SMID Cap Growth

CASTLEARK

June 30, 2022

Strategy Facts

Portfolio Managers: Greg Baxter, CFA, Jim Stark, CFA
Inception: March 31, 2013
Index: Russell 2500 Growth
Available Vehicles: Separate Account, Collective Trust
Strategy AUM: $76M
Firm AUM: $2.8B
Website: http://castleark.com/smid-cap-growth/

Investment Philosophy

We believe that **earnings** growth is the primary driver of stock prices over the long term, and that excess return can be achieved by investing in those companies with **improving business fundamentals.**

Portfolio Characteristics

	CastleArk	Index
# of Securities	113	1,361
Weighted Avg Market Cap ($MM)	$6,865	$5,897
Median Market Cap ($MM)	$4,864	$1,634
Historical Sales Growth	26.6%	19.2%
Historical EPS Growth	26.7%	20.9%
EPS Growth - Long Term Forward	24.6%	18.9%
Return on Equity	7.3%	10.8%
Price to Earnings (Trailing 12M)	28.0	19.1
Price to Earnings (Forward 12M)	22.4	15.8
Price to Book	4.5	4.5
Dividend Yield	0.2%	0.6%
Active Share	82.7%	--

Investment Strategy

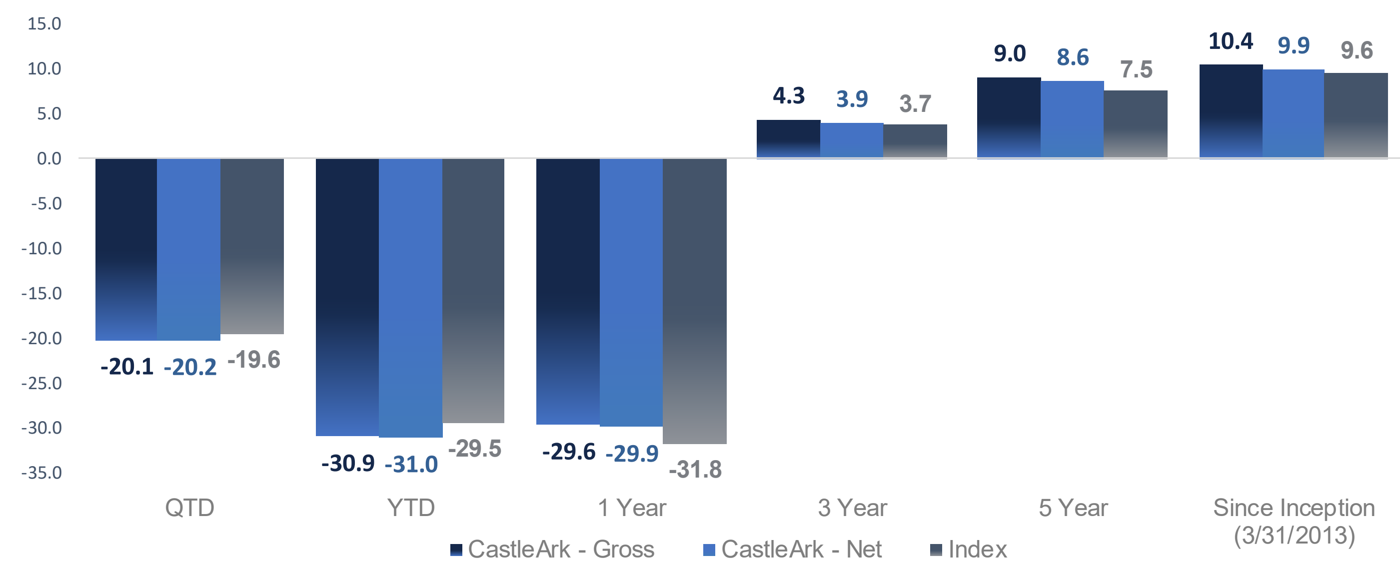
A process that emphasizes the **direction of growth** over the absolute level of growth

A focus on **actual** fundamental improvements **vs. anticipated improvements** enhance our success rate

A disciplined analysis focused on the **magnitude and sustainability** of the driver of fundamental improvement

Composite Performance*

(Periods greater than 1-year are annualized)



Please see the Supplemental Disclosures which are an integral part of this Fact Sheet.

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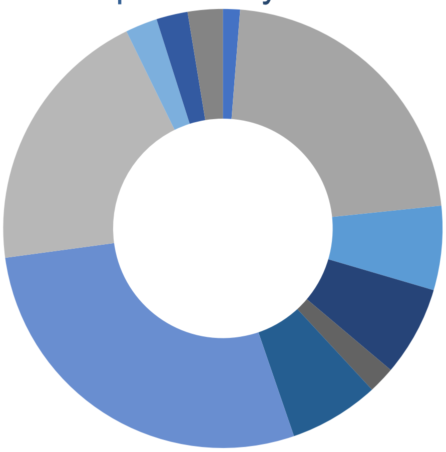
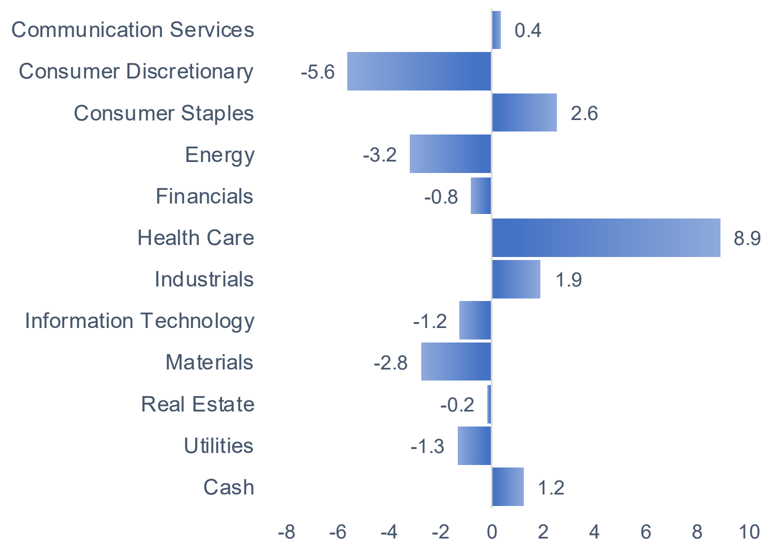
Portfolio Exposure by Sector



Sector Allocation vs. Index

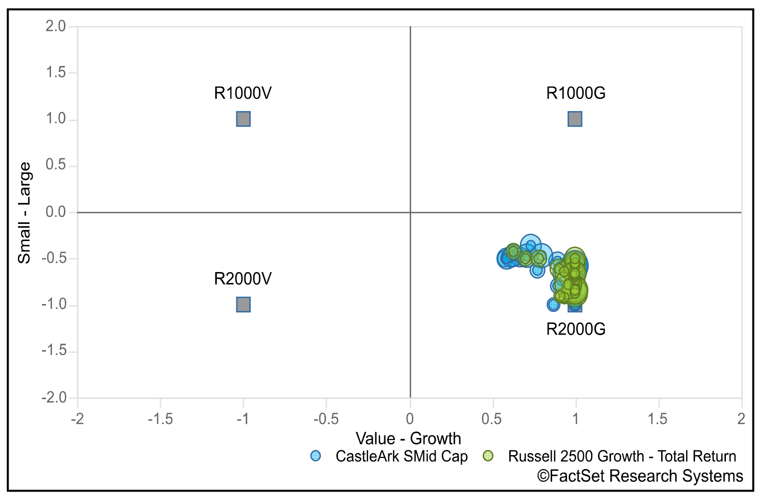


Top 10 Holdings*

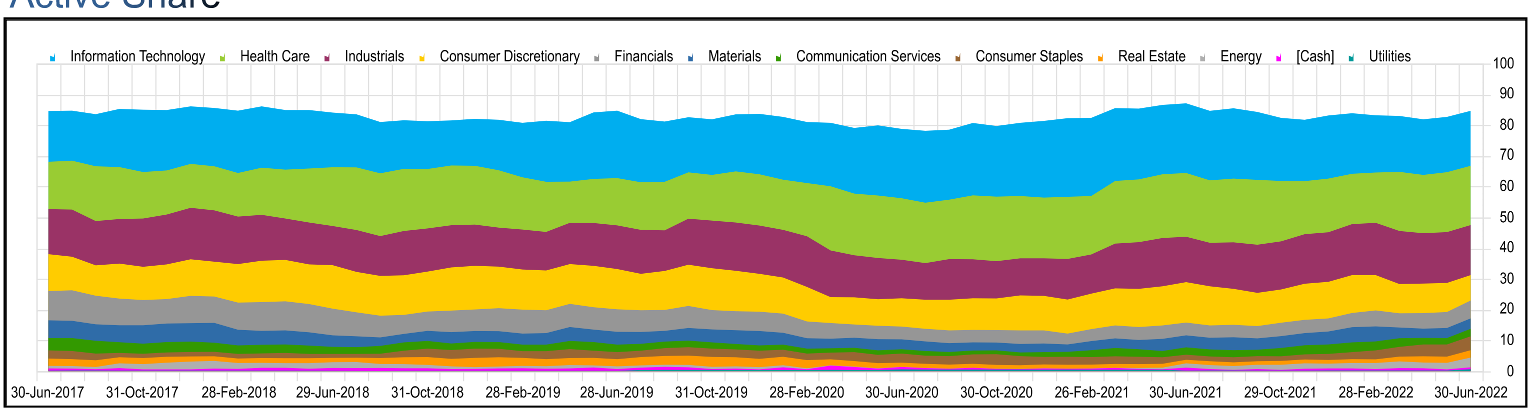
Security	Weight
Acadia Healthcare Company, Inc.	2.08%
LPL Financial Holdings Inc.	2.06%
Option Care Health Inc	2.05%
Box, Inc. Class A	1.72%
Entegris, Inc.	1.71%
WillScot Mobile Mini Holdings Corp. Class A	1.70%
Halozyme Therapeutics, Inc.	1.69%
Casella Waste Systems, Inc. Class A	1.63%
AECOM	1.60%
Planet Fitness, Inc. Class A	1.54%

*The securities identified and described do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable.

Style Drift (Rolling 1 year periods)



Active Share



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Commentary

Performance Update

The CastleArk SMID Cap Growth composite return for the quarter was -20.14% (gross) and -20.21% (net), versus the Russell 2500 Growth Index return of -19.55%.

Portfolio Review

Equity markets weakened considerably in the second quarter, building upon the losses in the first quarter, to end the first half of 2022 as the worst start to a year ever for small cap stocks. All of the factors that led to a difficult start to the year continued into the second quarter, and in most cases worsened. Stubbornly high inflation has been the culprit behind most of the angst. In the wake of record high gas prices and rising food costs, Inflation numbers reported in the second quarter were the highest in 41 years. The increase in inflation has caused the Federal Reserve to accelerate the pace of rate hikes, with increases of 0.50% and 0.75% in May and June respectively. Higher interest rates, along with the start of quantitative tightening have seen the U.S. go from record financial easing in 2021 to record tightening in 2022. Rising interest rates and declining consumer sentiment has raised the odds of a recession. With the backdrop of higher interest rates and stubborn inflation, market weakness so far has been driven solely by multiple contraction as corporate earnings have remained solid. As we look ahead, corporate earnings are anticipated to slow, reflecting the tightening financial conditions, and pending economic slowdown. With valuations already at average recession lows, the question is how much of this pending earnings slowdown has already been discounted in the current market weakness.

Our relative performance for the quarter was the result of positive sector weightings with a slight offset from our stock selection. Our overweight in Staples and Industrials, two of the better performing sectors and our under weight in Consumer Discretionary and Technologies, two underperforming sectors was slightly offset by our underweight in Utilities and Energy. Weak stock selection in Technology, Materials and Health Care was offset by strong results in Communication Services, Financials, Consumer Discretionary and Industrials.

Market and Portfolio Outlook

As we look ahead to the second half of the year two factors that will have a big influence on the markets performance will be the rate at which inflationary pressures begin to ease and the degree of economic slowdown, effect of this slow down on corporate earnings. While the current focus on top-down macro driven markets has been frustrating, many small cap stocks continue to show strong and improving earnings metrics. As history has shown these periods of severe multiple contraction are cyclical, and small cap stocks show both strong absolute and relative returns in the ensuing 12-24 months following the end of financial tightening. During these periods of strong small cap returns it is idiosyncratic (company specific) factors that drive excess returns. That is why we will continue to focus on those companies with improving fundamentals and through our research deem these improvements sustainable. The emphasis on improving fundamentals has led to our overweight positions in Health Care and Consumer Staples and our underweight in Consumer Discretionary, Energy and Materials.

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Supplemental Disclosures

Composite Performance reflects reinvestment of all income and capital gains and is shown in US dollars and after the deduction of transaction costs. Composite Performance is shown gross and net of actual management fees charged. Actual investment advisory fees incurred by clients may vary. Additional information on the calculation methodologies used herein is available upon request. Indexes are unmanaged, do not incur management fees and cannot be invested in directly. The Composite and index returns are net of any foreign withholding taxes on dividends, interest, and capital gains. The Russell 2500 Growth Index represents a segment of the Russell 2500 Index that display signs of above average growth. The Russell 2500 Index is an index measuring the performance of approximately 2,500 U.S. small and mid-cap companies. Past performance is not indicative of future results. Performance during certain periods reflect strong stock market performance that is not typical and may not be repeated.

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The source of the portfolio characteristics presented in this fact sheet is FactSet and CastleArk and is from a representative account and/or model portfolio. Not every account will have these exact characteristics. The actual characteristics with respect to any particular account will vary based on a number of factors including but not limited to: (i) the size of the account; (ii) investment restrictions applicable to the account, if any, and (iii) market exigencies at the time of investment.

Portfolio holdings and sector weightings of individual client accounts may differ from those shown above. This information does not constitute, and should not be construed as investment advice or recommendations with respect to securities or sectors listed. It should not be assumed that investments in these securities or sectors were or will be profitable.

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