The View from Decatur

November 2017

Chart 1: DCM Large Cap Growth Composite Trailing Performance February 28, 2002 - November 30, 2017

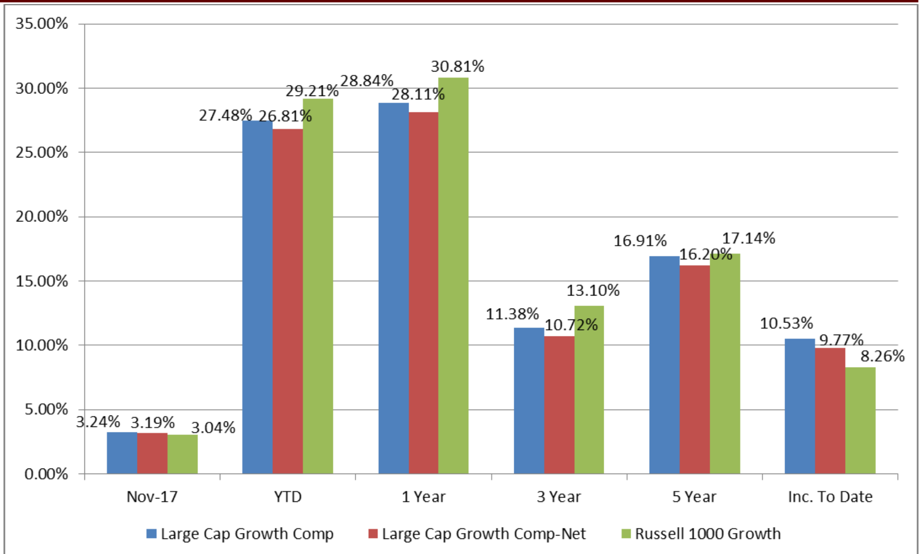


Chart 2: Factor Weights and Portoflio Exposures, Jul-Nov 2017

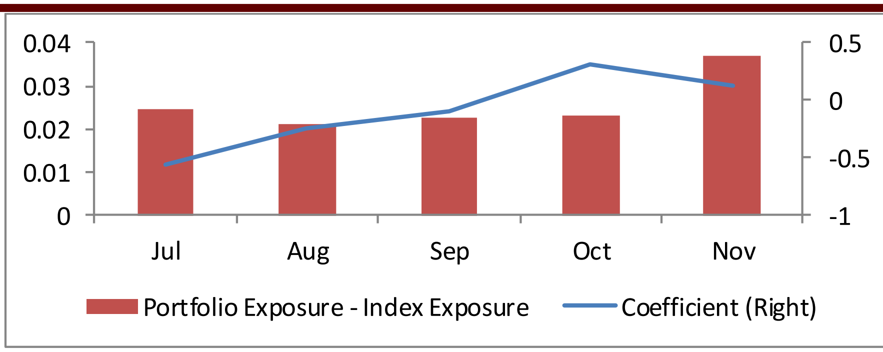
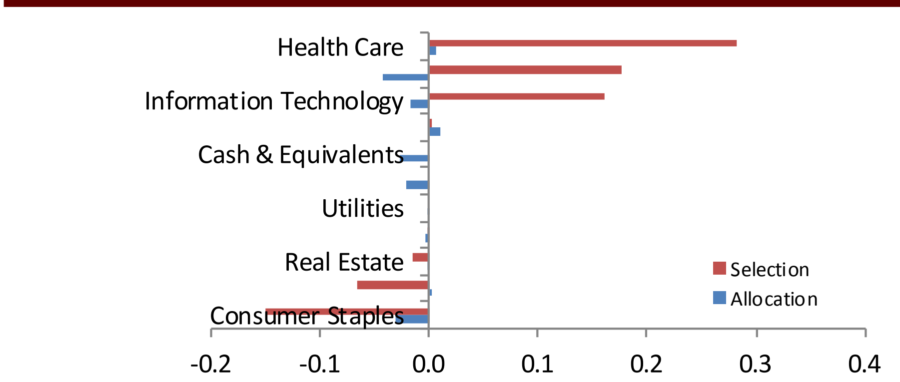


Chart 3: Sector Attribution, November 30, 2017



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, 2002.

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

Our performance for November, net-of-fees, U.S. Large Cap Growth Strategy was 3.19% (unaudited), compared to the Russell 1000 Growth Index return of 3.04%. The year-to-date return, net-of-fees, was 26.81%, compared to the benchmark return of 29.21%.

Factor Analysis

The neglect measure effect is picking up in our econometric models. The neglect measure for a given stock is the number of analysts that follow the company.

As shown in Chart 2, our models' coefficient estimates for neglect have been trending up since July 2017 and turned positive in the last month. This implies that the market is starting to favor the companies with more analysts following them.

Our portfolio's neglect exposure has marginally exceeded the index's neglect exposure since July 2017, and the exposure difference between our portfolio and index has been growing larger. For instance, in November 2017, the portfolio's neglect measure in our portfolio was 0.04 standard deviations above the index's mean exposure.

Sector Allocation Analysis

As shown in Chart 3, the health care sector was the leading performer during the month. Linking to the factor analysis above, most of our holdings in the health care sector have neglect exposures that are greater than one standard deviation above the index's mean exposure. This overweighting of the neglect exposure helped drive excess return in the health care sector in November. The consumer staples sector was the quarter's lead laggard. In particular, our selection in the beverage industry took a heavy hit in November.

Outlook

As discussed above, the coefficient of neglect exposure has started to tilt to the positive; we see a possible trend with the market's favor moving from less-covered companies to better-covered and better-known companies in the next few months. And, as the momentum factor continues to be strongly positive and the earning volatility factor remains low, we will continue to focus on companies with high momentum measures and stable earnings estimates.