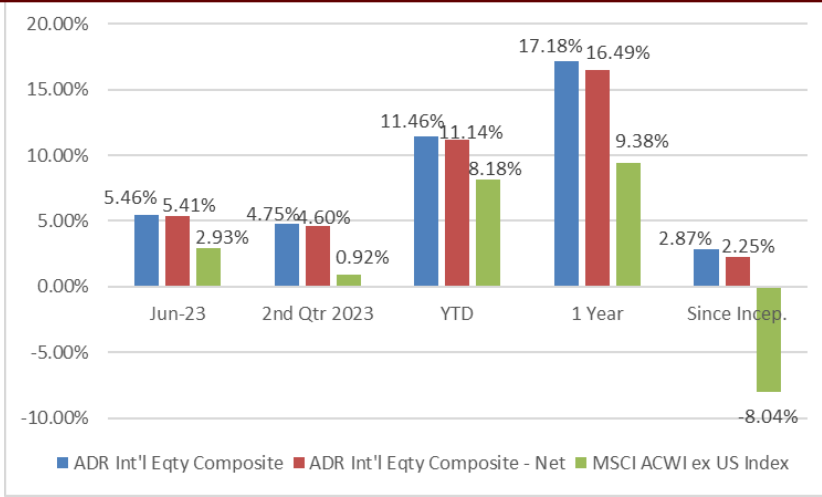


**Chart 1: DCM ADR International Composite Trailing Performance June 30, 2023**



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.

## 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 4.60% (unaudited), compared to the MSCI ACWI x US return of 0.92%.

### Performance Analysis

Chart 2 shows that our selection of companies based in Japan and Asia outperformed the other regions during the quarter.

Our selection of NetEase (NTES), a China based provider of online communication services, provided positive performance. NTES has three business units: gaming software, digital music provider, and online education. NTES' competitive advantage is its research & development investments and quality content. The company has a 19% cash return on invested capital and a reasonable valuation of 14X EBITDA. Also, analysts continued to increase their earnings estimates over the past three months. We continue to have a positive outlook for NTES.

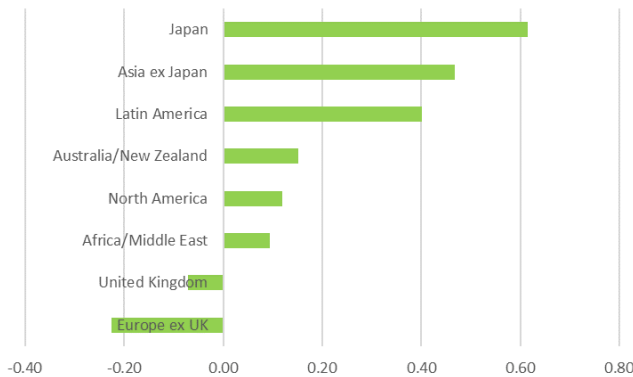
Our selection of STMicroelectronics (STM), a Switzerland based manufacturer of semiconductor products resulted in a performance lag. During the quarter, STM beat on earnings and revenues, but lowered guidance. The firm ranks in the top quintile for profitability with a 12% Cash ROIC. The valuation remains reasonably ranked at top quartile for valuation with a 7X EBITDA among technology firms. Therefore, we continue to have a positive outlook for STM.

### Outlook

In most developed countries, inflation is starting to decline, except for the U.K. In the G7 nations, inflation was down to 4.6% in May from 5.4% in April, the lowest rate since September 2021. We may be seeing the worst of inflation behind us which will be positive for the global economy. We see opportunities related to the global infrastructure, greater degree of on-shoring of manufacturing, and the increasing impact of sustainability.

In addition, the recovery of Asian markets has been positive for the international markets. The recovery is being powered by the reopening of the economy and pent up demand for goods and services. A number of our holdings are benefiting from the reopening and we continue to be selective in our exposures.

**Chart 2: Performance Attribution by Region 2nd Qtr. 2023**



**Chart 3: Performance Attribution by Sector 2nd Qtr. 2023**

