The View from Decatur

October 2016

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

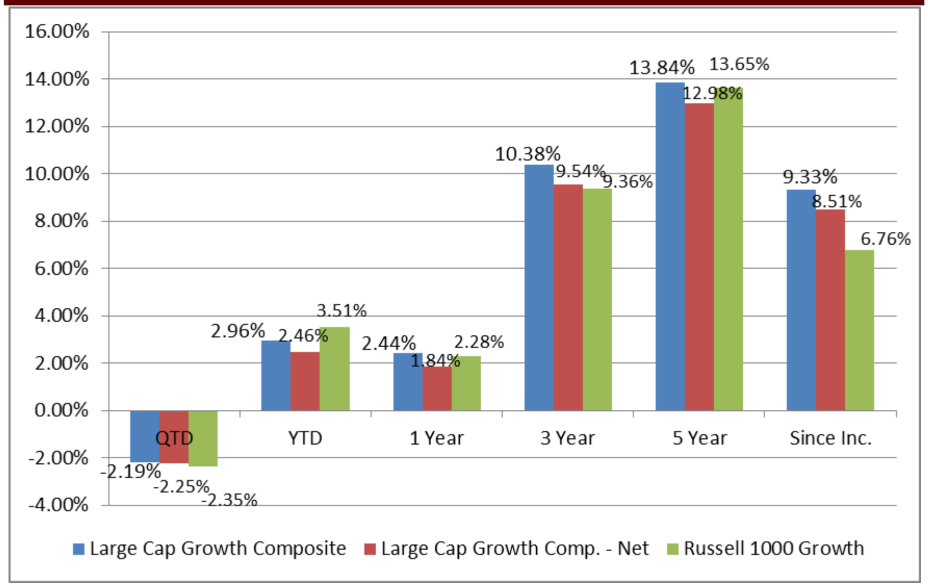


Chart 2: October 2016 Size and Stock Attribution

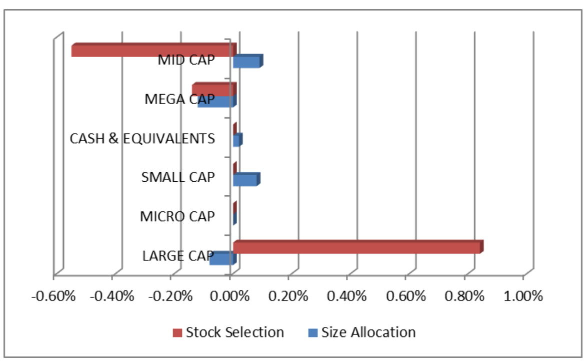
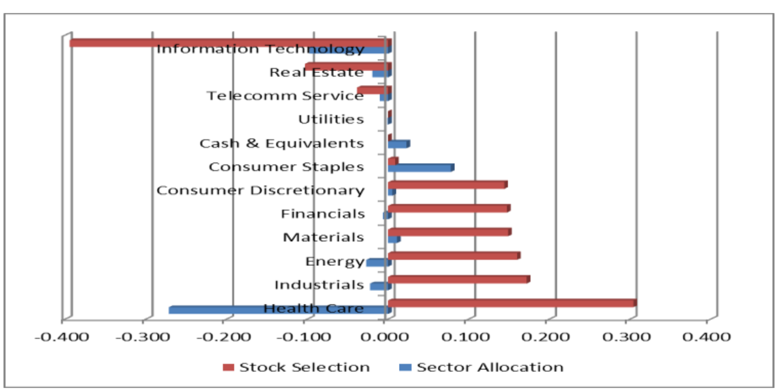


Chart 3: October 2016 Sector and Stock Attribution



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.

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 October, net-of-fees, of our U.S. Large Cap Growth Strategy was -2.25% (unaudited), compared to the Russell 1000 Growth Index return of -2.35%. The performance for the year to date, net-of-fees, was 2.46%, compared to the benchmark of 3.51%.

Size Analysis

Our stock selection within the various size distributions during the month of October favored the large cap range of stocks ($20B-$100B in market capitalization). We allocated 58% of the portfolio to the large cap range, compared to 40% for the benchmark. While this size allocation resulted in a very slight drag on performance, the stocks selected within that size category provided excess returns compared to the benchmark's holdings within the large cap range. Historically, we have found that the large cap range is our 'sweet spot' for excess performance.

The biggest single detractor during the month was Twitter (TWTR), which was in mid cap range ($5B-$20B in market capitalization). The stock declined significantly following news that it would not be acquired.

The mega cap stocks (greater than $100B in market capitalization) continue to lead performance for the benchmark's stocks. Thus, our decision to allocate 29% compared to the benchmark's 40% resulted in a slight drag on performance. Also, our stock selections within the mega cap stocks resulted in a drag to performance, driven by our selection of biotechnology and pharmaceutical industries within the mega cap stocks.

Sector Analysis

Within the industry sectors, healthcare contributed the most to stock selection performance during the month, as our healthcare stocks outperformed the benchmark's healthcare stocks. However, our decision to overweight the healthcare sector by 500 bps was a detractor from performance, as healthcare stocks in the benchmark generally underperformed the benchmark's overall performance. In net, we gained more from our good stock picks within the healthcare sector than we lost from our over-weighting of the generally underperforming healthcare sector.

Our models continue to tilt towards the healthcare equipment and services industry, and our industry overweight and stock selection within that industry resulted in excess performance. The industry-specific drag to the sector was our biotechnology stock picking. While we were underweight to biotechnology compared to the benchmark (a positive decision), our individual stock selections lagged behind the benchmark's biotech holdings. Overall, our models continue to overweight the healthcare sector.

The technology sector detracted the most in terms of within-sector stock-picking. Indeed, our decision to underweight this overall strong sector and our stock selection within the sector both hurt performance. While the drag from the sector allocation was relatively small, the stock selection decision was significant. Notably, it was mainly driven by the Twitter stock's market response to the news that the company would not be acquired. Excluding that idiosyncratic event, the performance of the stock selection met our expectations.

Outlook

We continue to allocate the majority of our portfolio to the large cap range ($20B-$100 in market capitalization). Unlike in 2015, recent outperformance has not been so heavily concentrated in the mega cap range (greater than $100B in market capitalization). While the benchmark's mega cap stocks continue as a group to perform well, our selection advantages in the large cap stocks are providing excess returns. We continue to focus on the positive and negative idiosyncratic impacts that occurs in our active strategy.

Note: Returns are measured in U.S. dollars net of fees. Decatur Capital Management, Inc. (DCM) is a registered investment advisor specializing in quantitative growth oriented investment management. The benchmark is the Russell 1000 Growth which is designed to measure the large cap growth firms within the U.S.. The benchmark is market cap weighted. DCM claims compliance with the Global Investment Performance Standards (GIPS). Returns are measured in US dollars net of fees and includes the reinvestment of all income. To receive a list of composite descriptions of DCM and/or presentation that complies with the GIPS standards, contact Ralph J. Bryant, CPA at (404) 270-9838 or ralphb@decaturcapital.com or write to DCM, 250 E Ponce De Leon Avenue, Suite 325, Decatur, GA 30030.