Mid Cap Quarterly Commentary

2022: First Quarter

Argent

Performance Summary

In the first quarter of 2022, the Argent Mid Cap strategy underperformed its index, returning -12.7% net of fees versus the Russell Midcap® Index return of -5.7%. 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 undergoing positive change.

Performance Summary as of March 31, 2022	%	1Q22	1 Year	3 Year*	5 Year*	Since Inception*
Argent Mid Cap	Net	-12.74	8.18	18.06	14.92	12.75
Russell MidCap		-5.68	6.92	14.89	12.62	11.05
Excess Return		**-7.06**	**1.26**	**3.17**	**2.30**	**1.70**

***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 03/31/22 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 Capital Management and may contain confidential information. Unauthorized use, disclosure, copying, dissemination or redistribution of this presentation is strictly prohibited.

Relative underperformance in the first quarter of 2022 was driven by a mix of negative stock selection and allocation effects. The underperformance was weighted slightly more to allocation effect. The portfolio experienced three significant negatives from an allocation perspective. First, the strategy has little exposure to Energy, the top-performing sector in the Russell Midcap for the three months ending March 31, 2022. Energy outperformed the Russell Midcap by 46.1% for the quarter. The portfolio had indirect exposure to Energy during the first quarter through the end markets that some of our Information Technology and Industrials stocks serve, but this was not enough to compensate for the lack of direct exposure. Second, the Argent Mid Cap strategy was overweight the Consumer Discretionary sector for the quarter. Consumer Discretionary was the worst-performing sector, underperforming the Russell Midcap Index by 8.8%. Consumer Discretionary sector performance was throttled as investors anticipated that high energy prices would inflict a double-whammy on consumers: inflation draining their wallets and leaving little money for consumer goods, along with high energy prices potentially spurring a recession and reducing purchasing power even further. Third, the strategy had no exposure to the second-best performing sector, Consumer Staples.

Selection effect was most negative in the Consumer Discretionary and Information Technology sectors. Within Consumer Discretionary the most negative contributions came from stocks that were strong performers in 2021, including Temper Sealy International Inc. and TopBuild Corp. Consumers now fear a combination of economic factors: interest rates and raw material costs are rising, and higher energy costs that could negatively impact purchasing power this year and cause a recession. Within Information Technology, the most negative contributions were from stocks that did well in 2021, including Ciena Corporation and Zebra Technologies Corporation. Supply chain issues slowed sales growth at Ciena during its first fiscal quarter (reported in January). The company said sales were merely pushed back and kept its full-year estimates intact, but investors remain skeptical. Zebra Technologies grew sales and earnings by 26.4% and 44.1%, respectively in 2021. However, the company stated that supply chain and higher transport costs would negatively impact margins in the first quarter of 2022 (scheduled to report in May). Investors feared this could be the end of the company's strong growth, and Zebra's stock dropped 30.5% during the first quarter.

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Quarterly Attribution Analysis, March 31, 2022
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	0.20	40.47	0.36	3.58	-10.45	-0.40	-3.38	50.92	0.76	0.17	0.42	0.59
Cons. Discretionary	17.98	-22.21	-4.19	11.83	-14.50	-1.85	6.14	-7.71	-2.35	-0.52	-1.42	-1.94
Consumer Staples	--	--	--	3.73	5.49	0.17	-3.73	-5.49	-0.17	-0.38	--	-0.38
Energy	0.09	-1.07	-0.02	5.00	40.45	1.59	-4.91	-41.52	-1.61	-1.71	-0.03	-1.74
Financials	18.82	-6.29	-1.29	13.07	-3.53	-0.52	5.75	-2.76	-0.78	0.11	-0.49	-0.38
Health Care	11.96	-10.74	-1.09	10.81	-9.95	-1.07	1.15	-0.79	-0.01	0.05	-0.13	-0.08
Industrials	23.11	-11.73	-2.59	14.70	-9.69	-1.49	8.41	-2.04	-1.10	-0.33	-0.50	-0.83
Technology	24.98	-14.36	-3.65	18.18	-11.16	-2.18	6.80	-3.20	-1.47	-0.33	-0.84	-1.17
Materials	2.37	8.12	0.13	5.82	3.50	0.22	-3.46	4.62	-0.09	-0.30	0.07	-0.23
Real Estate	--	--	--	8.37	-4.35	-0.36	-8.37	4.35	0.36	-0.11	--	-0.11
Utilities	--	--	--	4.90	3.69	0.21	-4.90	-3.69	-0.21	-0.43	--	-0.43
Cash	0.50	0.07	0.00	--	--	--	0.50	0.07	0.00	0.02	--	0.02
Total	100.00	-12.34	-12.34	100.00	-5.68	-5.68	--	-6.67	-6.67	-3.76	-2.91	-6.67

* This is based on the holdings 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 first quarter, investor concern regarding inflation, the uncertainty created by the war in Ukraine and China's ongoing battle with COVID-19 scared consumers and disrupted stock markets worldwide. Domestically, the United States is experiencing the highest inflation in 40 years. To temper inflationary pressure, the Fed initiated the first of what appears to be a long series of interest rate hikes. In Europe, the Russian invasion of Ukraine triggered a swift rise in the price of food and energy and destabilized economies. Further exogenous shocks have the potential to cause a recession in Europe. In Asia, China's ongoing battle with COVID-19 is causing a significant economic slowdown.

Top Contributors

LPL Financial Holdings Inc. is the largest independent broker-dealer in the United States. LPL Financial will benefit from Federal Reserve rate hikes, so as Federal Reserve officials have called for more and larger rate hikes, investors have bid up the price of LPL stock. However, this is just the icing on the cake as LPL was already growing earnings through a combination of organic growth initiatives, acquisitions, and expansions to its total addressable market.

Zynga Inc. is an American game developer providing social video game services. Zynga's games are available in more than 150 countries and are playable across social platforms and mobile devices worldwide. In January, Zynga entered an agreement to be purchased by Take-Two Interactive and we have since sold our shares in this holding.

United Rentals, Inc. is the largest equipment rental company in the world. As the market leader in equipment rentals, it is well positioned to benefit from improving non-residential construction, industrial and energy-related project activity, and from an ongoing secular shift in construction toward renting versus owning equipment.

American Financial Group, Inc. operates in the specialty commercial insurance market. This market continues to be one of the strongest markets in recent memory with pricing gains in nearly every one of American Financial's approximately thirty-five insurance lines. Additionally, American Financial has a significant presence in the crop insurance market and strong crop prices have provided a nice tailwind for the company.

Huntsman Corporation engages in the manufacturing of chemical products. It operates through the following segments: Polyurethanes, Performance Products, Advanced Materials, and Textile Effects. Huntsman preannounced expectations that results for the first quarter of 2022 (not yet reported) will be much better than expected due to strong demand in North America and Asia. Also, three new directors that investors view favorably were elected to the board of directors and the company announced a new two billion dollar share buyback plan which equates to roughly 25% of the stock. Furthermore, Huntsman's debt was upgraded to investment grade. These positive developments combined to convince investors to bid up the price of the stock.

Top Detractors

Zebra Technologies Corporation engages in the design, manufacture and selling of automatic identification and data capture products including barcode scanners and radio frequency identification readers (RFID). The company's technology-based products help retailers expand omnichannel sales. Looking ahead, demand momentum for core solutions remains strong, and consistent free cash flow now hitting north of one billion dollars a year is enabling management to aggressively invest in emerging trends. Management's goal is to become a one-stop-shop for enterprise solutions. The acquisitions of workforce management software Fetch Robotics and Matrox Imaging within the past few years are expected to drive the next leg of growth for the company. Zebra's stock pulled back in the first quarter, but business conditions remain strong and we continue to hold the shares.

Builders FirstSource, Inc. is a manufacturer and supplier of building products related primarily to new residential construction in the United States. The company held an analyst day in December 2021 during which management provided positive guidance. The team expects a 3x increase in adjusted earnings per share from 2021 through 2025. Additionally, Builders FirstSource recently acquired a digital business, providing an end-to-end software platform for homebuilding. The platform also allows for the creation of a digital marketplace to drive additional sales while improving the customer experience. Home building related stocks sold off during the first quarter on fears that rising interest rates would cause decreased demand for their products.

Tempur Sealy International Inc. produces specialty sleep systems that use viscoelastic materials (i.e., memory foam) in mattresses and pillows for residential and commercial applications. The company preannounced slower-than-expected first quarter sales growth, reducing its estimate from 21% year-on-year growth to 15%. Additionally, the company is delaying a planned product launch in Europe from 2022 until 2023 due to weak economic conditions. Overall, we like Tempur Sealy's ability to grow sales over the long term via new product launches, new distribution channels and international expansion. We continue to hold the stock.

TopBuild Corp. is a nationwide distributor and installer of new residential insulation in the United States. The company has operations in every major metropolitan market. The success of the company is driven by the cyclical recovery in both residential and non-residential construction. TopBuild is benefiting from the still elevated backlogs across new residential construction as well as the pass-through of price increases by insulation manufacturers. Although the fundamentals at the company remain strong, the stock has underperformed since January. This is a result of fears that housing starts will be forced to slow due to rising interest rates. In addition, investors are concerned that aggressive rate increases by the Federal Reserve Bank may cause a recession and halt the nascent recovery in non-residential construction markets. We continue to hold the stock.

NVR, Inc. builds homes under the Ryan Homes, NVHomes and Heartland Homes trade names, and operates in twenty-nine metropolitan areas, fourteen states and Washington, D.C. NVR has a strong fundamental business profile, featuring a capital-light model. New home closings at NVR came in below expectations, causing concern among investors that demand for new housing is drying up. However, NVR stated that demand remains strong and the company is purposefully slowing the pace of closings due to supply chain shortages that lengthen the build cycle. Investors are also concerned that rising interest rates will cause a decrease in demand for new housing. Nonetheless, business at NVR remains strong and we are holding our position in the stock.

Buys

Fair Isaac Corporation engages in the provision of decision management solutions. We believe Fair Isaac will be able to maintain its dominant competitive position in the Scores business (the most famous product in this segment is the FICO score) while growing its nascent software business to match or exceed the expansion in demand for financial data. The company generates substantial free cash flow and we think Fair Isaac will be able to supplement this growth with a steady cadence of share repurchases.

Cheniere Energy, Inc. is the largest liquified natural gas (LNG) producer in the United States. The Russian invasion of Ukraine on February 24, 2022 radically altered the energy landscape. The E.U. reconfigured its natural gas supplies from reliance on Russian natural gas to LNG imports. The result is a massive opportunity for LNG exports from the United States. In the case of Cheniere Energy, higher prices for its LNG exports have resulted in a substantial lift in its cash flow return on assets to well above its cost of capital. The company is generating free cash flow for the first time in its twenty-eight-year existence. The management team is reinvesting the capital into new LNG export facilities and returning the excess to shareholders in the form of share buybacks and a newly initiated dividend.

Sells

Helen of Troy Limited is a global consumer products company operating three business segments: Health & Home, Housewares, and Beauty. While Helen of Troy has an attractive portfolio of brands and the company was a COVID-19 beneficiary during the “nesting” trend, sales growth is now slowing. The company is struggling to raise product prices as fast as its input prices are rising, which is negatively impacting margins. We sold the stock to invest in more promising opportunities.

Zynga Inc. announced in early January that it would be acquired by gaming company Take-Two Interactive. Given the increase in the stock price and our propensity to sell names when an acquisition is announced, we decided to sell our position in Zynga.

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Argent Mid Cap Strategy Top Contributors and Detractors for Quarter Ending March 31, 2022*					
Top Contributors	Avg. Weight	Total Effect	Top Detractors	Avg. Weight	Total Effect
LPL Financial Holdings Inc.	3.02	0.48	NVR, Inc.	2.96	-0.55
Zynga Inc. Class A	0.20	0.40	TopBuild Corp.	2.61	-0.81
United Rentals, Inc.	2.78	0.30	Tempur Sealy International	2.29	-0.89
Huntsman Corporation	2.37	0.27	Builders FirstSource, Inc.	4.81	-0.95
American Financial Group, Inc.	1.87	0.22	Zebra Technologies	3.74	-1.02

* This is based on the holdings 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.

Portfolio Positioning

Market volatility rapidly accelerated in the first quarter of 2022 and the Russell Midcap Index fell 5.7%. The Argent Mid Cap strategy fell 12.7% gross of fees–the most challenging quarter the strategy has experienced. Two related factors caused the majority of the underperformance. First, the rapid increase in oil prices resulted in the Russell Midcap Energy sector rising 40.5% in the first quarter. We invest in companies with above-average profitability that generate above-average cash flows and have management teams that are good stewards of capital. Oil companies rarely exhibit these characteristics, and therefore our portfolio had little exposure to Energy. This fact alone caused 26% of our underperformance for the period. The second factor, higher energy prices, acts as a tax on consumers, and our portfolio was overweight Consumer Discretionary stocks. The Consumer Discretionary sector was the worst performer in the Russell Midcap for the period. Our overweight accounted for 29% of our underperformance.

The strategy has weathered difficult market conditions in the past. We have found that in volatile markets our disciplined investment process serves as a beacon and promotes patience. As an organization, we believe change creates opportunity. The first quarter of 2022 was fraught with opportunity as market leadership changed quickly. We know that our clients are best served when we execute on our investment process. As the market allows, we will upgrade the portfolio where we can and continue to maintain a strategy that is positioned 2/3 for the current market and 1/3 for the next market cycle. That said, we gradually reduced exposure to consumer-oriented stocks during the quarter and purchased shares in businesses with solid pricing power in the Health Care, Information Technology and Energy sectors.

As a reminder, the Argent Mid Cap team builds a high conviction, low turnover portfolio of good businesses undergoing positive change. To us, a good business exhibits above-average profitability, generates above-average cash flow, and has a management team that is a good steward of capital. In general, energy companies have trouble meeting these criteria. Energy companies have a long history of earning less than their cost of capital and consuming more cash than they generate. In addition, management teams in this industry tend to focus on drilling more wells regardless of profitability. The market, however, provided our investors a strong opportunity with Cheniere Energy, Inc., the largest producer of liquified natural gas (LNG) in the United States. The Russian invasion of Ukraine on February 24, 2022, radically altered the energy landscape, causing the E.U. to reconfigure its natural gas supplies from reliance on Russian natural gas to LNG imports. The result is a massive opportunity for LNG exports from the United States. In the case of Cheniere Energy, higher prices for its LNG exports have resulted in a substantial lift in its cash flow return on assets to well above its cost of capital. The company is generating free cash flow for the first time in its twenty-eight-year existence. Furthermore, the management team is reinvesting the capital into new LNG export facilities and returning the excess in the form of share buybacks and a newly-initiated dividend.

This fits our definition of a good business and the positive change we look for is pronounced with the LNG opportunity.

We look forward to ensuring our portfolio is positioned 2/3 for the current market cycle and 1/3 for the next market cycle. The market cycle is transitioning from an expansion phase where companies with higher economic sensitivity and value characteristics are rewarded, to a slowdown phase, where companies with lower economic sensitivity and growth characteristics typically outperform. During the first quarter, the Argent Mid Cap team gradually reduced the economic sensitivity of the portfolio while increasing the portfolio's growth exposure, preparing the portfolio for the slowdown phase. We were able to do this while maintaining our portfolio's value exposure relative to the benchmark as many stocks with excellent growth opportunities are trading at discounts to the benchmark average. Cheniere Energy is one example: the forward price-to-earnings multiple is 11.4x but the estimated earnings growth for 2022 is 100%.

The notes for this quarter outline how we approach difficult situations when they occur. Our process keeps us focused on the long term in a period of short-term turbulence. We choose to take the lessons that the market delivers and learn from them. We have learned that finding and investing in the right company, in the right sector, at the right time undergoing positive change with alignment between the positive quantitative score and positive fundamentals at the company, serves our clients well over the long term.

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 (%)
2021	35.98	35.64	22.58	21.55	20.55	68	162	3,517	0.31
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*	30.34	30.04	23.29						
Five Year*	19.77	19.48	15.1						
Information for period(s) ending March 31, 2022									
1st Quarter 2022	-12.67	-12.74	-5.68	22.3	20.52	77	142	3,274	
Rolling 1 – Year	8.46	8.18	6.92						
Rolling 3 – Year	18.34	18.06	14.89						
Rolling 5 - Year	15.2	14.92	12.62						
Since Inception Annualized	12.99	12.75	11.05						

*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 Mid Cap Composite has had a performance examination for the periods March 31, 2014 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 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), 18% (2020) and 30% (2021) 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, 11.0% (2015), 8.9% (2016), 10.1% (2017), 5.8% (2018, 2019), 6% (2020) and 8% (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.