Focused Small Cap Quarterly Commentary
2023: Third Quarter

Argent

Performance Summary

In the third quarter of 2023, the Argent Focused Small Cap strategy returned -3.17% versus the benchmark Russell 2000 Index -5.13% return, outperforming the benchmark by 196 basis points net of fees.

Performance Summary as of September 30, 2023*		3Q23	YTD	Since Inception
Argent Focused Small Cap	Net (%)	-3.17	9.28	4.19
Russell 2000		-5.13	2.54	-4.11
Excess Return		**1.96**	**6.74**	**8.30**

*Annualized for periods longer than one year. Strategy inception date is 11/30/2022.
For comparison purposes, the strategy is measured against the Russell 2000 Index. Past performance is no guarantee of future results. Data is as of 09/30/2023 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 drove performance; the allocation effect was negligible. Argent Focused Small Cap returns were led by positive stock selection and allocation in the Healthcare sector and stock selection in the Technology and Industrials sectors. Stock selection in the Consumer Discretionary sector and stock selection and allocation in the Energy sector detracted from performance.

Sector gains for the Russell 2000 benchmark were limited in the third quarter. Only Energy and Financials posted positive returns. Consumer Staples and Industrials were the only other sectors to outperform the Russell 2000 benchmark, and Industrials did so by a razor-thin margin. Interest rate-exposed sectors were under pressure, especially the Utilities sector, down 11.75%. Benchmark Healthcare was the worst-performing sector, falling 15.13%.

The benchmark Healthcare sector was under pressure in the third quarter from several factors, including the increased use of GLP-1 weight loss drugs and the expectation that it will decrease demand for various healthcare services such as diabetes care. Argent Focused Small Cap is underweight the Healthcare sector and outperformed due to allocation effect and stock selection. Contract Research Organization (CRO) Medpace Holdings, Inc. has outperformed the industry in 2023 and led the positive attribution. A higher cost of financing and the impact on the biotech funding environment have weighed on investor sentiment towards the group this year, but Medpace results have surpassed expectations. New business awards grew sequentially and year-over-year in the second quarter. Management spoke positively about a normalizing business environment and the buildup of the backlog for 2024.

The Russell 2000 Technology sector underperformed the Russell 2000 benchmark in the third quarter, but Argent Focused Small Cap Technology outperformed on stock selection. IT hardware, software, and service provider ePlus, led the gains. ePlus has a well-diversified mix of clients and end markets, helping to smooth the current downcycle in IT spending patterns. In the second quarter, strength from middle-market clients (500 to 10K employees) and a 67% increase in billings for its networking business helped to offset a slowdown in its security segment. The company is experiencing rapid growth in its managed services business. It has an outsized backlog where critical components are now more readily available as supply chains normalize, promoting backlog to revenue conversion. ePlus' clean balance sheet and healthy cash flow fuel an acquisition strategy that should drive future growth plans.

The benchmark Industrials sector performed in line with the Russell 2000 benchmark in the third quarter, but Argent Focused Small Cap outperformed on stock selection. UFP Industries, Inc. is a global wood and composite building product supplier for retail, industrial, and construction markets. Demand and activity have slowed in some segments, but the company's broad diversification and exposure to secularly growing end markets provide a measure of offsets in a down cycle. In developing what UFP labels its value-added business, the company is maintaining its improved margin despite weaker organic volumes. UFP has a long history of new product development, and the growth in its decking segment from the Dekorators line is a prime example. Significant cash flow and debt-free balance sheet support reinvesting in the business while consistently increasing the dividend and repurchasing shares.

Due to stock selection, the Argent Focused Small Cap's Consumer Discretionary sector underperformed the Russell 2000 benchmark. Shares of homebuilders experienced a stellar first half of the year, and Green Brick Partners, Inc. appreciated by more than 140% in mid-July. The company is firing on all cylinders, able to meet demand and substantially increase orders without sacrificing margins. New home absorption has been better than expected, and prices have held firm. Nonetheless, in the third quarter, significant gains in the stock resulted in valuation expanding to new multi-year highs while mortgage rates surged more than 60bps to new multi-decade highs. Investors grew weary, and housing stocks experienced a broad correction driven more by sentiment than company-specific data.

The Energy sector significantly outperformed the Russell 2000 benchmark index and all other sectors as oil prices rose nearly 30% in the third quarter. Argent Focused Small Cap has a lone energy holding, oil producer Magnolia Oil and Gas Corp., that generated a positive double-digit return, but the portfolio is underweight the sector. The allocation effect negatively weighed on attribution. Magnolia is at the forefront of oil companies focusing on shareholder returns over increasing production at any cost. Production efficiency and prudent use of cash flows are welcome changes in the industry. Still, there are inherent challenges to generating positive returns above the cost of capital over the long term.

Quarterly Attribution Analysis, September 30, 2023
Argent Focused Small Cap Strategy vs. Russell 2000 Index*

	Argent Focused Small Cap			Russell 2000			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	2.50	-7.51	-0.20	2.43	-7.52	-0.18	0.07	0.01	-0.01	-0.01	-0.07	-0.08
Cons. Discretionary	14.44	-7.71	-1.02	10.64	-5.96	-0.64	3.80	-1.75	-0.37	-0.03	-0.24	-0.27
Consumer Staples	2.57	12.65	0.34	3.48	-2.99	-0.12	-0.91	15.64	0.46	-0.04	0.39	0.35
Energy	2.67	10.16	0.24	7.49	18.65	1.14	-4.83	-8.49	-0.90	-1.02	-0.18	-1.21
Financials	20.66	0.72	0.13	16.16	1.18	0.05	4.50	-0.47	0.09	0.33	-0.11	0.23
Health Care	11.36	-9.63	-1.10	15.72	-15.13	-2.40	-4.37	5.49	1.30	0.48	0.69	1.17
Industrials	20.69	-1.64	-0.41	16.95	-5.12	-0.86	3.73	3.48	0.45	0.02	0.70	0.72
Technology	12.68	-1.70	-0.31	13.37	-9.18	-1.17	-0.69	7.48	0.86	0.04	0.95	0.99
Materials	2.17	-7.99	-0.18	4.63	-5.63	-0.25	-2.46	-2.35	0.07	0.01	-0.06	-0.04
Real Estate	7.05	-4.32	-0.32	6.20	-5.52	-0.35	0.85	1.20	0.03	-0.00	0.08	0.08
Utilities	1.62	-17.42	-0.29	2.92	-11.75	-0.35	-1.30	-5.67	0.06	0.09	-0.10	-0.01
Cash	1.61	1.29	0.02	--	--	--	1.61	1.29	0.02	0.11	--	0.11
Total	**100.00**	**-3.08**	**-3.08**	**100.00**	**-5.13**	**-5.13**	**--**	**2.05**	**2.05**	**-0.01**	**2.06**	**2.05**

*This analysis is based on the holdings history of a representative portfolio of the Argent Focused Small 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

In the early going of the third quarter, the market grew increasingly comfortable with the soft-landing scenario. Economic data was mostly better than expected, while cooling inflation figures instilled confidence in the Fed pause. At the end of a strong July, the Russell 2000 Index got to within a few basis points of making a new 52-week high. In the past 50-plus years, August and September have been a more difficult seasonal stretch for the market. That weakness showed up again, particularly for smaller companies. The Russell 2000 declined more than 12% during those two months.

The narrative changed quickly when a few key inflation inputs reversed previous month-over-month declines and turned higher when August data was reported. Used-car prices, Prices Paid in the ISM Manufacturing Index, oil and gasoline prices, and other closely watched measures all increased. At the same time, the GDPNow model predicted third quarter GDP near 6%, galvanizing the Federal Reserve to get more Hawkish, and investors faced an even "higher-for-longer" interest rate scenario. The yield on the 10-year Treasury shot up more than 50 basis points higher in September, hitting the highest levels since before the Great Financial Crisis in 2007. That is an extraordinary rate of change.

It has been a long time since the market faced this type of interest rate environment. Whatever the views on inflation, prices are not coming down. They are still moving higher, just less aggressively. The rate for a 30-year fixed mortgage is approaching 8%. The yield curve has been inverted for more than a year, and real yields sit comfortably above expected inflation for the first time in more than fifteen years, implying financial conditions are amply restrictive. Fears of an oncoming recession have increased, but why has quantitative tightening not had more effect?

The economy's resilience is notable. The labor market, though showing some cracks, remains tight. Keeping rates higher impacts people and companies that need to borrow or refinance today. However, many people and companies met their borrowing needs during the pandemic and are unaffected by higher borrowing costs. Strong balance sheets are one element contributing to the year-to-date outperformance of higher-quality companies. Argent Focused Small Cap invests in high-quality companies and benefited during the quarter.

Ample fiscal stimulus partially offsets the monetary tightening, including the CHIPs Act, Inflation Reduction Act, and Infrastructure Investment & Jobs Act (IIJA). That spending is fueling momentum in multiple trends such as mega-project construction, electrification, including the evolution of electric vehicles, and the re-shoring of manufacturing. Multi-family construction has slowed, but the U.S. is still undersupplied with new single-family homes.

Has 2023 been a good year for stocks or not? It is well-publicized that most gains this year can be attributed to the "Magnificent 7" stocks – Nvidia, Meta, Amazon, Microsoft, Apple, Alphabet, and Tesla – and other technology companies exposed to AI. Thus, large caps have significantly outperformed small-cap stocks in 2023. The Russell 2000 Index was up low-single digits year-to-date at quarter-end, and the median stock is essentially flat, a far cry from the more than 13% gain in the S&P 500. Removing those seven companies from the calculation leaves returns for the S&P 500 and Russell 2000 in line with one another year-to-date.

Banks have a significant weight in the Russell 2000 benchmark and retreated again in the third quarter after recovering from the lows in the spring. While the risks of failure have been mitigated, the overhang of higher deposit costs and net interest margin compression remains. Utilities are feeling the effects of higher rates, and healthcare providers are under pressure from GLP-1 weight loss drugs and the impact on demand for care.

Nonetheless, it is misleading to characterize the market as having traction only regarding technology and artificial intelligence. Those stocks have undoubtedly been leaders, but the market has rewarded higher-quality companies with favorable industry trends and less financing risk. The Russell 2000 Industrials sector declined 5.12% in the third quarter but is still up 12.00% year-to-date with broad industry participation. The market is paying for companies with dependable or improving earnings. According to Furey Research, profitable companies in the Russell 2000 Index outperformed non-profitable companies by nearly 1000 basis points in the third quarter.

The S&P 500 finished the quarter at about 19.5x forward earnings, and a lot of attention is being paid to the current multiple of the market versus the current level of interest rates. While it is difficult to argue the market is cheap, it is again more bifurcated than the headline figure. The Russell 2000 Index is around 14x ex-non-profitable companies, its widest discount to the large-cap index since the Great Financial Crisis in 2007. Notably, earnings in the Russell 2000 Index are expected to grow more than 20% next year, while S&P 500 earnings are expected to increase less than 10%. Thus, small-cap stocks with a better earnings outlook are less expensive than their large-cap peers.

The third quarter earnings season and forward guidance will be telling. Key questions include the impact of the broad macro pressure on sales and inventories, how orders and backlogs are trending, the change in costs of labor and materials, and the stability of pricing power. At quarter-end, there was a notable lack of bellwether companies preannouncing bad news in any meaningful way.

Top Contributors

ePlus, Inc. (PLUS) is a holding company that provides information technology (IT) and consulting solutions for commercial, state, and local governments and government contractors. ePlus has delivered on several quarters of significant outperformance relative to expectations. The company has primarily skipped over the current electronic device downcycle, has an outsized backlog where critical component availability promotes backlog to revenue conversion, is experiencing rapid growth in its managed services business, and has an unleveraged balance sheet promoting acquisition optionality. ePlus also provided explicit financial guidance for the first time.

BellRing Brands, Inc. (BRBR) is a global nutrition company selling protein, Dymatize, and Power Bar products. While the total branded food category continues to decline, the nutritional & performance shake category is experiencing accelerated growth. Management is delivering on what they promised for the second half of 2023, namely better volume growth and improving cash flow. Sales growth was more evenly split between price & mix +11% and volume +9% versus the price/mix heavy growth delivered in the first half. On the positive side, whey protein costs have declined precipitously and are pushing lower than where they were right before COVID. Given hedging, this benefit takes time to flow through but will start showing up in Q4. Low-teens EBITDA growth is attractive in Staples, and BellRing carries above-peer group economics.

Houlihan Lokey Inc. (HLI) is a leading global investment bank with expertise in mergers & acquisitions, capital markets, financial restructurings, and valuation advisory. The company benefitted from investor confidence in a trough for deal activity in its Corporate Finance segment. At the same time, strength in Financial Restructuring continued, given the large volume of low-cost debt maturing. On the deal front, management believes the bottom is in for this cycle. More lenders are willing to step in with financing, Europe is showing signs of life, and there is an improving appetite for deals. Mandates that had been delayed are starting to move forward again and getting multiple offer sheets, which has not been the case for several quarters.

Magnolia Oil & Gas Corp. (MGY) is an oil and natural gas production company. The price of oil rose nearly 30% in the third quarter on continued OPEC-related supply constraints, and energy significantly outperformed all other sectors. Magnolia delivered better-than-expected production results, with capital expenditures 15% below the stated guidance. Steel and additional material input costs have declined 30%, while pressure pumping costs are down 25% thus far in 2023 versus the prior year. Production guidance was raised, and the company is returning 75% of free cash flow to shareholders via share repurchases and dividends. The balance sheet holds nearly $700 million in available cash, and management is keen on acquisitions as attractive opportunities arise.

Hamilton Lane, Inc. (HLNE) is a global private markets investment solutions provider. Hamilton Lane is benefitting from consistent fundraising in a challenging macro environment, improving fee rate, fee earning assets under management growth, and growing unrealized carried interest. Retail-driven Evergreen products are proving more successful than expected, with new distribution channels offering additional growth opportunities. The culmination is higher than anticipated management and performance fees with slightly better margins. The company announced that co-CEOs would succeed the long-time CEO in a well-thought-out and executed succession plan.

Top Detractors

Green Brick Partners, Inc. (GRBK) is a homebuilding and land development company. Housing stocks were under pressure in the third quarter, with rising interest and mortgage rates weighing on investor sentiment. Nonetheless, Green Brick continues to outperform its homebuilding peers on all major metrics. Management indicated that sales incentives were reduced or prices were increased across 70%-80% of its homes in the second quarter. Gross margin is steady, and new home orders were +50% year-over-year. Management also reiterated that its positioning in Dallas-Fort Worth and Atlanta and its lot development within those markets, built on its land bank, are helping the company stand out versus peers such that its homes face less competition from other builders while the buyer profile remains strong.

Envestnet, Inc. (ENV) and its subsidiaries provide financial and wealth management software and services in the United States and internationally. While the company is nearing the end of its investment cycle and managing costs with a corresponding early benefit to margins, the macro environment is weighing on asset flows and organic assets under management growth. The Data & Analytics segment has faced increased competition. Still, investments and development into improved data sets are expected to create stability and traction in bookings and revenue by the end of the year. An activist investor is committed to value creation, and the new CFO hired away from Blackrock has ample strategic industry experience.

Select Medical Holdings Corp. (SEM) is one of the largest operators of illness recovery hospitals, rehabilitation hospitals, outpatient rehabilitation clinics, and occupational health centers in the U.S. based on the number of facilities. All four of the company's segments delivered operational improvements over the last few quarters. The post-pandemic normalization of utilization and labor cost improvements led the company to a positive pre-announcement of second-quarter earnings in mid-July. Hospital stocks and other healthcare providers pulled back broadly during the third quarter after marching steadily higher in the year's first half. Investors are focused on utilization trends and demand for care tracking back towards pre-pandemic growth rates following a surge in catch-up-related procedure volumes.

Perficient, Inc. (PRFT) is a global digital consulting firm. Perficient is a new addition to the portfolio. In the second quarter, the company lowered full-year guidance on an industry-related slowdown in IT consulting projects started by corporate customers. Management does not see it as a company-specific issue, and projects are being delayed, not canceled, but there was a slower ramp-up in total project dollar scope than expected. The pipeline of work remains at an all-time high. The two industries down most are health/pharma/life sciences and automotive. Healthcare was the company's largest segment at this time last year. Thus, weaker spending in that particular industry creates a pronounced drag. Additionally, the company avoids low-margin but recurring maintenance-type work. Revenues are project-based and tend to be from shorter-duration projects. This means PRFT feels the brunt of spending slowdowns due to not having a backlog or a recurring maintenance revenue stream to act as a buffer. Management framed the new guidance as conservative based on the direction implied by the slowdown. Digital transformation is a long-term secular trend. The year's second half will focus on cost control to get its leading gross margin back to 40% through natural attrition/turnover not being replaced, lower bonuses than in 2022, and other necessary actions.

Herc Holdings, Inc. (HERC) is a leading equipment rental supplier. The last few quarters for Herc have had a recurring theme of generally decent results that fall short of expectations. The Hollywood Writers strike weighed, and the 5% Studio Entertainment business has fallen to 2% of sales. While that segment has a lower margin than the average for the company, the loss of business results in a decremental margin from the fixed costs in place. It also puts downward pressure on dollar utilization, which, at 40.3%, was slightly better sequentially but still from 42.5% year-over-year. EBITDA margin remains below the target range of 50%-60%. Excluding entertainment, EBITDA flowthrough would have been 53.2%. On the positive side, pricing remains strong, realizations on used equipment sales remain above normal despite HERC increasing sales activity, and full-year guidance was reiterated. More pronounced mergers and acquisitions and better-than-expected activity in national accounts offset the loss from entertainment. Work from the positive trend in mega projects is a tailwind.

Argent Focused Small Cap Strategy Top Contributors and Detractors for Quarter Ending September 30, 2023*					
Top Contributors	Avg. Weight	Total Effect	Top Detractors	Avg. Weight	Total Effect
ePlus inc.	4.64	0.75	Chesapeake Utilities	1.62	-0.20
BellRing Brands, Inc.	2.57	0.39	Perficient, Inc.	0.74	-0.30
Houlihan Lokey, Inc. Class A	2.68	0.38	Select Medical Holdings	2.67	-0.43
Hamilton Lane Incorporated	2.28	0.36	Envestnet, Inc.	2.52	-0.54
Magnolia Oil & Gas Corp. Class A	2.67	0.36	Green Brick Partners, Inc.	3.25	-0.77

*This is based on the holdings history of a representative portfolio of the Argent Focused Small 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.

Buys

AMN Healthcare Services, Inc. (AMN) is a temporary healthcare staffing company. The industry has suffered from a persistent worker shortage, creating a high demand for travel nurses. As medical facilities struggle to find and retain workers, they often turn to healthcare staffing firms to ensure patients receive proper care. AMN provides temporary staffing on an ad-hoc or fully managed basis, allowing medical services providers flexibility in managing permanent workforce levels and filling critical positions as demand requires. AMN is the market leader, offering the largest pool of healthcare workers across specialties and fully outsourced labor management, workforce management technology, and other complementary products and services that create customer flexibility and efficiency. Over time, Managed Services Programs (MSPs) have grown as a percentage of revenue and further integrate AMN into their customers' core operations, increasing retention, providing a better cross-selling platform, and making revenue less cyclical/transactional. Management claims the current MSP pipeline is as large as ever. AMN, as the most significant player in the industry, offers the broadest range of assignments, making it an attractive employer for workers seeking different geographies, specialties, higher wages, and the ability to construct their schedule to fit their lifestyle.

EnPro Industries (NPO) designs, develops, manufactures, and markets proprietary engineered industrial products. EnPro has undergone a significant transition over the past six years. The company has shed low-margin, slower-growth segments and acquired higher-margin businesses with better long-term growth prospects. The result is a portfolio with higher value, science and engineering-led products used in process-critical applications, creating a more extensive moat. The strong balance sheet funded the strategy, utilizing both debt and the sale of businesses. It resulted in 1000bps of adjusted EBITDA margin expansion over the past five years on a revenue base smaller than where it began. With the heavy lifting behind them, EnPro has a platform from which the company should grow revenue mid-single digits+ organically with additional margin opportunity from scale and an improving cash flow profile that can fund further acquisitions.

Perficient, Inc. (PRFT) is a global information technology consulting firm focusing on one of the fastest-growing areas of IT spending – digital transformation. That market is experiencing mid-teens growth vs the pre-COVID growth rate of high-single digits as companies adapt to new business practices. In addition to those positive industry dynamics, the company is executing a positive capital allocation strategy of expanding internationally through higher-margin acquisitions accretive to EBITDA. At the same time, organic growth has accelerated with the salesforce expansion initiative in place for the last several years. It has allowed for a greater focus on existing client penetration, where average spending has increased significantly.

Sells

Globus Medical, Inc. (GMED) is a medical device company focused on products that promote healing in spinal disorders. While Globus has continued to execute its core fundamental growth strategy, the company announced a merger with spinal medical products peer NuVasive (NUVA). The uncertainty and risks associated with integration, product overlap, and culture differences transition the company from our original investment thesis.

IBEX, Ltd. (IBEX) is a customer experience company offering digital marketing, outsourced sales and support, brand management, and customer lifestyle solutions. The company has done an excellent job winning new clients and shifting more of the business to less cyclical areas of the economy. Still, tighter corporate budgets lead to delayed projects and reduced client volumes, which impedes growth. In addition to the macro-related headwinds, IBEX is facing pressure in its call center business and uncertain future competition from the development of artificial intelligence tools.

Portfolio Positioning

In the third quarter, the Argent Focused Small Cap strategy eliminated two positions, trimmed three positions, added to two existing positions, and established three new positions. In each instance where we elected to sell, there was a lack of confidence in the case for long-term outperformance and the opportunity to upgrade the portfolio.

Our investment process centers on company-specific attributes and execution. For IT customer experience provider IBEX Ltd., the strategy to grow its client base within higher margin categories was working. Still, dual headwinds outside of the company's control raised too many questions on the fundamental case for the business. Macro-related headwinds pressuring IT spending patterns are more cyclical, but the threat from AI-related alternatives is a more secular unknown. The combination creates too much external risk, and we eliminated the position.

The core spine business at medical device company Globus Medical, Inc. has exceeded expectations. New product launches, including its robotic guidance solution and imaging system, support future growth while management expands on margin initiatives. The acquisition of NuVasive, Inc. is an unwelcome distraction with significant integration hurdles to overcome. The added uncertainty led us to sell the position.

We trimmed the position in America's Car-Mart, Inc. shortly after it reported its fiscal first-quarter 2024 earnings. Gross profit per unit (GPU) outperformed peers, and active customer growth has been a bright spot. The increasing credit deterioration and a stretched multiple led us to scale back the position.

BellRing Brands, Inc. is among the best-performing names in the Russell Consumer Staples sector year-to-date. The combination of a resilient category (nutrition products) and pricing power are driving favorable earnings growth, but increased competition and questions on consumer demand in a softer economic environment led us to trim the position.

Homebuilder Green Brick Partners, Inc. has been justifiably rewarded for significantly outperforming expectations and its peers in essentially all facets of its business. The combination of valuation expansion and the risk associated with mortgage rates increasing to multi-decade highs led us to reduce the position.

We added to the positions in RBC Bearing, Inc. and Descartes Systems Group, Inc. in the third quarter. Strong free cash flow generation allows RBC Bearing to reduce leverage on the balance sheet while expanding margins as costs are wrought out of the Dodge acquisition. Despite the macro slowdown, organic growth is holding up, and valuation is attractive. Descartes is also proving itself resilient despite the difficult freight environment. The diversity of services and end customers and the moat around its MacroPoint product, position the business for future growth as freight volumes rebound.

Argent Focused Small Cap established two new positions in the Healthcare sector in the third quarter, AMN Healthcare Services, Inc. and Perficient, Inc.

AMN Healthcare Services, Inc. is a market leader in healthcare staffing at a time when nursing shortages are a structural problem. The company is growing into more Managed Services Programs (MSPs), including workforce management technology and other tools to increase efficiency and client retention.

Perficient, Inc. is a global information technology consulting firm benefiting from the secular trend in digital transformation. Internal hiring initiatives and increased demand from companies affected by pandemic-related changes are driving organic growth. In addition, the company is pursuing higher-margin international acquisition opportunities.

Argent Small Cap Focused established one new position in the Industrials sector, EnPro Industries, Inc.

Advanced manufacturer EnPro Industries, Inc. utilized its strong balance sheet to reshape its portfolio over the last several years. The result was a step function increase in the margin profile of the business. The transformation of the platform creates an improved organic growth pathway while ample cash flow supports additional acquisitions.
Argent Focused Small Cap turnover was 5% in the third quarter and is 9% year-to-date.

Sincerely,
Argent Focused Small Cap Team

Argent

Argent Capital Management, LLC

ARGENT FOCUSED SMALL CAP COMPOSITE

November 30, 2022 through September 30, 2023

For the period ending December 31,	Composite Return (%) Gross-of-Fees	Composite Return (%) Net-of-Fees	Russell 1000 Value Return (%)	Composite 3-Yr St. Dev (%)	Russell 1000 Value 3-Yr St. Dev (%)	Number of Composite Accounts	Composite Assets ($ millions)	Firm Assets ($ millions)	Internal Dispersion (%)
2022 (11-30-22 to 12-31-22)	-4.63	-4.66	-6.49	NA	NA	4	1	2,828	0.02
Information for period(s) September 30, 2023									
3rd Quarter 2023	-3.08	-3.17	-5.13	NA	NA	30	10	2,915	
Since Inception Annualized	4.50	-4.19	-4.11						

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. As of October 2022, Argent was redefined to exclude the wrap division. 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, 2022. 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 Focused Small Cap Composite has had a performance examination for the period 11/30/22 to 12/31/22. 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 invested in equities within the Russell 2000 index for which Argent has sole investment discretion. Portfolios will include approximately 35 – 45 small cap equity holdings, with zero fixed investments and cash targeted to be less than 10% of total portfolio value. The composite inception and creation date is November 2022. A list of composite descriptions and broad distribution pooled funds are available upon request.

3. The benchmark is the Russell 2000® Index which measures the performance of the small-cap segment of the U.S. equity universe. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current 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 fees returns are calculated by applying a model fee of 0.0875% on a quarterly basis. This equates to a model fee of 0.35% which is the standard fee schedule for this strategy. During 2022, 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; 0.35% on the balance of the account, although fees may be negotiated or waived in certain circumstances. Focused Small Cap Portfolios are also available under a performance based fee which include a Hurdle Rate of 10% (Blended), Carried Interest of 10.0% with an annual Fee Cap of 0.70% . Additional performance fee schedule information is located in our ADV Disclsoure Brochure.

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 since the composite inception date of 11/30/22 does not provide historical data to calculate a 3-year formula.