

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

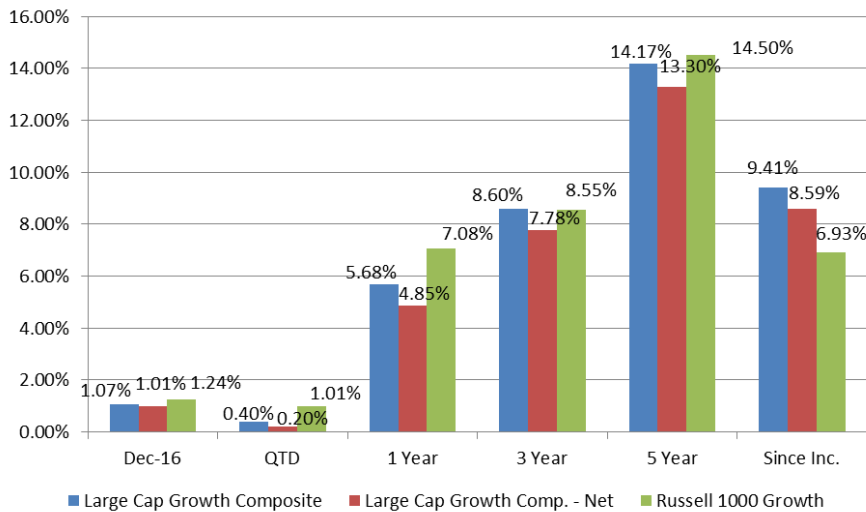


Chart 2: Context Analysis 2016

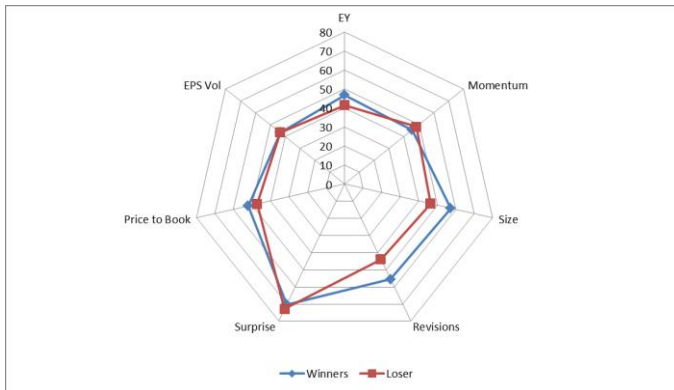
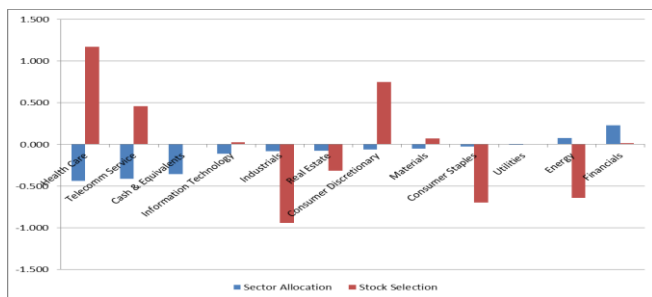


Chart 3: Sector and Stock Attribution: 2016



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 December, net-of-fees, of our U.S. Large Cap Growth Strategy was 1.01% (unaudited), compared to the Russell 1000 Growth Index return of 1.24%. The performance for the fourth quarter, net of fees, was 0.20%, compared to the benchmark of 1.01%.

Factor Analysis

Chart 2 represents a context analysis of the buy decisions during 2016 for seven of the factors we use in our models. In this analysis, for each stock purchased during the past year, we ranked each of the seven factors associated with that stock relative to that stock's sector within the universe. For instance, suppose a stock that we purchased during the year had a forward earnings yield (EY) that was higher than 60 percent of the universe stocks in its sector at the time it was purchased, then that stock received an EY percentile score of 60.

Next, we broke the year's purchases into two categories: winners and losers. Winners are defined as those stocks that have a positive return by 12/31/2016. Losers are those stocks that had a 0% or negative return by the end of the year.

During 2016, the earnings revisions, forward earnings yield, and size factors had the largest spreads between the winning and losing stocks. The winning stocks had an average earnings revision score in 55th percentile of its sector, while the average losing stock was in the 44th percentile. Similarly, the average winning stock was in the 57th percentile rank of size within its sector, as opposed to the average loser stock being in the 46th percentile. This analysis suggests that performance would have been enhanced by selecting stocks with higher percentile rankings on these three factors.

Sector Analysis

Chart 3 shows the sector allocation and stock selection effects for 2016. During the year, our healthcare stock selection decisions added approximately 117 to performance. Early in 2016, we identified positive earnings cycle in the healthcare equipment and supplies and healthcare technology industries. We over-weighted healthcare relative to the benchmark for most of the year. Our allocation to healthcare equipment and supplies took a hit after the November 2016 elections. The decision to overweight the sector detracted 46 bps.

Consumer discretionary stock selection was positive due to the decisions in the specialty retail industry. We selected stocks that included national car sales franchises, clothing stores, and hardware stores. These companies benefited from the improving domestic economy, displaying both increasing earnings expectations and sound financial fundamentals. On net, though, stock selection cost the portfolio about 12 bps. But the main drag on the year's performance was sector selection, which cost the portfolio 131 bps and explained approximately 92% of the portfolio's underperformance.

While our sector ranges remained within 500 bps of the benchmark allocations, our deviations clearly hurt performance. Historically, we have allowed our bottom up stock selections to inform our decisions on whether to overweight or underweight a particular sector. However, we have clearly observed that over the past year our underperformance was driven much more by these sectors weighting decisions than our stock selection decisions.

Outlook

We believe that the market will continue to reward large to mega cap stocks with positive earnings revisions and a value tilt. This provides us an opportunity to identify those stocks with these positive attributes.

1. Large Cap Growth Composite is comprised of 40-60 equity securities with market capitalization of \$5 Billion or more that pass our quantitative selection process and can be acquired at a reasonable price. The strategy focuses on growth of earnings and key valuation metrics. The benchmark is the Russell 1000 Growth Index. The Russell 1000 Growth Index represents the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The minimum account size for this composite is \$1,000,000.
 2. Portfolio characteristics are similar to the benchmark, the Russell 1000 Growth Index.
 3. Returns are presented gross and net of management fees and include the reinvestment of all income. Performance prior to 7/31/12 is shown net of other fees including custody fees. Performance post October 2012 is shown gross of other fees. Net of fee performance was calculated using the highest management fee as noted in the composite fee schedule. Performance was calculated using a highest fee of 0.75% prior to July of 2011 and 0.60% as of July 2011.
 4. The investment strategy of the composite has not changed during the investment period.
 5. This table reflects weights in a representative portfolio, and actual client portfolios may have differing weights.
 6. Past performance does not represent future results and current returns may be higher or lower than return data depicted.
 7. The Large Cap Growth Composite was created on February 28, 2012.