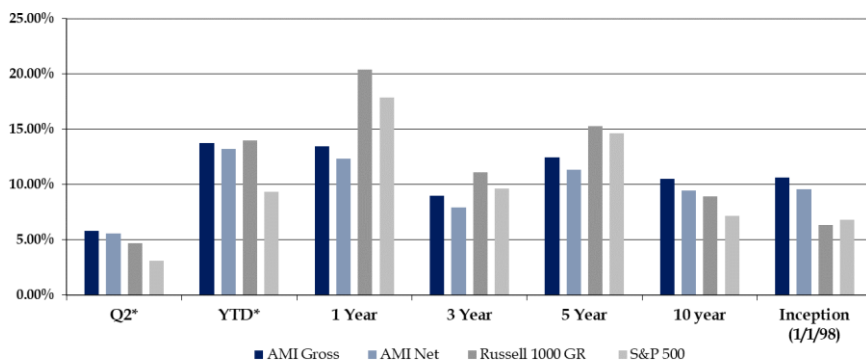


# AMI Large Cap Growth Equity Factsheet

Growth Through Stability

Q2 • 2017

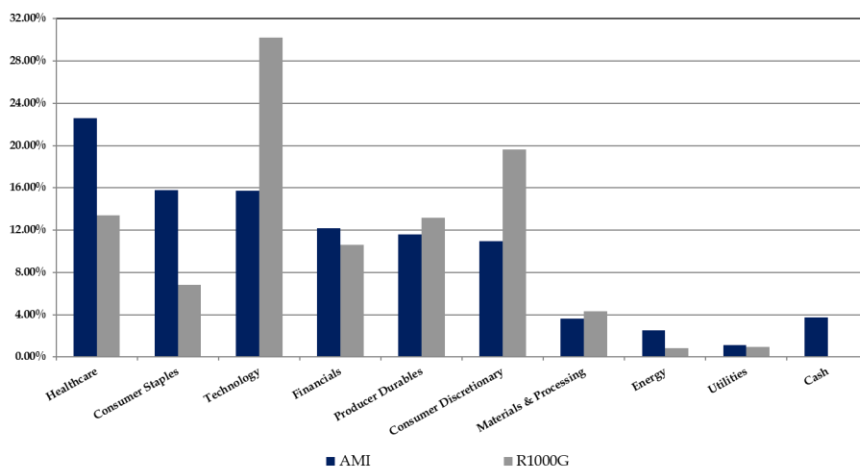
## Annualized Returns



	Q2 2017*	YTD*	1 Year	3 Year	5 Year	10 year	Inception (1/1/98)
<b>AMI Gross</b>	<b>5.80%</b>	<b>13.74%</b>	<b>13.45%</b>	<b>8.98%</b>	<b>12.44%</b>	<b>10.51%</b>	<b>10.65%</b>
<b>AMI Net</b>	<b>5.55%</b>	<b>13.21%</b>	<b>12.36%</b>	<b>7.92%</b>	<b>11.35%</b>	<b>9.43%</b>	<b>9.57%</b>
<b>Russell 1000 Growth</b>	4.67%	13.99%	20.42%	11.11%	15.30%	8.91%	6.32%
<b>S&amp;P 500</b>	3.09%	9.34%	17.90%	9.61%	14.63%	7.18%	6.79%

As of 6-30-17. Net returns are based on an annual fee of 1.00%. Past performance is not an indication of future returns. The above reflects the performance of the Domestic Large Cap Growth Composite and includes the reinvestment of dividends and other earnings. Please refer to important disclosures on the back page. Source - AMI. \*Non-annualized performance numbers.

## Sector Allocations (%)



\*\*Please see the following page for important disclosures.

## Firm Summary:

- Founded in 1994
- Located in Los Angeles, CA
- Employee Owned
- Total Firm-Wide Assets: \$1.8 Billion
- Total Strategy Assets: \$1.0 Billion

## Investment Philosophy and Process:

- Invest in companies with recurring revenue business models, defined as having products and services with < 2 year life span
- Utilize a fundamental, bottom-up approach to identify high quality growing companies with good growth prospects, strong cash flow and good balance sheets
- Purchase securities at attractive valuations as determined by AMI's proprietary models
- Concentrated portfolio of 30-35 names with turnover of approximately 20-30%
- Target in-line participation in up markets, with significant downside protection

## Portfolio Characteristics

	AMI Growth	Russell 1000G	S&P 500
<b>Price/Earnings</b>	20.1	26.9	17.6
<b>Price to Book Value</b>	4.6	6.9	3.0
<b>EPS LTG Estimate</b>	12.0%	12.6%	NA
<b>Dividend Yield</b>	1.2%	1.4%	2.0%
<b>Dollar Wt. Mkt Cap. (Bill)</b>	\$107.6	\$190.5	\$43.2
<b>Median Mkt. Cap. (Bill)</b>	\$51.6	\$10.2	\$20.6
<b>Positions</b>	34	557	505

\*\*Please see the following page for important disclosures.

**AMI**  
ASSET MANAGEMENT

## Top Ten Holdings

	Sector	Weight
Church and Dwight (CHD)	Consumer Staples	5.21%
Becton Dickinson (BDX)	Healthcare	4.12%
PepsiCo (PEP)	Consumer Staples	4.03%
Allergan (AGN)	Healthcare	3.94%
Lab Corp. Holdings (LH)	Healthcare	3.82%
Charles Schwab (SCHW)	Financial	3.76%
FedEx Corp (FDX)	Producer Durables	3.75%
Zoetis (ZTS)	Healthcare	3.69%
Ecolab (ECL)	Materials and Processing	3.66%
Mastercard (MA)	Financial	3.57%

## Risk/Return Statistics

	3 Year	5 Year	10 Year
Standard Deviation	8.66	8.59	13.01
R-Squared	0.75	0.82	0.79
Alpha	-2.33	-2.38	3.86
Beta	1.05	0.99	0.70
Sharpe Ratio	1.01	1.43	0.77
Tracking Error	4.30	3.64	7.72
Upside Capture	89.50	87.05	84.59
Downside Capture	138.07	145.18	61.75

As of 6-30-17. Source – PSN Informa Enterprise. The above information is based on a representative account and client's accounts may vary. The portfolio characteristics information is being presented as supplemental information to the AMI Domestic Large Cap Growth Composite. Based on quarterly performance.

\*\*\*Please see below for important disclosures.

### AMI Asset Management Domestic Large Cap Growth Composite Performance Report January 1, 1998 through December 31, 2016

Year	Total Firm Assets (\$)	Total Composite Assets (\$)	Composite Composed of Carve-Outs (%)	Composite Accounts at Year-End	Composite Non-Fee-Paying Accounts (%)	Total Return % (Gross)	Total Return % (Net)	S&P 500 <sup>®</sup> Total Return (%)	Russell 1000 <sup>®</sup> Growth Return (%)	Internal Dispersion (%)	Composite 3-Yr St Dev (%)	S&P 500 <sup>®</sup> Total Return 3-Yr St Dev (%)	Russell 1000 <sup>®</sup> Growth 3-Yr St Dev (%)
1998	78,191,889	10,337,846	92	15	47	61.32	59.89	28.58	38.71	n/a <sup>†</sup>			
1999	111,490,925	17,273,108	87	29	24	2.39	1.37	21.04	33.16	17.79			
2000	135,547,048	27,871,170	94	47	28	14.10	13.00	-9.10	-22.42	21.32			
2001	151,024,054	48,610,638	79	101	0	-5.78	-6.73	-11.89	-20.42	7.19			
2002	142,900,724	58,677,522	69	143	18	-13.68	-14.57	-22.10	-27.88	5.44			
2003	178,661,274	96,389,995	60	200	12	27.99	26.79	28.68	29.75	5.76			
2004	209,851,255	138,470,752	50	249	5	16.18	15.06	10.88	6.30	6.38			
2005	305,431,425	193,735,218	43	342	3	8.66	7.61	4.91	5.26	6.02			
2006	356,240,234	208,487,349	55	158	0	2.92	1.90	15.79	9.07	2.17			
2007	406,750,350	242,114,894	58	162	0	14.18	13.08	5.49	11.81	2.71			
2008	388,681,780	171,710,444	53	134	0	-22.03	-22.87	-37.00	-38.44	1.62			
2009	453,680,134	195,966,631	2	121	0	22.02	20.86	26.46	37.21	1.84			
2010	528,289,682	251,454,682	0	141	0	15.92	14.80	15.06	16.71	0.54			
2011	646,220,334	322,062,286	0	170	0	7.03	5.98	2.11	2.64	0.35	10.71	15.24	15.28
2012	803,448,904	422,335,857	0	194	0	17.94	16.81	16.00	15.26	0.25	10.13	13.03	13.45
2013	1,202,046,130	655,958,453	0	283	0	31.12	29.89	32.39	33.48	0.37	9.52	11.92	12.16
2014	1,476,318,603	784,078,336	0	322	0	14.30	13.19	13.69	13.05	0.16	8.46	8.96	9.58
2015	1,756,380,341	462,222,146	0	246	0	3.85	2.82	1.38	5.67	0.23	9.84	10.46	10.68
2016	1,683,058,163	345,910,812	0	256	0	0.33	-0.67	11.96	7.08	0.18	10.40	10.58	11.14

† The composite contains five or fewer households and therefore no internal dispersion is calculated

1. AMI Asset Management Corporation ("AMI") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. AMI Asset Management has been independently verified for the periods January 1, 1998 through December 31, 2016. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Domestic Large Cap Growth Composite has been examined for the periods January 1, 1998 through December 31, 2016. The verification and performance examination reports are available upon request.

2. AMI is an independent investment management firm registered with the Securities and Exchange Commission. AMI was established in 1994; however, we did not start investing on clients' behalf until 1998. AMI manages equity and fixed income accounts for our clients. We offer seven investment options: Domestic Large Cap Growth Strategy, Domestic Small Cap Growth Strategy, Domestic Small-Mid Cap Growth Strategy, Domestic Large Cap Equity Income Strategy, Government/Corporate Fixed Income Strategy, Intermediate Quality Tax Exempt Strategy and a High Yield Capital Appreciation Strategy.

3. The Domestic Large Cap Growth Composite includes all fully discretionary, fee-paying and non-fee-paying, taxable and nontaxable households with at least \$400,000 in equities on the last day of the previous quarter. Beginning January 1, 2006, the composite was constructed using client households, as defined, whereas previously the composite was constructed at the account level. The composite was modified beginning January 1, 2006, to reflect the increase in our minimum equity balance per household from \$100,000 to \$400,000. AMI manages the Domestic Large Cap Growth Composite with the goal of achieving long term returns in excess of both the S&P 500<sup>®</sup> Total Return and the Russell 1000<sup>®</sup> Growth Index through investing in quality large cap growth companies that trade at a discount to their values. This composite was created in January 1998. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

4. Returns are presented gross and net of management fees and include the reinvestment of all income. Gross returns are presented before management fees but after all trading expenses. Net returns are calculated by deducting an annual fee of 1.0% from the quarterly gross composite return. The annual fee schedule is as follows for institutional accounts: 0.70% on the first \$10 million, 0.60% on the next \$15 million, 0.50% on the next \$25 million and 0.40% on the balance.

5. The benchmarks we use are the Standard & Poor's 500<sup>®</sup> Total Return and the Russell 1000<sup>®</sup> Growth Index. The Standard & Poor's 500<sup>®</sup> Total Return is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. It includes a representative sample of 500 leading companies in leading industries of the U.S. economy. The S&P 500<sup>®</sup> Total Return focuses on the large cap segment of the market with over 80% coverage of U.S. equities. The Russell 1000<sup>®</sup> Growth Index measures the large-capitalization growth sector of the U.S. equity market. It is a subset of the Russell 1000<sup>®</sup> Index. The Index is capitalization-weighted and consists of those companies, or portion of a company, with higher price-to-book ratios and higher forecasted growth within the Russell 1000<sup>®</sup> Index. The Russell 1000<sup>®</sup> Growth Index was added as an additional benchmark on January 1, 2013 and since the inclusion of the additional benchmark represents a more complete comparison to our composite strategy, the data was applied retroactively. The benchmark was changed from the S&P 500<sup>®</sup> Index to the S&P 500<sup>®</sup> Total Return on January 1, 2007. The inclusion of dividends in the S&P 500<sup>®</sup> Total Return represents a more accurate comparison to our composite strategy, and therefore was applied retroactively.

6. The actual cash and cash equivalents in each household are used in the performance of the composite. Prior to January 1, 2010, cash was allocated to the equity carve-out returns based on actual average monthly cash balances of households in the composite and the respective returns of those cash balances. Prior to January 1, 2005, cash was allocated to the carve-outs in the composite based on the average quarterly percentage of cash in a typical equity-only account. The three-month T-bill rate was used as the return on the cash allocation percentage.

7. Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market or economic developments. Past performance is not indicative of future results. The performance information is supplied for reference. Results will vary among accounts.

8. Valuations and returns are computed and stated in U.S. dollars. The internal dispersion of annual returns is measured by the standard deviation of equal-weighted household returns presented within the composite for the full year. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The standard deviation is not presented for 1998-2010 because monthly composite and benchmark returns were not available and is not required for periods prior to 2011. Accounts managed by AMI Asset Management Corporation do not make use of leverage, derivatives or short positions.

9. Beginning on January 1, 2006, a significant cash flow policy was added to the Domestic Large Cap Growth Composite. A significant cash flow is defined as a cash flow greater than 40% of the equity portfolio during the quarter.

10. To receive a complete list of composite descriptions, contact Katharine Kim at (424) 320-4003, or write AMI Asset Management Corporation, 10866 Wilshire Boulevard Suite 770, Los Angeles, California 90024, or Katharine@amiassetmanagement.com.

\*\* As of 6-30-17. Source – Bloomberg, AMI, Russell, and Standard and Poors. The above information is based on a representative account and clients accounts may vary. The portfolio characteristics information is being presented as supplemental information to the AMI Domestic Large Cap Growth Composite.

\*\*\* As of 6-30-17. Holdings are subject to change. The above information is based on a representative account and client's accounts may vary. The reader should not assume that an investment in the securities identified was or will be profitable. A complete list of all buy and sell recommendations for this strategy within the last 12 months is available upon request. AMI Asset and/or one or more of its employee may have a position in these securities and may purchase and sell such securities from time to time. The holdings information is being presented as supplemental information to the AMI Domestic Large Cap Growth Composite.