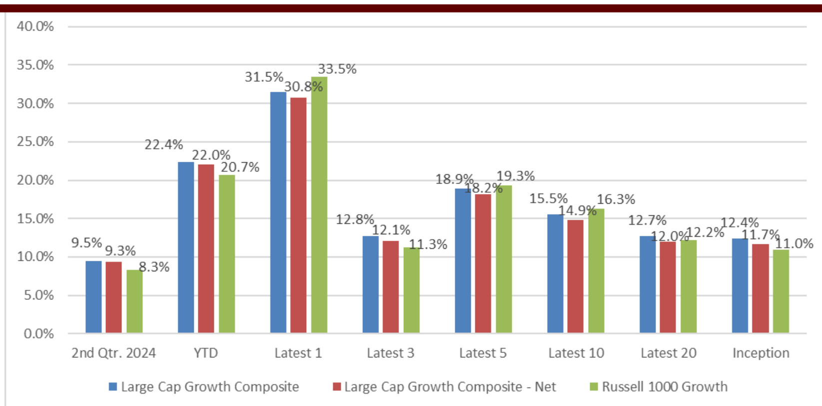
The View from Decatur — 2nd Qtr. 2024

Chart 1: DCM Large Cap Growth Composite Trailing Performance June 30, 2024



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. 2024

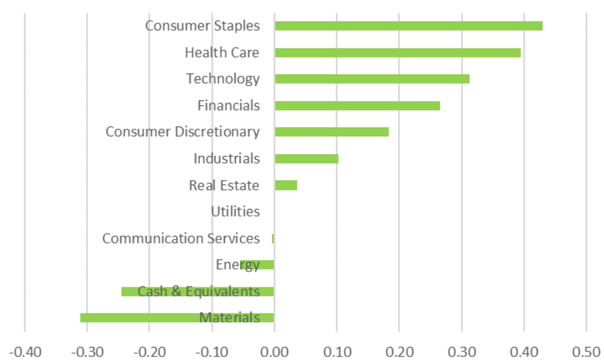
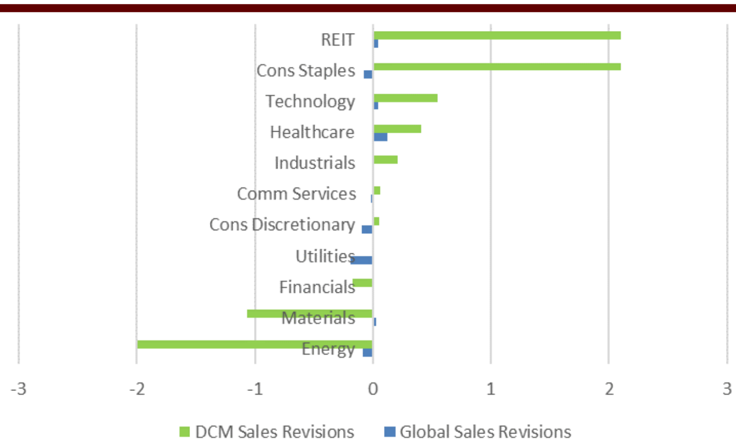


Chart 3: Sector Sales Revisions, 2nd Qtr 2024



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 9.30% (unaudited), compared to the Russell 1000 Growth Index return of 8.34%. The net-of-fees performance for the year to date was 22.17% compared to the index return of 20.70.

Performance Analysis

Chart 2 presents the results of the quarterly portfolio performance attribution based on economic sectors. Our selections in the materials sector resulted in negative relative return while our selections in consumer staples provided positive performance during the quarter.

The negative performance in the materials sector was due to our holding in Nucor (NUE). NUE is one of the leading global steel producers. Analysts have decreased their future expectations for earnings and sales growth for NUE. This is due to a slowing of economic activity resulting in NUE missing analysts' earnings forecast by approximately 5% in April 2024. We have reduced our allocation to NUE and will continue to monitor the company.

The positive performance in the consumer staples sector was due to Costco (COST). COST sells high volume food and merchandise at discounted prices through membership warehouses in several countries. Analysts increased their future expectations for earnings and sales growth, resulting in a 2% surprise in earnings, leading to positive price appreciation. We rank COST in the top third of companies for future performance and we will continue to hold it.

Factor Analysis

Chart 3 shows our normalized analysts' 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 universe of global 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 real estate investment trusts (REITs), consumer staples, technology, and healthcare. Currently, we are not adding to our energy, materials or financial sector companies.

Outlook

The surge in growth stocks continues. The Atlanta Federal Reserve's Sticky Consumer Price Index (CPI) tracks costs such as housing and medical expenses. This measure continues to be at 4.3%, which is above the Federal Reserve's target of 2%-2.5%. The Fed will eventually ease rates, possibly in 2025 as the Sticky CPI declines. Also, the global elections, to include the U.S., may impact markets.