

### Performance Summary

The Argent SMID Cap strategy outperformed the Russell 2500® Index for the fourth quarter of 2021, returning 12.9% net of fees versus the benchmark return of 3.8%.

Performance Summary as of December 31, 2021				
	%	4Q21	2021	Since Inception*
Argent SMID Cap	Net	12.88	35.21	25.03
Russell 2500		3.82	18.18	19.08
<b>Excess Return</b>		<b>9.06</b>	<b>17.03</b>	<b>5.95</b>

\*Annualized, 12/31/2019

For comparison purposes, the strategy is measured against the Russell 2500® Index. Past performance is no guarantee of future results. Data is as of 12/31/2021 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. This presentation was prepared by Argent and may contain confidential information. Unauthorized use, disclosure, copying, dissemination or redistribution of this presentation is strictly prohibited.

Stock selection was meaningfully positive during the fourth quarter, while sector allocation was a slight contributor. Information Technology, Industrials, Consumer Discretionary, and Health Care all added considerably to relative performance. Financials was the only sector that detracted in the quarter and did so by a small margin.

Stock selection within Information Technology was led by our investments in Marvell Technology, Inc., Fortinet, Inc. and Ciena Corporation. Marvell has one of the broadest intellectual property portfolios in the United States. Vast storage, network and security solutions allow Marvell to offer off-the-shelf parts and customized cloud solutions to partners that no other company can match. The company has easily navigated supply chain issues compared to its peers due to its established position of strength in the industry. Suppliers reserve capacity for Marvell as it has a history of enviable growth. Fortinet is a cybersecurity solutions provider with an expansive product line. The company has benefited from the growing spending trends within its end markets. Fortinet maintained impressive billings growth all year long and spending on cybersecurity continues to grow. Ciena supplies networking systems and software to communication infrastructure customers. The company benefits from the spend in data centers, mobility and 5G, the internet of things, connected objects and cloud expansion.

Within Industrials the SMID Cap strategy saw gains from Builders FirstSource, Inc., Atkore Inc., and UFP Industries, Inc. Builders FirstSource is the largest building materials distributor in the U.S. The company has been reaping the rewards of its tremendously accretive acquisition of BMC Stock Holdings that was completed in early 2021. The company continues to opportunistically expand through acquisitions and organic growth. The management team has a solid history of rational and value-creating growth. Atkore is an industrial manufacturing company that operates through two segments—Electrical and Safety & Infrastructure. These channels supply products to the construction, health care, alternative power generation, data centers and diversified industrial end markets. The company benefited as its direct competitors suffered supply chain issues. Atkore has largely avoided the same fate due to local economies of scale. UFP is one of the world’s largest producers of wood and wood-alternative products serving the retail, construction and industrial markets. The company had a great year driven by not only organic growth, but also a handful of large acquisitions.

Consumer Discretionary was buoyed by housing-related investments in Skyline Champion Corporation, Installed Building Products, Inc., and NVR, Inc. Skyline is a factory-built home manufacturer with a footprint across the United States and southern Canada. Installed Building Products is the second largest residential insulation installer in the United States. NVR is a risk-averse homebuilder that caters to the Northeast and Mid-Atlantic markets, but also has exposure to rapidly growing areas in California and Florida. Pent-up demand and lack of supply in the housing market in the United States have driven prices higher. Housing starts are anticipated to continue to grow at

a high-single-digit rate in the coming year and could surpass that rate if supply chains revert to some level of normalcy.

Health Care benefited from strong returns from Omnicell, Inc. and Molina Healthcare, Inc. Omnicell helps hospitals and health care systems eliminate waste and become more efficient by providing automated pharmacy and medication management solutions. The company's business has strengthened throughout the pandemic as hospitals realize ways to automate systems in the face of labor shortages and budget squeezes. Molina Healthcare is a pure-play government healthcare company that offers health plans through Medicaid, Medicare and the ACA public exchanges. It is insulated from the economic volatility associated with commercial health plans, and should benefit from the continued expansion of Medicaid across states as well as Medicare market growth due to population demographics increasing the number of eligible participants.

Quarterly Attribution Analysis, December 31, 2021  
Argent SMID Cap Strategy vs. Russell 2500 Index\*

	Argent SMID Cap			Russell 2500			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	--	--	--	2.78	-7.89	-0.22	-2.78	7.89	0.22	0.36	--	0.36
Cons. Discretionary	22.04	7.26	1.59	12.17	1.81	0.18	9.88	5.44	1.41	-0.19	1.21	1.02
Consumer Staples	2.11	21.94	0.42	2.98	4.33	0.13	-0.87	17.62	0.28	0.02	0.35	0.37
Energy	--	--	--	3.87	3.12	0.13	-3.87	-3.12	-0.13	0.03	--	0.03
Financials	16.35	4.46	0.91	14.71	5.45	0.79	1.64	-0.99	0.12	0.06	-0.10	-0.03
Health Care	13.11	2.49	0.50	14.45	-6.06	-0.85	-1.34	8.55	1.35	0.26	1.15	1.41
Industrials	22.43	23.51	4.89	16.24	8.62	1.26	6.19	14.88	3.63	0.30	3.04	3.34
Technology	19.19	21.21	3.90	16.64	3.66	0.61	2.55	17.55	3.29	0.03	3.11	3.14
Materials	1.81	18.57	0.33	5.32	10.74	0.53	-3.50	7.83	-0.20	-0.21	0.15	-0.06
Real Estate	2.45	16.51	0.40	8.44	11.63	0.96	-5.98	4.89	-0.56	-0.44	0.13	-0.30
Utilities	--	--	--	2.42	12.11	0.29	-2.42	-12.11	-0.29	-0.17	--	-0.17
Cash	0.50	0.01	0.00	--	--	--	0.50	0.01	0.00	0.01	--	0.01
Total	100.00	12.94	12.94	100.00	3.83	3.83	--	9.11	9.11	0.08	9.04	9.11

\* This is based on the holdings history of a representative portfolio of the Argent SMID 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 quarter, the economy slowed from record high growth but a steady expansion continued. The quarter started on a weak note as investors weighed inflationary fears, Fed tapering and the rise of the COVID-19 Omicron variant. By December investor concerns had largely subsided. Corporate earnings were strong, and the overall economy remained stable. The Argent SMID Cap strategy was well positioned in this environment and posted strong returns. The portfolio continued to benefit from the quality-led recovery that started in April of 2020 and has driven the market ever since. In addition, powerful secular and cyclical trends converged in the fourth quarter to propel both growth and value stocks ahead of the market and the Argent SMID Cap strategy took full advantage. Secular trends such as the 5G infrastructure build-out, cloud datacenter construction, artificial intelligence and omnichannel retailing resulted in the outperformance of many growth stocks. The secular need for more housing

driven by changing demographics and lackluster levels of new home construction since 2008, challenged supply and pushed value stocks higher.

The Russell 2500 Index experienced a double-digit intra-quarter decline but rallied back to post a 3.8% return for the fourth quarter. The highest ROE and lowest P/E ratio stocks in the benchmark outperformed, pointing to a ripe investment environment for high-quality stock pickers, such as ourselves. The largest capitalization stocks in the index also outperformed which helped us as our holdings tend to be on the larger side of the capitalization spectrum. Sector outperformance was broad based with defensive sectors such as Utilities and Real Estate leading while Communication Services and Health Care (because of biotechnology) posted negative returns. Throughout 2021 SMID Cap Value outpaced SMID Cap Growth. That trend continued in the fourth quarter and Value (+5.2%) once again bested Growth (+0.5%). For calendar year 2021, Value (+27.8%) vastly outperformed Growth (+5%).

### Top Contributors

**Builders FirstSource, Inc.** is the leading building materials distribution company in the United States. It sells lumber, windows, doors, siding and prefabricated materials. The company acquired its closest competitor, BMC Holdings, in a massively accretive transaction in early 2021 and has continued to roll up the industry through a variety of sizeable M&A transactions since then. The industry is highly fragmented, and Builders is several times larger than its closest competitor giving it national reach, yet local expertise and economies of scale. In some markets, it is the only company that can serve large homebuilders giving it an entrenched competitive position from which to grow. Builders reported well above consensus operating results in the most recent quarter.

**Marvell Technology, Inc.** is a global semiconductor solutions provider of high-performance data infrastructure products. It mainly caters to the automotive, carrier, data center and enterprise markets as its products address the data infrastructure needs of clients. The data infrastructure market is attractive as it has long product lifecycles and deep customer relationships that are typically sole-sourced. For Marvell that means becoming ingrained in the fabric of its clients' product set which offers a sticky, growing base of sales and profits. The company reported excellent operating results in the most recent quarter aided by continued organic growth supplemented with better-than-anticipated contributions from Marvell's recent acquisition of Inphi.

**Skyline Champion Corporation** produces manufactured housing and mobile homes in the United States and Canada. The company provides lower cost, more affordable options for potential homeowners. As a manufactured home builder, Skyline enjoys the standardization of processes, a more effective labor force that is centrally managed, and advantageous bulk buying and shipping. The company's most recent quarterly earnings were, again, much better-than-anticipated as Skyline experienced above-market growth in volumes and average sale prices.

**Fortinet, Inc.** is a cybersecurity solutions business that caters to the enterprise and small and medium-sized business markets. The addressable market for its products is north of \$100 billion and a substantial amount of Fortinet's revenue is recurring in nature. Spending patterns on cybersecurity are well positioned for further growth as the company is viewed as critical in nature in an environment that continues to become more complex and rife with security threats. Fortinet reported impressive operating results during the quarter highlighted by over 40% growth in bookings.

**Atkore Inc.** is an industrial manufacturing company that operates through two segments that supply products to the construction, health care, alternative power generation, data centers and diversified industrial end markets. Management champions “Atkore Business Systems”- which encompasses people, strategy, and process- to run its business with the ultimate goal of driving portfolio enhancement and margin expansion throughout the company. During the quarter, Atkore delivered much better-than-expected operating results and offered an outlook for the coming year that was quite rosy.

### Top Detractors

**Select Medical Holdings Corporation** operates critical illness recovery hospitals, rehab hospitals and clinics, and occupational health centers across the U.S. The company focuses its efforts on providing high-quality care and service, and specialized inpatient and outpatient services. While parts of Select Medical’s business were negatively impacted by COVID-19, its exposure to critical illness recovery hospitals were a benefit. The company should continue to benefit from positive trends impacting its outpatient rehab segment longer term, as well as several referral partnerships with acute care hospitals. Select Medical reported better-than-anticipated operating results, but the headlines surrounding the Omicron variant dented the share price over the course of the fourth quarter.

**Charles River Laboratories International, Inc.** is a leading drug discovery, non-clinical development and manufacturing company. It has the ability to work with clients to discover new drugs and move downstream with them throughout non-clinical development and to support their safe manufacture. Charles River is the leader in breeding and distribution of research models (think mice, as an example), and in safety assessment services for biotechnology and large pharmaceutical companies. It holds large, dominant competitive positions within its segments, and operates in end markets that are exhibiting excellent growth trends. The company reported above consensus operating results during the quarter, but didn’t raise guidance which hurt the share price.

**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 United States. One Main delivers a very 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 much better-than-anticipated earnings results on better-than-expected credit trends and improving originations. Nevertheless, the stocks pulled back during the quarter.

**Lithia Motors, Inc.** is one of the largest auto dealerships in the United States. Its goal is to profitably consolidate the automotive sector over time and it has successfully been executing that plan over the past many years. The company has a very well-thought-out, well-executed acquisition approach that focuses on reasonable multiples paid for assets, an opportunistic geographic footprint and brand expansion. Lithia has benefited recently from rising gross profit per unit as well as a focus on rationalizing sales and general and administrative expenses. The company announced impressive operating results during the quarter and remains well ahead of plan on its 2025 forecasts.

**United Rentals, Inc.** is the largest rental equipment company in North America. It rents earth moving machines, aerial lifts and material handling machines. The company also possesses a high-margin specialty business that involves solving more complex customer problems—power and HVAC, fluid solutions, trench safety and tool solutions. United Rentals has a massive footprint that covers the United States and Canada, allowing it to quickly serve the needs of any customer. The company reported softer-than-anticipated operating results during the quarter but it is still fundamentally performing well.

### Argent SMID Cap Strategy Top Contributors and Detractors for Quarter Ending December 31, 2021\*

Top Contributors	Avg. Weight	Total Effect	Top Detractors	Avg. Weight	Total Effect
Builders FirstSource, Inc.	4.09	1.92	United Rentals, Inc.	2.86	-0.26
Marvell Technology, Inc.	3.75	1.33	Lithia Motors, Inc.	2.81	-0.29
Skyline Champion Corp.	3.08	0.75	OneMain Holdings, Inc.	2.64	-0.34
Fortinet, Inc.	4.12	0.73	Charles River Laboratories	2.84	-0.38
Atkore Inc	3.35	0.71	Select Medical Holdings	1.59	-0.42

\* This is based on the holdings history of a representative portfolio of the Argent SMID 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.

### Portfolio Positioning

Portfolio turnover was under 7% in the fourth quarter and 17.5% for 2021. Investors in the Argent SMID Cap strategy should anticipate turnover in the 15-30% range on an annual basis, dependent upon what is occurring in the market. Our goal is to invest in better, enduring businesses that we can own for long periods of time. We initiated one new position during the fourth quarter. The team purchased Avantor, Inc. in December. Avantor is a mission-critical provider of materials and consumables, instrumentation and equipment. The company also provides specialty procurement services to the biopharmaceutical, healthcare, education, government and advanced technologies markets. Avantor's end markets are growing at mid-to-high single-digit rates across the board. The company has augmented that growth with several sizeable strategic acquisitions. Avantor recently acquired Masterflex. Masterflex makes and distributes peristaltic pumps, engineered tubing and several other single-use components for fluid transfer and assemblies. We believe that Masterflex is an attractive addition to Avantor's existing single-use platform for integrated system solutions. We also appreciate Avantor's consumables business as it provides a consistent and expanding revenue stream. The company as a whole requires very little capital expenditure and as a result, generates substantial amounts of free cash flow.

Our market cycle model points to a potentially slowing economy in the back half of 2022. If you recall, Argent SMID Cap considers where we are in the market cycle as a component of its risk process. We aim to have two-thirds of the portfolio positioned for the current market cycle and one-third of the portfolio positioned for the next phase of the market cycle. As we look out into 2022, we anticipate a slowdown cycle beginning in the first half and for that reason will look to increase our exposure to quality at the expense of economic sensitivity.

We are excited for what the new year brings and the investment opportunities we see on the horizon. 2021 showed us the power of our integrated quantitative and fundamental process. In 2022 we will continue to focus on adding value for our clients and uncovering the right companies, in the right sector at the right time, experiencing positive change.

Sincerely,

**Argent SMID Cap Team**

# SMID Cap Quarterly Commentary

## 2021: Fourth Quarter

Argent

For the period ending December 31,	Gross-of-Fees (%)	Net-of-Fees (%)	Russell 2500 Return (%)	Composite 3-Yr St. Dev (%)	Russell 2500 3-Yr St Dev (%)	Number of Composite Accounts	Composite Assets (\$ millions)	Principal Business Assets (\$ millions)	Internal Dispersion (%)
2021	35.43	35.21	18.18	NA	NA	5	2	3,517	0.46
2020	15.75	15.61	19.99	NA	NA	4	2	2,874	NA
<b>Information for period(s) ending December 31, 2021</b>									
4th Quarter 2021	12.93	12.88	3.82	NA	NA	5	2	3,517	
Since Inception*	25.2	25.03	19.08						

\*Annualized

#### Disclosures:

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, 2020. 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. The Argent SMID Cap Composite has had a performance examination for the periods January 1, 2020 through December 31, 2020. The verification and performance examination reports are available upon request. 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 both mid & small-capitalization showing strong earnings, with both growth and value characteristics, 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 December 2019 and was created in December 2020. A complete list and description of composites is available upon request.

3. The benchmark is the Russell 2500® Index which measures the performance of the 2,500 smallest companies in the Russell 3000 Index, with a median capitalization of \$1.2 billion. 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. During 2020 & 2021, all portfolios in the composite had their commissions waived.

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 80% of the composite during 2020 and 77% (2021).

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. The standard deviation is not presented for 2020 & 2021 since the composite inception date of 12/31/19 does not provide historical data to calculate a 3-year formula.