

Chart 1: DCM ADR International Composite Trailing Performance June 30, 2024

DCM Strategy: ADR International

Decatur Capital's strategy is focused on finding companies in developed and emerging markets outside of the U.S. whose characteristics meet our quantitative selection process.

Portfolio Manager Commentary

The net-of-fees performance for the quarter for the ADR International Strategy was -1.97% (unaudited), compared to the MSCI ACWI x US return of -0.49%. The net-of-fees performance for the year to date was 7.88% compared to the index return of 4.09%.

Performance Analysis

Chart 2 shows our selection of healthcare firms and Asia excluding Japan outperformed during the quarter, while our consumer discretionary and Canada selections were a drag on performance.

Nice, Ltd (NICE) an Israel based software firm was a drag on performance during the quarter. NICE provides enterprise software solutions. Market sentiment was negative for the stock amid a sharp price decline. NICE's market perception may be negatively impacted by the Israel-Hamas War. Therefore, we sold NICE during the quarter based on negative market sentiment.

Our holding of AstraZeneca (AZN), a UK based biopharmaceutical firm, provided positive performance during the quarter. AZN surprised on the upside for earnings and sales. Plus, analysts continue to increase estimates for sales during the past year. We rank AZN as a top decile firm for future performance.

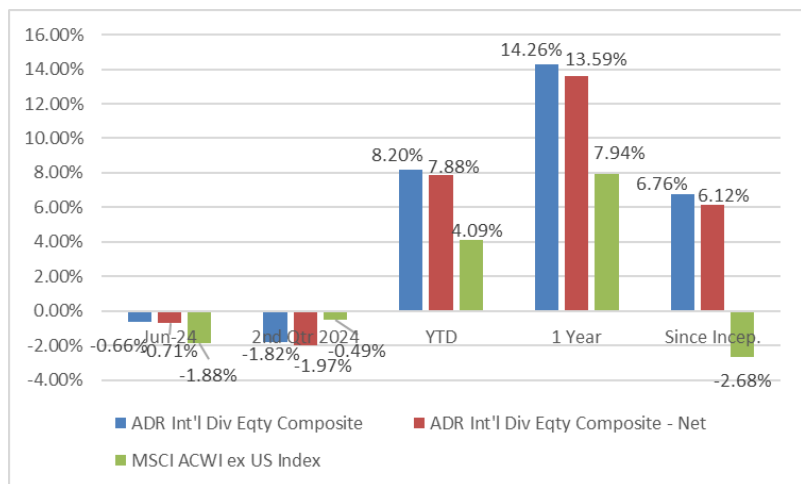
Factor Analysis

Chart 3 shows our normalized sector sales revisions. We use the analysts' sales revisions as one of our stock selection factors. We normalize the revisions to better compare each company with the global universe companies in this metric. The portfolio holdings scores exceed both positive and negative in most sectors. This provides an opportunity to focus on those companies that exhibit either positive or negative revisions. We continue to evaluate opportunities in healthcare and due to positive sales revisions. Currently, we are not adding to our consumer discretionary and REITs due to negative sales revisions.

Outlook

The threat of inflation continues to be the most significant global threat. The conflicts in Ukraine and Israel have minimal impact on capital markets. Global political elections could have an unforeseen impact on capital markets in 2025. Most economies are constraining inflation and we are forecasting an easing of inflationary pressure in 2025.

We continue to be positive on international markets and focus on healthcare and industrials sectors based on the positive sales revisions.



1. ADR International representative account is comprised of 30-50 equity securities with market capitalization similar to the MSCI ACWI ex US 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.
 2. Portfolio characteristics are similar to the benchmark, the MSCI ACWI x US.
 3. Returns are presented gross and net of management fees and include the reinvestment of all income. 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 0.70%.
 4. The investment strategy of the composite has not changed during the investment period.
 5. The 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 ADR International inception date is August 5, 2021.

Chart 2: Performance Attribution by Sector & Region 2nd Qtr. 2024

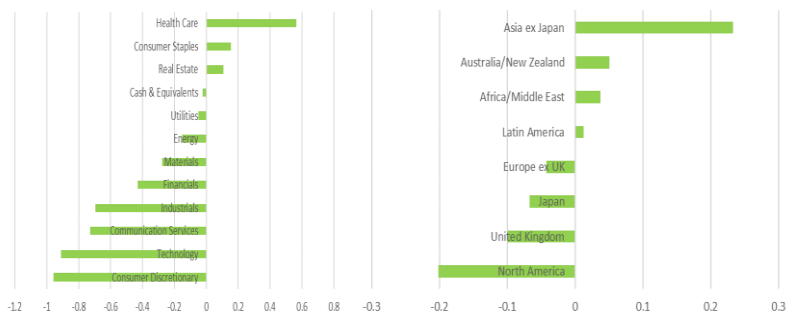


Chart 3: Sector Sales Revisions, 2nd Qtr. 2024

