.
- We have still not seen the full effects of the fastest tightening cycle in history on the economy. A recession in late 2024 or 2025 is not off the table.
- However, the Fed has more room to lower rates than they have had since 2001, the last time the FFR was this high.

Current Probabilities Across All Meetings and Possible Outcomes (BPS)

Meeting Date	375-400	400-425	425-450	450-475	475-500	500-525	525-550	550-575	575-600
09/20/2023	-	-	-	-	-	-	86.0%	14.0%	-
11/01/2023	-	-	-	-	-	-	54.0%	40.8%	5.2%
12/13/2023	-	-	-	-	-	3.9%	53.0%	38.2%	4.8%
01/31/2024	-	-	-	-	0.9%	14.7%	49.8%	30.9%	3.8%
03/20/2024	-	-	-	0.4%	6.7%	29.4%	41.8%	19.5%	2.2%
05/01/2024	-	-	0.2%	3.6%	18.4%	35.8%	30.3%	10.6%	1.1%

Calculations are based on end of day closing prices from the FactSet Futures Prices Database. Please note that the data may not match with other sources due to differences in timings of the snapshots taken of the futures prices and methodology.

Overall Stimulus



The Fed has tightened significantly since March of 2022, but overall stimulus (both fiscal and monetary) is trending positively, partially due to COLA (Cost of Living adjustments) for social security.

When this measure is above 8.8, as it is now, stocks gain 16.43% per annum since 1/31/1974.

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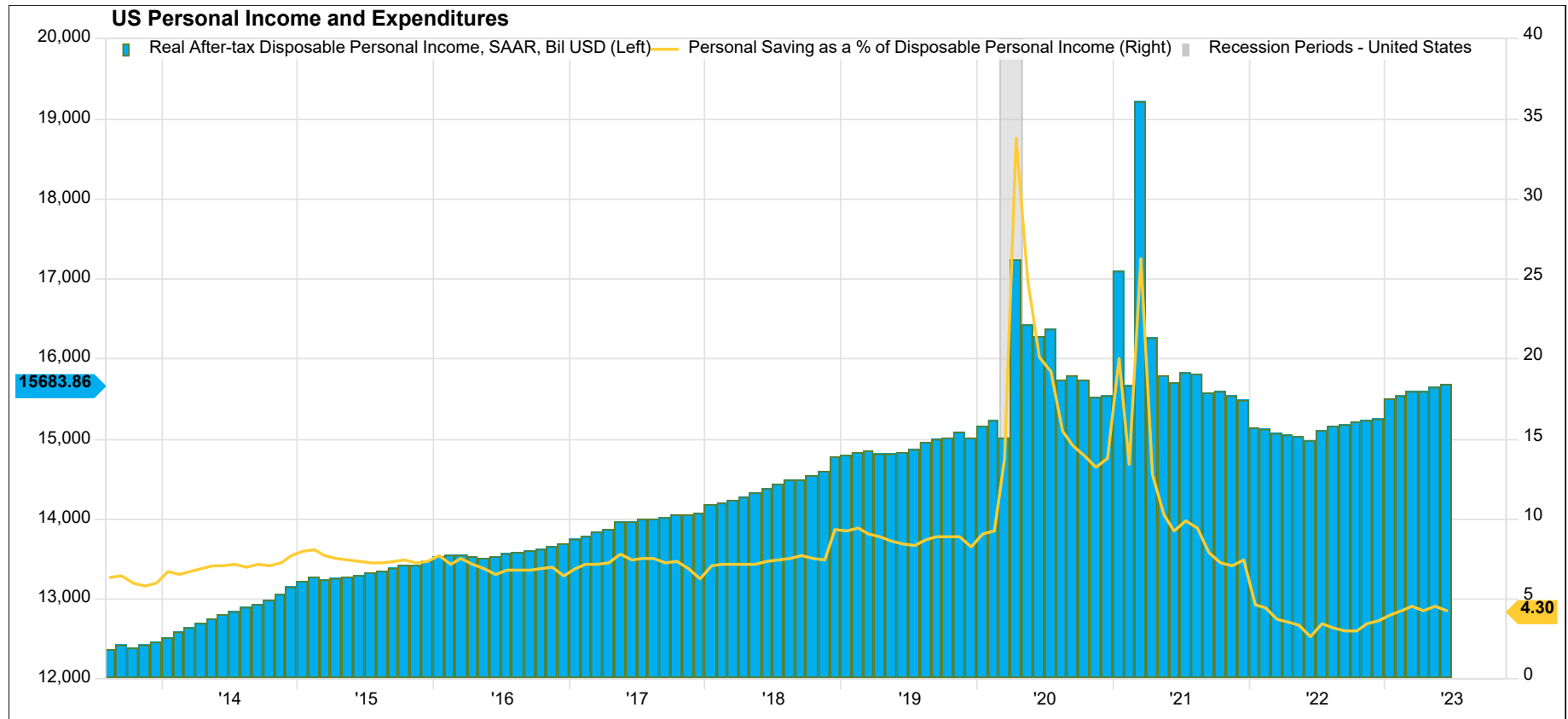


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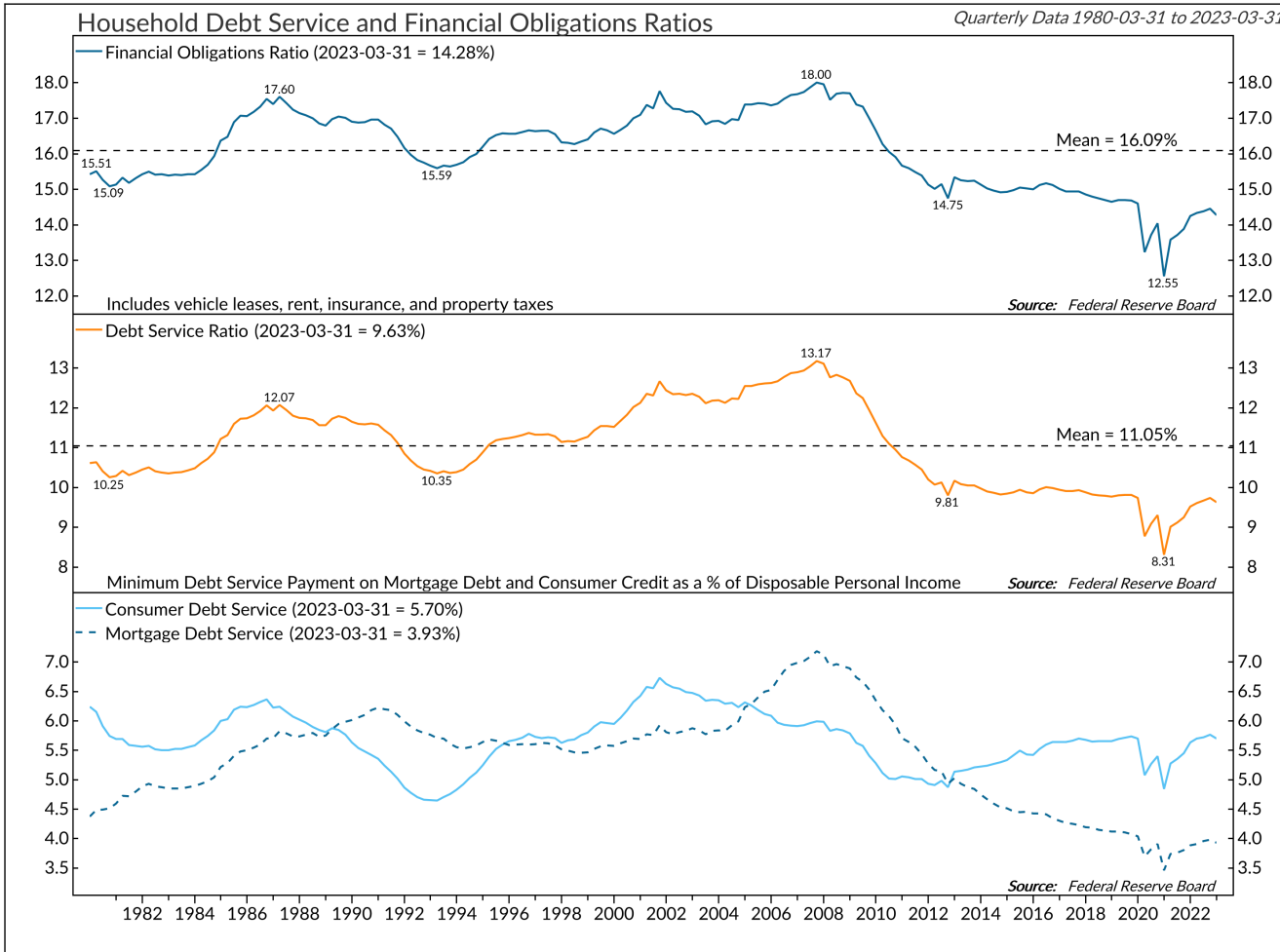
The Consumer and the Economy



- Consumption is about 70% of GDP in the U.S. The U.S. consumer has had higher than normal excess savings. A major reason for this was extraordinary stimulus during the COVID-19 pandemic. After tax disposable income remains robust and is trending positively.
- Therefore, the economy could stay resilient and even grow despite the fastest tightening cycle in history.



Balance Sheets



Confirming consumer strength, financial obligations ratio and debt service ratio remains low relative to history.

Consumers remain in good shape.

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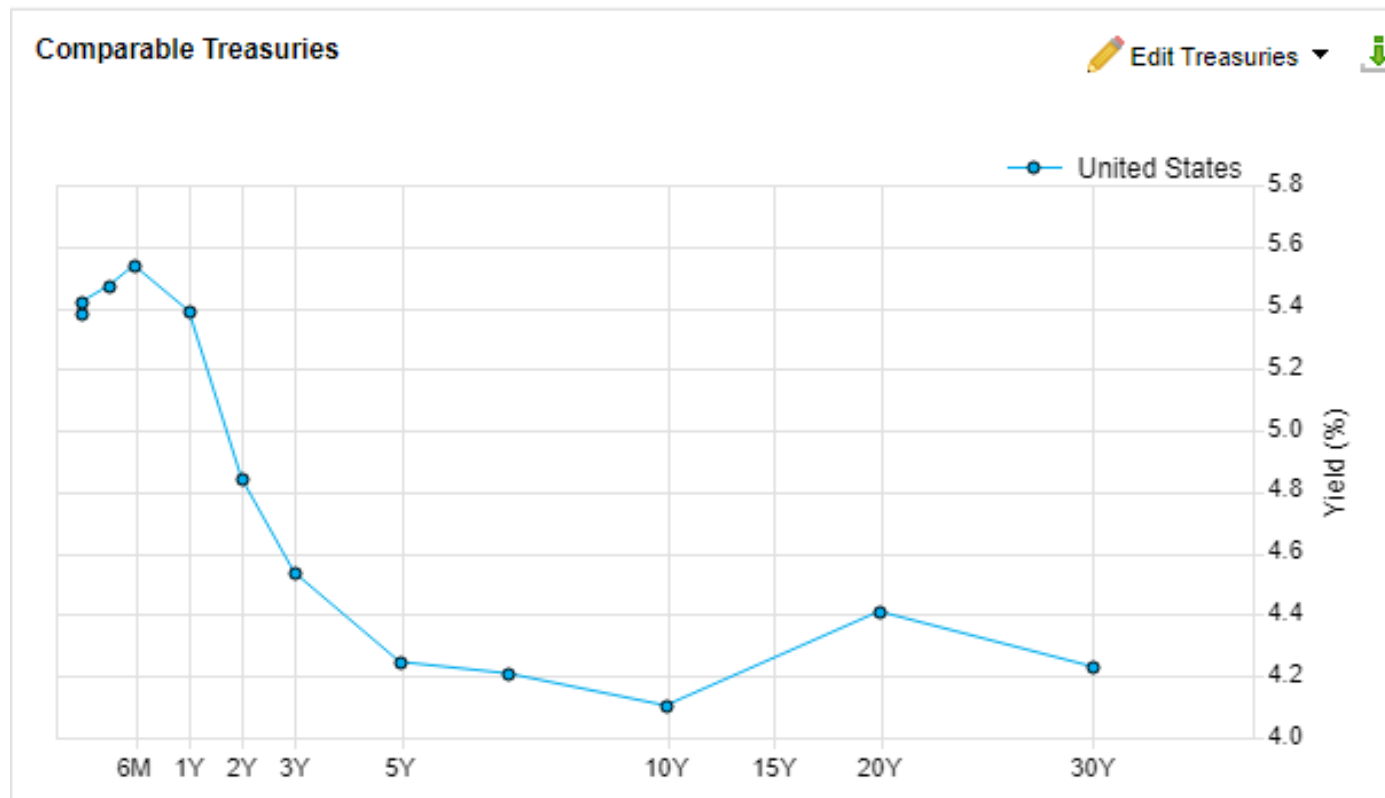


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Yield Curve



- The yield curve is inverted (short-term yields are generally higher than long-term yields).
- Historically this portends a recession.
- The yield curve is also a reflection of inflation expectations. Investors expect inflation to be high in the short-term and come down longer-term.



Appendix



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- Bitcoin
 - Argent Investment Strategies

Bitcoin, Cryptocurrency, and Blockchain Technology



Bitcoin as a monetary good.

Money is durable, divisible, fungible, portable, verifiable, and scarce.

Bitcoin possesses the scarcity and durability of gold, with the ease of use, storage, and transportability of fiat (even improving on it).

Only 21 million bitcoins will ever be created. Inflation rate is set, as opposed to Fiat, where no one knows the inflation rate.

It allows the oppressed, underbanked, and those around the world living in unstable currency or political regimes (over 80% of the world) to have more control of their life.

ESG: For review on the case that BTC is an ESG asset, see articles by Daniel Batten and his team:

<https://bitcoinmagazine.com/authors/daniel-batten>

Source: Argent Wealth Management, 11/17/2022

	<u>Bitcoin (BTC)</u>	<u>Fiat Currency (\$)</u>	<u>Gold</u>
Scarce	Yes	No	Yes
Durable	Yes	No	Yes
Easily divisible	Yes	Yes	No
Portable	Yes	Yes	No
Verifiable	Yes	Yes	No
Permissionless	Yes	No	No
Decentralized	Yes	No	No
Secure	Yes	Yes	Yes
Transparent	Yes	No	No
Fixed amount	Yes	No	No
Regulated	More needed	Yes	Yes
Banking Freedom	Yes	No	No
Mined	Yes	No	Yes

It is a decentralized peer-to-peer payment network that is powered by its users with no central authority or middlemen.

Triple entry bookkeeping system.

<http://financialcryptography.com/mt/archives/001325.html>

Users have full control over their money with no government or central authority.

Transactions are secure, irreversible, and do not contain any personal information.

Argent Investment Strategies



www.argentwm.com/investment-strategies.html

Macro Asset Allocation (for over 25 years).

- ETF & Mutual Fund versions
- Tactical Macro Strategy

Argent Stock Strategies – Focused on long-term societal and macro trends (since 2012).

- High Dividend
- Value
- Growth
- Long/Short

Private Equity and Real Estate (since 2006)

For fact sheets and performance, please reach out to acook@argentwm.com

Biography



*Matt Sapir Ristuccia, MBA, CFA
Chief Investment Officer*

Matt is Argent's Chief Investment Officer (CIO). Matt joined Argent in 2011 as an Analyst. In 2013 Matt was named Director of Investment Research, and in 2017 Matt was named Co-CIO before being named CIO in 2019.

As the CIO, Matt leads all aspects of Argent's investment programs and processes. This includes setting the direction and oversight of internal and external asset allocation strategies, equity strategies, fixed income strategies, and private equity and private real estate investments.

Matt joined Argent in 2011 after graduating summa cum laude (top 5% of class) from Olin Graduate School of Business at Babson College where he also received The Student Leadership Award. Matt completed all three levels of the CFA program in 2011 as well. The CFA Designation is globally recognized as the highest set of credentials in the investment management industry. In 2017 Matt completed the Investment Management Workshop at Harvard Business School (HBS). Started in 1968, this selective executive education program brings together leading HBS faculty with leading investment executives from around the world and focuses on investment and business strategy.

At Babson Matt was selected to help manage Babson's Endowment specializing in healthcare stocks. During this time Matt worked closely with the head of this program who was the former Head of U.S. Equity Research at Fidelity. Matt received his B.A. from Wheaton College where he was a First Team All-New England soccer player and helped lead the team to a final four appearance in 2003. Before attending Olin and after graduating in 2005, Matt worked with his grandfather, Louis Sapir, an esteemed disciple of Benjamin Graham, "the father of value investing."

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