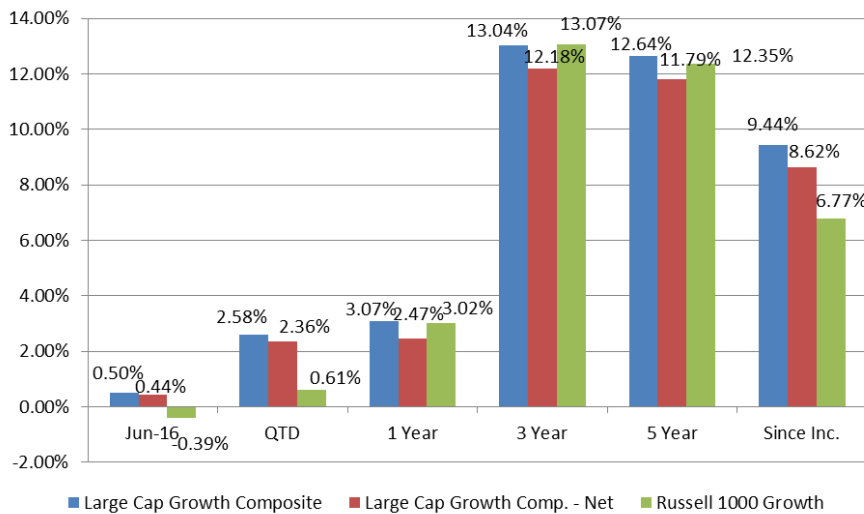


**Chart 1: DCM Large Cap Growth Composite  
Trailing Performance  
June 30, 2016**



**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 June, net-of-fees, of our U.S. Large Cap Growth Strategy was 0.44% (unaudited), compared to the Russell 1000 Growth Index return of -0.39%. The performance for the quarter to date, net-of-fees, was 2.36%, compared to the benchmark of 0.61%.

**Factor Analysis**

The statistically most significant factor in our models during the quarter was the forward earnings yield. The forward earnings yield is calculated as the forecasted 12 month earnings expectations scaled by the current price. In the second quarter of 2016, stocks with lower forward earnings yield generally earned higher returns than the median stock in our universe. This reverses the pattern seen in the first quarter of 2016, indicating that this portion of the market cycle is tilting towards growth stocks for excess returns.

The factor with the least statistical significance during the quarter was size. In a steady trend that we have seen for most of 2016, the size factor has declined from being the most significant factor in the fourth quarter of 2015 to the factor to with the lowest impact on returns this quarter.

**Sector Allocation Analysis**

The sectors that most aided the portfolio's performance during the quarter were technology, healthcare, and consumer discretionary. The drags on performance were the industrial and consumer staples sectors.

The technology sector's performance was driven by our decision to overweight the IT services industry. There are common themes for the stocks that outperformed within our holdings. First, the stocks were engaged in online or technology based payment systems. Second, these stocks either met or beat earnings expectations. We identified several payment systems holdings in our buy analysis early in their earnings cycles, which added to the portfolio's performance during the quarter. In addition, the validation analysis indicated that these stocks are capturing the surge of fintech related opportunities.

The healthcare sector's performance was driven by our decision to overweight the healthcare equipment and supplies industry. Again, we observed common themes for the stocks that outperformed within our holdings. These stocks provide the supplies needed to deliver basic-to-complex medical services such as needles, monitors, surgical equipment, etc. These stocks experienced positive earnings revisions during the quarter. Lastly, these stocks experienced positive earnings surprises during the quarter. Again, we were able to identify these firms in our buy analysis early in their earnings cycles, which added to the portfolio's performance during the quarter. In addition, the validation analysis indicated that these stocks are benefiting from the significant increase in healthcare spending in emerging countries.

In contrast, our decision in the industrials sector to overweight the airline industry was ill-timed. Our airline stocks declined due to increasing competition and the impact of a pending acquisition. We reduced our airline holdings by the end of the quarter.

**Outlook**

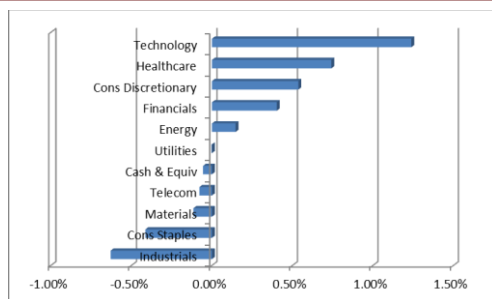
Based on our models, we are forecasting that growth stocks that experience positive earnings surprises will continue to provide excess returns. We note that the reign of the mega cap stocks has come to an end with performance now coming from the full spectrum of market cap ranges.

**Cub Scout Pack 106 – U.S. Capitol**



Picture of Cub Scout Pack 106 on their summer trip to U.S. Capitol in front of the White House. Decatur Capital was one of the sponsors for the trip. Degas serves on the Atlanta Area Council Boy Scout of America Board and the National Philmont Ranch Committee.

**Chart 3: 2<sup>nd</sup> Quarter 2016 Sector Attribution**



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.