Argent

Performance Summary

In the fourth quarter of 2020, the Argent Mid Cap strategy underperformed its index, gaining 17.5% net of fees versus the Russell Mid Cap® Index return of 19.9%. As a reminder, Argent's Mid Cap strategy utilizes a proprietary blend of quantitative and fundamental analysis to uncover the right companies, in the right sectors at the right time with positive change.

Performance Summary as of December 31, 2020						
	%	4Q20	2020	3 Year*	5 Year*	Since Inception*
Argent Mid Cap	Gross	17.53	21.24	13.02	15.44	12.67
	Net	17.47	20.97	12.75	15.16	12.44
Russell MidCap		19.91	17.10	11.61	13.40	10.82

*Annualized

For comparison purposes, the strategy is measured against the Russell MidCap® Index. Past performance is no guarantee of future results. Data is as of 12/31/20 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 fourth quarter, relative underperformance was primarily driven by stock selection while sector allocation was a positive contributor. From a sector allocation standpoint, outperformance was attributable to a lack of exposure to Utilities, the worst-performing sector in the Russell Mid Cap Index. The portfolio's significant overweight to Information Technology also had a positive impact on performance. Our holdings in Financials were the largest positive contributors. Three of the Argent Mid Cap portfolio's top ten contributors for the quarter were consumer-focused financial companies: OneMain Holdings, Inc., Discover Financial Services and Ally Financial Inc. These stocks benefited from strong hiring trends, robust consumer sentiment and solid wage gains which allowed borrowers to make interest payments on their loans at a much better rate than investors anticipated.

From a stock selection standpoint, the three largest contributors were Zebra Technologies Corporation, OneMain Holdings and Discover Financial Services. Zebra engages in the design, manufacture and sale of automatic identification and data capture products including barcode scanners and radio frequency identification readers (RFID). Zebra jumped nearly 52.3% in the fourth quarter as the market recognized that Zebra's Temptime Vaccine Vial Monitor (VVM) solution should see strong growth with the roll-out of COVID-19 vaccine distribution. Further, digital transformation trends are favorable across several of Zebra's industrial and retail end markets. OneMain Holdings is a consumer finance company that originates, underwrites and services personal loans, primarily to non-prime lending customers. Buoyed by increased savings and declining debt levels, OneMain's customers benefited from improving debt/income ratios versus pre-pandemic levels. Credit losses declined to approximately 5.6% in 2020 from 6.0% in 2019. In addition to the stronger credit trends, OneMain stands to benefit from accelerating loan demand. Discover Financial Services is a payment card issuer, card network operator and consumer lender that operates an online/internet bank. Discover's stock rallied 56% during the fourth quarter as loan losses and delinquencies surprised to the downside. We anticipate that Discover's loan growth will persist into 2021 as the economic recovery continues.

The three biggest detractors in the portfolio were NVIDIA Corporation, Fidelity National Information Services, Inc. and NVR, Inc. NVIDIA builds semiconductors for the gaming, professional visualization, data center and automotive industries. NVIDIA's fundamentals remain strong. We believe that NVIDIA's acquisition of Arm Holdings will be accretive to earnings. Arm is a technology provider of the silicon IP (intellectual property) core for System-on-a-Chip (SoCs) integrated circuits. NVIDIA expects its proposed acquisition of Arm to more than double its addressable market to $250 billion by 2023. NVIDIA has also developed a new class of processor called a Data Processing Unit (DPU) that is a data center on a chip that is optimized to offload certain tasks from Central Processing Units (CPUs). The offloading process has the potential to double CPU performance. NVIDIA estimates that the new class of chips will add another $50 billion to its total available market by 2024. While the company exhibited a slight pull-back during the fourth quarter, NVIDIA has been a top performer for the portfolio in 2020. We continue to hold the stock. Fidelity National Information Services provides technology solutions, processing services and information-based products and services to merchants and financial institutions. COVID-19 negatively impacted transaction volumes and earnings in 2020. However, Fidelity National Information Services should benefit as COVID-19 headwinds subside. We continue to hold the stock. NVR, Inc. builds homes under the Ryan Homes, NVR Homes and Heartland Homes trade names, and operates in 29 metropolitan areas and 14 states and Washington, D.C. NVR has a strong fundamental business profile, featuring a capital-light model. Generally, the company does not own land but rather exercises options until the house is completed and sold. The result is an industry-leading return on assets along with a risk-averse model that offers solid protection during market downturns in the highly-cyclical homebuilding industry. Currently, the homebuilding industry is booming, propelled by record-low interest rates, record levels of new household formation and the de-densification theme brought on by COVID-19. We continue to hold NVR.

Quarterly Attribution Analysis, December 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	--	--	--	5.00	26.87	1.29	-5.00	-26.87	-1.29	-0.30	--	-0.30
Cons. Discretionary	16.23	11.03	1.71	11.74	18.08	2.12	4.48	-7.06	-0.42	-0.10	-1.13	-1.24
Consumer Staples	1.72	-10.28	-0.18	4.00	4.25	0.18	-2.28	-14.52	-0.36	0.33	-0.27	0.07
Energy	--	--	--	2.29	38.36	0.80	-2.29	-38.36	-0.80	-0.38	--	-0.38
Financials	9.81	41.97	3.72	10.67	28.12	2.92	-0.86	13.85	0.80	-0.11	1.11	1.00
Health Care	12.63	19.95	2.59	12.54	15.66	2.01	0.09	4.29	0.59	-0.01	0.54	0.53
Industrials	18.25	16.19	3.02	14.84	18.34	2.81	3.40	-2.15	0.21	-0.04	-0.41	-0.45
Technology	36.68	17.28	6.23	20.35	24.59	4.76	16.33	-7.31	1.46	0.64	-2.38	-1.74
Materials	3.80	11.27	0.45	5.44	23.16	1.26	-1.65	-11.88	-0.81	-0.06	-0.43	-0.49
Real Estate	--	--	--	7.34	16.79	1.31	-7.34	-16.79	-1.31	0.15	--	0.15
Utilities	--	--	--	5.77	6.59	0.45	-5.77	-6.59	-0.45	0.70	--	0.70
Cash	0.88	0.02	0.00	--	--	--	0.88	0.02	0.00	-0.21	--	-0.21
Total	100.00	17.53	17.53	100.00	19.90	19.90	--	-2.37	-2.37	0.60	-2.97	-2.37

* 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

During the fourth quarter there was a rotation to economically sensitive growth stocks due to the recurring narrative of government stimulus to ease the COVID-19 recession and propel the economy into recovery. In addition, the announcements of three credible vaccines for the virus, with levels of efficacy well above expectations lent further credence to a recovery scenario. From a fundamental perspective there were two noteworthy results coming out of third quarter earnings, announced in October and November. The first, from the banking industry, was that the majority of banks were fully reserved for a decline in the economy in 2021. This implied that the banks held substantially higher levels of capital than the market expected. The better capital position was affirmed by the Federal Reserve when it surprised the market with its Comprehensive Capital Analysis Review (CCAR) results in mid-December, allowing banks to release some of their capital to shareholders. A second fundamental change coming out of third quarter earnings was that industrial companies, by and large, posted better, though still negative, year-over-year sales results and better margins. In other words, business for the industrial companies improved and cost containment was strong. These results suggest that, as the economy continues to recover, industrial companies could be much more profitable than had been expected.

Top Contributors

Zebra Technologies Corporation engages in the design, manufacture and sale of automatic identification and data capture products including barcode scanners and radio frequency identification readers (RFID). Zebra jumped nearly 52.3% in the fourth quarter as the market recognized that Zebra’s Temptime Vaccine Vial Monitor (VVM) solution should see strong growth with the roll-out of COVID-19 vaccine distribution. Further, digital transformation trends are favorable across several of Zebra’s industrial and retail end markets.

OneMain Holdings, Inc. is a consumer finance company that originates, underwrites and services personal loans, primarily to non-prime lending customers. Buoyed by increased savings and declining debt levels, OneMain’s customers have benefited from improving debt/income ratios versus pre-pandemic levels. Credit losses declined to approximately 5.6% in 2020 from 6.0% in 2019. In addition to stronger credit trends, OneMain stands to benefit from accelerating loan demand. The pandemic has allowed OneMain to accelerate its digital capabilities and the distribution of its products. This diversifies OneMain’s distribution to omnichannel, which helps it both offensively and defensively especially compared to emerging FinTech lenders. About one-third of OneMain’s originations are now digital.

Discover Financial Services is a payment card issuer, card network operator and consumer lender that operates an online/internet bank. Discover’s stock rallied 56% during the fourth quarter as loan losses and delinquencies surprised to the downside. We anticipate that Discover’s loan growth will persist into 2021 as the economic recovery continues.

Nuance Communications, Inc. provides voice and language solutions for businesses. The company's products are based on a proprietary voice and language platform that utilizes artificial intelligence. Nuance executed a comprehensive restructuring of its product portfolio over the last several years. Nuance shed lower margin businesses and focused on the distribution of higher margin products. The strategy has been effective, and the company saw growth of annual recurring revenue of 29% in the fourth quarter. In addition, the company anticipates a 30-40% compound annual growth rate through 2023. Nuance is also benefiting from a major product cycle upgrade anchored by the Dragon Ambient Experience. Dragon allows hospitals to improve patient satisfaction, lower physician burnout rates and generate revenue by automating the capture and documentation of the patient-physician interaction.

Euronet Worldwide, Inc. provides payment and transaction processing solutions to financial institutions, retailers and mobile device operators. Euronet’s operations span 160 countries in three primary areas; Electronic Fund Transfer (EFT) processing, prepaid processing (mobile, content and gift cards), and Money Transfer. Euronet generates over 70% of its revenue outside the U.S. (six or seven major currencies) with roughly 35% of revenue denominated in the Euro and 5-6% in the British pound. A weakening U.S. dollar versus the relevant international currencies this quarter benefited earnings. The belief that the pandemic will subside as 2021 progresses will also benefit transaction volumes and further boost Euronet’s earnings.

Top Detractors

NVIDIA Corporation builds semiconductors for the gaming, professional visualization, data center and automotive industries. NVIDIA's fundamentals remain strong. We believe that NVIDIA's acquisition of Arm Holdings will be accretive to earnings. Arm is a technology provider of the silicon IP (intellectual property) core for System-on-a-Chip (SoCs) integrated circuits. NVIDIA expects its proposed acquisition of Arm to more than double its total addressable market to $250 billion by 2023. NVIDIA has also developed a new class of processor called a Data Processing Unit (DPU). A DPU is a data center on a chip that is optimized to offload certain tasks from Central Processing Units (CPUs). The offloading process has the potential to double CPU performance. NVIDIA estimates that the new class of chips will add another $50 billion to its total available market by 2024. While the stock exhibited a slight pull-back during the fourth quarter, NVIDIA was a top performer for the portfolio in 2020. We continue to hold the stock.

Fidelity National Information Services, Inc. has an attractive business model featuring high recurring revenue, long-term contracts and solid cash flow. The company recently completed an acquisition of Worldpay which we think will accelerate the company's organic growth opportunities and produce synergy benefits resulting in faster earnings growth. COVID-19 negatively impacted transaction volumes and earnings in 2020. However, Fidelity National Information Services should benefit as COVID-19 headwinds subside.

NVR, Inc. builds homes under the Ryan Homes, NVHomes and Heartland Homes trade names, and operates in 29 metropolitan areas and 14 states and Washington, D.C. NVR has a strong fundamental business profile, featuring a capital-light model. Generally, the company does not own land but rather exercises options until the house is completed and sold. The result is an industry-leading return on assets along with a risk-averse model that offers solid protection during market downturns in the highly-cyclical homebuilding industry. Currently, the homebuilding industry is booming, propelled by record-low interest rates, record levels of new household formation and the de-densification theme brought on by COVID-19. We continue to hold NVR, Inc.

BJ's Wholesale Club Holdings, Inc. is a U.S. membership-only warehouse club chain based in Massachusetts. BJ's operates on the East Coast and has additional stores in Ohio and Michigan. The company's new CEO is focused on accelerating both store growth and membership rates while improving its already strong membership retention. The company's stock price did not keep pace with the Russell Mid Cap Index in the fourth quarter as investors questioned if the discount club could retain the new members that joined during the COVID-19 epidemic. As a result, the company is currently valued more like a grocer than a membership-based discount club. We continue to hold the stock.

Ollie's Bargain Outlet Holdings, Inc. is a name we purchased in the beginning of the fourth quarter. The company buys closeouts and excess inventory from large, struggling retailers. Management describes the company as a fast-growing, extreme value retailer that offers a broad selection of "good cheap stuff." The company has a strong and loyal base called "Ollie's Army." The company's loyalty program boasts nine million members. During the third quarter earnings call in December, Ollie's delivered a high-quality beat for the third quarter but indicated that trends decelerated from the lofty growth seen earlier in the year and as a consequence, the share price fell. However, we continue to hold the stock because from a long-term perspective, Ollie's Army remains robust and active members grew +13.9% during the third quarter – the second-largest increase in Army sign-ups in the history of the store. Company research shows that members spend 40% more per trip than non-members. In addition, the company plans to open 50-55 new stores next year.

Buys

Ollie's Bargain Outlet Holdings, Inc. is a name we purchased in beginning of the fourth quarter. The company buys closeouts and excess inventory from large, struggling retailers. Management describes the company as a fast-growing, extreme value retailer that offers a broad selection of "good cheap stuff." The company has a strong and loyal base called "Ollie's Army." The company's loyalty program boasts nine million members. During the third quarter earnings call in December, Ollie's delivered a high-quality beat for the third quarter but indicated that trends decelerated from the lofty growth seen earlier in the year and as a consequence, the share price fell. However, we continue to hold the stock because from a long-term perspective, Ollie's Army remains robust and active members grew +13.9% during the third quarter – the second-largest increase in Army sign-ups in the history of the store. Company research shows that members spend 40% more per trip than non-members. In addition, the company plans to open 50-55 new stores next year.

Sells

Hillrom Holdings, Inc. is a global medical device provider that has experienced a positive impact from the pandemic in early 2020. Categories including specialty beds, which total 60% of revenues, saw an increase in demand while categories including surgical solutions which total 40% of its revenue saw an initial decrease in demand during the early stages of the pandemic. The categories that drove performance early in the pandemic are expected to slow in the fourth quarter. We believe slowing growth will impact long-term fundamentals and we sold the stock.

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

Top Contributors	Avg. Weight	Contribution	Top Detractors	Avg. Weight	Contribution
Zebra Technologies Corporation	3.55	0.85	Ollie's Bargain Outlet	1.50	-0.50
OneMain Holdings, Inc.	1.59	0.45	BJ's Wholesale Club	1.72	-0.53
Discover Financial Services	1.50	0.37	NVR, Inc.	3.17	-0.57
Euronet Worldwide, Inc.	1.17	0.34	Fidelity National Information	2.69	-0.67
Nuance Communications, Inc.	3.15	0.32	NVIDIA Corporation	5.45	-1.29

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Portfolio Positioning

Our investment process seeks to invest in the right companies, in the right sectors at the right time with positive change. We uncover potential investments through an integrated blend of quantitative and fundamental analysis. Our investment process requires that a potential purchase exhibit both a positive quantitative score and solid company fundamentals. This is also a powerful risk management tool as the tension between the quantitative and fundamental processes serve as a natural check and balance on the names in the portfolio. Very few companies can pass our rigorous research process and we are very thoughtful about what goes into and out of our portfolios. The Argent Mid Cap strategy's turnover was 5.5% (annualized) for the fourth quarter. Overall, portfolio turnover on a year-to-date basis is 20.5%, in-line with our long-term average.

The Leading Economic Index continued to accelerate throughout the fourth quarter as the economy rapidly advances from the current recovery to a sustainable expansion. The Argent Mid Cap portfolio is well positioned for this environment, with a higher exposure to economically sensitive stocks than the benchmark. Financials are a good example of economically sensitive exposure. The financial stocks in the Argent Mid Cap portfolio returned 41.8% in the quarter, solidly outperforming the Russell Mid Cap Financial sector's return of 28.1%. Our focus on quality businesses that are engaged in consumer lending such as Discover Financial Services, OneMain Holdings and Ally Financial Inc., paid off as they benefit more than purely rate-sensitive financials in the early stages of an expansion. We gradually increased the economic sensitivity of the portfolio during 2020, taking advantage of investor pessimism when we could.

Going forward, we will continue to execute our investment process day in and day out and take advantage of the opportunities the stock market offers us.

Sincerely,

Argent Mid Cap Team

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 (%)
2020	21.24	20.97	17.1	23.36	21.82	45	102	2,874	0.84
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*	13.02	12.75	11.61						
Five Year*	15.44	15.16	13.4						
Information for period(s) ending December 31, 2020									
4th Quarter 2020	17.53	17.47	19.91	23.36	21.82	45	102	2,874	
Since Inception*	12.67	12.44	10.82						

*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 periods January 1, 2003 through December 31, 2019. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

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 inception date is March 2014 and was created in April 2016. A complete list and description of composites is available upon request.

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 investments, calculating performance, and preparing GIPS Reports 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% (2016, 2017), 2% (2018, 2019) of composite assets. The composite included portfolios where commissions were waived representing approx. 17% (2019) and 18% (2020) 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), 5.8% (2018, 2019) and 6% (2020).

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. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The external deviation is based on the 36 month gross-of-fees returns of the composite and the benchmark.