

# Large Cap Growth Quarterly Commentary

## 2022: Second Quarter

Argent

### Performance Summary

For the second quarter of 2022, the Argent Large Cap Growth strategy outperformed its benchmark, returning -15.9% net of fees, compared to a return of -20.9% for the Russell 1000 Growth® Index.

Performance Summary as of June 30, 2022										
	%	2Q22	YTD	1 Year	3 Year*	5 Year*	10 Year*	15 Year*	20 Year*	Since Inception*
Argent Large Cap	Net	-15.88	-21.38	-14.61	11.21	10.63	12.68	8.29	9.25	8.61
Russell 1000 Growth		-20.92	-28.07	-18.77	12.58	14.29	14.80	10.67	10.32	7.75
<b>Excess Return</b>		<b>5.04</b>	<b>6.69</b>	<b>4.16</b>	<b>-1.37</b>	<b>-3.66</b>	<b>-2.12</b>	<b>-2.38</b>	<b>-1.07</b>	<b>0.86</b>

\* Annualized

For comparison purposes, the strategy is measured against the Russell 1000 Growth® Index. Past performance is no guarantee of future results. Data is as of 06/30/22 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.

Stock selection, where the Large Cap team spends the bulk of its time, and allocation both were positive contributors to the quarter's results. Performance was led by the Health Care, Financials and Consumer Staples sectors. The Energy sector was the largest detractor to performance.

Within the Health Care sector both selection and allocation, where the Large Cap strategy has a significant overweight, were positive contributors. On a stock basis, UnitedHealth Group Incorporated and Centene Corporation were the primary contributors to performance. Both companies are well-run leaders in healthcare and are relatively insulated from economic and geopolitical swings that affect the markets.

Allocation and selection were positive within Financials as well. The bulk of outperformance was driven by stock selection. LPL Financial Holdings, Inc. led performance. LPL is one of the largest holdings in the Large Cap strategy. LPL continues to grow as Registered Investment Advisors (RIAs) leave larger companies to set up their own shops and use LPL's back-office products and operational support.

Stock selection drove outperformance for Consumer Staples while allocation was a small contributor. Post Holdings, Inc., a long-time holding in the Large Cap strategy, led performance by reporting better-than-expected results. BellRing Brands, Inc. also delivered stronger-than-expected earnings. Monster Beverage Corporation announced it would increase prices this fall. The market liked the news and the stock contributed positively to performance.

The Energy sector was the largest detractor to performance. Argent Large Cap initiated its lone position in the sector, Pioneer Natural Resources Company, mid quarter. Lack of exposure to the Energy sector in April was a detractor. As of the end of the quarter the strategy is slightly overweight Energy. Pioneer is a prime beneficiary of higher oil prices. In addition, the Large Cap team believes the company's focus on distributing the bulk of its free cash flow to shareholders is a considerable positive.

# Large Cap Growth Quarterly Commentary

## 2022: Second Quarter

Argent

Quarterly Attribution Analysis, June 30, 2022  
Argent Large Cap Strategy vs. Russell 1000 Growth® Index\*

	Argent Large Cap			Russell 1000 Growth			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	8.51	-23.70	-2.26	9.97	-25.71	-2.55	-1.47	2.00	0.29	0.06	0.23	0.29
Cons. Discretionary	10.63	-30.20	-3.51	17.59	-28.70	-5.35	-6.96	-1.50	1.83	0.52	-0.10	0.43
Consumer Staples	5.16	14.90	0.64	4.82	-4.25	-0.21	0.34	19.15	0.85	0.04	0.83	0.87
Energy	1.30	-8.61	-0.22	0.60	-4.66	-0.03	0.69	-3.95	-0.19	-0.03	-0.13	-0.16
Financials	14.80	-12.48	-1.87	2.55	-19.43	-0.50	12.25	6.95	-1.37	0.16	1.02	1.18
Health Care	14.94	-5.77	-0.66	9.45	-11.55	-0.94	5.49	5.78	0.29	0.48	0.78	1.26
Industrials	10.82	-14.23	-1.58	6.38	-17.64	-1.13	4.44	3.41	-0.44	0.15	0.40	0.55
Technology	28.20	-21.07	-5.79	45.70	-21.80	-9.86	-17.50	0.72	4.08	0.18	0.18	0.36
Materials	--	--	--	1.05	-15.91	-0.19	-1.05	15.91	0.19	-0.05	--	-0.05
Real Estate	2.97	-7.94	-0.23	1.85	-8.92	-0.15	1.12	0.98	-0.08	0.13	0.02	0.15
Utilities	--	--	--	0.03	-5.34	-0.00	-0.03	5.34	0.00	-0.00	--	-0.00
Cash	2.69	0.25	0.01	--	--	--	2.69	0.25	0.01	0.57	--	0.57
<b>Total</b>	<b>100.00</b>	<b>-15.48</b>	<b>-15.48</b>	<b>100.00</b>	<b>-20.92</b>	<b>-20.92</b>	<b>--</b>	<b>5.44</b>	<b>5.44</b>	<b>2.22</b>	<b>3.23</b>	<b>5.44</b>

\* This is based on the holdings history of a representative portfolio of the Argent Large Cap Growth 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

The second quarter was a ‘risk off’ quarter, continuing the market direction that had begun in the first quarter. Higher multiple stocks, those generally in the ‘growthy’ camp, declined as the valuation of the market continued to fall. The 12-month forward price-earnings (P/E) ratio of the Russell 1000 Growth Index began the quarter at just under 27x, only to finish at 21x. Valuations were pressured by continued concern over actions by the Federal Reserve and how it would attack inflation. A new downside wrinkle was added during the quarter as Walmart and Target Corporation consecutively reported earnings that fell far short of expectations, calling into question both the strength of the consumer and the visibility of major retailers.

## Top Contributors

**LPL Financial Holdings, Inc.** is a beneficiary of Registered Investment Advisors setting up their own shops. In addition, higher interest rates, driven by the Federal Reserve’s attempts to rein in inflation, are positive for LPL’s earnings.

**Post Holdings, Inc.** reported better-than-expected quarterly results. Post, as a food company, should be relatively insulated from a slowing economy.

**Northrop Grumman Corp.** is a prime beneficiary of the war in Ukraine. Higher defense spending and a global realization of the value in collective security are expected to increase Northrop’s sales and profits.

**UnitedHealth Group Incorporated** continues to execute on its business plan, taking market share in its core HMO and PBM (Pharmacy Benefit Manager) operations, proving anew that the company is a better and enduring business.

**Centene Corporation** held a very well-received analyst meeting with new CEO Sarah London, outlining continued areas for growth as well as cost savings within the company.

### Top Detractors

**Applied Materials, Inc.** saw its revenue estimates decline as semiconductor supply continued to be constrained. An increase in capacity by semiconductor manufacturers will be a positive for Applied Materials.

**Microsoft Corporation** detracted from performance as the Large Cap team holds a relative underweight in the stock. While we respect the company and its results, at a nearly 11% weight in the index, concentration concerns keep the Large Cap strategy underweight.

**United Rentals, Inc.**, the largest North American heavy equipment rental company, fell as economic concerns weighed on the markets.

**Marvell Technology, Inc.** fell as investors worried more about economic growth and as valuations for the broader market contracted. Marvell remains well positioned in growth areas of technology, including storage, networking and 5G.

**Target Corporation** significantly missed its first quarter earnings. In addition, the company was left with considerable unsold inventories.

### Buys

**Pioneer Natural Resources** is a best-in-breed oil and gas exploration and production company. It develops and produces oil, natural gas liquids and gas. The company has operations in the Midland Basin in West Texas. Pioneer has shifted its priorities from increasing oil output to returning capital to shareholders through share repurchases and a new variable dividend policy that pays out excess cash in strong oil environments.

**CDW Corporation** sells technology products and services to businesses, governments, health care and educational institutions. CDW has an impressive track record of growing faster than its competitors, making prudent acquisitions and repurchasing its shares. The recent pull-back in CDW's stock price gave us an opportunity to buy a high-performing company in an appealing industry at a reasonable price.

**Booz Allen Hamilton** is a management and information technology consulting firm headquartered in Virginia. The company provides consulting, analysis and engineering services to public and private sector organizations and nonprofits. Booz Allen is well positioned among its peers to benefit from the government's modernization trends, including artificial intelligence, machine learning and cybersecurity, resulting in consistent revenue growth above that of its competitors.

### Sells

There were no sells for the quarter.

# Large Cap Growth Quarterly Commentary

## 2022: Second Quarter

Argent

### Argent Large Cap Strategy Top Contributors and Detractors for Quarter Ending June 30, 2022\*

Top Contributors	Avg. Weight	Total Effect	Top Detractors	Avg. Weight	Total Effect
LPL Financial Holdings Inc.	5.50	1.05	Applied Materials, Inc.	2.55	-0.14
Post Holdings, Inc.	2.30	0.82	Microsoft Corporation	5.80	-0.24
Northrop Grumman Corp.	2.62	0.65	United Rentals, Inc.	3.38	-0.39
UnitedHealth Group Incorporated	3.70	0.57	Marvell Technology, Inc.	2.50	-0.53
Centene Corporation	2.87	0.57	Target Corporation	4.37	-0.56

\* This is based on the holdings history of a representative portfolio of the Argent Large Cap Growth 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

During the quarter, the Large Cap team reduced its exposure to some of the larger stocks in the index that many growth investors own in scale. This reduction reflects both the expectation that growth will slow as the Fed attacks inflation, as well as the realization that market valuations are contracting, impacting growth stocks disproportionately. In addition, we opportunistically added Pioneer Natural Resources during the quarter, expecting it to benefit from the increased price of oil. The war in Ukraine has called into question Russia's desire to supply western Europe with natural gas and its ability, as the third largest producer of oil, to export its products. These factors could push oil prices even higher. In general, the Large Cap strategy has decreased its exposure to economic sensitivity as investors debate whether the Fed can engineer a soft landing.

Sincerely,

**Argent Large Cap Team**

# Large Cap Growth Quarterly Commentary

## 2022: Second Quarter

Argent

### Argent Capital Management, LLC

#### ARGENT LARGE CAP GROWTH EQUITY COMPOSITE

October 1, 1998 through June 30, 2022

For the period ending December 31,	Composite Return % Gross-of-Fees	Composite Return % Net-of-Fees	Russell 1000 Growth Return %	S&P 500 Return %	Composite 3-Yr St. Dev (%)	Russell 1000 Growth 3-Yr St. Dev (%)	S&P 500 3-Yr St. Dev %	Number of Composite Accounts	Composite Assets (\$ millions)	Principal Business Assets (\$ millions)	Internal Dispersion (%)
2021	29.16	28.70	27.60	28.71	18.60	18.17	17.17	588	2,231	3,517	0.60
2020	19.39	18.94	38.49	18.40	20.42	19.64	18.53	575	1,860	2,874	0.60
2019	35.97	35.44	36.39	31.49	13.50	13.07	11.93	586	1,912	3,019	1.30
2018	-7.76	-8.15	-1.51	-4.38	12.67	12.12	10.80	617	1,624	2,542	0.50
2017	22.93	22.40	30.21	21.83	11.37	10.54	9.92	618	1,860	2,898	0.50
2016	6.99	6.51	7.08	11.96	12.52	11.15	10.59	621	1,665	2,604	0.50
2015	5.80	5.33	5.67	1.38	11.87	10.70	10.48	594	1,527	2,357	0.50
2014	13.13	12.60	13.05	13.69	12.02	9.59	8.98	546	1,414	2,817	0.70
2013	32.07	31.45	33.48	32.39	14.75	12.18	11.94	515	1,261	2,478	0.60
2012	21.33	20.71	15.26	16.00	18.90	15.66	15.09	475	911	1,782	0.60
Three -Year Annualized	27.99	27.51	34.08	26.07							
Five -Year Annualized	18.91	18.44	25.32	18.47							
Ten -Year Annualized	17.17	16.67	19.79	16.55							
Fifteen -Year Annualized	11.20	10.66	13.72	10.66							
Twenty -Year Annualized	10.21	9.64	10.86	9.53							
<b>Information for period(s) June 30, 2022</b>											
2nd Quarter 2022	-15.80	-15.88	-20.92	-16.10	19.46	20.80	18.38	590	1,707	2,742	
Rolling 1 - Year	-14.30	-14.61	-18.77	-10.62							
Rolling 3 - Year	11.62	11.21	12.58	10.60							
Rolling 5 - Year	11.06	10.63	14.29	11.31							
Rolling 10 - Year	13.16	12.68	14.80	12.96							
Rolling 15 - Year	8.81	8.29	10.67	8.54							
Rolling 20 - Year	9.81	9.25	10.32	9.08							
Since Inception Annualized	9.18	8.61	7.75	7.69							

#### Disclosures:

- 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, 2021. 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 Large Cap Growth Equity Composite has had a performance examination for the periods January 1, 2003 through December 31, 2021. 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.
- This composite represents investment performance for portfolios in U.S. equities with strong earnings and growth characteristics and large capitalization, for which Argent has sole investment discretion. Portfolios typically include 30-40 equity holdings; with fixed investments initially less than 5% of total portfolio value, never exceeding 10% and cash targeted to be less than 10% of total portfolio value. This composite inception date is October 1998 and was created in January 2003. A list of composite descriptions and broad distribution pooled funds are available upon request.
- The composite is compared to the Russell 1000 Growth® Index and the S&P 500® Index, two benchmarks that may be generally relevant to the Large Cap Growth strategy's large cap growth investment style. The Russell 1000 Growth Index which measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The S&P 500® Index measures the performance of 500 large companies listed on stock exchanges in the United States. It is one of the most commonly followed equity indices.
- 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.
- Gross performance is presented before management and certain custodial fees, but after all trading expenses except where commissions have been waived or for bundled fee accounts. Net of fee performance is calculated by reducing gross performance by actual management fees incurred and bundled fees for applicable portfolios. The composite includes bundled fee portfolios that pay a fee based on a percentage of assets under management. Bundled fees may include trading costs, portfolio monitoring, consulting services, and custodial services. The composite included bundled fee accounts which represented less than 1% of composite assets during the periods of 2011 - 2019. The composite included portfolios where commissions were waived representing approx. 32% (2019), 34% (2020), and 40% (2021) of composite assets.
- Argent's annual advisory fees are calculated as a percentage of assets under management according to the following schedule: 0.75% on the first \$10M, 0.55% on the next \$15M, 0.50% on the balance thereafter, although fees may be negotiated or waived in certain circumstances. The composite includes non-fee paying accounts which represented less than 1% of composite assets during the periods of 2010 - 2021.
- 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.