

Argent Sector Capital Management

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March 2012

This brochure provides information about the qualifications and business practices of Argent Sector Capital Management. If you have any questions about the contents of this brochure, please contact us at bhull@argentmoney.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Argent Sector Capital Management is a Registered Investment Advisor with the SEC. Registration does not imply a certain level of skill or training. Additional information about Argent Sector Capital Management also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – MATERIAL CHANGES

Effective January 1, 2012, Sector Capital Management, LLC added Argent to the name. The legal name is now Argent Sector Capital Management, LLC (hereinafter known as “Argent Sector”). In addition, we have increased our professional staff from five to twelve as we continue to takeover all investment management for the subsidiaries of Argent Financial Group. Argent Sector is a wholly owned subsidiary of Argent Financial Group.

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Item 4 – ADVISORY BUSINESS

Argent Sector Capital Management, LLC (hereinafter “Argent Sector”) is an investment advisory firm established January 1, 1995. Argent Sector is a Registered Investment Advisor with the SEC. *(Registration does not imply a certain level of skill or training).*

Effective March 31, 2011, Argent Financial Group, Inc., (“Argent”), a Louisiana business corporation acquired all of the ownership of Argent Sector. Argent is a diversified financial services entity providing an array of services through the following wholly owned subsidiaries:

- National Independent Trust Company
- Argent Trust Company of Tennessee
- Argent Advisors, Inc.
- Argent Fiduciary Consulting Services, LLC
- Argent Insurance Services, LLC
- Argent Property Services, LLC
- Argent Advisors Leasing Services, LLC
- Argent Sector Capital Management, LLC (effective March 31, 2011)

Argent is privately owned by approximately 55 individuals or family entities with Argent’s staff comprising the largest component of its stockholders by number. D. Kyle McDonald, Argent’s President & CEO, is the only stockholder that owns more than 10% of the outstanding common stock of Argent.

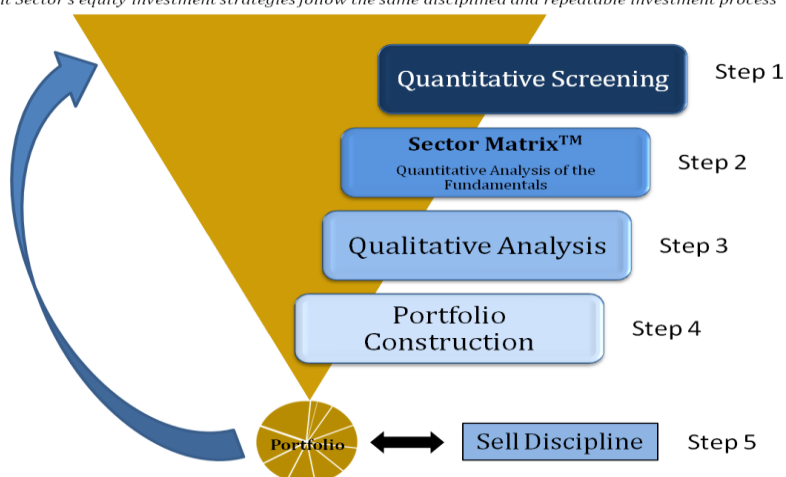
Discretionary Investment Management Services

Argent Sector provides investment advisory services to its clients by primarily managing equity and fixed income portfolios on a discretionary basis in our different investment strategies. Argent Sector’s clients consist of both individuals and institutions which include defined benefit plans, public entities, foundations, endowments, Taft-Hartley plans, corporations, trusts, and financial institutional and mutual funds. Our objective is to provide risk-adjusted returns that exceed an appropriate benchmark for a given strategy. Our strategies are fully-customizable and can be managed to meet specific client restrictions. For example, some of our strategies are managed according to environmental, social, and governance (ESG/SRI) or social responsible investment issues. Others are managed to meet a large cash flow need. We mainly invest in U.S. exchange listed common stocks, American depository receipts (ADRs), preferred securities, master limited partnerships (MLPs), treasuries, agencies, corporates, municipals, mortgages, and other fixed income related securities.

Our core investment philosophy is consistent for all of Argent Sector’s equity investment strategies. The Argent Sector investment team believes decisions should be based on fact and should be part of a disciplined and repeatable investment process. We believe the key to long-term success is to buy only the highest quality securities that have been through rigorous quantitative and fundamental (Quantamental) analysis.

5 Step Investment Process

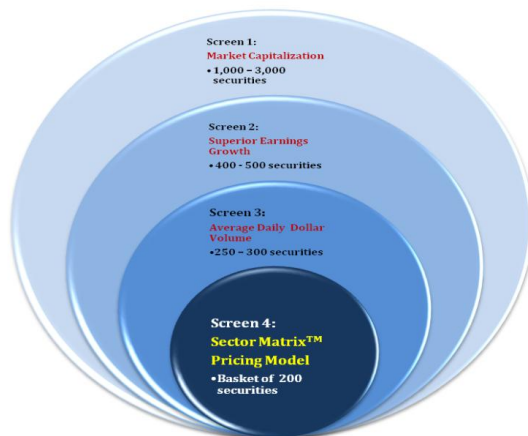
**All of Argent Sector's equity investment strategies follow the same disciplined and repeatable investment process*



Our core investment process is “Quantimental” by incorporating a proprietary pricing model that provides a quantitative analysis of the fundamentals.

Quantitative Screening (Step 1)

The Screening Process Begins with the Wilshire Stock Universe of over 15,000 Securities
(Securities yielded per screen below are approximations and can fluctuate over time)



All of our equity strategies are built from the bottom up based on fundamentals like earnings growth, price-to-earnings ratio, and dividend yield. We employ a proprietary model called Sector Matrix™, which helps us to quantitatively review and score key fundamentals for each company we research. We use the score from Sector Matrix™ to screen and rank the universe of companies we are evaluating. Based on the Sector Matrix™ score and some other related criteria including a stock's liquidity, market capitalization, and overall quality, we will narrow the universe to a “basket” or smaller group of high quality stocks for further analysis.

SECTOR MATRIX™ (STEP 2)

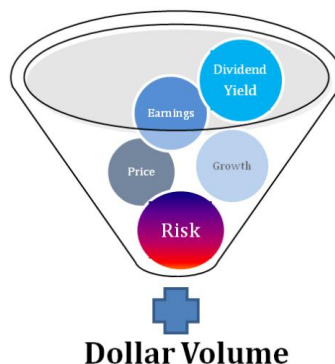
•A proprietary “Quantimental” model – a quantitatively model driven bottom-up fundamental approach

•The Sector Matrix™ pricing model assigns a point scoring system to each security based on key fundamental criteria and compares this score to a security specific risk premium on both a historical perspective and a projected basis



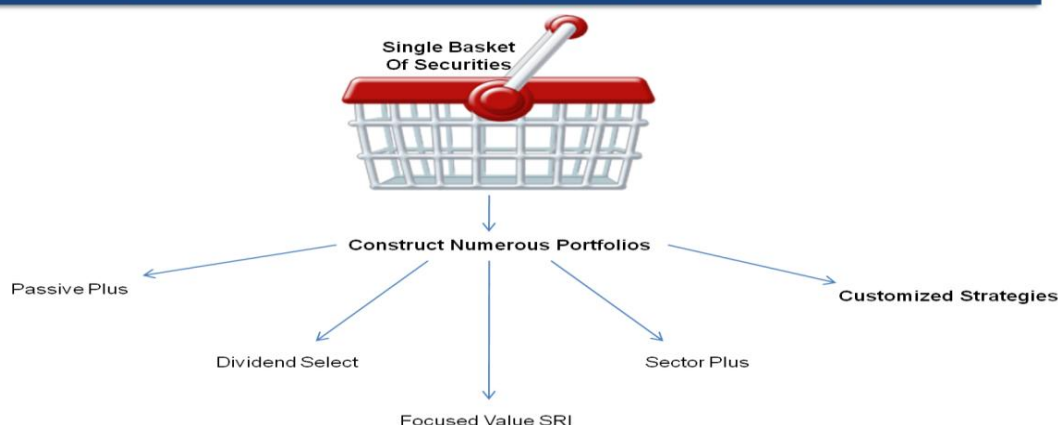
•Securities can be screened and ranked based on their score

•A Security with a score below Argent Sector's proprietary target range would be eliminated from the portfolio or screen



We then apply a series of qualitative checks (Step 3) and reviews to ensure we have the highest quality securities that are consistent with our approach. From this final qualitatively-scrubbed basket we create numerous types of strategies to meet a variety of needs. Despite having numerous equity strategies that meet a variety of needs, our main portfolio characteristics are consistent across all our strategies. These characteristics include superior earnings growth, attractive valuations, high quality, and good liquidity. (Step 4) Managing portfolio risk in long-only equity strategies can best be accomplished through seeking only quality companies with the high levels of liquidity and by adequate diversification. (Step 5) Our Sell discipline is just as important as our buy-discipline. It also follows a disciplined and repeatable process.

Argent Sector Equity Strategy



Argent Sector can then create various investment strategies for our clients depending on their investment needs and requirements. These investment strategies are repeatable and consistent in their goals.

The Core objective of our fixed income strategies is to provide risk-adjusted returns that exceed an appropriate benchmark for a given strategy. Our fixed income strategies are fully – customizable and can be managed to meet specific client restrictions or income needs.

The approach Argent Sector uses to manage all clients fixed income assets is consistent across all fixed income strategies. All of our strategies begin with our base economic outlook and our interest rate forecast. This outlook will drive our fixed income portfolio construction and asset allocation decisions across the various portfolio strategies. For example, the fixed income segment allocation for the Core Plus / Total Return Bond Strategy will be heavily influenced by our economic outlook and interest rate forecast. Depending on the forecast, Argent Sector will overweight or underweight various segments of the fixed income market in an effort to achieve the best possible risk adjusted return. Additionally, the forecast will determine the most appropriate portfolio strategy to use at any given time (barbell, bullet, or ladder).

Risk in these strategies is managed at the portfolio level through diversification, quality of securities, a disciplined investment process, constant monitoring of risk measures and active portfolio management. Individual fixed income investments in a client portfolio may be expected to exhibit greater risk characteristics than the client's portfolio taken as a whole. Argent Sector seeks to identify quality securities at attractive valuations along with opportunistic market sectors for investment and to understand the risks of these opportunities. Argent Sector continues to manage fixed income portfolio risk through active portfolio management and replacing / swapping individual investment opportunities within client portfolios.

Financial Planning and Consulting Services

Argent Sector offers financial planning and other investment advisory services including consulting services and non-discretionary research and advice. A typical planning or consulting engagement follows a series of logical processes. They are: goal setting, data gathering, analysis of data, reviewing findings, making recommendations, and monitoring on an ongoing basis for continuity and effectiveness. Based upon a client's needs, an engagement may encompass all or part of these processes. At the initial meeting, Argent Sector's associated persons will work with the client towards determining a client's objectives and the advisory services needed to help meet those goals and objectives.

In providing financial planning and consulting services, Argent Sector tailors its services to the individual needs of the client. In providing discretionary investment management services, Argent Sector follows an investment strategy that is not tailored to individual client needs. Rather than managing a variety of investment strategies, Argent Sector seeks to provide more focused discretionary investment management services through constructing substantially similar client account holdings, except as may be modified for retirement plan accounts and accounts with assets below \$100,000. Through its financial planning and consulting services, Argent Sector may also provide non-discretionary investment allocation and investment management consulting advice to clients in specific situations including having an employee benefit retirement plan. These investment plans may include the use of Argent Sector's investment strategies, third-party investment vehicles, or both.

Wrap Fee Programs

The majority of assets under management at Argent Sector are direct separately managed accounts. However, Argent Sector does also manage client accounts as both separately managed accounts (SMAs) and unified managed accounts (UMAs) through various wrap-fee or online platform programs. Argent Sector **does not** sponsor any proprietary wrap fee programs. In most cases Argent Sector manages the strategies in these programs exactly the same as with our direct separately managed accounts. However, there are some programs that take over the trading of the securities on behalf of the client. In these cases, Argent Sector will simply provide the program direction as to what securities to buy and when. The third-party vendor managing the wrap-fee program will then conduct the transaction consistent with our instructions.

Client Assets

As of May 31, 2011, Argent Sector Capital Management manages approximately \$685,000,000 on a discretionary basis and \$15,000,000 on a non-discretionary basis.

Item 5 – FEES AND COMPENSATION

Argent Sector charges an asset-based fee for both its discretionary investment management services and its other investment advisory services. The fee is similar for all actively managed institutional equity accounts and is subject to a \$1 million minimum investment. Our institutional passively managed equity strategies are billed according to a separate fee scale shown below. Our individual financial planning accounts are billed an all-inclusive fee that includes investment management services and financial planning or other advisory services. Our institutional non-discretionary advisory clients are billed based on the scope of the work and can be either a fixed or asset-based fee.

The annual fee scale for *actively* managed equity **institutional** separate accounts is computed as follows:

Market Value of Account	Annual Fee
First \$1 million	1.00%
Next \$9 million	0.85%
Next \$15 million	0.75%
Next \$25 million	0.65%
Over \$50 million	0.50%

The annual fee scale for *passively* managed equity **institutional** separate accounts is computed as follows:

Market Value of Account	Annual Fee
First \$25 million	0.30%
Next \$50 million	0.25%
Over \$75 million	0.20%

The annual fee scale for **individual/financial planning** accounts is computed as follows:

Market Value of Account	Annual Fee
First \$500,000	1.50%
Next \$500,000	1.20%

Next \$1 million	1.00%
Next \$8 million	0.85%
Next \$15 million	0.75%
Next \$25 million	0.65%
Over \$50 million	0.50%

The annual fee scale for fixed income managed separate accounts is computed as follows:

Cash Plus

Cash Plus is a Liquidity Management approach where strategies are designed to meet statute mandated or Investment Policy Statement maximum maturity constraints and seek to outperform the stated benchmarks through asset selection and active management while minimizing investor credit risk. Cash Plus strategies include:

Fee Schedule

First \$5 million	0.250%
Next \$5 million	0.225%
Next \$20 million	0.200%
Next \$20 million	0.150%
Over	Negotiable

*** Minimum account balance of \$1 million**

State Specific Municipal Bond Strategy

State Specific Municipal Bond Strategy is a total return-oriented, investment grade quality bond strategy that concentrates exclusively on the management of state tax-exempt securities. The Portfolio Manager has broad discretion to rotate between municipals bonds sectors as long as the overall portfolio characteristics remain in line with the stated Investment Policy. Argent Sector can customize this strategy for any State.

Fee Schedule

First \$3 million	0.650%
Next \$7 million	0.600%
Next \$10 million	0.500%
Next \$15 million	0.450%
Over \$25 million	Negotiable

*** Minimum account balance of \$500,000**

U.S. Government Securities Strategy

U.S. Government Securities Strategy is an ultimate return of principal solution designed to meet the specific income needs of a client through the use of U.S. government guaranteed securities (U.S. Treasury, Agencies, Guaranteed Mortgages, or Insured Bank Products) without exposing the client to credit risk.

Fee Schedule

First \$3 million	0.350%
Next \$7 million	0.300%
Next \$10 million	0.250%
Next \$15 million	0.200%
Over \$25 million	Negotiable

*** Minimum preferred account balance of \$1 million**

Core Plus / Total Return Bond Strategy

Core Plus or Total Return Bond Strategy designed to outperform the Barclays Capital Aggregate Bond Index through active duration and yield curve management, sector and asset quality rotation, fundamental research and relative value trading. This portfolio strategy may include allocations to non-investment grade credit and international dollar and non-dollar securities.

Fee Schedule

First \$3 million	0.500%
Next \$7 million	0.400%
Next \$10 million	0.350%
Next \$15 million	0.300%
Over \$25 million	Negotiable

*** Minimum preferred account balance of \$1 million**

All of the above fees are negotiable at the sole discretion of Argent Sector. No particular ranges or terms have been established with respect to accounts that are the subject of negotiated fees. Unless a fee is negotiated with a client of Argent Sector, the fee charged is calculated as described herein.

Upon a client's determination to work with Argent Sector, they will be required to sign an Investment Management Agreement defining our relationship before any billable work is undertaken or performed.

Argent Sector's fees are paid quarterly in arrears. Fees will be based on the value of the client's account at the close of business on the last day of the calendar quarter. Fees will be pro-rated for accounts established or terminated mid-quarter.

Generally, Argent Sector's fee will be deducted directly from the client's account, although the client may elect to have fees paid directly to Argent Sector. If the client elects to have fees automatically deducted, client must provide the custodian with written authorization to have the deduction taken from the account and paid to Argent Sector. If fees are paid directly, Argent Sector will provide a billing statement to the client showing the amount of fees for the quarter, the value of the assets on which the fees were calculated, the manner in

which the fees were calculated, any adjustment to the fees, and explanations of any adjustments. For clients electing to pay directly, payment is due immediately upon receipt of the billing statement from Argent Sector. Clients are responsible for verifying the accuracy of the fee calculations.

Argent Sector does not direct clients to utilize specific custodians. Argent Sector can provide guidance to clients in selecting a custodian to meet his/her needs and will assist clients in establishing a custodial relationship if necessary. Neither Argent Sector nor its associated persons will hold funds or securities for any account. The custodian may charge transaction fees to the client. Fee and charges will be noted on the client's statements and confirmations. Clients may also incur certain charges imposed by other third parties in connection with investments made through the account. These charges can include, but are not limited to, IRA and Qualified Retirement Plan fees, if any. Clients should review all fees charged by Argent Sector, the custodian, and others to fully understand the total amount of fees incurred. All of these aforementioned charges, fees, and commissions are exclusive of and in addition to Argent Sector's fee.

Argent Sector does not accept from third parties compensation for the purchase or sale of securities or other investment products, including asset-based sales charges or service fees from mutual fund companies. If Argent Sector did, such additional compensation would pose a conflict of interest.

Management fees charged in the account are separate and distinct from the fees and expenses charged by ETF's or mutual funds that may be purchased in client accounts. A description of these fees and expenses is available in each fund's prospectus.

The Investment Management Agreement for services will remain in effect until terminated. Either party can terminate the agreement by providing written notice to the other, and termination will be effective immediately upon 30 days prior written notice. If services are terminated within five business days of signing the agreement, services will be terminated without penalty. After the initial five business days, fees will be charged on a pro-rated basis. Argent Sector will prepare a billing statement showing the fees due based on the number of days services were provided prior to termination. Payment will be due upon receipt of the billing statement.

Item 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Argent Sector or any of its supervised persons typically do not charge or accept performance based fees or incentive fees in addition to the fee described above. Performance based fees or incentive fees are fees charged in lieu of or in addition to fees based upon assets under management, flat fees, or hourly fees charged. Performance based or incentive fees are often based upon a share of capital gains or capital appreciation of the assets of a client. Argent Sector could consider them on a case, by case, basis upon the client's request.

Item 7 - TYPES OF CLIENTS

Argent Sector's clients consist of both individuals and institutions which include defined benefit plans, defined contribution plans, public entities, foundations, endowments, Taft-Hartley plans, corporations, trusts, and financial institutional funds. Institutional accounts are subject to a \$1 million minimum investment. Individual accounts setup through an online brokerage platform like TD Ameritrade, Fidelity, or Schwab, are subject to a \$100,000 minimum, otherwise the minimum investment for individuals increases to \$500,000. Accounts may be aggregated or bundled by household or family to achieve minimums if necessary at Argent Sector's sole discretion.

Argent Sector will require all clients to enter into and execute an Investment Advisory Agreement. As part of the terms of the discretionary investment management client's Agreement, Argent Sector will have full discretion to supervise, manage, and direct a client's investments, including the power and authority to purchase and sell assets and to place all orders for the purchase and sale of assets with or through brokers, dealers, or issuers selected by Argent Sector, all without prior consultation with the client and all at times as Argent Sector shall deem appropriate.

Item 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Argent Sector provides investment advisory services to its clients by primarily managing equity, fixed income, and model (Managed Asset Products) portfolios on a discretionary basis in our different investment strategies. Our objective is to provide risk-adjusted returns that exceed an appropriate benchmark for a given strategy. Our strategies are fully-customizable and can be managed to meet specific client restrictions. For example, some of our strategies are managed according to environmental, social, and governance (ESG/SRI) or socially responsible investment issues. Others are managed to meet a large cash flow need. We mainly invest in U.S. exchange listed common stocks, American depository receipts (ADRs), preferred securities, master limited partnerships (MLPs), treasuries, agencies, corporates, municipals, mortgages, and other fixed income related securities.

The core investment principles are consistent for all of Argent Sector's equity investment strategies. All of our strategies are built from the bottom up based on fundamentals like earnings growth, price-to-earnings ratio, and dividend yield. We employ a proprietary "Quantimental" model called Sector Matrix TM, which helps us to quantitatively review and score key fundamentals for each company we research. We can use the score from Sector Matrix TM to screen and rank the universe of companies we are evaluating. Based on the Sector Matrix TM score and some other related criteria including a stock's liquidity, market capitalization, and overall quality, we will narrow the universe to a "basket" or smaller group of high quality stocks for further analysis. We then apply a series of qualitative checks and reviews to ensure we have the highest quality stocks that are consistent with our approach. From this final qualitatively-scrubbed basket we create numerous types of strategies to meet a variety of needs. Despite having numerous strategies that meet a variety of needs, our main portfolio characteristics are consistent across all our strategies. These characteristics include superior earnings growth,

attractive valuations, high quality, and good liquidity. We manage equity strategies in five main groups: U.S. Large Capitalization, U.S. Medium to Small Capitalization, Global and International, Dividend Equities, and Passive. Any of these strategies can be managed to adhere to ESG/SRI criteria.

The core investment principles are consistent for all of Argent Sector's Fixed-Income investment strategies. All of our fixed income strategies are built from the bottom up based on asset allocation, duration, yield, credit quality and security selection and are guided by the firms economic outlook and interest rate forecast. Argent Sector fixed income portfolio management team is comprised of seasoned professionals with extensive experience in research, trading and portfolio management. Argent Sector fixed income investment management platform offers clients customized portfolio management solutions, cost efficiency and fee transparency. Thorough analysis of clients' investment needs and Argent Sector's innovative portfolio strategy designs allows for optimal portfolio construction resulting in enhanced yield. The Argent Sector fixed income portfolio management team follows a detailed four-stage investment process involving strategy selection, asset allocation, duration and credit quality determination and security selection to develop a customized portfolio management solution. Argent Sector maintains active trading relationships with global investment banks and regional bond dealers that provide access to suitable investments, necessary liquidity and institutional order execution for all Argent Sector clients. Argent Sector manages fixed income strategies in four main subgroups: 1) Cash Plus, 2) Municipals, 3) U.S. Government Securities Strategies, 4) Core Plus / Total Return Bond Strategy.

Risk in these strategies is managed at the portfolio level through diversification, quality of securities, our disciplined investment process, and our proprietary "Quantimental" model. Individual investments in a client's portfolio may be expected to exhibit greater risk characteristics than the client's portfolio taken as a whole. Argent Sector seeks to identify quality securities at attractive valuations along with opportunistic market Argent Sectors for investment, to understand the risks of these opportunities, and use our proprietary models and quantitative tools to assist in the construction of risk managed portfolios. Argent Sector continues to manage portfolio risk through periodically replacing and/or rebalancing individual investment opportunities within client portfolios.

U.S. Large Capitalization

In our U.S. Large Cap group we manage five strategies including our flag ship strategy, Sector Plus, which is the original strategy employed when Argent Sector was started in 1995.

1) Sector Plus is a sector-neutral and style balanced strategy that invests in 80-100 medium to large capitalization companies. It can invest in both U.S. common stocks and also international ADRs. To manage risk, the portfolio is rebalanced each year to be sector-neutral to the broad market index. The strategy also manages risk by equal weighting securities within the portfolio so as not to overweight or put excessive emphasis on one or two stocks.

2) The next U.S. Large Cap strategy is the "sister" strategy to Sector Plus called **Pathfinder**. In basic terms, it is an ESG/SRI version of Sector Plus. Pathfinder follows the same structure and discipline as Sector Plus, however, we apply an additional layer of screens designed to

eliminate companies that do not meet minimum criteria related to environment, social, and governance issues. Risk is managed in much the same way as in Sector Plus.

3) Focused Value SRI is another U.S. Large Cap strategy that is managed according to ESG/SRI criteria. It is a concentrated large cap value strategy that invests in approximately 25 U.S. stocks and ADRs. Because this strategy has fewer stocks than Sector Plus or Pathfinder, it will tend to have larger weights in each of its positions which will bring greater risk at the security level. Risk is managed by equal weighting securities in the strategy and by maintaining some diversification by sector. However, this strategy does not have restrictions on its sector allocations, so there can be occasions when our models and analysis indicate that this strategy will have a significant over or underweight to the market index.

4) Sector Select is a large cap equity strategy that focuses on high quality large cap stocks that exhibit characteristics consistent with the “growth-at-a-reasonable-price” (GARP) philosophy. It invests in 50 stocks and ADRs with superior earnings growth, attractive valuations, and significant liquidity. Security level risk is managed by equal weighting the securities and by investing in very high quality companies with strong balance sheets. This strategy attempts to be diversified by sector with a maximum weight of 30% to any one sector and a minimum of zero.

5) Lastly, Sector Core Plus is a large cap core equity strategy with a strategic macro-economic overlay. It is a modified version of our flagship strategy Sector Plus, utilizing 50 stocks instead of 100 and including a strategic macro-overlay to gain access to areas of the market we believe represent a theme with the potential to add additional value to the portfolio. The stock portfolio is sector-neutral and style balanced like Sector Plus, but focuses on large cap U.S. stocks. The macro overlay, which can be as much as 30% of the portfolio, is implemented utilizing mainly index-based Exchanged Traded Funds (ETFs).

U.S. Small to Medium Capitalization

In our U.S. Small to Mid Cap group we manage two strategies, Sector Smid Cap and Sector Small Cap.

1) Sector Smid Cap is an equity strategy that focuses on high quality small-to-mid cap stocks that exhibit characteristics consistent with the “growth-at-a-reasonable-price” (GARP) philosophy. It invests in 50 stocks and ADRs with superior earnings growth, attractive valuations, and significant liquidity. It will typically invest in securities with a market capitalization between \$500 million and \$10 billion. Security level risk is managed by equal weighting the securities and by investing in very high quality companies with strong balance sheets. This strategy attempts to be diversified by sector with a maximum weight of 30% to any one sector and a minimum of zero.

2) Sector Small Cap is an equity strategy focusing on small cap value-oriented stocks and ADRs. It invests in 50 securities typically with a market capitalization below \$2 billion. Securities in this strategy tend to exhibit attractive valuations and strong return on equity. Positions are equal-weighted and sector weights are diversified. Since small capitalization securities have greater risks associated with them than large capitalization securities, an emphasis is placed on each individual securities valuation to ensure we are buying these securities at an attractive valuation point according to our model.

Passive

Sector manages one large cap strategy according to a passive “Quantimental” approach called Passive Plus, “The Investor’s Index.”

1) Passive Plus is a passive equity strategy also known as “The Investor’s Index.” It is a high alpha and high tracking error enhanced index. It is built on Sector’s “Quantimental” philosophy and is entirely model driven. There are no subjective inputs, only model driven inputs. It invests in 100 of the most actively traded stocks and ADRs that meet our minimum criteria established in our Sector Matrix “Quantimental” model. Risk is managed at the security level by equal weighting each security so each stock will have an initial target weight of 1%. The portfolio is then reconstituted and rebalanced on an annual basis. Sector weights are not restricted and driven entirely by the model’s valuation of the universe of stocks at the time of reconstitution.

Global and International

Argent Sector manages three strategies with a global or international focus. They include International ADR, Global Opportunities, and Emerging Markets.

1) International ADR is an equity strategy that invests in U.S. exchange listed common stocks and ADRs of companies with their primary base of business located outside the U.S. It invests in 40-50 securities with a market capitalization above \$1 billion that exhibit superior earnings growth, attractive valuations, and significant liquidity. It will invest in both developed countries and also countries considered to be emerging markets. Emerging markets countries like China, Brazil, and India have added growth potential but also have added risk due to less stable governments and/or economies. To manage this risk, Argent Sector only invests in the highest quality and most liquid companies from emerging markets and the overall allocation to emerging markets is limited in the portfolio to a maximum of 35%. The strategy intends to be diversified by country and by sector.

2) Global Opportunities is similar to our International ADR strategy except it will also invest in U.S. based companies. It invests in 60 securities with a market capitalization over \$1 billion. It invests in both developed and emerging markets. Emerging markets countries like China, Brazil, and India have added growth potential but also have added risk due to less stable governments and/or economies. To manage risk, Argent Sector balances the allocation between U.S. and Non-U.S. companies as well as between large cap and small to mid cap or emerging markets. There is a maximum weight to small to mid cap securities of 25%, a maximum weight to emerging markets of 25% and the weight can shift between U.S. and Non-U.S. between 40% and 60%. The strategy is designed to be diversified by country and by sector.

3) Emerging Markets is an emerging market focused Non-U.S. investment strategy that is diversified across approximately 50-60 stocks and ADRs. Emerging markets countries like China, Brazil, and India have added growth potential but also have added risk due to less stable governments and/or economies. To manage this risk, Argent Sector only invests in the highest quality and most liquid companies from emerging markets countries. The strategy intends to be diversified by country and by sector.

Dividend High Yielding Equities

Argent Sector manages two strategies with a unique focus on high-yielding dividend paying equities, preferreds and MLPs. They include Dividend Select and Dividend Preferred.

1) Dividend Select is a high dividend focused global equity strategy that invests in 40 large cap and high quality companies. It invests in both U.S. and Non-U.S. based companies that exhibit high dividend yields combined with strong fundamentals including solid earnings and dividend growth, attractive valuations, strong balance sheets, and good liquidity. Risk is managed by investing in companies that produce above average dividends combined with very strong financials. Securities are equal weighted and diversified by sector and country. International or Non-U.S. securities are limited to 50% of the overall portfolio.

2) Dividend Preferred is similar in its structure to Dividend Select, however, Dividend Preferred attempts to put even greater emphasis on the yield of the overall portfolio. Dividend Preferred increases its yield over Dividend Select by approximately 50% by replacing 10 of the 40 portfolio positions with preferred securities or Master Limited Partnerships (MLPs). Dividend Preferred will buy approximately up to 1/3 of the portfolio in both fixed-rate and floating rate preferred securities. The remaining 20 positions in the portfolio will be made up of common stocks and ADRs. All securities are equal weighted in the portfolio. Preferred securities may be subject to risks common to the bond market as well as stock market including interest rate risk and spread risk. Also, the majority of Preferreds utilized by Argent Sector represent that of financial companies which creates potential concentration risk in one sector. Argent Sector manages these risks by selecting the Preferreds it believes to have the least interest rate risk and also by diversification of issuer and by quality or rating of issuer.

Fixed Income

Argent Sector manages four strategies with fixed income mandates. They are Cash Plus, State Specific Municipal Bond Strategy, U.S. Government Securities Strategy, and Core Plus/Total Return Bond Strategy.

1) Argent Sector's Cash Plus is a Liquidity Management approach where strategies are designed to meet statute mandated or Investment Policy Statement maximum maturity constraints and seeks to outperform the stated benchmarks through asset selection and active management while minimizing investor credit risk. Cash Plus strategies include:

- **Liquidity Management < 1 Year Maximum Maturity**
- **Liquidity Management <= 1 Year Maximum Maturity**
- **Liquidity Management <= 2 Year Maximum Maturity**
- **Liquidity Management <=3 Year Maximum Maturity**

2) State Specific Municipal Bond Strategy is a total return-oriented, investment grade quality bond strategy that concentrates exclusively on the management of state tax-exempt securities. The Portfolio Manager has broad discretion to rotate between municipals bonds sectors as long as the overall portfolio characteristics remain in line with the stated Investment Policy. Argent Sector can customize this strategy for any State.

3) U.S. Government Securities Strategy is an ultimate return of principal solution designed to meet the specific income needs of a client through the use of U.S. government guaranteed securities (U.S. Treasury, U.S. Agency, Guaranteed Mortgages, or Insured Bank Products) without exposing the client to credit risk.

4) Core Plus or Total Return Bond Strategy designed to outperform the Barclays Capital Aggregate Bond Index through active duration and yield curve management, sector and asset quality rotation, fundamental research and relative value trading. This portfolio strategy may include allocations to non-investment grade credit and international dollar and non-dollar securities.

Investing in equity and fixed income securities involves risks. While Argent Sector uses its best efforts to provide managed risk investment management services, you should be aware that your investments may increase or decrease in value and Argent Sector's past performance is no guarantee of future returns.

Item 9 - DISCIPLINARY INFORMATION

Argent Sector or its supervised persons **do not** have any legal or disciplinary events for the past ten years, or longer for events considered more serious, that are material to a client's or prospective client's evaluation of its advisory business or the integrity of its management.

Item 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Argent Sector does not presently receive from, nor pay to, third parties any cash referral fees or other economic benefits except as disclosed in its Brokerage Practices. However, during the course of providing financial services, Argent Sector may refer clients to outside professional advisors like CPAs or estate planning attorneys. Under appropriate circumstances, the outside professional advisors to whom Argent Sector may refer clients may refer clients to Argent Sector for services. Under no circumstances will referrals be given or received by Argent Sector on a quid pro quo basis.

Employees of Argent, including Argent Sector, may refer clients to entities owned by Argent. Those entities may provide services to the client, certain of which may not be investment related. Recommendations that a client utilizes the services of the affiliated entities can present a material conflict of interest as the person making the referral may receive referral fees from the affiliated entity. Clients are under no obligation to engage the services of any affiliated entities.

In the future, Argent Sector may engage duly licensed brokers, consultants, or other investment advisors to sell Argent Sector's investment management services for a fee. If so, Argent Sector would enter into agreements with Solicitors (Referring Parties) to refer clients to Argent Sector. Under such an agreement, if a referred client entered into an investment advisory agreement with Argent Sector, a cash referral fee would be paid to the referring party based upon a percentage of the client advisory fees that would be generated. Such referral arrangements between any referring party and Argent Sector would not result in any charges to clients in addition to the normal level of advisory fees charged. The referral agreements between Argent Sector and referring parties would be in compliance with regulations as set out in SEC Rule 206(4)-3.

Item 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Argent Sector may buy or sell securities for itself either directly or through affiliated entities that it also recommends to its clients. Argent Sector has a fiduciary duty to act for the benefit of its clients and to place its client's interest before that of its own.

Investment decisions made on behalf of each and every client of Argent Sector will be made independently from both 1) investment decisions made for all other clients of Argent Sector and 2) investment decisions made on behalf of Argent Sector. However, at times both Argent Sector, either directly or through an affiliate, and accounts managed by Argent Sector may purchase or sell investments of the same type. When one or more accounts managed by Argent Sector, including an account managed on behalf of Argent Sector or an affiliated entity, trade in the same security; opportunities for purchases and sales of these investments will be allocated in an equitable manner. Neither Argent Sector, nor any affiliate of Argent Sector, shall receive any preferential price for, or portion of, any securities acquired or disposed of on behalf of any client of Argent Sector.

Argent Sector **DOES NOT** intend to do any of the following:

- As principal, buy securities for itself from or sell securities it owns to any client.
- As a broker or agent, effect securities transactions for compensation for any client.
- As a broker or agent for any person other than a client, effect transactions in which client securities are sold to or bought from a brokerage customer.
- Recommend to clients that they buy or sell securities or investment products in which Argent Sector or a related person has some financial interest.

As the foundation for its compliance manual, Argent Sector has adopted the Asset Manager Code of Professional Conduct promulgated by the CFA Institute. The Asset Manager Code is intended to help managers provide services in a professional and fair manner, with full disclosure of key items. The body of standards specifies the general responsibilities of managers in six broad categories: 1) loyalty to clients, 2) investment process and action, 3) trading, 4) compliance and support, 5) performance reporting and valuation, and 6) disclosures. In addition, the document offers guidance for all of its proposed requirements.

The Asset Manager Code of Professional Conduct may be reviewed and downloaded, free of charge, from the CFA Institute web site at www.cfapubs.org or it can be obtained from Argent Sector. If you would like to receive a copy of the Asset Manager Code of Professional Conduct at no charge, please mail a written request pursuant to this offer to the following address, including the address to which you would like it to be sent:

Argent Sector Capital Management, LLC
 6075 Poplar Avenue, Suite 730
 Memphis, TN 38119
 (901) 761-4999 main
www.sectorplus.com

Item 12 - BROKERAGE PRACTICES

ARGENT SECTOR HAS COMPLETE INVESTMENT AND BROKERAGE DISCRETION GUIDELINES FOR OUR ACCOUNTS.

ARGENT SECTOR's overriding objective in effecting portfolio transactions is to seek to obtain the best combination of price and execution. The best net price, giving effect to brokerage commission, if any, and other transaction costs, is normally an important factor in this decision, but a number of other judgmental factors may also enter into the decision. These include: ARGENT SECTOR's knowledge of negotiated commission rates currently available and other current transaction costs; the nature of the security being traded; the size of the transaction; the desired timing of the trade; the activity existing and expected in the market for the particular security; confidentiality; the execution, clearance and settlement capabilities of the broker or dealer selected and others which are considered; ARGENT SECTOR's knowledge of the financial stability of the broker or dealer selected and such other brokers or dealers; the quality, comprehensiveness and frequency of available research services and other services considered by ARGENT SECTOR to be of value; and ARGENT SECTOR's knowledge of actual or apparent operational problems of any broker or dealer. Recognizing the value of these factors, ARGENT SECTOR may pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction.

ARGENT SECTOR while effecting portfolio transactions makes evaluations of the reasonableness of brokerage commissions, based on the foregoing factors, on an ongoing basis. ARGENT SECTOR reviews the general level of brokerage commissions paid periodically. ARGENT SECTOR managed accounts have a rotational schedule for accounts so as to not favor any single account. All trades are block trades when available or online. ARGENT SECTOR reviews our trading policy each February of each year to keep it in compliance and objective for our clients.

Research Products and Services Furnished by Brokers and Dealers

Where more than one broker-dealer is believed to be capable of providing the best combination of price and execution with respect to a particular portfolio transaction, ARGENT SECTOR may select a broker-dealer which provides it with research products or services. Research products and services may include both products and services generated internally by a broker's own research staff and products and services obtained by the broker from a third party research firm. Research products and services may include research reports and analyses concerning specific issuers, industries or sectors; market, financial and economic forecasts and other data; statistics and pricing services; subscriptions to financial publications and research compilations; and services of economists and other consultants. It may also include hardware, software, databases, and telecommunications services, equipment and facilities (such as quotation equipment and telephone lines) that are used by ARGENT SECTOR for research purposes.

In addition to research products and services, ARGENT SECTOR may be offered other non-monetary benefits by brokers that it may engage to execute securities transactions on behalf of its clients where it provides investment supervisory services. These benefits may take the form of

special execution, clearance and settlement capabilities. They also may take the form of payment of all or a portion of the ARGENT SECTOR costs and expenses of operation such as telephone, postage, transportation, travel, office equipment, news wire and data processing charges, legal and accounting fees, quotation services and periodical subscription fees and all other trading related expenses to the extent that ARGENT SECTOR, in its reasonable discretion, determines that any such expenses are reasonably related to the investment decision-making process.

ARGENT SECTOR may pay a broker commissions that are higher than another broker might have charged for the same transaction, in recognition of ARGENT SECTOR assessment of the value of the research and other services provided to ARGENT SECTOR by the broker. However, ARGENT SECTOR believes that commission costs borne by client accounts will be reasonable in relation to the overall services provided. Research products or services provided by brokers may be used in servicing any or all of the clients of ARGENT SECTOR and such research products or services may not necessarily be used by ARGENT SECTOR in connection with the accounts which paid commissions to the broker providing such products or services.

Item 13 - REVIEW OF ACCOUNTS

Investment accounts are reviewed periodically with respect to additions, withdrawals, income, distributions and or capital gains. Portfolios are reviewed regularly in terms of daily price changes. Reviews are also conducted with the client, if requested, typically between one to four times per year and include a complete review of investment portfolios and/or items related to the client's financial situation and goals.

Clients are kept fully informed about their portfolio activity by receiving on-line access (where available) to review their accounts, copies of all transaction confirmations and monthly statements from the brokerage firm or custodian bank that holds their account assets. In addition, Argent Sector provides clients a monthly letter with performance and asset valuation updates.

Item 14 - CLIENT REFERRALS AND OTHER COMPENSATION

Argent Sector does not presently receive from, nor pay to, third parties any cash referral fees or other economic benefits except as disclosed in its Brokerage Practices. However, during the course of providing financial services, Argent Sector may refer clients to outside professional advisors like CPAs or estate planning attorneys. Under appropriate circumstances, the outside professional advisors to whom Argent Sector may refer clients may also refer clients to Argent Sector for services. Under no circumstances will referrals be given or received by Argent Sector on a quid pro quo basis.

Employees of Argent, including Argent Sector, may refer clients to entities owned by Argent. Those entities may provide services to the client, certain of which may not be investment related. Recommendations that a client utilizes the services of the affiliated entities can present a material

conflict of interest as the person making the referral may receive referral fees from the affiliated entity. Clients are under no obligation to engage the services of any affiliated entities.

In the future, Argent Sector may engage duly licensed brokers, consultants, or other investment advisors to sell Argent Sector's investment management services for a fee. If so, Argent Sector would enter into agreements with Solicitors (Referring Parties) to refer clients to Argent Sector. Under such an agreement, if a referred client entered into an investment advisory agreement with Argent Sector, a cash referral fee would be paid to the referring party based upon a percentage of the client advisory fees that would be generated. Such referral arrangements between any referring party and Argent Sector would not result in any charges to clients in addition to the normal level of advisory fees charged. The referral agreements between Argent Sector and referring parties would be in compliance with regulations as set out in SEC Rule 206(4)-3.

Argent Sector does have a written and signed agreement with Argent Advisors, Inc. and National Independent Trust Company; both are subsidiaries of Argent Financial Group. The agreements allow Argent Sector to provide investment management to all the clients of these two organizations.

Item 15 - CUSTODY

National Independent Trust Company. NITC and Argent Sector Capital Management are both wholly owned subsidiaries of Argent Financial Group. Argent Sector Capital Management is operationally independent of NITC, the affiliated custodian. NITC maintains segregated accounts for each account it custodies. In addition, NITC may use independent qualified custodians including Northern Trust for DTC eligible securities (50 South LaSalle Street B-7, Chicago, IL 60603) and Matrix Settlement and Clearance Services, LLC for open-end mutual funds (700 17th Street, Suite 300, Denver, CO 80202). The Registrant has developed and implemented policies and procedures to minimize risks to client accounts. An independent auditing firm will conduct an annual surprise examination to verify client funds and securities. Moreover, NITC is subject to an annual audit, which is conducted by an independent auditing firm and will include an opinion evaluating the internal controls relating to the custody of client assets. A copy of the report can be provided upon written request to bhull@argentmoney.com or any of our locations.

Argent Sector Capital Management does not typically recommend where clients should custody their assets. Argent Sector has numerous custodian relationships largely a result of client direction. However, there may be occasion when a client of Argent Sector is also a client of National Independent Trust Company ("NITC"). NITC and Argent Sector Capital are both wholly owned subsidiaries of Argent Financial Group. If the client determines to utilize NITC for custody, Argent Sector may purchase through NITC certain mutual funds. In these circumstances, in addition to custodial fees and/or transaction fees, NITC will also receive a shareholder services fee. **Please Note:** This arrangement presents potential conflict of interest.

No client is under any obligation to engage NITC as their account custodian. Clients are reminded that they may engage other, non-affiliated account custodians.

If Argent Sector were to recommend that a client custody their investment management assets with NITC, it would present a *material conflict of interest*, as NITC, an affiliated entity may receive custodial fees, per trade transaction fees, rebates and a shareholder services fee. Registrant's related persons *may* indirectly benefit from the payment of these fees to NITC. This indirect benefit may provide an incentive to recommend NITC as a custodian based on economic benefits, rather than on a particular client's need. **No client is under any obligation to engage NITC as their account custodian. Clients are reminded that they may engage other, non-affiliated account custodians.**

Neither Argent Sector nor its associated persons will hold funds or securities for any account. The client's chosen custodian will maintain this form of custody for all funds and securities. In a broader sense, The U.S. Securities and Exchange Commission deems that when an advisor is authorized to deduct advisory fees directly from a client's account it has access to, it therefore has custody of the client funds and securities in that account. As is consistent with this definition, Argent Sector has this type of custody with any client whose fees are automatically deducted from their respective account and paid to Argent Sector. However, Argent Sector relies on the client's respective custodian to provide transaction confirmations and monthly valuation statements to each month. In addition, Argent Sector provides clients with a monthly performance and account valuation update. Argent Sector urges and it is each client's responsibility to compare the account statements they receive from their custodian to the statements it receives from Argent Sector and to verify its accuracy.

Argent Sector does have a written and signed agreement with Argent Advisors, Inc. and National Independent Trust Company; both are subsidiaries of Argent Financial Group. The agreements allow Argent Sector to provide investment management to all the clients of these two organizations. However, Argent Sector does not have custody have the assets.

Item 16 - INVESTMENT DISCRETION

Argent Sector will require all clients to enter into and execute an Investment Advisory Agreement. As part of the terms of the discretionary investment management client's Agreement, Argent Sector will have full discretion to supervise, manage, and direct a client's investments, including the power and authority to purchase and sell assets and to place all orders for the purchase and sale of assets with or through brokers, dealers, or issuers selected by Argent Sector, all without prior consultation with the client and all at times as Argent Sector shall deem appropriate.

Because Argent Sector engages in an investment advisory business and manages more than one account, there may be conflicts of interest over Argent Sector's time devoted to managing any one account and the allocation of investment opportunities among all accounts being managed.

Argent Sector will attempt to resolve all such conflicts in a manner that is generally fair to all of its clients. Advice may be given and action taken with respect to any of its clients that may differ from advice given or the timing or nature of action taken with respect to any particular client so long as it is Argent Sector's policy, to the extent practicable, to allocate investment opportunities over a period of time on a fair and equitable basis relative to other clients.

Transaction for each client account generally will be effected independently, unless Argent Sector decides to purchase or sell the same securities for a number of client accounts simultaneously. When possible, orders for the same security may be combined or "bunched" to facilitate best execution. Argent Sector effects bunched transactions in a manner designed to ensure that no participating client is favored over any other client.

When Argent Sector transacts securities for more than one account, the investment opportunities and trades are allocated in a manner consistent with Argent Sector's fiduciary duties. Argent Sector takes into account cash availability and need, suitability, investment objectives, and guidelines and other factors deemed appropriate in making investment allocation decisions. Argent Sector will conduct periodic reviews of client account performance and purchase and sale journals to ensure that no client or group of clients is being systematically harmed or favored in the selection and allocation of investment opportunities. Argent Sector does not participate in hot issues, including initial public offerings.

Item 17 - VOTING CLIENT SECURITIES

Argent Sector votes proxies for client securities in what Argent Sector ascertains is the best interest of our clients. Argent Sector puts the client's interest first when voting proxies. Argent Sector conducts its voting procedures in a method consistent with SEC Rule 205(4)-6. Clients have the right to review at least annually, whether to vote their own proxies, direction of brokerage, restrictions on their account, change of investment strategy, financial situations, and/or client objectives. Clients may contact Argent Sector at any time to discuss our voting policies. Clients may also obtain a copy of Argent Sector's voting policies by submitting a written request to:

Argent Sector Capital Management, LLC
6075 Poplar Avenue, Suite 730
Memphis, TN 38119
(901) 761-4999 main
www.sectorplus.com

Item 18 - FINANCIAL INFORMATION

In this section, advisors that require or solicit prepayment of more than \$1200 (\$500 for state registered advisors) in fees per client, six months or more in advance, need to include an audited balance sheet for its most recent fiscal year. Argent Sector **does not** meet either threshold and is therefore exempt from this requirement.

However, an advisor having discretionary authority or custody of client funds or securities must disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Argent Sector meets this threshold, maintains timely prepared financial records, and knows of no financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients. In addition, since its inception, Argent Sector **has not** been the subject of any bankruptcy petition.

Item 19 - REQUIREMENTS FOR STATE-REGISTERED ADVISERS

This section responds to specific disclosure requirements for state-registered advisers. Argent Sector is a state-registered adviser.

Each of Argent Sector's principal executive officers and management persons are identified and their formal education and business background information is disclosed in the Advisory Business Description section of this brochure.

Argent Sector's representatives are not engaged in professions other than giving investment advice. Argent Sector or any of its supervised persons are not compensated for any of Argent Sector's advisory services with performance-based fees. Performance-based compensation may create an incentive for an adviser to recommend an investment that may carry a higher degree of risk to a client.

Neither Argent Sector nor its management persons have been involved in one of the events listed below:

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - a. An investment or an investment-related business or activity;
 - b. Fraud, false statement(s), or omissions;
 - c. Theft, embezzlement, or other wrongful taking of property;
 - d. Bribery, forgery, counterfeiting, or extortion; or
 - e. Dishonest, unfair, or unethical practices.
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
 - a. An investment or an investment-related business or activity;
 - b. Fraud, false statement(s), or omissions;
 - c. Theft, embezzlement, or other wrongful taking of property;
 - d. Bribery, forgery, counterfeiting, or extortion; or
 - e. Dishonest, unfair, or unethical practices.

Neither Argent Sector nor its management persons have any relationship or arrangement with any issuer or securities except as may be described in this brochure in the sections above.