Focused Small Cap Quarterly Commentary

2025: First Quarter

Argent

Performance Summary

In the first quarter of 2025, the Argent Focused Small Cap strategy returned -7.38% versus -9.48% for the Russell 2000 Index, outperforming the benchmark by 210 basis points net of fees.

Performance Summary as of March 31, 2025		1Q25	1 Year	Since Inception
Argent Focused Small Cap	Net (%)	-7.38	-1.80	10.04
Russell 2000		-9.48	-4.01	4.33
Excess Return		**2.10**	**2.21**	**5.71**

*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 03/31/25 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.

The much-anticipated momentum for smaller stocks expected to benefit from a pro-business, domestically focused new administration was turned on its head. The initial priorities were unexpected and caused a spike in uncertainty. The opposite of uncertainty in the stock market is not certainty, which is impossible in this business, but confidence.

The resilient economic growth of the last couple of years was sustained by an underlying confidence in the macroeconomic backdrop: a decent economy and earnings growth, a solid labor market, and a friendlier Fed that loosened interest rates 100bps in the back half of 2024. That gave way to concerns of a government-backed slowdown paired with stubborn inflation, creating a hurdle for additional interest rate cuts and headwinds for small cap companies.

The second Trump administration kicked off with fiscal austerity and aggressive actions on trade policy and immigration. It has been a long time since populism was an executive priority, and there is minimal precedent for assessing the potential outcomes. Investor sentiment soured dramatically. Business owners followed suit, and survey data deteriorated throughout the quarter.

The effect on the labor market, economic data, and corporate earnings is unknown. In response, there was a definitive flight-to-safety and traditionally defensive stocks. Utilities were the only sector in the Russell 2000 to finish positive.

We expect the high-quality characteristics and Enduring Business framework deployed in the Focused Small Cap portfolio to act as more defensive protection during periods of market stress. Those traits were on display to start the year. All portfolio outperformance was driven by stock selection.

Sentiment-driven price dislocation created opportunities to enhance the portfolio, and we are confident in the durability of our exposure in the current market environment. Small cap valuation has contracted well below the 10-year median and is back to historically low levels versus the S&P 500.

Quarterly Attribution Analysis, March 31, 2025 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	1.40	-13.72	-0.20	2.69	-12.45	-0.35	-1.29	-1.27	0.15	0.04	-0.02	0.02
Cons. Discretionary	13.07	-1.99	-0.42	9.42	-14.91	-1.45	3.65	12.92	1.02	-0.25	1.71	1.46
Consumer Staples	2.75	-1.17	-0.09	2.91	-0.07	-0.01	-0.16	-1.10	-0.08	-0.03	-0.08	-0.11
Energy	2.75	8.73	0.27	5.04	-12.94	-0.58	-2.28	21.67	0.85	0.10	0.56	0.66
Financials	22.03	-5.77	-1.33	18.99	-4.31	-0.87	3.04	-1.46	-0.45	0.15	-0.33	-0.18
Health Care	11.98	-6.62	-0.77	16.70	-8.29	-1.45	-4.72	1.68	0.68	-0.07	0.22	0.15
Industrials	19.66	-10.85	-2.11	17.89	-11.01	-1.94	1.77	0.16	-0.17	-0.03	0.05	0.02
Technology	14.33	-14.45	-2.01	13.39	-18.43	-2.49	0.94	3.99	0.48	-0.05	0.57	0.52
Materials	2.15	1.84	0.02	4.06	-7.13	-0.26	-1.91	8.98	0.29	-0.04	0.18	0.14
Real Estate	7.19	-9.55	-0.68	6.09	-3.25	-0.21	1.10	-6.30	-0.47	0.06	-0.44	-0.38
Utilities	1.49	6.37	0.09	2.81	5.28	0.13	-1.32	1.09	-0.05	-0.19	0.02	-0.17
Cash	1.18	1.00	0.01	--	--	--	1.18	1.00	0.01	0.14	--	0.14
Total	**100.00**	**-7.22**	**-7.22**	**100.00**	**-9.48**	**-9.48**	**--**	**2.26**	**2.26**	**-0.18**	**2.44**	**2.26**

*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.

Attribution Commentary

Russell 2000 consumer discretionary declined nearly 15%, but stock selection drove significant outperformance in Focused Small Cap. Concerns about softer spending pressured consumer retail stocks, and our lack of exposure was a benefit. For our holdings, housing stocks were pressured in the fourth quarter but found stability early in 2025, though affordability has not been resolved. Prices and mortgage rates remain elevated and are putting a damper on activity. That has allowed inventory to grow, raising some red flags in specific geographies. For a long time, there has been a mismatch between the lack of homes for sale and buyer demand. Despite the supply increase, secular housing shortages are still in place. Homebuilders have increased the use of incentives, with several choosing to prioritize volume over margin. Still, much of that depends on the local market and target customer. Green Brick Partners and Champion Homes have unique business models and advantages that have fueled fundamental improvement. Even in a challenging housing market, both companies gave optimistic outlooks heading into 2025.

The Russell 2000 energy sector fell 13% in the first quarter, pressured by subdued oil prices and concerns over whether President Trump's efforts to lower energy costs for consumers might worsen the decline and impact earnings. The traditionally erratic return profile, heavy debt, and reliance on a commodity make traditional energy generally unattractive for our investment process, but there are exceptions. Magnolia Oil & Gas is managed by a more conservative team prioritizing the balance sheet and sustainable growth. The company operates in several efficient geographies, which supports profitable production expansion and free cash flow generation. It is our lone holding in the sector, and stock selection was positive for attribution.

The Russell 2000 technology sector was the worst performer, declining by more than 18%. Momentum swings both ways, and the most speculative leaders in quantum computing and artificial intelligence experienced substantial declines. Across various market caps, technology led the downturn, caught in the crosshairs of trade policy, cautious corporate spending, and uncertainties regarding the AI infrastructure buildout in light of more efficient and cheaper models (Deep Seek). Our broader diversified exposure proved beneficial, and stock selection drove outperformance. i3 Verticals, Inc. is a software payments provider with streamlined operations and a growing pipeline in the public sector. Specifically, the company's overhead costs associated with the merchant services business sale decreased, enhancing profitability. Meanwhile, contract wins in Georgia for police and court solutions and a promising rollout for a Tier 1 utility customer have renewed optimism in the Public vertical.

Colliers International Group and FirstService Corp. lagged in the first quarter 2025 despite a generally resilient Russell 2000 real estate sector. This was mainly due to investor caution regarding their transaction-driven businesses and ongoing integration costs from acquisitions. Colliers, in particular, experienced softer capital market activity in select geographies, which slowed brokerage revenue growth relative to expectations. Simultaneously, FirstService faced labor market constraints in several service lines, especially in its restoration and home-improvement businesses, creating capacity bottlenecks that dampened top-line momentum. Although both companies maintain strong market positions and benefit from recurring services, the combination of uncertain commercial real estate transaction volumes and cost pressures resulted in weaker relative share-price performance during the quarter. Stock selection was a drag.

Market Commentary

While it was widely assumed to expect the unexpected when President Trump took office, investors were confident that a platform that stimulated the domestic economy with U.S.-first nationalist policies, deregulation, tax cuts, and a generally pro-business environment would benefit small caps stocks. Instead, from the highs reached in December, the Russell 2000 index fell nearly 20% to the lows reached in mid-March, again trailing the large cap benchmark and finishing the first quarter down 9.5%.

That Trump would bring immediate changes from the previous administration was no surprise, but austerity measures, a trade war, and the assertion that the economy and stock market required some medicine were hardly the expected start. With consumer confidence shaken and uncertainty heightened, investors followed the traditional playbook by rotating to lower volatility, more defensive stocks and asset classes.

Utilities and consumer staples led performance, and the price of gold surpassed $3,000/oz for the first time. Although the Focused Small Cap portfolio is intentionally underweight those types of businesses, it is designed to be lower beta, and the lack of exposure to higher-volatility, more speculative stocks in the small-cap universe contributed positively.

There was a significant deterioration in mood, but the data remains mixed. Surveys and other "soft" data fell precipitously, while "hard" data showed some cracks but maintained more stability. The impact of the tariff policy, Department of Government Efficiency (DOGE) initiatives, and other cuts to government programs are unknown.

Depending on the measure utilized, inflation is still marginally trending in the right direction or worsening. Federal Reserve Chairman Powell's comments during the post-FOMC decision press conference in March were telling:

"The new Administration is in the process of implementing significant policy changes in four distinct areas: trade, immigration, fiscal policy, and regulation. It is the net effect of these policy changes that will matter for the economy and for the path of monetary policy….Making projections was an admittedly challenging exercise at this time, in light of considerable uncertainty...While these individual forecasts are always subject to uncertainty, as I noted, uncertainty today is unusually elevated...What would you write down? I mean, it's just, it's really hard to know how this is going to work out."

It is safe to assume that, at minimum, management teams would pause to reassess spending, investment, hiring, and other capital expenditure priorities until there is more clarity. Numerous companies expressed those concerns when giving forward earnings guidance. Still, the fourth quarter reporting season was decent, with 3% earnings growth for the Russell 2000 and 9.5% excluding energy, where earnings fell a massive 49%. Negative revisions, especially for the first quarter, have brought down full-year 2025 expectations to 18%, but that is still notable and well ahead of the 8.5% expected in the S&P 500. The earnings growth rebound is a bit delayed rather than canceled for now. With the continued underperformance of small caps versus the S&P 500, relative valuation has again fallen to historical lows. On an absolute basis, small caps are trading nearly 3x below the 10-year median multiple. There is always an element of adjustment, given that 40% of the benchmark is unprofitable. Still, it is not far-fetched to look at the small cap universe as historically inexpensive and oversold with extremely negative sentiment.

The Focused Small Cap portfolio intentionally avoids the loss-makers. At 20x earnings for the profitable small cap universe, valuation is near its lowest point in the last 15 years. The risk-reward setup for positive surprises is skewed favorably.

Argent Focused Small Cap Strategy Top Contributors and Detractors for Quarter Ending March 31, 2025*					
Top Contributors	Avg. Weight	Total Effect	Top Detractors	Avg. Weight	Total Effect
Champion Homes, Inc.	3.49	0.50	ePlus inc.	3.21	-0.26
Halozyme Therapeutics, Inc.	1.63	0.47	Onto Innovation, Inc.	1.16	-0.26
Magnolia Oil & Gas Corp.	2.75	0.45	Addus HomeCare	3.25	-0.41
RBC Bearings Incorporated	2.89	0.43	ICF International, Inc.	2.18	-0.45
Green Brick Partners, Inc.	2.91	0.34	Herc Holdings, Inc.	2.64	-0.52

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Top Contributors

Champion Homes, Inc. (SKY) outperformed by capitalizing on lower input costs, effectively managing capacity utilization, and leveraging its expanding captive retail channel. The company's acquisition of Regional Homes has continued to exceed synergy targets, enhancing margins more rapidly than anticipated. Management's emphasis on higher-value offerings within the builder, developer, and community channels also increased average selling prices and supported more substantial operating leverage. Although minor weather-related disruptions occurred in certain regions, a healthier order flow and stable margins heading into 2025 largely offset these challenges.

Halozyme Therapeutics, Inc. (HALO) is our sole biopharmaceutical holding. The company significantly outperformed after its royalty revenues surged due to the strong adoption of subcutaneous versions of key therapies such as Darzalex (Faspro), Phesgo, and Vyvgart. Darzalex, already exceeding 90% conversion in the United States, continued demonstrating meaningful growth, while Phesgo and Vyvgart exceeded initial expectations. Meanwhile, emerging "wave three" products, including Tecentriq, Ocrevus, and Opdivo, enhanced the long-term outlook as approvals and rollouts in late 2024 prepared the way for broader uptake in 2025. Along with disciplined capital allocation (notably share buybacks) and improved operational efficiencies, Halozyme handily surpassed Wall Street forecasts.

Magnolia Oil & Gas Corp. (MGY) outperformed by delivering steady production growth, maintaining strict capital discipline, and achieving further cost efficiencies across its Eagle Ford properties. In particular, the company's Giddings assets, a significant contributor to recent results, continued to show strong well performance, boosting overall production while keeping lease operating expenses low through operational improvements and favorable supply-chain negotiations. At the same time, Magnolia's emphasis on returning capital to shareholders through consistent share buybacks and a 15% dividend increase reinforces the company's stable free cash flow profile and prudent balance sheet management.

RBC Bearings, Inc. (RBC) is an industrial manufacturer that outperformed due to ongoing strength in its Aerospace & Defense segment, where rising aircraft build rates and strong aftermarket demand more than compensated for areas of industrial weakness. Additionally, effective cost controls facilitated further margin expansion. The synergies from the Dodge acquisition and increased manufacturing utilization in aerospace facilities drove improved gross and operating margins. Meanwhile, the company's robust free cash flow enabled it to aggressively reduce debt and maintain a healthy balance sheet.

Green Brick Partners, Inc. (GRBK), a homebuilder, benefited from a focused strategy on infill and near-infill submarkets, particularly in Dallas–Fort Worth, where housing demand remained stable despite higher mortgage rates. Record Q4 deliveries, strong year-over-year order growth, and relatively modest incentive offerings all contributed to margins that exceeded expectations. Management's disciplined land bank model helped control lot costs while targeting higher-income customers reduced the need for aggressive discounts. Additionally, the company's expanding count of active selling communities and success in rapidly completing homes (short cycle times) supported continued revenue momentum.

Top Detractors

ePlus, Inc. (PLUS) provides IT solutions, including cloud, security, and managed services, catering to enterprise, telecom, and government clients. Macro uncertainty negatively impacted performance, led by a decline in high-margin networking hardware sales, particularly from large enterprise deals that had supported the previous year's results. Additionally, ongoing shifts toward reduced subscription revenues dampened top-line growth metrics.

While the company continued to expand its professional and managed services, enhancing its recurring revenue base, near-term revenue challenges and rising operating costs surpassed the gains. Furthermore, ePlus has heavily invested in expanding its salesforce and integrating recent acquisitions, maintaining elevated expenses as customer spending has softened. These factors contributed to short-term margin pressures and lower-than-expected earnings.

Onto Innovations, Inc. (ONTO) is a semiconductor equipment provider and a relatively new addition to the portfolio. Macro uncertainty was a factor as it encountered a short-term "air pocket" in its advanced packaging and HBM-related demand, with customers delaying equipment orders while awaiting clearer allocations for AI-driven high-bandwidth memory (HBM) and 2.5D/3D packaging. Although Onto achieved record results late in 2024, investors anticipated a stronger follow-through into 2025, particularly for HBM packaging tools. Instead, order activity declined early in the year as memory and logic customers processed recently deployed capacity and took longer to finalize new expansion plans. This pause and rising costs associated with ramping R&D and support staff for next-generation technologies resulted in softer-than-expected near-term earnings.

Addus HomeCare Corp. (ADUS) underperformed as headlines regarding potential Medicaid budget reforms and federal funding cuts overshadowed what was otherwise a decent quarter on an adjusted basis. While management confirmed generally stable organic growth in personal care and hospice, investor concerns grew over the risk of stricter Medicaid caps that could strain state budgets and affect in-home care reimbursement. Coupled with weaker home health volumes and market apprehension about DOGE-related cuts to government programs, the near-term uncertainty impacted Addus' share price despite its strong balance sheet, operational discipline, and advantageous long-term position in cost-effective in-home care.

ICF International, Inc. (ICFI) is a consulting and technology services provider focused on government and commercial clients. ICF underperformed as investors focused on the company's lowered 2025 guidance that contemplates a steeper-than-expected decline in federal government work related to President Trump's DOGE and other austerity measures. Management pointed to ongoing uncertainties around new government budgets, including lost USAID work and possible further cutbacks, even though commercial and state/local segments continued to grow at a double-digit rate. With backlog down slightly and visibility constrained by evolving federal priorities, ICF's otherwise stable fundamentals and recent share buybacks were eclipsed by fears of a prolonged slowdown in government demand.

Herc Holdings, Inc. (HRI), an equipment rental company, underperformed in early 2025 after announcing its higher-priced acquisition bid for H&E Equipment, outbidding competitor United Rentals. This deal hinges on what seem to be overly optimistic revenue synergy assumptions. Management's projections call for double the incremental sales that United Rentals anticipated at an extremely high incremental EBITDA margin despite Herc being only about half the size of United Rentals. The market questioned these aggressive targets, particularly given the challenge of integrating a sizable acquisition. Compounding investors' concerns, Herc was already trading at a discount on EBITDA and must take on more leverage to finance the deal, further pressuring its stock.

Portfolio Positioning

In the first quarter of 2025, we made several portfolio adjustments to strengthen the core principles of the Focused Small Cap strategy—owning high-quality, cash-generative businesses with durable competitive advantages and effective capital allocation. These adjustments have enhanced the portfolio's overall quality, growth potential, and competitive positioning, increasing our exposure to secular growth drivers while reducing cyclical or fully valued exposures.

We exited three holdings – ASGN Inc. (ASGN), OTC Markets Group (OTCM), and LCI Industries (LCII).

ASGN, an IT staffing and solutions provider, encountered persistent growth challenges due to constrained IT budgets in its core commercial segment. Its recent results were mixed, with Q4 revenue falling short of expectations and a weak Q1 outlook prompting estimate cuts. Despite some areas of strength (e.g., consulting services), ASGN's near-term earnings momentum stagnated, and a recent acquisition (TopBloc) was executed with no valuation arbitrage relative to the stock, suggesting limited upside. Given the absence of immediate catalysts and only modest valuation support (~10× EBITDA, below historical averages but warranted by the slow growth), we identified better opportunities to redeploy capital.

We also sold the OTC Markets Group as the company's growth plateaued, and its stock fully reflected its defensive qualities. OTCM achieved only 1% revenue growth in 2024 (and +3% in Q4), with flat earnings year-on-year. While it remains a high-margin, cash-generating franchise operating niche trading platforms, it lacks a clear near-term growth driver and faces tough comparisons after the post-2020 trading surge. Without accelerating fundamentals, we decided to exit OTCM and reallocate to companies with stronger earnings trajectories.

Finally, we sold LCI Industries (LCII) to reduce cyclical exposure and favor more secular growth stories. LCI (Lippert Components) is the leading supplier for the RV industry, which has been facing a downturn; the company's sales were still down approximately 5% year-over-year in late 2024, as RV OEM production remains below previous peaks. Management has executed effectively, gaining market share and cutting costs to maintain profitability. However, with consumers under pressure and RV demand only gradually rebounding, LCI's recovery timeline is uncertain. Given its more volatile and capital-intensive profile, we elected to exit.

We reduced our positions in BellRing Brands (BRBR) and Skyline Champion (SKY), securing gains after strong stock performance and rebalancing the portfolio's exposure where valuations are full. BellRing Brands, a provider of protein nutrition products, has performed remarkably well – it is one of the few small cap consumer staples names consistently delivering above-plan growth and earnings beats. The stock was re-rated to about 35× forward earnings, at the high end of its historical range, after outperforming the Russell 2000 by approximately 10% since last quarter's adjustments. Still, following several quarters of significant upside surprises (especially on margins), future surprises are more difficult as sell-side estimates adjust. With risk/reward becoming more balanced at peak valuation, we reduced our BellRing stake, taking profits while maintaining a core position.

Similarly, we reduced our holding in Skyline Champion, a prominent manufacturer of factory-built housing, after its recent strong performance pushed its valuation to the high end of historical multiples. Following Skyline's latest earnings report, which showcased another significant margin beat and better-than-expected sales, its multiples have approached previous peak levels. We observed that historically when Skyline's valuation reaches similar highs after a cyclical upturn, the stock frequently consolidates. Furthermore, potential cost pressures may arise if new import tariffs on Canadian wood are implemented. By reducing our exposure, we rebalanced the position size while participating in Skyline's long-term growth potential.

During the quarter, we added to six existing positions, strengthening our investment in companies that meet our "enduring business" criteria, where we have growing confidence in their growth and compounding potential. These additions demonstrate secular growth opportunities, outstanding execution, and appealing valuations within our high-quality universe.

Onto Innovations (ONTO) – We have expanded our position in Onto, a semiconductor equipment company, to take advantage of its improving outlook and undervaluation relative to its peers. Onto is emerging as a key beneficiary of the semiconductor industry's forthcoming technology investment wave, including AI-driven chip production. Onto's revenue reached a record high, with demand increasing for its tools used in state-of-the-art chip packaging. This strong performance and indications of a forthcoming rise in semiconductor capital spending, evidenced by early orders for high-bandwidth memory and 3D NAND equipment, reinforce our confidence in Onto's growth trajectory. In a window of short-term headwinds related to macro uncertainty, the add brings our semiconductor exposure closer to our target weight, ensuring engagement in a sector where we foresee multi-year compounding potential as the cycle improves.

CSW Industrials (CSWI) – We increased our investment in CSWI, a diversified industrial company that continues to show exceptional quality and growth while trading at an attractive valuation. The company's portfolio of niche, mission-critical products (ranging from HVAC components to specialty chemicals and coatings) is generating steady volume growth and cash flow. The strength of the balance sheet and cash generation provides CSW with the capacity for continued shareholder-friendly actions and reinvestment. Despite these strengths, the stock's valuation multiples have not fully adjusted upward (CSW's premium to other industrials remains below historical norms). We expect CSW's combination of organic growth, margin expansion, and opportunistic M&A to drive compelling compounding returns, and our larger position reflects that conviction.

America's Car-Mart (CRMT) – We've increased our stake in Car-Mart to take advantage of what we perceive as a cyclical low and a turnaround opportunity in this distinctive auto retail franchise. Recent developments instill confidence that the worst is behind the company and that earnings momentum will improve. Management has implemented a new loan origination and underwriting system (to manage credit risk more effectively), formed a financing partnership with Cox Automotive, and resumed tuck-in acquisitions to expand its dealership base. These initiatives are already yielding results: loan collections and down payments are rising, credit loss provisions have begun to ease, and operating efficiencies are improving. We believe the market underestimates Car-Mart's earnings potential once the business stabilizes.

Novanta (NOVT) – Novanta provides laser, vision, and precision motion components in rapidly growing industries, including industrial automation, medical robotics, and minimally invasive surgery. It has established strong positions, often ranking #1 or #2 in its niches, by becoming an engineering partner to OEM customers and designing custom solutions that are deeply integrated into their systems. Novanta's components typically remain embedded in a product's life cycle for over 10 years, resulting in high switching costs and recurring revenue streams, and providing a sustainable competitive advantage. Furthermore, management has demonstrated disciplined capital allocation by expanding into new high-growth applications through selective mergers and acquisitions. We have long admired Novanta's business quality, and in Q1, we identified a chance to increase our stake after a period of stock price consolidation.

CBIZ, Inc. (CBIZ) – CBIZ is a national provider of accounting, tax, financial advisory, and benefits consulting services, primarily for small and mid-sized businesses. The business model generates recurring revenues and strong cash flow and offers significant growth potential by acquiring smaller independent accounting firms. In late 2024, CBIZ completed the largest acquisition in its history by purchasing Marcum, a top 20 U.S. accounting firm, which greatly enhanced its scale and growth prospects. The valuation discount created a strategic opportunity to add.

Chesapeake Utilities (CPK) – We increased our investment in Chesapeake Utilities, a high-quality regulated gas and electric utility, to capitalize on its above-average growth outlook and strong execution within a stable industry. Chesapeake is somewhat unique among small-cap utilities because it operates in fast-growing regions (Delaware, Maryland, Florida) and has been heavily investing in expanding its infrastructure and services. The company reiterated its 16% EPS growth target for 2025 and approximately 8% annual EPS growth through 2028, growth rates roughly double those of typical utilities. We believe the market does not fully recognize these growth prospects. The company's valuation premium over peers is below its historical average, and its absolute P/E multiple remains reasonable.

We established a new position at UFP Technologies (UFPT).

UFP is an innovative provider of custom-engineered components, primarily serving the medical device industry. Essentially, investing in UFP Technologies provides us broad exposure to the growing medical device market without the need to bet on any single device maker. UFP collaborates with virtually all the major MedTech OEMs, supplying critical components and packaging solutions made from specialized foams, films, and plastics used in devices ranging from orthopedic implants to surgical robotics.

The company has cultivated exclusive relationships with advanced material suppliers and built global capabilities far exceeding those of smaller peers, making UFP the go-to supplier for unique, high-specification solutions. In many instances, UFP is the sole provider capable of fulfilling a medical OEM's needs for a specific application. This powerful competitive position stems from decades of expertise, proprietary processes, and a reputation for quality. The result is strong pricing power, customer loyalty (UFP often acts as an extension of its customers' R&D and production teams), and robust financial performance.

We see a long runway for growth for UFP Technologies, driven by both organic initiatives and acquisitions. The medical device industry is fragmented on the supply side, presenting UFP with a significant opportunity to continue consolidating smaller competitors. This roll-up strategy has proven effective for UFP in recent years and remains a key pillar of growth. Internally, UFP is also increasing its wallet share with customers by developing new solutions.

We seized a moment of relative value to initiate a position. Given the stock's recent volatility, we began with a smaller weighting, but we believe UFP is a compelling long-term investment. It’s a market leader with a durable moat, generating healthy cash with minimal capital intensity. Notably, UFP requires minimal capex or R&D to grow, which reflects its franchise's quality. It has numerous avenues to reinvest for growth, including new products and accretive acquisitions. Moreover, management holds a significant ownership stake and has demonstrated astute capital management. Establishing this new position in UFP further aligns the portfolio with durable, high-growth businesses and the innovative industries of the future, specifically in advanced healthcare and biotechnology tools.

At a portfolio level, key quality metrics have improved. For example, aggregate earnings growth forecasts for our holdings are now higher than they were a quarter ago, and the portfolio’s return on invested capital and profit margins have increased (as we’ve favored companies with strong profitability). The competitive positioning of the portfolio is also stronger. We sell or trim positions when either fundamentals weaken, valuation exceeds our comfort level, or we identify an “upgrade” opportunity – all of which were factors this quarter – and we reinvest in our highest-conviction ideas that align with our “enduring business” framework. The outcome is a concentrated collection of businesses we are proud to hold for the long run.

Argent Focused Small Cap turnover was 4% in the first quarter and 11% in the trailing twelve months.

Sincerely,
Argent Focused Small Cap Team

Argent

Argent Capital Management, LLC

ARGENT FOCUSED SMALL CAP COMPOSITE

November 30, 2022 through March 31, 2025

For the period ending December 31,	Composite Return (%) Gross-of-Fees	Composite Return (%) Net-of-Fees	Russell 2000 Return (%)	Composite 3-Yr St. Dev (%)	Russell 2000 3-Yr St. Dev (%)	Number of Composite Accounts	Composite Assets ($ millions)	Firm Assets ($ millions)	Internal Dispersion (%)
2024	14.69	13.91	11.54	NA	NA	112.00	44	3710	0.40
2023	25.16	24.96	16.93	NA	NA	38.00	13	3269	0.26
2022 (11-30-22 to 12-31-22)	-4.63	-4.66	-6.49	NA	NA	4.00	1	2828	0.02
Information for period(s) March 31, 2025									
1st Quarter 2025	-7.23	-7.38	-9.48	NA	NA	122	44	3,382	
Rolling 1 – Year	-1.13	-1.80	-4.01						
Since Inception Annualized	10.79	10.04	4.33						

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, 2023. 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 November 30, 2022 to December 31, 2023. 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-fee performance is calculated by reducing gross performance by actual management fees incurred. The composite included performance-based fee accounts, which represented approx. 33% (2022), 71% (2023), 46% (2024) of composite assets. The composite included portfolios where commissions were waived representing approx. 100% (2022), 94% (2023), and 75% (2024) 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 are reduced by a model fee derived by applying the standard fee schedule in effect for the respective period. Note: Effective March 31, 2025, performance-based fees are no longer offered for new clients. Additional information about performance-based fees can be found in our ADV Disclosure 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 November 30, 2022 does not provide historical data to calculate a 3-year formula.