

Small Cap Core Quarterly Commentary

2020: First Quarter

Argent

Performance Summary

The Argent Small Cap Core strategy underperformed the Russell 2000® Index for the first quarter of 2020 returning -34.85% gross and -34.97% net, versus the benchmark return of -30.61%.

Performance Summary as of March 31, 2020							
	%	1Q20	1 Year	3 Year	5 Year	10 Year	Since Inception
Argent Small	Gross	-34.85	-30.84	-9.75	-2.64	5.96	4.58
Cap Core	Net	-34.97	-31.33	-10.52	-3.52	4.96	3.58
Russell 2000		-30.61	-23.99	-4.64	-0.25	6.90	4.85

* For comparison purposes, the strategy is measured against the Russell 2000® 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 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.

Heading into 2020, Argent's Small Cap Core portfolio was positioned to benefit from modest economic expansion both domestically and globally, smooth capital markets, and a benign corporate operating environment. That setting changed dramatically as the first quarter progressed. Fear of the COVID-19 pandemic and the unprecedented halt of the economy prompted the swiftest bull to bear market drawdown in history. The negative turn in market sentiment was broad-based. Even with a quality bias, Argent's Small Cap Core strategy struggled to keep pace with the Russell 2000. Both stock selection and sector allocation were negative contributors to the portfolio's relative performance in the first quarter. Sector allocation was the biggest drag on the portfolio. The portfolio underweight in Health Care and the lack of exposure in Utilities were detractors. While posting negative absolute returns for the first quarter, Utilities, Health Care and Technology were the best performing sectors in the Russell 2000. Argent Small Cap portfolio's overweight in Technology boosted performance.

Stock selection was negative in Producer Durables, Technology, Health Care and Financial Services. Investors punished all companies with economic sensitivity in the first quarter. Producer Durables struggled. Our holdings were not spared. Atkore International Group, Inc., Colfax Corporation and Ducommun Incorporated saw their share prices significantly contract during the quarter. While each company reported better than expected operating results in the quarter they were not rewarded as the quarter progressed. Our Technology names benefited from healthy exposure to cybersecurity companies such as Fortinet, Inc. and Qualys, Inc. As of the end of the quarter, Fortinet was our largest holding and the main contributor to overall portfolio performance. Fortinet is a long term holding for us. We believe that recent economic developments will continue to drive demand for its products and have a positive impact on the stock price. Alternatively, the investment in connectivity components manufacturer, Digi International Inc., suffered as investors anticipate a slowdown in its core business. The portfolio's underweight to Health Care was detrimental to performance as well. The healthcare space has been challenging for us as valuation and earnings are a component of our investment philosophy. Quality healthcare names are expensive and biotech companies are typically non-earners. Health Care did improve as the portfolio saw a rebound in PetIQ, Inc. during the quarter. The team also saw continued outperformance from Omnicell, Inc. and BioTelemetry, Inc. While these names did well, their collective weight was not large enough to overcome the underweight in Health Care. The small cap team took advantage of the market pullback and added significantly to Health Care during the quarter. Stock selection in Financial Services was a detractor during the first quarter. Banks and consumer finance exposure were material drags on relative performance. There were bright spots within the portfolio, specifically in real estate investment trust investments and specialty property and casualty insurance company, RLI. RLI focuses on small accounts within the excess and surplus insurance markets. They are a very conservative underwriter and have a history of underwriting select risks profitably in many different economic settings. RLI is flush with capital that they will be able to put to use as dislocations in end markets appear.

Stock selection was positive within Materials & Processing, Energy, Consumer Discretionary and Consumer Staples. The Materials & Processing contribution was broad-based. The companies that were held for the entire quarter did particularly well. The Energy sector took a beating, but our lone investment in the space, fuel logistics provider Word Fuel Services Corporation, was a relative outperformer that was down substantially less than the sector overall. Consumer Discretionary was buoyed by several holdings in the leisure industry including Johnson Outdoors, Inc., Clarus Corporation and LCI Industries.

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These companies have strong secular trends that should resume in a recovery. Johnson Outdoors produces outdoor recreation products for the camping, fishing and diving markets. Clarus is a manufacturer of outdoor products for backpacking, climbing and skiing. LCI Industries produces components and provides aftermarket services to the recreational vehicle and manufactured housing industries. The team initiated two Consumer Staples positions during the quarter. Both Helen of Troy Limited and John B. Sanfilippo & Son, Inc., contributed to relative performance.

Quarterly Attribution Analysis, March 31, 2020 Argent Small Cap Core Strategy vs. Russell 2000 Index

	Argent Small Cap Core			Russell 2000			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
Cons. Discretionary	12.99	-41.55	-6.38	12.20	-43.44	-5.81	0.80	1.88	-0.56	-0.24	0.31	0.07
Consumer Staples	0.07	4.85	0.05	2.69	-23.54	-0.52	-2.62	28.39	0.57	-0.20	0.07	-0.13
Energy	2.31	-41.78	-0.91	2.67	-58.58	-1.71	-0.37	16.80	0.80	0.29	0.51	0.80
Financial Services	28.06	-34.61	-10.77	25.67	-34.23	-9.70	2.39	-0.38	-1.07	0.07	-0.48	-0.41
Health Care	8.46	-22.82	-1.34	18.54	-19.57	-3.00	-10.08	-3.25	1.65	-1.21	-0.25	-1.46
Materials	8.18	-24.21	-1.84	6.35	-36.00	-2.34	1.84	11.80	0.50	-0.07	1.15	1.08
Producer Durables	17.65	-40.48	-7.53	14.02	-32.44	-4.50	3.63	-8.05	-3.03	0.06	-1.77	-1.71
Technology	19.69	-25.69	-4.38	13.13	-22.16	-2.40	6.56	-3.53	-1.98	0.81	-0.82	-0.01
Utilities	--	--	--	4.74	-11.49	-0.63	-4.74	11.49	0.63	-0.81	--	-0.81
Cash	2.59	0.30	0.00	--	--	--	2.59	0.30	0.00	0.10	--	0.10
Total	100.00	-33.08	-33.08	100.00	-30.61	-30.61	--	-2.47	-2.47	-1.20	-1.27	-2.47

* This is based on the holding history of a representative portfolio of the Argent Small Cap Core 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

2020 will forever be remembered for the global outbreak of COVID-19. As the first quarter progressed, the Russell 2000 posted increasingly negative returns. The negative sentiment for small caps culminated in a swift downward cascade in March. The virus and subsequent response by governments across the world to contain it was monumental and unprecedented. For the first time in history, countries locked down critical components of their economies. While such actions were necessary, they have resulted in a global recession. Investors are now left contemplating the depth and length of the slowdown.

Spurred on by overtures from policymakers and politicians, the Federal Reserve took unprecedented action in March. As the pandemic advanced, the Fed attempted to provide a cushion for financial markets. They made two emergency rate cuts over two weeks, taking the federal funds rate to zero. In addition, the Fed signaled they would keep rates low until the economic environment improved. As March progressed, they utilized monetary tools to bolster the economy. Their actions included the purchase of treasuries and mortgage-backed securities, offer unlimited repurchase agreements to primary dealers, backstopping the money market mutual fund industry and extended foreign exchange swap lines.

Fiscal stimulus was utilized as well. In March, policymakers responded quickly and efficiently to the fallout of COVID-19 with the \$2.2 trillion Coronavirus Aid, Relief, and Economic Sensitivity Act (CARES). CARES designates almost \$400 billion for small businesses and \$500 billion for potentially distressed businesses such as airlines. While the business provisions of CARES improve a firm's ability to remain liquid and survive through the crisis, only time will tell if it is enough given the scale of the economic challenges COVID-19 presents.

Small caps bore the brunt of the economic decline from COVID-19. The Russell 2000 fell over 30% during the first quarter, the largest quarterly drop in its forty-year history. The index was led by its largest, lowest return on equity, and most expensive components on a relative basis. Utilities, Health Care, Consumer Staples and Technology sectors were relative outperformers. Energy was the worst-performing sector with a quarterly decline of near 60%. On an absolute basis, there were no sectors that produced positive returns. Small cap growth (-25.8%) meaningfully outpaced small cap value (-35.7%) during the first quarter, continuing the trend witnessed in the fourth quarter of 2019.

Top Contributors

Fortinet is a cybersecurity solutions company that caters to the enterprise and small and medium-sized businesses. The addressable market for its products is well over \$100 billion and the company has a substantial amount of recurring revenue. The spending patterns on cybersecurity are well-positioned for further growth. They are viewed as critical in an environment that continues to become more complex and rife with security threats. Fortinet reported better-than-expected operating results during the quarter and is viewed by investors as serving a resilient set of end markets.

Addus HomeCare Corporation provides home health, personal care and hospice services. The company serves the elderly, chronically ill or disabled population that are at risk of hospitalization or institutionalization. We anticipate continued growth for Addus as the population over the age of 65 is growing at a mid-single-digit rate. Addus is in a position to benefit as the industry continues to shift toward serving customers in home-based settings as opposed to nursing homes or hospitals. In addition, the home health care market is highly fragmented and ripe for further consolidation. Addus has a strong balance sheet, an experienced management team with a proven capital allocation track record. The company has a history of consistent cash flow generation.

Simpson Manufacturing Co., Inc. designs, engineers and manufactures structural connectors, anchors, fasteners, software solutions and other products for the new construction, repair and remodel and do-it-yourself markets. Simpson's structural connector products boast a 70% market share, and exhibits peer leading profit margins. Simpson has a debt-free balance sheet where cash as a percentage of its market capitalization is north of 8%. Management is incented to drive increasing returns on invested capital, which we believe will increase the value of the business going forward.

Qualys provides cloud security and compliance solutions that enable businesses to identify security risks, guard against cyber-attacks and achieve compliance with both internal and external regulations. Argent's investment thesis for Qualys is very similar to that of Fortinet. However, Qualys has cloud-based offering versus Fortinet's physical presence. We like the approach of both companies and believe that security will continue to grow for years to come.

Houlihan Lokey, Inc. offers financial restructuring and advisory services as well as corporate finance advice to small and medium-sized businesses. We consider Houlihan a well-diversified organization as transaction fees and personnel each account for no more than 3% and 2% of company revenues. Due to its debt-free balance sheet, we view Houlihan as an attractive investment over the course of an economic cycle.

Top Detractors

Atkore International, an industrial manufacturing company operates through two segments that supply products to the construction, health care, alternative power generation, data centers and diversified industrial end markets. Management champions what they call Atkore Business Systems. This encompasses the people, strategy and process to run the business with the ultimate goal of driving portfolio enhancement and margin expansion. During the quarter, Atkore reported better than expected operating results, but saw its share price decline in the downdraft in March as investors became skittish with economically sensitive businesses.

OneMain Holdings, Inc. is a consumer finance company that provides personal loans primarily to non-prime customers. It operates a network of over 1,600 branches in 44 states across the U.S. OneMain delivers a valuable set of products to consumers

who have limited access to credit from banks, credit card companies and other traditional lenders. During the quarter, the company announced benign credit trends and continued receivables growth. The stock declined in March as predictions of a recession hurt all consumer finance companies.

Callaway Golf Company is a golf equipment and accessories company that also has a large stake in Topgolf, an extremely popular entertainment concept. A successful activist investor made a significant investment in Callaway last year and is likely to push for change at the company. Change may come in the form of splitting up the company, monetizing the stake in Topgolf or a variety of other potential value-enhancing initiatives. Callaway reported disappointing operating results during the quarter and offered pessimistic guidance for its ensuing fiscal year. We continue to believe the company has positive growth potential.

Digi International provides Internet of Things connectivity products, services and solutions primarily to the foodservice, transportation and logistics as well as health care end markets. Its products allow companies that require cold storage for inventory to seamlessly monitor and manage assets around the clock. Digi recently announced the acquisition of Opengear, a company that provides remote access, network resilience and automation services mainly for data centers. During the quarter Digi announced weaker than forecast organic growth in its core business, as well as heightened integration spending relating to the Opengear transaction.

Skyline Champion Corporation produces manufactured housing and mobile homes in the United States and Canada. The company provides lower cost, affordable options for potential homeowners. As a manufactured home builder, Skyline enjoys the standardization of processes and a more effective labor force that is mostly rural-based. The company also experiences no weather delays and benefits from bulk buying and shipping advantages. The company's most recent quarterly earnings were disappointing due to some product mix shifts that impacted average selling prices.

Argent Small Cap Core Strategy Top Contributors and Detractors for Quarter Ending March 31, 2020

Top Contributors	Avg. Weight	Contribution	Top Detractors	Avg. Weight	Contribution
Fortinet, Inc.	3.17	0.21	Atkore International Group	2.90	-1.75
Addus HomeCare Corporation	0.26	0.16	OneMain Holdings, Inc.	2.60	-1.69
Simpson Manufacturing Co.	0.07	0.13	Callaway Golf Company	2.00	-1.40
Qualys, Inc.	0.49	0.12	Digi International Inc.	1.39	-1.37
Houlihan Lokey, Inc.	0.36	0.11	Skyline Champion Corp.	1.86	-1.20

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Portfolio Positioning

While the market has been challenging, there is a silver lining in the turbulence. The market pullback has provided the opportunity for the Argent Small Cap team to add quality companies that are now selling at a discount. Health Care is an area that we have been interested in for quite some time, but extended valuations on companies that fit our investment philosophy had put them out of reach. In March the team initiated several new positions in the Health Care space, increasing our exposure from approximately 7% at the beginning of the quarter to just over 12% at quarter-end. During the quarter, the team purchased Medpace Holdings, Inc. Medpace is a contract research organization (CRO) that caters to smaller biotechnology and pharmaceutical companies. CRO relationships allow biotechnology and pharmaceutical companies to focus their research efforts on the development of innovative therapies to combat harmful diseases and viruses. CROs conduct feasibility studies, manage regulatory affairs, patient recruitment and clinical trials on behalf of their clients. The investment in Medpace gives the Argent Small Cap Core strategy indirect exposure to the future growth of the biotechnology industry. However, unlike

most biotechnology firms that populate the Russell 2000 Index, Medpace has a strong balance sheet, generates consistent cash flow and requires minimal capital outlay.

Argent Small Cap Core also added Addus HomeCare during the first quarter. Addus provides home health, personal care, and hospice services. The company offers these services to the elderly, chronically ill or disabled population that are at risk of hospitalization or institutionalization. We anticipate continued growth for Addus as the population of individuals over the age of 65 years old is growing at a mid-single-digit rate. Addus is well-positioned to benefit as the industry continues to shift toward serving customers in home-based settings as opposed to nursing homes or hospitals. Addus has a strong balance sheet, good management and generates consistent cash flow.

We feel confident that once the fear in the market subsides and fundamentals begin to matter, our high-quality names will emerge in a strong position. In the meantime, we are using current market volatility to enhance the portfolio. We continue to seek good businesses that are priced at attractive valuations. To us, a good business generates substantial cash flow, reflects growing earnings, requires opportunistic, yet minimal, capital investment, and has a conservatively positioned balance sheet. We prefer management teams that have a track record of producing returns above their cost of capital that have proven their wherewithal over an economic cycle.

Sincerely,

Argent Small Cap Core Team

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For the period ending December 31,	Gross-of-Fees (%)	Net-of-Fees (%)	Russell 2000 Return (%)	Composite 3-Yr St. Dev (%)	Russell 2000 3-Yr St Dev (%)	Number of Composite Accounts	Composite Assets (\$ millions)	Principal Business Assets (\$ millions)	Internal Dispersion (%)
2019	24.27	23.4	25.53	16.35	15.71	7	199	3,019	1.84
2018	-19.43	-20.19	-11.01	16.45	15.79	7	184	2,542	0.38
2017	18.39	17.24	14.65	14.51	13.91	7	227	2,898	0.47
2016	25.73	24.48	21.31	16.19	15.76	7	207	2,604	0.09
2015	-5.48	-6.42	-4.41	13.5	13.96	6	169	2,357	0.04
2014	7.44	6.37	4.89	12.17	13.12	7	186	2,817	0.11
2013	28.74	27.48	38.82	17.04	16.45	6	178	2,478	0.18
2012	19.68	18.49	16.35	19.84	20.2	7	139	1,782	0.22
2011	-1.95	-2.93	-4.18	23.38	24.99	7	109	1,247	0.33
2010	25.39	24.15	26.85	26.99	27.69	6	95	1,145	NA
Three Year*	5.83	4.91	8.59						
Five Year*	7.09	6.11	8.23						
Ten Year*	11.11	10.05	11.83						
Information for period(s) ending March 31, 2020									
Mar-20	-26.33	-26.38	-21.73	22.91	20.91	7	79	2,229	
1 st Quarter 2020	-34.85	-34.97	-30.61						
1 Year*	-30.84	-31.33	-23.99						
3 Year*	-9.75	-10.52	-4.64						
5 Year*	-2.64	-3.52	-0.25						
10 Year*	5.96	4.96	6.9						
Since Inception*	4.58	3.58	4.85						

*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. 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. The Argent Small Cap Core Equity Composite has been examined for the periods January 1, 2008 through December 31, 2018. The verification and performance examination reports are available upon request.

2. This composite represents investment performance for portfolios invested in equities with small capitalization containing both growth and value characteristics for which Argent has sole investment discretion. Portfolios will include small cap equity holdings, with zero fixed investments and cash targeted to be less than 10% of total portfolio value. The creation date of the Argent Small Cap Core Equity Composite is January 1, 2008. A complete list and description of composites is available upon request.

3. The benchmark is the Russell 2000® Index which measures the performance of the small-cap segment of the U.S. equity universe. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current 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-fees performance 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 represent less than 1% of composite assets during the years 2016 and 2017. During 2018 and 2019, the composite included portfolios where commissions were waived representing less than 1% of composite assets.

6. Standard annual advisory fees for the Small Cap Core Equity product are calculated as a percentage of assets under management according to the following schedule: 0.80% on the first \$25M, 0.75% on the next \$25M, 0.70% on the next \$50M, 0.65% on the balance thereafter, although fees may be negotiated or waived in certain circumstances.

7. Internal dispersion is calculated using the asset-weighted standard deviation of all portfolios that were included in the composite for the entire calendar month, quarter, or year - net of fees. For calendar year 2008 & 2010 internal dispersion is not available (NA) since no portfolio was in the composite for the entire calendar year.

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 2008 and 2009 since the composite inception date of 1/1/2008 does not provide historical data to calculate a 3-year formula.