Mid Cap Quarterly Commentary

2020: First Quarter

Argent

Performance Summary

In the first quarter of 2020 the Argent Mid Cap strategy underperformed its index, declining -28.38% net of fees versus the Russell Mid Cap® Index return of -27.07%. The strategy's underperformance during the first quarter was driven by stock selection. As a reminder, Argent's Alpha Model looks to uncover the right companies, in the right sectors at the right time.

Performance Summary as of March 31, 2020						
	%	1Q20	1 Year	3 Year	5 Year	Since Inception
Argent Mid Cap	Gross	-28.34	-17.51	0.33	3.43	4.76
	Net	-28.38	-17.71	0.08	3.19	4.56
Russell MidCap		-27.07	-18.31	-0.81	1.85	3.73

* For comparison purposes, the strategy is measured against the Russell MidCap® Index. Past performance is no guarantee of future results. Data is as of 03/31/20 and is supplied as supplemental information to the composite disclosures presented later in this document. Russell Investment Group is the sources 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. This is a presentation of Argent. Russell Investment Group is not responsible for the formatting or configuration of this material or for any inaccuracy in Argent's presentation thereof.

During the quarter, sector allocation contributed positively to relative performance while stock selection, isolated almost completely to the Financials sector, resulted in overall underperformance for the portfolio. From a sector allocation standpoint, the portfolio had a large overweight exposure to Healthcare which was the best performing sector in the Russell Mid Cap Index for the quarter. Additionally, the Argent Mid Cap portfolio had no exposure to Energy which was the worst-performing sector in the index.

From a stock selection standpoint, the three largest contributors were Amedisys, Inc., NVIDIA Corporation and Ciena Corporation. All three companies are top ten holdings in the Argent Mid Cap portfolio. Amedisys is a healthcare provider focused on the expanding home-based healthcare market. The company continued to perform well as it was less affected by the social distancing measures from COVID-19 than most other businesses. NVIDIA has been a portfolio holding since January, 2016. The company produces Graphics Processing Units (GPUs) and has gained an advantage from continued growth in artificial intelligence applications. Another contributor in the first quarter was Ciena. Ciena is a supplier of telecommunications networking equipment, software and services. The company is benefiting from telecom service provider investments in the network. These investments look to be resilient given the multi-year investment plans into 5G networks. We are now seeing the potential upside from accelerating investments in order to catch up with the spurt in bandwidth needs resulting from the COVID-19 outbreak.

The three largest detractors from performance were Radian Group Inc., OneMain Holdings, Inc. and Cintas Corporation. Radian Group and OneMain Holdings are both Financials stocks with significant consumer exposure. Radian Group provides mortgage insurance and OneMain Holdings makes loans to non-prime customers. With 90% of the country under social distancing restrictions driven by the COVID-19 pandemic, an economic contraction is guaranteed. Investors fear unemployed consumers will be unable to pay their mortgages or debts and non-prime consumers, the primary market for OneMain Holdings, will likely feel the most pain. We will continue to hold each company as they are very well capitalized to handle a difficult recession. Cintas is a top ten holding in the portfolio and a long-term outperformer and compounder. The company is a leader in the uniform rental and safety equipment industry with best-in-class organic growth. Uniform rental is sensitive to the employment picture and it will see a period of reduced growth as the United States works through the COVID-19 induced recession. When the country gets to the other side of the pandemic, the long term prospects for Cintas remain strong.

Argent

Quarterly Attribution Analysis, March 31, 2020
Argent Mid Cap Strategy vs. Russell MidCap Index*

	Argent Mid Cap			Russell MidCap			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	--	--	--	4.63	-26.76	-1.17	-4.63	26.76	1.17	-0.07	--	-0.07
Cons. Discretionary	14.57	-35.82	-5.90	11.02	-36.06	-4.02	3.54	0.23	-1.89	-0.44	0.01	-0.42
Consumer Staples	1.86	-23.95	-0.48	4.16	-15.52	-0.65	-2.30	-8.43	0.17	-0.30	-0.24	-0.54
Energy	--	--	--	3.00	-62.29	-2.07	-3.00	62.29	2.07	1.36	--	1.36
Financials	15.10	-48.04	-8.27	11.98	-34.74	-4.35	3.12	-13.29	-3.92	-0.23	-2.91	-3.14
Health Care	17.24	-15.90	-1.92	10.40	-15.03	-1.48	6.84	-0.87	-0.44	0.82	0.49	1.30
Industrials	20.36	-28.66	-6.43	13.22	-27.95	-3.76	7.14	-0.71	-2.67	-0.15	-0.35	-0.50
Technology	24.37	-18.67	-3.27	18.91	-19.13	-2.99	5.47	0.45	-0.29	0.51	0.52	1.04
Materials	5.74	-33.78	-1.98	5.07	-26.47	-1.26	0.67	-7.31	-0.73	-0.03	-0.53	-0.56
Real Estate	--	--	--	10.22	-30.25	-3.74	-10.22	30.25	3.74	0.67	--	0.67
Utilities	--	--	--	7.39	-18.28	-1.59	-7.39	18.28	1.59	-0.62	--	-0.62
Cash	0.75	0.26	0.00	--	--	--	0.75	0.26	0.00	0.29	--	0.29
Total	100.00	-28.25	-28.25	100.00	-27.07	-27.07	--	-1.19	-1.19	1.82	-3.01	-1.19

* This is based on the holding history of a representative portfolio of the Argent Mid Cap 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 year 2020 began with hopes of continued economic expansion. Global trade was set to start expanding again as the phase-one trade pact with China was signed. After reaching record highs in February, U.S. equities took a deep dive as the COVID-19 pandemic continued beyond China. The spread of the outbreak raised concerns about not only global health risks but the impact on economies and supply chains around the world.

March ushered in the end of the 11-year U.S. bull market. The sell-off was deep and broad and the S&P 500® Index went from a bull to a bear market in just 20 days. As the pandemic unfolded, the market declined 34% from mid-February to March 23, and then bounced back 16% to end the quarter. Ultimately, stocks ended the first quarter down over 20%. March also saw more than 10 million people lose their jobs as the majority of the U.S. population came under some type of social distancing orders and businesses shuttered. Additionally during the quarter, crude oil prices experienced their biggest drop since 1991 putting more strain on the already reeling financial markets. The drop was attributed to a price war between Russia and Saudi Arabia as they worked to contend with sinking oil prices and falling demand from COVID-19 related shutdowns.

U.S. policymakers took swift action during the quarter to support individuals and the economy. The Federal Reserve began injecting liquidity to stabilize the markets and Congress passed the largest stimulus bill in history, the $2.17 trillion Coronavirus Aid Relief and Economic Security Act (CARES ACT). These events helped end the market drop and we saw a rally to the upside on March 24, 2020. Globally, countries worked together providing unprecedented monetary and fiscal programs in an effort to support challenged economies. Volatility levels began to decline at the end of March as markets responded positively to global stimulus measures and central bank policies. The silver lining is that most world economies were doing well before the pandemic and the crisis was not caused by structural economic problems. Although a bumpy path looms, many economists are predicting growth to resume in late 2020.

Top Contributors

Amedisys, Inc. engages in the provision of healthcare services in three main lines of business: Home Health, Hospice and Personal Care. Amedisys had seen little reduction in volumes as of quarter-end. Additionally, because 70-75% of costs associated with a home visit are variable, the company can easily manage costs should the volume of in-home visits decrease.

NVIDIA Corporation engages in the design and manufacture of computer graphics processors for gaming, chipsets and related multimedia software. The company benefited from increased gaming demand while the country is under stay-at-home mandates. Similarly, hyper-scale data center orders remain strong due to increased usage of internet/cloud services while more people work remotely.

Ciena Corporation is a supplier of telecommunications networking equipment, software and services. The company is benefiting from telecom service provider investments into the network that look to be resilient given the multi-year investment plans into 5G networks. We are now seeing the potential upside from accelerating investments to catch up with the spurt in bandwidth needs resulting from the COVID-19 outbreak.

Top Detractors

Radian Group, Inc. engages in the provision of mortgage insurance, risk management products and real estate services to financial institutions. The mortgage insurance sector is broadly tied to macroeconomic trends. Investors fear a deep recession will heighten mortgage defaults as well as result in slower growth of new premiums from a slowdown in new mortgages issued. Radian Group is well-capitalized to survive a recession and we will continue to hold the stock.

OneMain Holdings, Inc. is a consumer finance company, which provides origination, underwriting and servicing of personal loans, primarily to non-prime customers. OneMain's earnings may take a significant hit driven by a combination of declining origination volume and higher loss rates. Also, due to the exceptional nature of the current environment the company will most likely provide two months of regulatory interest forbearance for customers. OneMain management has long planned to remain profitable even during a severe recession. The company will be able to reduce expenses to offset some of the aforementioned declines. It has three years of liquidity which is ample to survive the current difficult environment.

Cintas Corporation is the world's largest provider of corporate identity uniform rentals. Cintas is also a leading provider of diverse facility services, including first aid and safety. Organic growth will decelerate and potentially turn negative in coming quarters due to the anticipated recession. The company is the best operator in its industry and will probably be able to use the difficult operating environment to take market share from smaller competitors. We will continue to hold the stock.

Buys

Fortinet, Inc. provides cybersecurity solutions to businesses. We believe Fortinet continues to be competitive in the network security space at the high, mid and low ends. We estimate that the overall cyber security market grows at a rate of approximately 8% per year. Given this rate, we believe the company will continue to generate growth in the mid-teens with expanding operating margins. The combination of steady mid-teen top-line growth and expanding operating margins should generate attractive cash flow growth. Additionally, Fortinet has a strong product that can address remote access concerns in the current work-from-home environment. We took advantage of recent market turmoil to add this stock to the Mid Cap portfolio at a substantial discount in valuation from where it traded over the last five years.

Nuance Communications, Inc. Nuance Communications provides voice and language solutions for businesses. The company's products are based on a proprietary voice and language platform utilizing artificial intelligence. Nuance has undergone a comprehensive restructuring of its product portfolio. Out of this transformation emerged a leaner, more defensible organization that is able to grow its strongest opportunities in the healthcare and enterprise spaces. As a result of an ongoing cloud transition that carries high margins and faster growth opportunities, we see annual revenue growth more than doubling over the next five years from the 2015-2020 level.

TopBuild Corp. is the largest installer of new residential insulation in the United States with over 190 locations in nearly every major metropolitan market. The company also has a nationwide distribution business. TopBuild Corp. is a play on the cyclical recovery in new residential construction, an industry which we believe has strong underlying fundamentals but will likely experience a slowdown over the next several quarters.

Sells

Advance Auto Parts, Inc. is a leading retailer in the automotive aftermarket sector. The company operates more than 5,000 stores located throughout the United States. Advanced Auto Parts continues to lose market share to its auto parts competitors. Additionally, after three years of effort, management has been unable to manufacture a turnaround at the company. The company scores negatively in our quantitative model and the fundamentals are also negative. For these reasons we decided to exit the position during the quarter.

Evercore, Inc. is a boutique, independent investment banking advisory firm with 81% of total revenues coming from M&A advisory fees. Weaker than expected growth and higher market volatility are driving weaker M&A and negatively impacting Evercore's business. We sold the position as the company scores negatively in our quantitative model and the fundamentals are also negative.

Ralph Lauren Corporation engages in the design, marketing and distribution of premium lifestyle products. The firm offers apparel, accessories, home furnishings and other licensed product. Under the direction of a new management team, over the last two years, Ralph Lauren has stabilized global top-line trends at the company and expanded margins. Despite this, at ~50% of total company revenues, the outlet and mall-based department store/specialty sectors are in secular decline. This is producing revenue headwinds that Ralph Lauren management is finding difficult to overcome. The company scores negatively in our quantitative model and the fundamentals are also negative. For these reasons we exited the position.

Argent Mid Cap Strategy Top Contributors and Detractors for Quarter Ending March 31, 2020*

Top Contributors	Avg. Weight	Contribution	Top Detractors	Avg. Weight	Contribution
Amedisys, Inc.	4.47	0.64	Cintas Corporation	4.06	-1.98
NVIDIA Corporation	3.16	0.47	Radian Group Inc.	2.16	-1.41
Fortinet, Inc.	0.19	0.35	CDW Corp.	4.18	-1.33
Evercore Inc	0.56	0.07	NVR, Inc.	3.34	-1.24
Ralph Lauren Corporation	0.64	0.03	OneMain Holdings, Inc.	1.83	-1.20

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Portfolio Positioning

At the beginning of 2019, we implemented a "barbell approach" for style characteristics in the Argent Mid Cap strategy. Argent's market cycle process indicated an expansion phase in 2020. As such, we designed our barbell approach as a risk-controlled way to position the portfolio for a stronger economy. The left side of the barbell holds stocks with the style characteristics of High Growth, High Quality and Low Economic Sensitivity. These types of stocks typically perform best when economic growth is slowing. Alternatively, the right side of the barbell contains stocks with style characteristics of Value, Lower Quality and High Economic Sensitivity. These stocks perform well during an expansion phase when economic growth is accelerating and their high economic sensitivity gives them an advantage.

This approach proved its worth once again during the downturn that began in mid-February 2020. The high quality and lower economically sensitive stocks in the strategy (NVIDIA and Amedisys) outperformed and offset most of the downside from the high economically sensitive side of the barbell. Our underperformance primarily resulted from the highest economically

sensitive and deepest value stocks in the consumer finance and banking industries that were added in 2019 (Radian and OneMain Holdings). For the time being, we plan to continue holding both. Their balance sheets have ample liquidity and while the current cyclical decline is steep, they will emerge on the other side of the downturn ready to take advantage of the improved economy. As a reminder, the sell process for the Argent Mid Cap strategy requires a negative quantitative score in addition to negative fundamentals. Neither Radian nor OneMain meet the requirement of a negative quantitative score.

The Argent Mid Cap fund seeks to own good businesses for the long term. We define a good business as one that earns above-average returns on capital, produces above-average cash flow and has a management team that are good stewards of capital. In the second quarter of 2020, we intend to maintain the barbell approach to our portfolio. We will continue to use the dislocation in the stock market to our advantage. This will allow us to find high quality, growth stocks at discounted valuations for the left side of the barbell and higher economically sensitivity stocks at deeply discounted valuations on the right side that will benefit when the economy reaccelerates. The Argent Mid Cap strategy's turnover during the first quarter was 16.8%, well below the three-year average of 28.9%. We anticipate an increase in turnover during the remainder of 2020 as we use the opportunities a volatile stock market affords us to upgrade our portfolio.

Sincerely,

Argent Mid Cap Team

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For the period ending December 31,	Gross-of-Fees (%)	Net-of-Fees (%)	Russell MidCap Return (%)	Composite 3-Yr St. Dev (%)	Russell MidCap 3-Yr St Dev (%)	Number of Composite Accounts	Composite Assets ($ millions)	Principal Business Assets ($ millions)	Internal Dispersion (%)
2019	34.33	34.02	30.54	14.4	12.89	31	57	3,019	0.61
2018	-11.37	-11.58	-9.06	13.4	11.98	25	41	2,542	0.4
2017	25.55	25.22	18.52	11.24	10.36	19	27	2,898	0.27
2016	13.12	12.85	13.8	NA	NA	17	20	2,604	0.7
2015	-0.79	-0.94	-2.44	NA	NA	11	14	2,357	0
2014 (3-31-14 to 12-31-14)	9.98	9.98	9.36	NA	NA	1	1	2,817	NA
Three Year*	14.34	14.06	12.06						
Five Year*	10.9	10.65	9.33						
Information for period(s) ending March 31, 2020									
1st Quarter 2020	-28.34	-28.38	-27.07	19.47	18.06	33	42	2,229	
1 Year*	-17.51	-17.71	-18.31						
3 Year*	0.33	0.08	-0.81						
5 Year*	3.43	3.19	1.85						
Since Inception	4.76	4.56	3.73						

*Annualized

1. Argent Capital Management, LLC ("Argent") is an independent investment management firm comprised of two distinct business entities: the Non-Wrap Fee/SMA Business of Argent Capital Management, LLC ("Principal Business"), which does not include wrap fee/SMA clients; and the Wrap Fee/SMA Business of Argent Capital Management, LLC ("Wrap Business"), which includes only wrap fee/SMA clients. The Principal Business claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. The Principal Business has been independently verified for the period January 1, 2003 through December 31, 2018. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

2. This composite represents investment performance for portfolios in U.S. equities with strong earnings and mid-capitalization, for which Argent has sole investment discretion. Portfolios typically include 40-50 equity holdings and cash targeted to be less than 10% of total portfolio value. This composite was created in April 2016. A complete list and description of composites is available upon request. The name was changed from Argent Special Situations Composite to Argent Mid Cap Composite in December 2017.

3. The benchmark is the Russell Mid Cap® Index which measures the performance of the mid-cap segment of the U.S. equity universe. It includes approximately 800 of the smallest securities in the Russell 1000 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. This is a presentation of Argent. Russell Investment Group is not responsible for the formatting or configuration of this material or for any inaccuracy in Argent's presentation thereof.

4. Valuations are computed and performance reported in U.S. currency. Performance results are total return, (i.e. include the reinvestment of all income). Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Past performance is no guarantee of future results.

5. Gross-of-fee returns are presented before management and certain custodial fees, but after all trading expenses except where commissions have been waived or for accounts with asset-based-pricing fees. Net of fee performance is calculated by reducing gross performance by actual management fees incurred and any asset-based-pricing fees for applicable portfolios as asset-based-pricing fees are considered a trading expense. The composite includes portfolios that pay a fee based on a percentage of assets under management. The composite includes accounts with asset-based-pricing fees which represented approx. 5% of composite assets during the years 2016 and 2017 and 2% in 2018 and 2019. During 2019, the composite included portfolios where commissions were waived representing less than 17% of composite assets.

6. Standard annual advisory fees are calculated as a percentage of assets under management according to the following schedule; 1% on the first $1M, .80% on the next $2M, .65% on the balance thereafter, although fees may be negotiated or waived in certain circumstances. Non-fee paying accounts represent 100% of the composite during 2014, 1.1% (2015), 8.5% (2016), 10.1% (2017) and 5.8% (2018, 2019).

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.

8. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The standard deviation is not presented for years 2014 through 2016 since the composite inception date of 3/31/14 does not provide historical data to calculate a 3-year formula.