Chart 1: DCM Large Cap Growth Composite Trailing Performance August 31, 2016

Chart 2: August 2016 Sector and Stock Attribution

Chart 3: Momentum Factor Weights Jan. 2010 – Aug. 2016

1. Portfolio characteristics are similar to the benchmark, the Russell 1000 Growth index.
2. Portfolio results reflect the deduction of advisory fees, trading commissions and expenses that a client would have paid during the period.
3. The investment strategy of the composite has not changed during the investment period.
4. This table reflects weights in a representative portfolio, and actual client portfolios may have differing weights.
5 Past performance does not represent future results and current returns may be higher or lower than return data depicted.

DCM Strategy: U.S. Large Cap Growth

Decatur Capital's strategy is focused on finding companies whose earnings momentums are accelerating with positive EPS estimate revisions, accelerating EPS growth and consistent EPS surprises.

Portfolio Manager Commentary

The performance in August, net-of-fees, of our U.S. Large Cap Growth Strategy was -0.89% (unaudited), compared to the Russell 1000 Growth Index return of- 0.50%. The performance for the year to date, net-of-fees, was 4.10%, compared to the benchmark of 5.62%.

Sector Analysis
The majority of our historical performance is generally due to our stock selection decisions, as opposed to our asset allocation decisions. Additionally, while asset allocation is not as strong of a driver of performance, our portfolio construction process is such that our stock selection process also informs our decisions on whether to overweight or underweight a particular sector or industry. Given the critical role that stock selection plays in driving performance, and that we typically hold only 40 to 60 stocks, we have to carefully manage individual – or idiosyncratic – stock risk.

Chart 2 shows that during the month of August, our stock selection decisions (red bars) within the consumer discretionary and technology sectors were significant drags on performance. In consumer discretionary, Dollar General (DG) experienced a negative earnings surprise on August 25th, with an actual earnings of $1.08 compared to analysts' mean estimate of $1.09 – a difference of 0.92%. Also, DG missed revenues by less than 2.0%. In addition, Walmart announced a new instore pricing strategy to complete with discount stores like DG. DG declined sharply on the day of the announcement. The decline in DG accounted for -45 bps of the sector's underperformance of -47 bps.

Chart 2 also shows that the stock selection within the healthcare sector exhibited the positive side of idiosyncratic risk. In healthcare, several stocks contributed to the positive stock performance. One example is Cerner (CERN), a healthcare technology firm focused on medical records. CERN is benefiting from legislation requiring automation of healthcare records. CERN announced on August 2nd that they met earnings expectations and beat revenue expectations; the stock surged on the news.

We focus on mitigating the downside idiosyncratic risk of stocks by selecting stocks with strong signal strengths, in addition to strong model scores and strong fundamentals. An individual stock's signal strength measures how well our model rankings of that stock have historically correlated with that stock's actual returns. We generally avoid stocks that have poor signal strengths and sell stocks whose signals strengths have significantly declined. In sum, through our factor models, fundamental analysis, and signal strength measures, we strive to select stocks whose idiosyncratic risks have net positive impacts on performance.
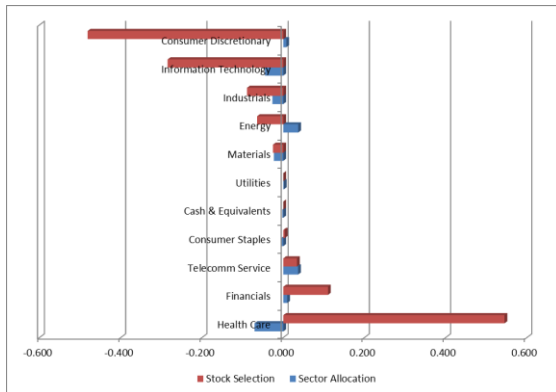
Factor Analysis
One of the factors that we monitor is price momentum. There have been several academic studies conducted on the impact of price momentum on stock prices, and we have incorporated this analysis into our modeling. Chart 3 shows the momentum factor weights since 2010. Positive factor weights indicate that stocks with higher momentums are generally forecasted to outperform. During most periods, the momentum factor weight has been positive, with shorter periods of negative momentum factor impact.

Currently, the momentum factor is negative which indicates that those stocks that lagged the most over the past twelve months are recovering. Based on historical analysis, we can expect this negative trend to continue for a few more months.
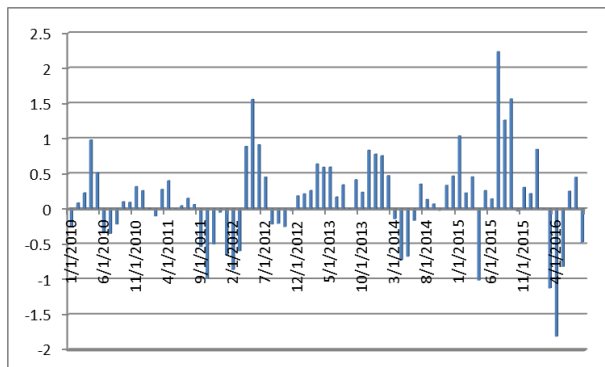
Outlook
We continue to focus on idiosyncratic risk through our modeling and validation processes. In addition, we are forecasting that the stocks that lagged the most in the recent period will continue to outperform.