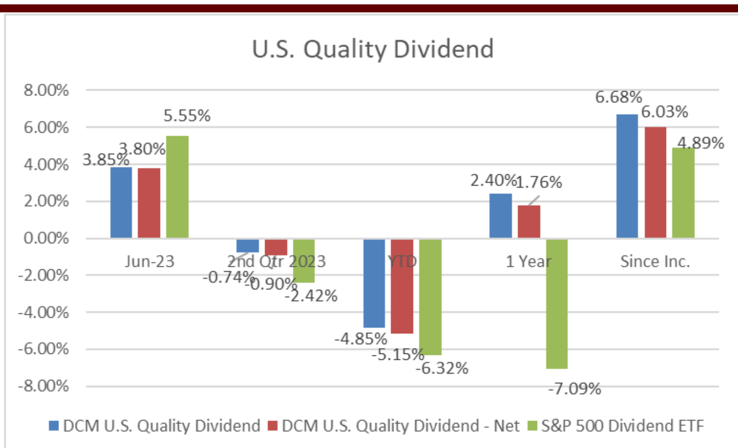
The View from Decatur — 2nd Quarter 2023

Chart 1: U.S. Quality Dividend Composite Trailing Performance June 30, 2023



1. U.S. Quality Dividend representative account is comprised of 50-70 equity securities with market capitalization similar to the S&P 500 Dividend Index that pass our quantitative selection process and can be acquired at a reasonable price. The strategy focuses on dividends and key valuation metrics. The minimum account size for this composite is $1,000,000.
2. Portfolio characteristics are similar to the benchmark, the S&P 500 Dividend Index.
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 0.60%.
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 U.S. Quality Dividend inception date is January 31, 2021.

Chart 2: Performance Attribution by Economic Sectors, 2nd Qtr. 2023

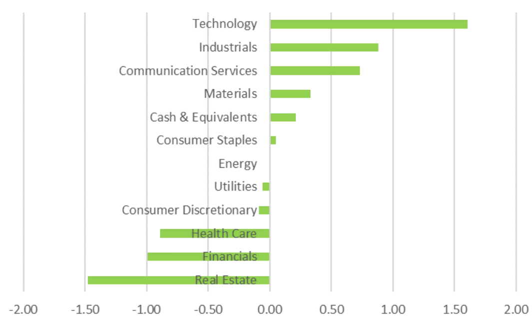
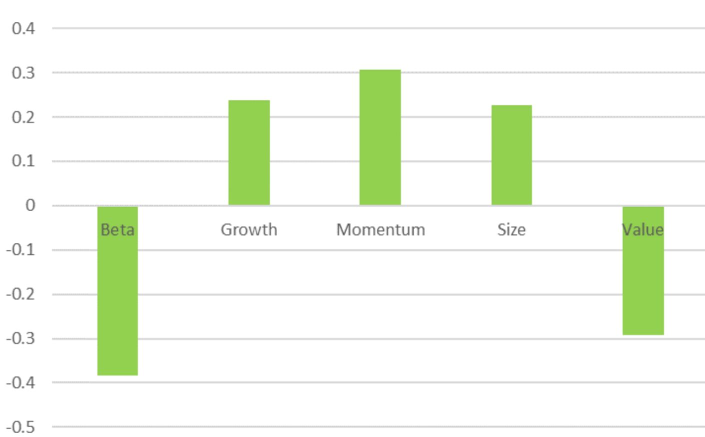


Chart 3: Active Factor Exposure, 2nd Qtr2023



DCM Strategy: U.S. Quality Dividend

Decatur Capital's strategy is focused on finding U.S. companies that provide dividend income and whose characteristics meet our quantitative selection process.

Portfolio Manager Commentary

The net-of-fees performance for the quarter for the U.S. Quality Dividend Strategy was -0.90% (unaudited), compared to the S&P High Dividend Index return of -2.42%.

Performance Analysis

Chart 2 presents the results of the quarterly portfolio performance attribution based on economic sectors.

Selections in the technology sector provided positive returns. Broadcom, (AVGO), a global supplier of semiconductors, surged during the quarter. The company is benefiting from its artificial intelligence (AI) research and development investments. AVGO has a top decile rank in profitability with a Cash ROIC of 26%. The firm's valuation is reasonable, even after the recent surge, and ranks top decile among technology firms for valuation with a 16X EBITDA. We are forecasting that AVGO will perform in the top decile for technology firms.

The drag on performance was due to selection in the real estate sectors. W.P. Carey, (WPC), a diversified REIT with holdings in industrials, warehouse, office, and retail properties, experienced a price decline during the quarter. The decline was due to the market's increasing interest rate environment which increases the firm's cost of debt. The price decline does not reflect the fundamentals of the company. WPC is ranked in the top quartile for profitability with a Cash ROIC of 6% among REITs. Analysts have upgraded their outlook for earnings and revenue during the past three months. We continue to rank WPC in the top deciles among REITs for performance.

Factor Analysis

Chart 3 reflects our exposure to common factors. The quality dividend strategy has less risk relative to the benchmark's beta. The dividend portfolio is focused on growth and momentum opportunities with relative higher active exposures of 0.2 and 0.3 standard deviations, respectively. The strategy invests in companies that may be larger than the benchmark and is reflected in the size difference of 0.2. The average market capitalization for the strategy is $79B compared to the benchmark's $36B. The strategy has a dividend yield of 4% compared to 5% for the benchmark, which is reflected in the lower active exposure value of -0.3.

Outlook

The recent Federal Reserve pause in the interest rate hike cycle indicates that the Fed is evaluating the impact of their policy on the economy. We are forecasting that the Fed may resume the hikes since the sticky CPI remains at 6.1% well above the Fed's target rate for 2023 which is 5.6%. The market has been led by high beta technology firms during the first half of the year. The focus of the dividend strategy is to provide stable returns with income; therefore, the strategy may lag the more growth oriented benchmarks that have led the markets during the first half of the year.

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 S&P 500 Dividend. The strategy focuses on dividends and key valuation metrics. 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.