SMID Cap Quarterly Commentary

2023: Fourth Quarter

Argent

Performance Summary

In the fourth quarter of 2023, the Argent SMID Cap strategy returned 16.58% versus the Russell 2500 Index return of 13.35%, outperforming the benchmark by 323 basis points net of fees.

Performance Summary as of December 31, 2023*		4Q23	2023	3 Year*	Since Inception*
Argent SMID Cap	Net (%)	16.58	28.50	9.99	11.30
Russell 2500		13.35	17.42	4.25	7.98
Excess Return		**3.23**	**11.08**	**5.74**	**3.32**

*Annualized for periods longer than one (1) year. Strategy inception date is 12/31/2019.
For comparison purposes, the strategy is measured against the Russell 2500 Index. Past performance is no guarantee of future results. Data is as of 12/31/23 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 and sector allocation were positive contributors to performance. Argent SMID Cap performance was led by positive stock selection in the industrials and technology sectors, and favorable allocation and stock selection in the Energy sector. Stock selection and allocation in the Financials sector detracted from performance.

Benchmark sector gains in the fourth quarter were pronounced, with nine sectors producing double-digit returns. Russell 2500 financials led the gains, up 18.16%. The consumer discretionary sector was up 16.66%. The interest rate-exposed real estate sector was up 16.35%. Only the energy sector finished the fourth quarter with a loss, falling 5.76% as the worst-performing sector. The consumer staples sector was the second worst-performing sector but finished higher by 7.94%.

Argent SMID Cap holds a significant overweight in the industrials sector. That allocation plus stock selection contributed to outperformance versus the benchmark industrials sector in the fourth quarter. Companies exposed to the housing market broadly benefitted from the reversal lower in interest rates starting at the end of October. Building products supplier Builders FirstSource has proven the sustainability of its margins at a significantly higher level than its historical range pre-COVID. Volumes in the single-family residential market have been subdued, but the multi-family project backlog has been persistent and filled the void. Complemented by the company's investments in automation and its new digital platform, value-added products and services have grown to greater than 50% of the total mix. Management recently reiterated its expectations for the digital tools contribution to add $200 million in incremental product revenue by 2024 and $1 billion by 2026.

The Russell 2500 technology sector underperformed the benchmark in the fourth quarter, but Argent SMID outperformed due to strong stock selection. The broad slowdown in IT spending was expected to impact the more cyclically exposed end markets of technology research and analysis provider Gartner, Inc. Instead, the company capitalized on its revitalized sales force to further penetrate and add to subscription revenue at existing clients and capture better-than-expected new client business. The results were better organic and acquired growth across its product lines, especially the research segment. Expanded margins are being sustained by resilient pricing.

The Russell 2500 energy sector was the worst performing in the fourth quarter, significantly underperforming the benchmark, but Argent SMID outperformed on an underweight allocation and positive stock selection. Cheniere Energy produces and supplies liquefied natural gas (LNG). While most of the traditional energy sector suffered from declining oil and natural gas prices in the fourth quarter, the cost curve for LNG remained more stable. Demand for LNG has outpaced supply capacity for some time, and Cheniere has less than 2% of open capacity for 2024. Portfolio optimization and strong marketing margins on the minimal available volumes have led to increasing EBITDA. Significant cash flow supports the growing dividend, share repurchases, and deleveraging.

The Russell 2500 financial sector outperformed the benchmark in the fourth quarter, but Argent SMID underperformed based on an underweight allocation and stock selection. When interest rates reversed lower at the end of October, and the stock market began its recovery from the correction, investors rotated away from the more defensive characteristics of insurers like RLI. Nonetheless, the company is an excellent underwriter with positive premium growth metrics reflected in its property and casualty segments. The excess and surplus (E&S) lines in its property business are benefitting from favorable pricing and rate increases in a hard catastrophe market, while increased demand for personal umbrella lines supports the casualty segment. As an elite operator with consistent earnings growth and regular dividends, the company has a premium valuation, significantly above peer group averages.

Quarterly Attribution Analysis, December 31, 2023
Argent SMID Cap Strategy vs. Russell 2500 Index*

	Argent SMID Cap			Russell 2500			Variation			Attribution Analysis		
	Average Weight	Total Return	Contribution to Return	Average Weight	Total Return	Contribution to Return	Average Weight	Total Return	Contribution to Return	Allocation Effect	Selection + Interaction	Total Effect
Comm. Services	--	--	--	2.75	13.34	0.37	-2.75	-13.34	-0.37	0.00	--	0.00
Cons. Discretionary	18.33	18.80	3.43	12.66	16.66	2.12	5.67	2.13	1.31	0.19	0.38	0.57
Consumer Staples	--	--	--	3.32	7.94	0.26	-3.32	-7.94	-0.26	0.19	--	0.19
Energy	3.36	-1.27	-0.05	5.48	-5.76	-0.43	-2.13	4.49	0.38	0.42	0.20	0.61
Financials	14.07	15.86	2.40	16.41	18.16	3.05	-2.34	-2.30	-0.64	-0.13	-0.23	-0.36
Health Care	11.05	15.98	1.78	11.63	13.39	1.47	-0.58	2.60	0.32	0.01	0.26	0.26
Industrials	25.80	17.97	4.70	19.84	13.55	2.73	5.96	4.42	1.97	-0.01	1.09	1.08
Technology	21.18	16.11	3.29	12.64	12.84	1.58	8.54	3.26	1.71	-0.03	0.74	0.71
Materials	--	--	--	5.52	13.10	0.74	-5.52	-13.10	-0.74	0.02	--	0.02
Real Estate	4.89	23.32	1.15	7.02	16.35	1.17	-2.13	6.97	-0.02	-0.06	0.32	0.27
Utilities	--	--	--	2.72	10.35	0.30	-2.72	-10.35	-0.30	0.08	--	0.08
Cash	1.32	1.23	0.02	--	--	--	1.32	1.23	0.02	-0.06	--	-0.06
Total	**100.00**	**16.73**	**16.73**	**100.00**	**13.36**	**13.36**	**--**	**3.37**	**3.37**	**0.61**	**2.76**	**3.37**

*This analysis is based on the holdings history of a representative portfolio of the Argent SMID Cap Strategy. The information provided in this report should not be considered a recommendation to purchase or sell any particular security. You should not assume that investments in any securities within these sectors were or will be profitable. A list of stocks recommended by Argent in the past year is available upon request. Past performance is no guarantee of future results.

Market Commentary

The underperformance of mid and smaller-cap stocks throughout 2023 was well publicized. In the fourth quarter, some size effects reversed, and mid/small-caps outperformed their larger peers.

The stock market ended the year on a high note, closing out 2023 with nine consecutive weeks of gains. Fourth quarter returns for the Russell 2500 were 13.36%. While the quarter finished strong, it did not commence that way. In October, the market corrected in response to stronger-than-expected economic data and fears of resurgent inflation. Jobs data was firm, retail sales figures were much better than expected, and finally, third quarter GDP growth was a blowout of 4.9%.

The pendulum swung from investors' fears of recession and “hard landing” to investors' fears that an overheated U.S. economy would prohibit the Federal Reserve from pivoting away from higher interest rates. U.S. Treasury yields hit levels not seen since before the Great Financial Crisis. The 10-year U.S. Treasury yield briefly crossed above 5%.

The peak-to-trough decline in the Russell 2500 was more than 16% from the middle of July to the end of October but was hardly unusual. Since World War II, corrections have occurred approximately once every 18 months. Several variables arrested the decline and set the stage for a robust end-of-year performance.

More benign inflation readings cleared the way for the Federal Reserve to allude to and then confirm its anticipated “pivot” at the December FOMC meeting. Interest rates hit their 2023 zenith in late October and declined for the remainder of the year. Investors subsequently priced in more than 100 basis points of interest rate cuts for 2024. That assumption immediately impacted the industries most directly exposed to interest rates and explains the Russell 2500 real estate and financials sectors surge in the fourth quarter.

Overly pessimistic investors also played a role as well. Sentiment and positioning were highly depressed as the fourth quarter approached. Various surveys, including the widely followed Bank of America Fund Managers Survey, showed that cash allocations were high and equity investments were greatly reduced relative to historical levels. The AAII US Investor Sentiment polls showed bearish readings at an extreme high. Bullish readings were at an equally extreme low. As the markets rallied, investors were caught underexposed and quickly re-invested in equities.

A significant contributing factor to the 2023 broad market appreciation was the influence of the “Magnificent 7.” The contribution of gains from these behemoths Amazon, Apple, Google, Meta, Microsoft, Nvidia, and Tesla was debated all year. It is also a misnomer to characterize the gains this year as entirely attributable to those seven stocks.

Undoubtedly, having some of the world's largest, most influential companies appreciate like they did is a positive. It is equally positive that the housing and semiconductor industries had one of the best years in their histories, with additional gains in the fourth quarter and closing at their highs for the year. The Russell 2500 technology sector returned more than 30% in 2023, the industrials sector returned more than 28%, and the consumer discretionary sector returned more than 25%. The breadth of participation from companies with more exposure to the economy's well-being was an underappreciated positive all year, particularly in the fourth quarter.

In many ways, 2023 was a year characterized by what didn’t happen. The recession most were expecting failed to materialize. The labor market held up. Rising interest rates, while impactful, did not have the profoundly negative effect that most expected on the credit market, housing market, real estate, or banking industry. Geopolitical conflict did not cause the increase in energy prices many feared. Value could not sustain its 2022 outperformance versus Growth.

Investors bid up the prices of many stocks in the fourth quarter, hoping that the above added enough evidence to support the rarely achieved “soft landing” scenario. Not all are convinced, and some of the same concerns investors had in 2023 remain heading into 2024. With the end-of-year market rally, valuation is back near the mid-summer extremes. Election-related volatility can be expected to begin in earnest.

An expected earnings recovery will help, with forecasts calling for 8% earnings growth for Russell 2500 constituents in 2024. The current 12-month forward price-earnings ratio for the Russell 2500 is 18.5x versus 19.5x for the S&P 500. Demand for artificial intelligence, manufacturing-related investment, “mega project” work, and other positive secular trends are all drivers of a decent fundamental backdrop heading into the new year.

Argent SMID Cap Strategy Top Contributors and Detractors for Quarter Ending December 31, 2023*					
Top Contributors	Avg. Weight	Total Effect	Top Detractors	Avg. Weight	Total Effect
United Rentals, Inc.	4.04	0.64	Victory Capital Holdings	2.46	-0.24
Installed Building Products, Inc.	2.02	0.61	Magnolia Oil & Gas Corp.	1.46	-0.30
Gartner, Inc.	3.40	0.55	RLI Corp.	2.95	-0.40
Fair Isaac Corporation	2.70	0.54	Select Medical Holdings	1.99	-0.43
Colliers International Group Inc.	2.72	0.52	Fortinet, Inc.	3.76	-0.56

*This is based on the holdings history of a representative portfolio of the Argent SMID Cap Strategy. The information provided in this report should not be considered a recommendation to purchase or sell any particular security. You should not assume that investments in any securities within these sectors were or will be profitable. A list of stocks recommended by Argent in the past year is available upon request. Past performance is no guarantee of future results.

Top Contributors

United Rentals Inc. (URI) is the leading equipment rental company serving the U.S. and Canada. United Rentals has benefitted from steady organic growth supplemented with favorable capital allocation into acquisitions and buybacks. High utilization rates and significant used equipment sales have contributed to top-line growth while margins have remained within management's stated targets. Non-residential construction activity has continued to defy expectations, and demand has remained steady across its end markets. Robust cash flow and historically low 1.6x leverage support balance sheet flexibility in the future. Management has not guided for 2024, but general commentary from customers and the company's field team is positive, indicating another growth year supported by the 'mega projects' category. Valuation is more full, near mid-cycle historical averages.

Installed Building Products (IBP) in one of the nation's largest insulation and building product installers for the residential new construction market. Housing-related stocks broadly benefited when interest rates halted their advance and reversed course lower at the end of October. Volumes have remained subdued, particularly in single-family, but multi-family projects and backlog remain near historically high levels. The company is sustaining higher margins on better mix, pricing, and cost efficiencies. The acquisition pipeline is robust, and management remains committed to achieving $100m in revenue run rate from deal flow. Management is confident in an improving single-family environment in 2024. Valuation is reasonable near 5-year averages across metrics.

Gartner Inc (IT) provides research and analysis for the information technology sector. Gartner has defied the cyclical exposure of its IT end markets and continued to benefit from its expanded sales force. 8% organic subscription growth in its research segment, with particular growth in the contract value of its enterprise customers. New business contracts added 7%, and wallet retention hit a record. Consulting revenue grew by nearly 25%, with record results in its contract optimization efforts. The company raised guidance to reflect stronger bookings across its research, consulting, and conference segments. Pricing is expected to remain consistent, and margins have held above pre-pandemic peaks, with expansion to come over time. Share repurchases are significant, with an additional $500m added to the authorization.

Fair Isaac Corp. (FICO) provides analytics software, solutions, and services, including the FICO credit score. The company's fundamental performance has been exceptional, given the weakness in financial institution end markets and consumer credit. Despite the weakening credit environment, the company is accelerating growth in the software business and maintaining strong pricing for credit scores. Management continues to see a multi-year opportunity to expand its pricing, and mortgage revenue was up substantially as a result. Double-digit software sales growth drives better annual recurring revenue (ARR) and net retention rate (NRR) growth across platform and non-platform products. The business-to-consumer (B2C) and auto contribution have been stable, and the company's brand strength supports further penetration. Capital allocation is focused on paying down debt and share repurchases.

Margin expansion is expected to continue even with higher near-term investments in the software segment. Valuation is full.

Colliers International (CIGI) operates globally in the real estate services sector. Real estate exposed businesses broadly rebounded beginning in late October with the reversal lower in interest rates. Specifically, Collier's business had been feeling the effects of the macro-related impact on transaction volumes. Margins have been the bright spot, with an aggressive focus on cost controls that will continue throughout 4Q23 and into 2024, intended to match the duration of the transactional revenue downturn. For the seasonally strongest quarter of its year, Q4, Capital Markets and Leasing revenues are expected to be down year-over-year (5-15%); growth will come from recurring revenue lines. The investment management fundraising environment is expected to remain challenging through year-end but should improve in 2024 (forecast to raise $3b for the full year, compared to $8b last year). Colliers was the last of the publicly traded commercial real estate services companies to feel the macro-related impacts and was also the last one to reset expectations lower.

Top Detractors

Victory Capital Holdings, Inc. (VCTR) is a boutique investment management firm featuring ten investment franchises supported by centralized administration, distribution, and technology. The nature of Victory's business creates direct exposure to equity market fluctuations; thus, the stock market correction from July to October was a headwind. Nevertheless, net asset outflows improved, and performance across its products has been impressive. 70% of its assets under management (AUM) are outperforming the respective benchmarks over the trailing twelve months, 65% over the trailing three years, 82% over the trailing five years, and 78% over the trailing ten years. WestEnd Advisors has proven to be a significantly accretive transaction, with expanded product distribution and 98% of its AUM outperforming its benchmark. Victory has peer-leading margins and a strong capital allocation program supporting acquisitions, dividends, and share repurchases.

Magnolia Oil & Gas Corp (MGY) is an exploration and production company of oil and natural gas. The price of oil declined more than 20% and natural gas by more than 35% in the fourth quarter, weighing on Magnolia and the energy sector broadly. Investor concerns also pressured Magnolia that its contribution from oil versus natural gas would continue to fall given declining well productivity in its Giddings acreage. Instead, management guided for flat to improving oil productivity in 2024. Total production for 2024 is expected to climb nearly 9%, with oil growth up 7.5%. There will be additional benefit from the other acreage acquired in the Giddings field. Guidance for capital expenditures was also reduced by 15% and will end 2023 below 2022 levels. The pristine balance sheet and ample cash flow support ongoing share repurchases and recently instituted dividends.

RLI Corp (RLI) operates as a specialty insurance company in the U.S. Full valuation and the market rotating towards more economically sensitive financials, including banks and real-estate exposed, weighed on the stock. Nonetheless, RLI proved the strength of its operating model. Despite nearly $1.00 in adverse catastrophe-related earnings headwinds, the company produced a sub-100 combined ratio. Premium growth slowed from high-teens to low double-digits but remains robust. Opportunities in its better-performing lines include the property market and higher demand for standalone personal umbrella policies, which are future growth avenues. Reserve releases were favorable, speaking to the sound nature of the overall insurance book. Investment income has been an increasing tailwind for earnings.

Select Medical Holdings Corp (SEM) is one of the largest operators of specialty hospitals, occupational health centers, and outpatient rehabilitation clinics in the U.S. Select Medical and its hospital peers, with higher leverage and more stretched balance sheets, have been out of favor for investors in 2023. The company is utilizing its excess free cash flow to pay down the debt and has already de-levered by more than a full 1x since the 2022 peak. The company has also been in the crosshairs of elevated nursing labor rates since the pandemic, particularly in its Critical Illness Recovery Hospital segment. Still, Select Medical targets a return to pre-pandemic levels in 2024, translating to notable incremental EBITDA improvement. The remaining three segments, rehab, outpatient, and Concentra, have delivered strong results, with volumes, occupancy, and revenue per patient trending favorably. The development pipeline for clinic growth is robust.

Fortinet Inc (FTNT) provides network security solutions. Fortinet reported the second consecutive quarter of billings growth below expectations. Product sales were negative year-over-year. The culprits were continued weakness in enterprise with budget-conscious customers and an overall slow sales cycle. The CFO stated the company had recently experienced the lowest closing rate in his five years. Fortinet management frames the first half of 2024 as one of limited topline growth. They expect the company to return to double-digit growth in the second half of the year. Management's uninspiring outlook led to several sell-side downgrades and caused the stock to re-trace where it had started the year. These swings do occur in the business periodically. Fortinet is a high multiple IT security stock going through a correction after two historically strong years for the company. Fortinet remains a leading player in Secure Networking, the bulk of the business, which is unlikely to cease growing suddenly. In addition, bulls have been looking to newer areas like secure access service edge (SASE) as the next drivers of growth.

Buys

Hamilton Lane, Inc. (HLNE) is a global private markets asset manager and advisor. Hamilton Lane offers an attractive way to invest in a growing area of financial services. The company's products and services cover a broad range of offerings, from focused funds to outsourced customized portfolios and advisory services geared toward larger clients. Investments are generally limited partnership interests of general partnerships sponsoring funds, resulting in highly diversified portfolios that mitigate single-deal risk for clients. The company has established scale and breadth of product offerings backed by a well-known brand and is not suffering the same fee compression and flow headwind that many traditional active asset managers face. It is a well-run business with an entrepreneurial, highly invested management team expected to grow assets and profits over the long term. Attractive financial metrics include long-term recurring revenue arrangements, high-40s EBITDA margins, consistently strong FCF, and low debt levels. Larger fund sizes drive organic growth tailwinds: new separate account wins and increased intermediary distribution. Investing alongside clients and investing in new technologies to drive the business forward are the primary uses of excess capital, followed by paying a consistent and growing dividend.

The Carlye Group, Inc. (CG) is a global alternative asset management firm with a thirty-year track record of successful investing across its private equity and credit offerings. Carlyle's strategic focus is on growing fee-related earnings (FRE) by re-investing performance fee earnings into acquisitions of FRE-heavy businesses. The challenging macro environment has weighed on fundraising, but management is focused on multiple key growth areas while favorably controlling expenses that have contributed to better margins. Valuation is low relative to the peer group due to the CEO transition and private equity performance-fee exposure. Still, new leadership is confident in multiple forward growth areas, including a healthy pipeline of insurance deals, retail, private credit, and capital markets revenue.

Sells

Zebra Technologies (ZBRA) is a global leader providing Enterprise Asset Intelligence solutions in the Automation Identification and Data Capture (AIDC) industry. Barcode scanners and RFID readers are two examples. The slowing economy has weighed on purchasing decisions from Zebra's large retail enterprise customers, and the excess inventory needs time to correct. Customers are delaying investments and deferring deals across the company's end markets. The replacement cycle that typically contributes significantly to sales has been stretched further than expected. Although outright cancellations have not accelerated, a return to growth has been repeatedly pushed out.

Portfolio Positioning

In the fourth quarter, the Argent SMID portfolio eliminated one position: electronic solutions provider Zebra Technologies. Three existing positions were trimmed: government services company Booz Allen Hamilton Holdings, electronic instrument manufacturer AMETEK, Inc., and analytics software provider Fair Isaac Corp.

An intentional feature of the Argent SMID investment process is patience. Any company that has evolved into the type of enduring business we seek has proven its ability to persevere through adverse conditions and sustain its fundamental advantages. When the future growth outlook becomes more challenged, we utilize a data-driven approach to risk management to assess whether any current headwinds are cyclical or more secular and, therefore, more impactful to the original investment thesis.

In the case of Zebra Technologies, the businesses had experienced a positive demand shift from the changing consumer behavior brought on during the pandemic. The normalization effect, the impact of inflation, and weaker consumer spending trends related to the economic slowdown led the company to reset the expected growth rate repeatedly. Increased uncertainty surrounding a sales recovery led us to exit the position.

The stock market appreciation in 2023 translates to significant individual security gains by default. Allowing winners to run while questioning whether the stock price has become too far removed from the fundamental case is a delicate balancing act. Our risk management process highlights potential trim candidates that are consistently under review. Booz Allen Hamilton, AMETEK, and Fair Isaac have each executed strategically and in accordance with our investment case. The stocks have been rewarded with a premium valuation and a more balanced risk-reward scenario. The active weights were reduced accordingly.

Argent SMID added to two existing positions, trucking company TFI International, Inc. and industrial manufacturer RBC Bearings, Inc., and established two new positions, alternative asset managers The Carlyle Group and Hamilton Lane, Inc.

Despite the freight recession, trucking company TFI International is focused on improving margins in its less-than-truckload (LTL) segment while remaining committed to its long-term acquisition and roll-up strategy. Management is targeting 200-300 basis points of margin expansion. Its $700-$800 million in 2023 free cash flow will fund additional share repurchases and its recently announced deal to acquire trucking and logistics peer Daseke for $386 million.

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. Acceleration of its aerospace business is helping offset a slowdown in its industrial original equipment manufacturing (OEM) segment. Valuation is attractive.

The Carlyle Group and Hamilton Lane operate in the growing alternative and private market industries. The Carlyle Group has a long history of outstanding investment performance that will be used to fund its growing fee-related earnings (FRE) business. Uncertainty surrounding the new CEO and management team led to compressed valuation, but they have slowly revealed the strategic growth roadmap. A challenging fundraising environment has stabilized, and demand for private credit remains a tailwind. Hamilton Lane has a diversified franchise with heavy FRE exposure and better-than-peer net asset flows. Management fees have been better than expected, helping offset compensation expenses and stabilizing margins.

The portfolio changes resulted in a minor and intentional increase in economic sensitivity.

Argent SMID Cap portfolio turnover was 4% in the third quarter and is 19% year-to-date.

Sincerely,
Argent SMID Cap Team

Argent

Argent Capital Management, LLC

ARGENT SMID CAP COMPOSITE

January 1, 2020 through December 31, 2023

For the period ending December 31,	Composite Return (%) Gross-of-Fees	Composite Return (%) Net-of-Fees	Russell 2500 Return (%)	Composite 3-Yr St. Dev (%)	Russell 2500 3-Yr St. Dev (%)	Number of Composite Accounts	Composite Assets ($ millions)	Firm Assets ($ millions)	Internal Dispersion (%)
2022	-22.82	-23.10	-18.37	26.04	25.16	7	2	2,828	0.13
2021	35.43	34.64	18.18	NA	NA	5	2	3,517	0.46
2020	15.75	15.32	19.99	NA	NA	4	2	2,874	NA
Three -Year Annualized	6.55	6.09	5.00						
Information for period(s) December 31, 2023									
4th Quarter 2023	16.65	16.58	13.35	21.40	20.11	8	2	3,429	
Rolling 1 – Year	28.91	28.50	17.42						
Rolling 3 – Year	10.37	9.99	4.25						
Since Inception Annualized	11.67	11.30	7.98						

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 SMID Cap Composite has had a performance examination for the periods January 1, 2020 through December 31, 2022. The verification and performance examination reports are available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

2. This composite represents investment performance for portfolios in U.S. equities with both mid & small-capitalization showing strong earnings, with both growth and value characteristics. for which Argent has sole investment discretion. Portfolios typically include 40-50 equity holdings and cash targeted to be less than 10% of total portfolio value. This composite inception date is December 2019 and was created in December 2020. A list of composite descriptions and broad distribution pooled funds are available upon request.

3. The benchmark is the Russell 2500® Index which measures the performance of the 2,500 smallest companies in the Russell 3000 Index, with a median capitalization of $1.2 billion. Russell Investment Group is the source and owner of the Russell Index data contained or reflected in this material and all trademarks and copyrights related thereto. The presentation may contain confidential information and unauthorized use, disclosure, copying, dissemination, or redistribution is strictly prohibited. This is a presentation of Argent. Russell Investment Group is not responsible for the formatting or configuration of this material or for any inaccuracy in Argent's presentation thereof.

4. Valuations are computed and performance reported in U.S. currency. Performance results are total return, (i.e. include the reinvestment of all income, 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 fee returns are presented before management and certain custodial fees, but after all trading expenses except where commissions have been waived or for accounts with asset-based pricing fees. Net-of-fee performance is calculated by reducing gross performance by actual management fees incurred and any asset-based-pricing fees for applicable portfolios as asset-based-pricing fees are considered a trading expense. During 2020 - 2023, 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. Non-fee-paying accounts are reduced by a model fee derived by applying this standard fee schedule in effect for the respective period. Note: Effective June 30, 2023, net-of-fees for all periods, since inception, has been revised to reflect a standard flat 0.35% fee. Individual composite accounts have had their fees adjusted and refunded.

7. Internal dispersion is calculated using the asset-weighted standard deviation of all portfolios that were included in the composite for an entire year, net of fees. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The external deviation is based on the 36-month gross-of-fees returns of the composite and the benchmark. The standard deviation is not presented for 2020 & 2021 since the composite inception date of 12/31/19 does not provide historical data to calculate a 3-year formula.