Mid Cap Quarterly Commentary

2022: Fourth Quarter

Argent

Performance Summary

In the fourth quarter of 2022, the Argent Mid Cap strategy outperformed its index, returning 9.6% net of fees versus the Russell Midcap® Index return of 9.2%. 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 that we believe can thrive in an ever-changing world.

Performance Summary as of December 31, 2022	%	4Q22	2022	3 Year*	5 Year*	Since Inception*
Argent Mid Cap	Net	9.60	-22.97	8.12	8.41	10.01
Russell Midcap		9.18	-17.32	5.88	7.10	8.41
Excess Return		0.42	-5.65	2.24	1.31	1.60

***Annualized for periods longer than one (1) year.**

Relative outperformance in the quarter was driven by allocation while stock selection detracted. The Healthcare sector posted a solid fourth quarter. In fact, Healthcare names delivered the second-highest sector return in the Russell Midcap Index. Stock selection and a considerable overweight contributed positively to Argent Mid Cap's outperformance in the sector. Clinical research organization Medpace Holdings, Inc. led the outperformance. Despite various headwinds including labor costs and pockets of delayed funding, demand from small biotech clients remains strong, contributing to organic growth and fueling a positive outlook for 2023.

Information Technology struggled during the year and the sector underperformed the Russell Midcap Index during the fourth quarter. While the significant overweight to Information Technology in the Argent Mid Cap strategy was a detractor, stock selection was strong and offset the negative allocation effect. Software and decision solutions provider, Fair Isaac Corporation, was the top contributor. Fair Isaac is best known for its credit scoring business tied to new home sales. Solid pricing and resilient volume led to better-than-expected margins. Despite macroeconomic impacts on mortgage originations, near double-digit growth expectations for 2023 are supporting the thru-cycle resilience of the Fair Isaac business model.

Due to a lack of exposure, the Argent Mid Cap strategy outperformed the Communication Services and Real Estate sectors. Both sectors underperformed the index for the fourth quarter and the full year.

The Financials sector slightly outperformed the index in the fourth quarter but Argent Mid Cap underperformed on the negative impact from broker-dealer LPL Financial Holdings, Inc. While LPL was a significant positive contributor to performance throughout 2022, it has become highly correlated with the movement in interest rates. Higher returns on client cash balances have been a significant tailwind for LPL's earnings in 2022. When interest rates declined from their high in October, LPL was negatively impacted.

Energy was the best-performing sector in the index for the fourth quarter. Oilfield services and equipment providers led performance. Argent Mid Cap does not have exposure to either industry. Oil and in particular, natural gas prices suffered significant declines during the fourth quarter which weighed on Argent holdings–exploration and production company Antero Resources Corporation and liquified natural gas provider Cheniere Energy, Inc.

Quarterly Attribution Analysis, December 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	--	--	--	3.71	-3.42	-0.08	-3.71	3.42	0.08	0.49	--	0.49
Cons. Discretionary	11.50	10.04	1.10	11.73	12.46	1.39	-0.22	-2.42	-0.29	-0.04	-0.14	-0.18
Consumer Staples	--	--	--	3.68	8.96	0.33	-3.68	-8.96	-0.33	0.00	--	0.00
Energy	6.78	2.49	0.36	5.43	16.46	0.87	1.35	-13.97	-0.51	0.15	-0.91	-0.76
Financials	14.21	5.71	1.41	13.93	9.58	1.39	0.29	-3.87	0.02	0.08	-0.41	-0.33
Health Care	15.52	15.32	2.11	10.65	14.08	1.40	4.87	1.25	0.71	0.27	0.16	0.43
Industrials	28.29	10.90	2.96	15.60	12.51	1.90	12.68	-1.62	1.07	0.41	-0.44	-0.03
Technology	21.04	5.24	1.17	15.65	2.08	0.33	5.38	3.17	0.85	-0.34	0.69	0.35
Materials	2.00	12.84	0.26	6.34	11.74	0.74	-4.34	1.10	-0.48	-0.11	0.02	-0.09
Real Estate	--	--	--	7.50	3.82	0.31	-7.50	-3.82	-0.31	0.42	--	0.42
Utilities	--	--	--	5.79	10.91	0.61	-5.79	-10.91	-0.61	-0.11	--	-0.11
Cash	0.67	0.93	0.01	--	--	--	0.67	0.93	0.01	-0.01	--	-0.01
Total	**100.00**	**9.38**	**9.38**	**100.00**	**9.18**	**9.18**	**--**	**0.20**	**0.20**	**1.23**	**-1.03**	**0.20**

* This analysis 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

Better inflation data and seasonal tailwinds contributed to a positive fourth quarter for stocks. The fourth quarter and full year of 2022 was a testament to Newton's Third Law of Physics, "For every action, there is an equal and opposite reaction." It also called into question the utility of the crystal ball. Rewind the clock to December 2021 and inflation was deemed "transitory." At that time, just two Fed officials predicted a Fed Funds rate above 1% by the end of 2022. Instead, over the course of the year, the Federal Reserve aggressively raised its benchmark interest rate from 0.1% to 4.4%, the fastest rate of change in history. The increase in interest rates ran headlong into opposing forces.

The stock market entered 2022 with high valuations relative to earnings estimates. It was an expensive time to get into the stock market, but valuation tends to be of less concern during a period of historically low rates. The investment narrative of "transient" inflation ended abruptly when the Federal Reserve ramped up its efforts to stamp inflation by ending its decade long experiment with Zero Interest Rate Policy (ZIRP). Suddenly, the prices paid for most stocks became important again. The negative impact on the growth darlings of early 2022 was pronounced. Companies and industries that had led the market in the ZIRP era, such as Tesla and software, faltered and the concept of growth at any price came crashing back to reality, particularly in the first half of the year and the Argent Mid Cap strategy was not immune.

The impact and disparity at the sector level were pronounced. The Communication Services, Consumer Discretionary and Information Technology sectors representing some 30% of the Russell Midcap Index were down 25%-40% in 2022 while the Energy sector generated positive returns north of 55%. Value and defensive proxies significantly outperformed their growth and more economically sensitive options.

Consensus expectations are weak for the 2023 stock market. Analysts expect an earnings contraction and recession culminating in a Fed pivot toward lower interest rates later in the year. What is certain for now is that the ZIRP era is over. There is a reasonable cost of money and companies are navigating a tectonic shift in macro variables. Higher inflation, de-globalization and elevated geopolitical strife are putting pressure on trends that have been in place for decades. These changes and the consequential uncertainty create opportunity for the Argent Investment Team. The Mid Cap strategy invests in high-quality, better and enduring businesses which we expect to survive and ultimately thrive, run by management teams that allocate capital wisely.

Top Contributors

Fair Isaac Corporation is a decision management solutions provider best known for its FICO credit scores. The company is executing through the choppy macro environment on stable volumes, premium margins, continued pricing power and a capital return focus.

Atkore Inc. is a manufacturer and distributor of electrical equipment. Electrification and grid-hardening are secular trends and Atkore is benefitting from both. The business continues to generate better-than-expected organic growth on a mix of pricing and volume. In addition, strong free cash flow and a solid balance sheet support acquisitions and share repurchases.

Tempur Sealy International Inc. markets and distributes bedding products. Its new products, international expansion and price/cost adjustments are tailwinds moving into 2023. While not immune to the macro-related slowdown, Tempur Sealy has outperformed peers and is taking market share.

Medpace Holdings, Inc. is a clinical research organization serving a fast-growing segment of the drug development industry. The company maintains its margin over the medium term, converts more than 100% of net income to free cash flow annually, is debt free, and is managed by a founder/CEO who is highly aligned with shareholders. Demand is rising despite macro headwinds and a positive fiscal year 2023 commentary bolstered the stock.

United Rentals, Inc. is the largest commercial and construction equipment renter in the U.S. It is the market leader with industry tailwinds and improving fundamentals. Industrial growth drivers include electric vehicles (EVs), microchip factories, data centers, distribution centers, renewables, onshoring behavior and energy production. The quantity of mega-projects is at a record high in the U.S., and United Rentals' market share of that customer subset is well above its 15% national market share. In addition, the company continues to sell older used equipment at a higher-than-normal margin. Return on invested capital is at a new record and Debt/EBITDA (earnings before interest, taxes, depreciation and amortization) is at a record low and below its 2-3x target range.

Top Detractors

LPL Financial Holdings, Inc. is the largest independent broker-dealer in the U.S. LPL is a significant beneficiary of higher interest rates due to the positive impact on brokered cash deposits. In addition to the rate benefit, LPL generates mid to high single-digit organic revenue growth, has margin expansion potential if/when management retreats from product/service investment spending and has a history of acquisitions bought at half its valuation. While LPL was a significant positive contributor to full-year performance, risk has increased as it has been more directly correlated with interest rates that declined in the fourth quarter.

Marvell Technology, Inc. and other semiconductor companies were pressured by cloud capex spending scrutiny, excess inventory and concerns on China demand. Inventory reductions from storage customers are weakening demand for Marvell's storage controller business, driving most of the disappointment. Nonetheless, Marvell design wins have accelerated in a diverse subset of end markets that benefit from secular trends including 5G, Cloud Data Center and Automotive.

Entegris, Inc. and other semiconductor companies were under pressure in the fourth quarter. Excess inventory and restrictions on China impacted Entegris but its CMC Materials acquisition and exposure to re-shoring among other secular trends position the company well when the cycle turns.

Aspen Technology, Inc. is a recently formed company created by combining the former Aspen Technology with a division of Emerson Electric that sells complimentary products. Aspen Technology primarily serves the oil and gas, LNG, electrical generation and transmission, and chemicals end markets. In the fourth quarter, prices for oil and natural gas declined significantly. In combination with a premium multiple, Aspen shares came under pressure. Growth prospects bolstered by the Emerson deal keep us confident in the holding.

Advanced Drainage Systems, Inc. produces plastic corrugated pipes and other drainage products. The company experienced a demand slowdown driven by a weaker residential end-market in its Pipe & Infiltrator segment. Nonetheless, the company is holding onto the robust pricing environment and continues to win share as competitors convert their manufacturing process from cement to PVC.

Buys

Addus Homecare Corp. provides a broad range of medical services for in-home care. Addus is generating strong organic growth due to U.S. demographic trends, modest price increases that will track labor costs and hold gross profit margin steady, and a revenue mix shift toward hospice which is growing faster than personal care. In addition, acquisitions are expected to match organic growth trends as a highly fragmented market in both personal care and hospice consolidates. Addus is run by an experienced management team with an impressive track record.

Globus Medical, Inc. is a medical device company focused on patients with spine disorders. New products, robust spine market trends and international expansion are expected to contribute to growth. In addition, Globus is successfully recruiting additional sales representatives and generating positive results in its enabling technology driven by robotics sales.

Service Corporation International provides funeral, cremation and cemetery services. Service Corporation is the largest player in the death care industry, allowing competitive advantages of purchasing scale, capital generation/access, and sales and marketing firepower. The industry is mature but highly fragmented and it is consolidating in areas where demographics are favorable. The company is focused on growing its preneed backlog ($14B today) which locks in market share and provides no-cost capital to fund investments held in trust until its services are required.

Sells

Ally Financial Inc. offers automotive financial services. Positive trends in retail auto credit began to normalize with the correction in the used-car market. At the same time, expenses have increased causing a significant impact given the company’s slowing revenue growth.

Amedisys, Inc. offers home health care nursing and home infusion therapy. The company also owns ambulatory surgery centers. The business is facing multiple headwinds. Labor costs continue to rise and worker availability is a constraint on growth. The Centers for Medicare & Medicare Services are trying to control Medicare costs and the home health industry has been in the crosshairs as they believe an excessive amount of Medicare dollars are allocated to this service. Additionally, Amedisys acquired Contessa, a business that is losing money, hoping to put together an offering that doesn't exist in the market today.

Avantor, Inc. manufactures and distributes chemicals, reagents and laboratory supplies predominantly to the healthcare industry. Avantor is facing multiple macro headwinds including exposure to a weak Europe (35% of sales) as well as cyclical exposure from its industrial segment and balance sheet limitations.

Lithia Motors, Inc. sells, finances and services new and used vehicles. As conditions in the new and used auto market have deteriorated, Lithia has continued its aggressive acquisition strategy including expansion in Europe calling into question the risk profile of the business.

Argent Mid Cap Strategy Top Contributors and Detractors for Quarter Ending December 31, 2022*					
Top Contributors	Avg. Weight	Total Effect	Top Detractors	Avg. Weight	Total Effect
Fair Isaac Corporation	3.16	0.95	LPL Financial Holdings Inc.	3.58	-0.44
Atkore Inc.	2.42	0.73	Marvell Technology, Inc.	1.75	-0.46
Tempur Sealy International Inc.	2.17	0.62	Entegris, Inc.	1.75	-0.60
Medpace Holdings, Inc.	2.49	0.56	Aspen Technology, Inc.	2.49	-0.62
United Rentals, Inc.	2.74	0.51	Advanced Drainage Systems	1.95	-1.08

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Portfolio Positioning

The Argent Mid Cap strategy positions itself two-thirds for the current market cycle and one-third for the next market cycle. The market cycle is currently in the contraction phase. Historically, the market bottoms several months ahead of the economy during times of stress and over time, we are building the pipeline for the coming transition to the recovery phase.

While the contraction phase tends to reward higher growth and higher quality businesses, the recovery phase moves to the opposite end of the spectrum favoring companies with higher value exposure and economic sensitivity. The businesses we added to the portfolio during the fourth quarter reflect high quality and a value tilt with moderate growth.

The Argent Mid Cap team continues to identify excellent investment opportunities. We focus on finding investments that show alignment between their Argent Alpha Model score and company fundamentals. As we kick off 2023, we will continue to seek to add value for our clients by uncovering the right companies, in the right sector at the right time that we believe can thrive in an ever-changing world.

Sincerely,

Argent Mid Cap Team

Argent Capital Management, LLC

ARGENT MID CAP COMPOSITE

March 31, 2014 through December 31, 2022

For the period ending December 31,	Composite Return % Gross-of-Fees	Composite Return % Net-of-Fees	Russell Mid Cap Return (%)	Composite 3-Yr St. Dev (%)	Russell Mid Cap 3-Yr St. Dev (%)	Number of Composite Accounts	Composite Assets ($ millions)	Firm Assets ($ millions)	Internal Dispersion (%)
2022	-22.73	-22.97	-17.32	25.90	23.62	38	132	2,828	0.31
2021	35.98	35.64	22.58	21.55	20.55	68	162	3,517	0.31
2020	21.24	20.97	17.10	23.36	21.82	45	102	2,874	0.84
2019	34.33	34.02	30.54	14.40	12.89	31	57	3,019	0.61
2018	-11.37	-11.58	-9.06	13.40	11.98	25	41	2,542	0.40
2017	25.55	25.22	18.52	11.24	10.36	19	27	2,898	0.27
2016	13.12	12.85	13.80	N/A	N/A	17	20	2,604	0.70
2015	-0.79	-0.94	-2.44	N/A	N/A	11	14	2,357	0.00
2014 (3-31-14 to 12-31-14)	9.98	9.98	9.36	N/A	N/A	1	1	2,817	N/A
Three -Year Annualized	8.40	8.12	5.88						
Five -Year Annualized	8.69	8.41	7.10						
Information for period(s) December 31, 2022									
4th Quarter 2022	9.69	9.60	9.18	25.90	23.62	38	132	2,828	
Since Inception Annualized	10.26	10.01	8.41						

Disclosures:

1. Argent Capital Management, LLC ("Argent") is a registered investment adviser with United States Securities and Exchange Commission in accordance with the Investment Advisers Act of 1940. Argent claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Argent 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 Mid Cap Composite has had a performance examination for the periods March 31, 2014 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.

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 list of composite descriptions and broad distribution pooled funds are 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, including but not limited to dividends received). Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Past performance is no guarantee of future results. There is no guarantee that strategies, systems, indicators, or signals will result in profits or that they will not result in a full loss or losses. All investors are advised to fully understand all risks associated with any kind of investing they choose to do.

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 included accounts with asset-based-pricing fees which represented approx. 4% (2016, 2017), 2% (2018), 1% (2019), and <1% (2020) of composite assets. The composite included portfolios where commissions were waived representing approx. 17% (2019), 18% (2020), 30% (2021), and 14% (2022) 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.