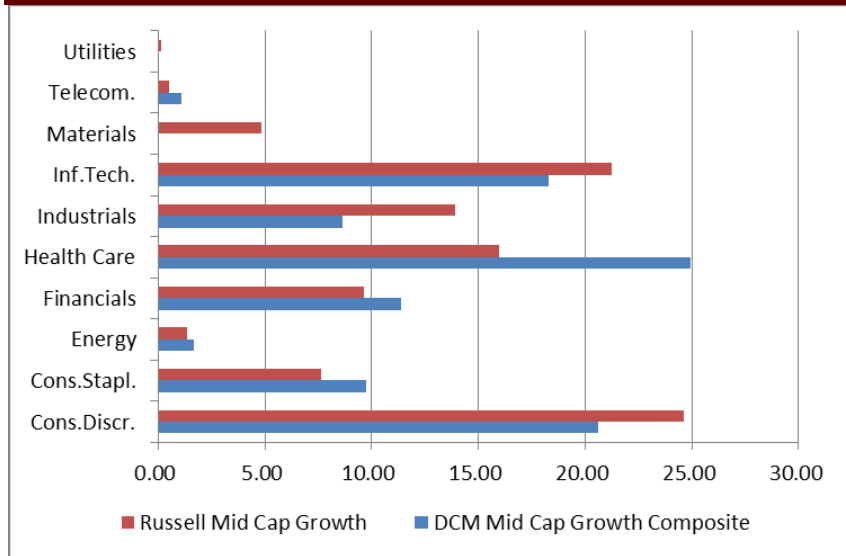


Portfolio Sector Allocation – August 2016



Mid-Cap Growth Strategy

Decatur Capital's Mid-Cap Growth strategy focuses on stocks with positive EPS estimate revisions, accelerating EPS growth and EPS surprises. Portfolio holdings range between 40-60 stocks.

Portfolio Commentary

The Mid-Cap Growth Composite gross TR was -0.56% compared to the Russell Mid-Cap Growth's TR of -0.29% in August 2016.

In terms of portfolio activity, we sold Electronic Arts (EA) and SBA Communications (SBAC), and trimmed our positions in the Mexican airport operators (ASR, PAC, OMAB) and Centene (CNC) for valuation reasons. We purchased a new position in BlackHawk Networks (HAWK) and added to existing positions in Maxim (MIXM), Activision Blizzard (ATVI), Varian Medical Systems (VAR), AmerisourceBergen (ABC), Mallinckrodt (MNK), CSRA (CSRA) and General Dynamics (GD) during August.

We have purchased a position in First Republic Bank (FRC), a San Francisco Bay Area-based private bank. From its founding in 1985, FRC has clearly been a "bank for the 1%". FRC was acquired by Merrill Lynch in '07, sold to a private equity fund after the GFC, and subsequently returned to the public markets via an IPO in 2010.

What sets FRC apart from the vast majority of other US commercial and private banks are the banking activities it will not pursue. FRC prides itself on its plain-vanilla private banking model and disseminates a long list of "no-go" banking activities - ranging from no investment banking to no foreign sovereign loans to not issuing trade LOCs. During our investing career, we have seen too many banks allocate precious capital to mediocre or highly competitive business lines, invariably resulting in serious capital losses over the course of a credit cycle. As such, it is a refreshing change to find a bank management team such as FRC's that sticks to its (higher margin) knitting and harbors few delusions of grandeur about becoming a full-service bank.

Both the asset and liability sides of FRC's balance sheet are pristine, and far better than the average US bank. FRC has only lost 18 bps in net loan losses on \$155bn in the cumulative loans originated since '85, a feat that is probably unrivalled anywhere in the banking world. 56% of the loan portfolio is in single-family mortgages and HELOCs, with an average LTV of 60% and a FICO score of 774. Deposits fund 88% of FRC's total liabilities, with 63% of the deposit mix coming from checking accounts, an enormous funding and competitive advantage when credit markets suffer their periodic squalls. FRC's F1 estimates have risen to \$3.91 from \$3.74 in the last 90days, while F2 has risen to \$4.40 from \$4.33 over the same period.

Mid-Cap Growth Performance (Composite Returns)

	MTD	YTD	1 Year	3 Year	Inception
DCM Mid-Cap Growth (Gross)	-0.56%	4.70%	4.20%	6.68%	11.53%
DCM Mid-Cap Growth (Net)	-0.63%	4.12%	3.34%	5.82%	10.64%
Russell Mid-Growth Index	-0.29%	6.89%	7.00%	10.68%	14.14%

Decatur Capital Mid-Cap Growth - Top Ten Holdings

Company	Ticker	Weight
Zimmer Holdings	ZBH	4.4%
Rite-Aid Corp	RAD	3.6%
CBOE Holdings	CBOE	3.6%
AmerisourceBergen	ABC	3.5%
Kroger	KR	3.5%
Cigna	CI	3.5%
Tegna	TGNA	3.4%
Taubman Centers	TCO	3.3%
Activision Blizzard	ATVI	3.2%
Varian Medical Systems	VAR	3.0%
Total		34.9%

- Disclosures**
1. Portfolio characteristics are similar to the benchmark, the Russell Midcap 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.