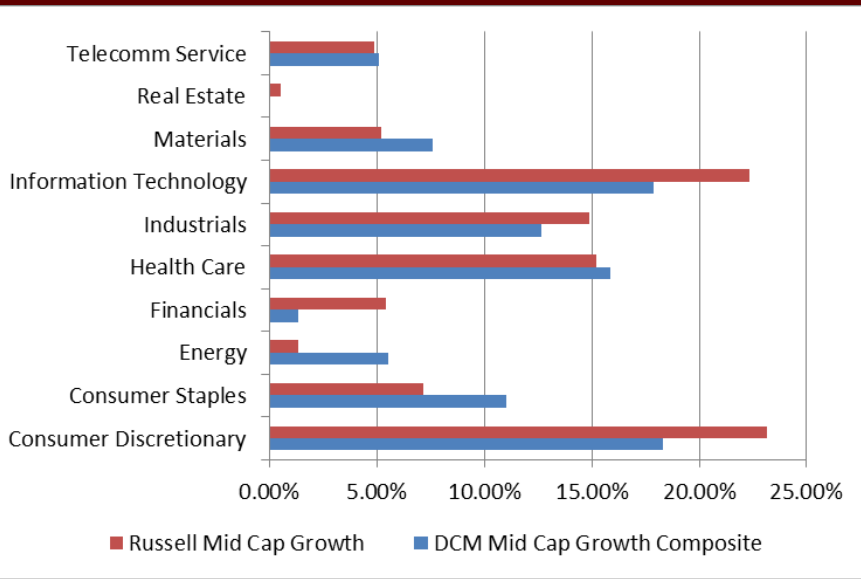


Portfolio Sector Allocation – March 2017



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's gross TR was -0.82% compared to the Russell Mid-Cap Growth's TR of 0.55% in March 2017.

March was a month of portfolio restructuring with a number of stocks sold after they hit our price targets. Activision Blizzard (ATVI), General Dynamics (GD) and PayPal (PYPL) were sold after their valuations clearly overshot their earnings prospects. We sold Gray Television (GTN) after a run-up in the broad TV broadcasting sector on rumors that the UHF discount would be reinstated by the FCC. We sold the Mexican airport basket (OMAB, ASR, PAC) after both the Mexican peso and equity markets bounced back sharply from their Trump-victory lows.

We purchased new positions in Yum Brands (YUM) and its newly separated China subsidiary, Yum China Holdings (YUMC). We added to Regeneron Pharma (REGN) after the FDA approved Dupixent for atopic dermatitis late in March, and purchased a new position in dialysis center operator, DaVita. We also added to positions in Southwestern Energy (SWN) and Kansas City Southern (KSU), both significant laggards during the 1st quarter, after we re-examined their earnings cycles and found them to be intact.

Murphy USA (MUSA), a fast-growing chain of gas stations, is a position within the Consumer Discretionary sector. MUSA has 1,400+ locations in 23 Southern and Midwest states, while staying away from densely populated markets where high real-estate costs hurt ROIC. MUSA has an interesting business strategy of "following Wal-Mart around", and locates its gas stations in the parking lots of WMT stores. This co-location arrangement, apart from a 3-5c discount per gallon for WMT customers, ensures a steady flow of customers to MUSA's stations. The downside to this cohabitation is that MUSA does not stock merchandise that is sold by WMT in its stores.

MUSA's per-gallon margins expand in an environment of lower crude oil prices since retail prices are only adjusted downwards after a meaningful lag. MUSA has cleaned up its balance sheet by reducing debt and commencing a \$250m buyback program. We are expecting the store base to expand by 75-100 locations annually with improving merchandise margins. MUSA reported a strong 3Q, beating consensus by 34c, and F2 estimates have moved from \$2.71 to \$2.97.

Mid-Cap Growth Performance (Composite Returns)

	MTD	QTD	1 Year	3 Year	Inception
DCM Mid-Cap Growth (Gross)	-0.82%	3.41%	8.59%	4.76%	10.99%
DCM Mid-Cap Growth (Net)	-0.89%	3.20%	7.71%	3.94%	10.13%
Russell Mid-Growth Index	0.55%	6.89%	14.07%	7.88%	14.00%

Decatur Capital Mid-Cap Growth - Top Ten Holdings

Company	Ticker	Weight
Edgewell Personal Care	EPC	3.7%
JC Penney	JCP	3.2%
Cabot Oil & Gas	COG	3.1%
Perrigo Company	PRGO	3.1%
Regeneron Pharmaceuticals	REGN	3.0%
Yum Brands	YUM	3.0%
Southwestern Energy	SWN	3.0%
Molson Coors Brewing Co.	TAP	2.9%
Liberty Global Class A	LBTYA	2.9%
Kansas City Southern	KSU	2.9%
Total		30.9%

Disclosures
 1. Mid Cap Growth Composite is comprised of 40-60 equity securities with a minimum market capitalization of \$1 Billion and a maximum portfolio average not to exceed 150% of the benchmark. The strategy focuses on growth of earnings and key valuation metrics. The benchmark is the Russell Mid Cap Growth Index. The Russell Mid Cap Growth Index represents the performance of those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values. As of November 2015, the minimum account size for this composite is \$100,000.
 2. Prior to November 2015, the minimum account size for this composite is \$1,000,000.
 3. Portfolio characteristics are similar to the benchmark, the Russell Midcap Growth Index.
 4. Performance is presented gross and net of management fees. Net of fee performance was calculated using the highest management fee 0.80% as noted in the composite fee schedule.
 5. The investment strategy of the composite has not changed during the investment period.
 6. This table reflects weights in a representative portfolio, and actual client portfolios may have differing weights.
 7. Past performance does not represent future results and current returns may be higher or lower than return data depicted.
 8. The Mid Cap Growth Composite was created on June 30, 2012.

Note: Returns are measured in U.S. dollars net of fees. Decatur Capital Management, Inc. (DCM) is a registered investment advisor specializing in growth oriented investment management. The benchmark is the Russell Mid Cap Growth which is designed to measure the mid 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.