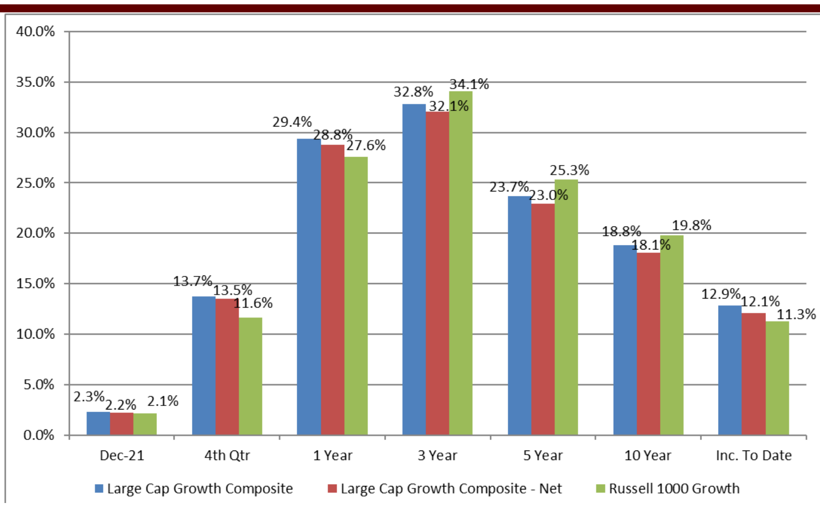
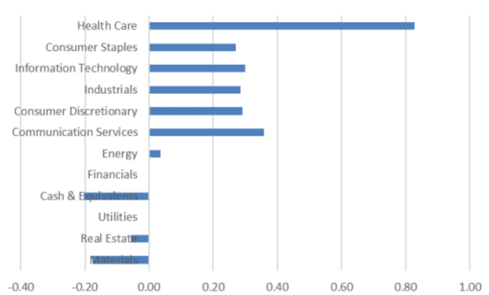
# The View from Decatur 4th Qtr 2021

## Chart 1: DCM Large Cap Growth Composite Trailing Performance December 31, 2021

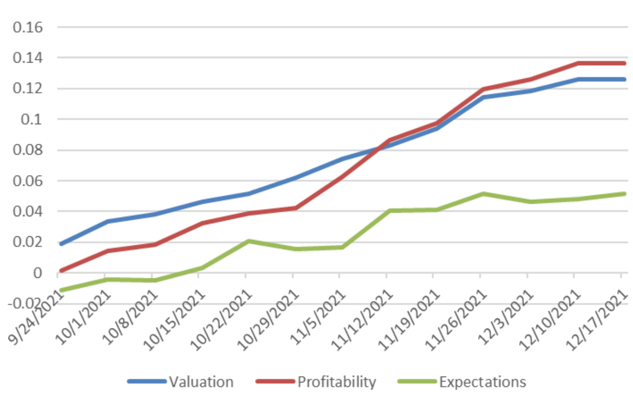



1. Large Cap Growth Composite is comprised of 40-60 equity securities with market capitalization of $5 Billion or more that pass our quantitative selection process and can be acquired at a reasonable price. The strategy focuses on growth of earnings and key valuation metrics. The benchmark is the Russell 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.

## Chart 2: Performance Attribution by Economic Sectors, 4Q 2021




## Chart 3: Cumulative Factor Model Weights, 4Q 2021




## DCM Strategy: U.S. Large Cap Growth

***Decatur Capital's strategy is focused on finding companies in the U.S. whose characteristics meet our quantitative selection process.***

**Portfolio Manager Commentary**

The net-of-fees performance for the quarter of the U.S. Large Cap Growth Strategy was 13.5% (unaudited), compared to the Russell 1000 Growth Index return of 11.6%.

**Performance Analysis**

Chart 2 presents the results of the quarterly portfolio performance attribution based on economic sectors. Clearly, the healthcare sector led the way!

The positive performance in healthcare was due to our stock selections in the healthcare services industry.

Our holding of UnitedHealth (UNH), a healthcare services company, surged during the quarter. This surge was due to positive earnings and revenue announcement exceeding analysts' forecast. Additionally, the company's price level has a favorable valuation. Also, UNH is exhibiting top quartile profitability.

We witnessed a performance lag in materials due to our stock selection in chemicals & synthetics industry.

Our holding of Albemarle (ALB), a lithium producer, lagged during the quarter. The lagging performance reflected the pullback on the general alternative energy market. While we believe that the price may be elevated at these levels, we continue to forecast positive profitability and increasing earnings and revenues. From the sustainability factor, we believe that the demand for lithium for electric vehicles, and bromide for fire control will be positive for the stock price. Therefore, we continue to hold ALB.

Chart 3 reflects our exposure to our model's cumulative factor weights. The valuation and profitability factors represent sector specific metrics. The expectation factor group is comprised of several factors including earnings and revenue revisions. The factors positive trend indicates that market rewarded our portfolio factor exposure during the quarter. We continue to believe that this portfolio positioning will continue to yield positive relative performance.

**Outlook**

2021 was quite a year! We believe our disciplined approach will be essential in 2022. First, COVID variants may continue to impact markets. We are preparing for a slowing economy based on inflation, Fed tightening, and the fading impact of stimulus. Lastly, we are concerned about global risk resulting from China's restrictive regulatory focus and the ongoing Taiwan controversy. The newest global risk is the Russia and Ukraine crisis. Given these risks, we continue to identify stocks that have pricing power. These stocks benefit from strong demand, no easy substitution, and high barriers to entry.

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). 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, 150 E Ponce De Leon Avenue, Suite 430, Decatur, GA 30030.