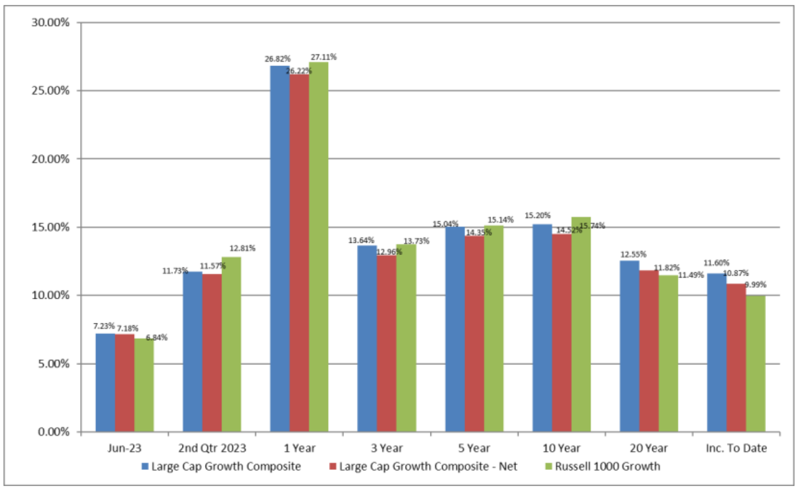
The View from Decatur — 2nd Qtr. 2023

Chart 1: DCM Large Cap Growth Composite Trailing Performance June 30, 2023



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, 2nd Qtr. 2023

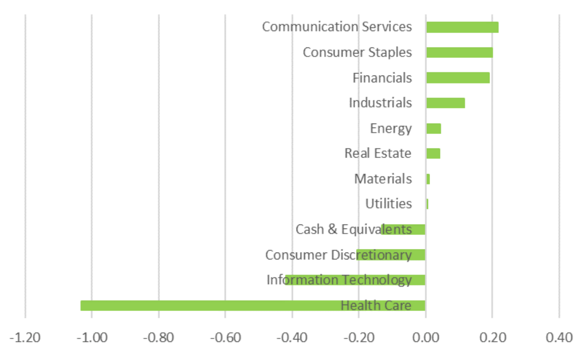
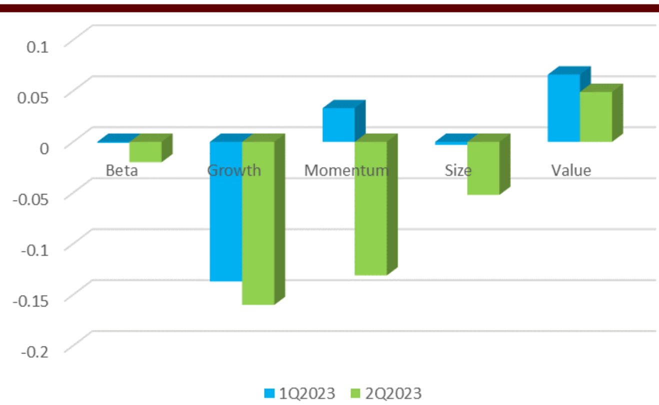


Chart 3: Active Factor Exposure, 1st & 2nd Qtr2023



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 11.6% (unaudited), compared to the Russell 1000 Growth Index return of 12.8%.

Performance Analysis

Chart 2 presents the results of the quarterly portfolio performance attribution based on economic sectors. Our selections in the communication services sector provided positive returns while our selections in healthcare negatively impacted performance during the quarter.

The positive performance in communication services was due to our stock selection in Meta Platform (META). META experienced positive returns during the quarter. META has top quartile profitability with a Cash ROIC of 11%. Also, analysts are increasing earnings and revenue estimates for the upcoming quarter. The increase in estimates is mainly driven by ad revenues from Reels, Instagram, and Facebook. Even with the firm's market price surge, it is ranked in the top half for upside performance from these levels. Overall, META continues to be ranked in the top decile for performance among communication services stocks.

The performance lag occurred in the healthcare sector due to Pfizer's (PFE) lackluster returns. Analysts are reducing their earnings and revenues estimates based on slowing sales due to the decline in the COVID related treatments. However, the firm still ranks in the top quintile for profitability with a Cash ROIC of 13%. Given the share pullback, the valuation ranks in the top decile among healthcare stocks. The risk to PFE is the lack of a catalyst to serve as a tailwind for the stock price. While we have a positive view of the stock, we do not anticipate significant price appreciation in the near term.

Factor Analysis

Chart 3 reflects our exposure to our common factors. The comparison of the first and second quarters shows that the biggest change occurred in momentum. The active momentum exposure moved from 0.03 to a -0.13 while the other factors remained at approximately the same level. The underperformance for the month occurred in the stock selection within the two highest quintiles for momentum. We will continue to monitor the momentum factor to determine if a trend is developing.

Outlook

Recently, the Federal Reserve (Fed) paused on the rate hike in June 2023. In our first quarter outlook, we discussed that a pause was on the horizon, however, it occurred faster than we anticipated. The current market level, S&P 500 at 4400, has surged through our 4200 year end target. The pause and momentum may be to two strong tailwinds to push markets higher. Therefore, we will increase our beta exposure while maintaining our focus on profitability, valuation and expectations.

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, 160 Clairemont Avenue, Suite 200, Decatur, GA 30030.