Small Cap Core Quarterly Commentary

2020: Second Quarter

Argent

Performance Summary

The Argent Small Cap Core strategy underperformed the Russell 2000® Index for the second quarter of 2020 returning 22.30% gross and 22.07% net, versus the benchmark return of 25.42%.

Performance Summary as of June 30, 2020	%	2Q20	YTD	1 Year	3 Year*	5 Year*	10 Year*	Since Inception*
Argent Small	Gross	22.30	-20.32	-16.73	-4.97	1.16	8.78	6.18
Cap Core	Net	22.07	-20.62	-17.34	-5.76	0.25	7.75	5.17
Russell 2000		25.42	-12.98	-6.63	2.01	4.29	10.50	6.67

*Annualized

For comparison purposes, the strategy is measured against the Russell 2000® Index. Past performance is no guarantee of future results. Data is as of 06/30/20 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.

Stock selection was a negative contributor to relative performance in the second quarter, while sector allocation detracted modestly. The underweight in Utilities, coupled with the overweight in Materials & Processing were the most additive to sector selection. Underweights in Health Care and Consumer Discretionary hurt relative performance. Consumer Discretionary topped the Russell 2000 for the second quarter, returning over 50% while Health Care posted returns of nearly 22%.

Stock selection was negative within Materials & Processing, Health Care, Energy and Technology sectors. The majority of the portfolio's exposure in the Materials & Processing sector is in building products (such as Gibraltar Industries) and a packaging company (UFP Technologies, Inc.). We are pleased with the operational performance of these companies and how they continue to allocate capital. Nevertheless, the names failed to keep pace in the second quarter as the building materials group returned close to 50% in the index. We have increased our Health Care exposure by over 35% in 2020. Medpace, PetIQ Inc. and Addus HomeCare Corporation, our three largest positions in Health Care, were positive contributors to performance. During the quarter, holdings with exposure to spending trends and procedural volumes underperformed. Globus Medical, Inc., a spinal surgery-related medical device company and Omnicell, a pharmacy management company, struggled as patients chose to stay home and avoid COVID-19. There continues to be uncertainty surrounding the recovery in elective procedure volume. While these companies face a bump in the road, our thesis for holding Omnicell and Globus has not changed. Hospitals will continue to spend on equipment that solves problems related to inefficiencies and patients can't put off surgeries indefinitely. Our lone Energy holding in the Argent Small Cap Core portfolio, World Fuel Services Corporation, underperformed as its exposure to the aviation industry went from a bright spot to an albatross during the quarter. Airline traffic has recovered since it plummeted in April, albeit at a very slow pace. Business air travel has not meaningfully rebounded and Delta's CEO recently stated that the company predicts business travel will never revert to 2019 levels. Technology saw relative outperformance from our software exposure. However, our software gains were offset by underperformance from optical components maker Lumentum Holdings Inc., value-added reseller, ePlus Inc., and payments company, ACI Worldwide, Inc.

Stock selection was positive in Producer Durables and Financial Services and neutral in Consumer Discretionary. Within Producer Durables, Commercial Services related businesses, such as ASGN Incorporated performed well. Motion control company, Allied Motion Technologies, Inc., and fabrication and medical technology company, Colfax Corporation, also outperformed during the second quarter. Within Financial Services, Consumer Finance holdings PRA Group, Inc. and OneMain Holdings, Inc., had strong quarters as operating results were better than anticipated. While stock selection in Consumer Discretionary was neutral, we added new positions in early April when the market maelstrom was still in full effect. We purchased Ollie's Bargain Outlet Holdings, Inc. when it dipped back into our market capitalization range. Ollie's Bargain Outlet is a retailer that has similar characteristics to the much larger TJX Companies, Inc. and Dollar General Corporation. We believe the company has stronger growth prospects given its small store footprint and untapped geographical expansion opportunities. Much like TJX, Ollie's looks for excess inventory and retail closeouts from large, struggling retailers. It purchases their inventory at steep discounts (up to 70% below department stores, and up to 50% below mass-market retailers), and offers discounted products to its shoppers. Most of its stores are in North and South Carolina, the eastern portion of the Sunbelt and Texas and cater to a Dollar General type customer base. Ollie's had a materially positive impact on relative performance in the second quarter.

Quarterly Attribution Analysis, June 30, 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	9.57	51.84	4.56	11.35	51.23	5.21	-1.79	0.61	-0.65	-0.34	0.00	-0.34
Consumer Staples	2.01	13.52	0.27	3.16	19.61	0.63	-1.15	-6.08	-0.36	0.07	-0.14	-0.07
Energy	0.67	-15.73	-0.30	2.27	44.85	0.94	-1.59	-60.57	-1.24	-0.09	-0.71	-0.80
Financial Services	23.21	14.99	2.77	22.76	12.84	2.70	0.45	2.16	0.07	-0.14	0.25	0.11
Health Care	15.06	21.85	3.68	21.96	32.25	7.16	-6.89	-10.40	-3.48	-0.83	-0.94	-1.77
Materials	9.70	21.08	2.00	6.09	35.65	2.09	3.61	-14.57	-0.09	0.36	-1.41	-1.05
Producer Durables	15.48	28.92	4.41	12.98	20.11	2.59	2.49	8.81	1.82	-0.09	1.38	1.29
Technology	22.12	25.23	5.77	14.57	27.57	4.03	7.55	-2.34	1.74	0.08	-0.41	-0.33
Utilities	1.69	7.01	0.16	4.86	-0.42	0.08	-3.17	7.43	0.08	0.75	0.05	0.79
Cash	0.49	0.04	0.00	--	--	--	0.49	0.04	0.00	0.07	--	0.07
Total	100.00	23.33	23.33	100.00	25.42	25.42	--	-2.09	-2.09	-0.15	-1.94	-2.09

* 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

Throughout the second quarter, domestic equity indices roared back from their March lows as investors pinned their hopes on a return to normalcy. The unprecedented monetary and fiscal stimulus that the Federal Reserve and Congress provided in late March stabilized the markets and investors interpreted those actions as a backstop against further losses. Nonetheless, there is still work to do in order for the economy to find itself on firmer footing. The unemployment rate touched its highest rate since the Great Depression, new cases of COVID-19 are now trending up again, airline travel remains severely depressed, corporate bankruptcies are making headlines, and many small businesses are hurting.

The Russell 2000 Index rebounded mightily from the 30% drawdown experienced in the first quarter, returning over 25% in the second quarter. Just as the first quarter was the worst quarter on record for the Russell 2000 Index, the second quarter was the best in almost twenty years. Similar to the first quarter, the index was led by companies with the lowest return on equity, no earnings, and those that exhibit the most expensive valuation as measured by their price to earnings ratio. Consumer Discretionary, Energy, Materials & Processing and Health Care were the best performing sectors in the Russell 2000 Index during the second quarter, while Utilities, Financial Services, Consumer Staples, and Producer Durables all underperformed. Utilities was the only group to post slightly negative absolute returns. Once again, the Russell 2000 Growth Index (+30.6%) handily outperformed the Russell 2000 Value Index (+18.9%) during the quarter.

Top Contributors

ASGN Incorporated offers professional services and information technology consulting services to the federal government as well as digital, creative and life sciences end markets. ASGN continues to see increased levels of spending and healthy budgets mainly in its government services business. This should assist in weathering the downturn in other areas of its business resulting from COVID-19, such as the creative and digital advertising markets. The company also benefits from a highly variable cost structure. After a steep pullback in the share price during the first quarter, ASGN reported better than anticipated operating results during the second quarter and the stock price appreciated considerably.

LCI Industries is a supplier of engineered components to RV, bus, trailer, truck, boat, train, and manufactured housing original equipment manufacturers and their related aftermarkets. LCI is benefiting as the RV industry has seen a recent resurgence in demand as demographic tailwinds appear to be positively impacting the industry. Additionally, the company continues to focus its research and development efforts and acquisition strategy around aftermarket services. Aftermarket services have higher margins, better revenue growth opportunities and less revenue volatility.

PetIQ, Inc. provides services and products to the companion animal market. The company manufactures and distributes pet health and wellness products through an omnichannel approach, and also offers veterinary services via a clinic offering that partners with mass retailers. PetIQ has made several accretive acquisitions in its products segment over the past several years. During the quarter it provided further details on its most recent acquisition of Capstar (the number one oral over-the-counter flea treatment product in the U.S.) from Elanco. The company believes the acquisition will be immediately accretive to earnings and investors cheered the deal.

Ollie's Bargain Outlet Holdings is a retailer that engages in closeouts, excess inventory and salvage merchandise. Management describes the company as a fast-growing, extreme value retailer offering a broad selection of "good cheap stuff." Ollie's has a small store footprint that covers mostly the eastern seaboard and eastern Sunbelt within the United States, providing it with ample expansion opportunities. The company reported better than anticipated quarterly operating results during the second quarter and we witnessed the stock rerate after a steep sell-off in late March.

Alarm.com Holdings, Inc. com provides wireless and web-enabled security system technology mainly to consumers, but more recently to commercial customers. Its primary offering is an operating system for the connected property, which allows users to control their home or business remotely via an app on their phone, tablet or other devices. Alarm's software as a service model creates sticky recurring revenue. The company also provides certain hardware devices that enable its services. The company reported quarterly financial results that were better than expectations and investors cheered.

Top Detractors

World Fuel Services Corporation is a fuel logistics company that provides its customers in the land, marine and aviation markets with assistance in fuel procurement, supply fulfillment and payment needs. The company acts as a go-between to suppliers and end-users and collects a fee for its services. The global fuel supply chain is very large and highly fragmented, which allows World Fuel the opportunity to grow both organically and via acquisition. The company's largest segment is aviation, which we believe will take some time to recover from the downturn resulting from COVID-19. During the quarter we sold our position in World Fuel Services.

Lumentum Holdings Inc. is a market-leading manufacturer of optical and photonic products. It designs and sells components for products that are manufactured by companies such as Apple, Cisco Systems, Amazon, Ciena and Alphabet. Lumentum's end markets, particularly the telecommunication services industry, are experiencing growth tailwinds as companies are bringing capacity online and investing in equipment. The company has reported several quarters in a row of better than expected operating results, including its most recent quarter. Lumentum's stock price increased during the second quarter, but it failed to keep pace with the overall steep gains that the Technology sector experienced.

CTO Realty Growth, Inc. is a Florida based real estate company that owns income properties made up of over two million square feet in diversified markets across the U.S. CTO also owns a sizeable stake in a publicly traded REIT that invests in single-tenant commercial properties. As a result of COVID-19, CTO is likely to see significant pressure on its real estate portfolio which is comprised of shopping centers, fitness centers, restaurants and miscellaneous retail. We exited our position in CTO during the quarter.

RLI Corp. is a specialty lines property and casualty insurance company that operates mainly in the excess and surplus markets. The company has a decade's long track record of profitably underwriting and has grown surplus at an impressive rate. All signs point to RLI's end markets hardening, providing the potential for management to allocate capital opportunistically. RLI reported solid operating results during the second quarter, but the stock didn't keep pace with the index. We chose to add to our position during the second quarter.

Summit Financial Group, Inc. is a community bank that services markets throughout Virginia and West Virginia. The bank has been executing on a strategy that couples organic growth with acquisitions that are focused on healthy deposit franchises. During the quarter, the company was able to increase its net interest margin as a result of improved funding costs and lower its efficiency ratio on better cost controls. However, Summit had to increase its provision for credit losses during its most recent quarter due to the COVID-19 related economic slowdown, and the stock sold off.

Argent Small Cap Core Strategy Top Contributors and Detractors for Quarter Ending June 30, 2020*

Top Contributors	Avg. Weight	Total Effect	Top Detractors	Avg. Weight	Total Effect
ASGN Inc.	1.91	0.77	World Fuel Services	0.67	-0.38
LCI Industries	1.81	0.60	Lumentum Holdings, Inc.	2.87	-0.40
PetIQ, Inc. Class A	2.56	0.50	CTO Realty Growth, Inc.	0.73	-0.46
Ollie's Bargain Outlet Holdings	0.86	0.39	RLI Corp.	1.49	-0.52
Alarm.com Holdings, Inc.	1.33	0.39	Summit Financial Group	0.99	-0.60

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Portfolio Positioning

Activity remained healthy during the second quarter as we continued to build up our investments in the Consumer Discretionary sector. We increased our position in Helen of Troy Limited, a designer, developer and marketer of consumer housewares, health and home and beauty products. Companies such as Helen of Troy and Ollie's are areas where the defensive nature of their businesses exhibit positive spending trends. We are avoiding Consumer Discretionary names in areas such as cruise lines and travel stocks. We also meaningfully increased exposure to Health Care in the first half of 2020. Health Care stocks pulled back late in the first quarter and early in the second quarter. Valuations were compressed and we initiated several new positions. We added to our position in Change Healthcare. Change operates within the healthcare information technology space. It has a cloud-based technology offering that provides data and analytics that assists both healthcare providers and payers improve outcomes. The healthcare system in the United States is recognized as being inefficient and wasteful. Fraud and abuse, failure of care coordination or a myriad of other issues plague the industry. Change Healthcare provides a solution to these inefficiencies. The company aims to drive operating efficiencies by providing one of the largest healthcare financial and administrative networks in the United States.

At the end of the second quarter, the portfolio remained well overweight Technology and had smaller overweights in Materials & Processing and Producer Durables. Financial Services has moved to an equal weighting in the portfolio from an overweight. In spite of several purchases in the sector in 2020, Health Care remains our largest underweight. We continue to selectively add to Health Care where we find incremental opportunities. While there is no target weight for the portfolio, Health Care benefits from several secular growth trends driven by demographics and identifying cost efficiencies in organizations. The Argent Small Cap Core strategy has slight underweights to both Consumer Discretionary and Consumer Staples, a small allocation to Utilities and no exposure to the Energy sector.

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

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 June 30, 2020									
Jun-20	2.53	2.46	3.53	24.13	22.61	6	74	2,461	
Year-to-Date	-20.32	-20.62	-12.98						
1 Year*	-16.73	-17.34	-6.63						
3 Year*	-4.97	-5.76	2.01						
5 Year*	1.16	0.25	4.29						
10 Year*	8.78	7.75	10.5						
Since Inception*	6.18	5.17	6.67						

*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, 2019. 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, 2019. 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.