

AMI TAXABLE FIXED INCOME PRODUCT PROFILE

AMI Asset Management

June 2018

Firm Summary

Founded in 1994, AMI has a 25+ year track record of success in serving both Institutions and High Net Worth Individuals. AMI manages separate accounts within the Fixed Income (Municipal, Core and High Yield) and Equities (Large Cap Growth, Small Cap Growth, SMID Cap Growth and Domestic Large Cap Equity Income) asset classes. The investment team has 157+ years of investment experience and the firm has approximately \$1.7 billion in assets under management as of June 30, 2018.

Taxable Fixed Income Investment Objectives

AMI's Taxable Fixed Income objective is to provide current income consistent with preservation of capital and growth of capital as a secondary objective. It is suitable for most taxable investors looking for diversification from their equity exposure as well as those desiring a high degree of current income.

Strategy

- ◆ Portfolios may be invested in U.S. Government and agency securities, corporate bonds, mortgages, asset backed securities, and taxable municipal bonds.
- ◆ AMI's disciplined, research driven approach starts with a top-down analysis of the economy to determine which sectors are likely to perform best under our 12-18 month outlook. The firm also considers the relative valuation of each sector as compared to its historical mean as well as to that of other sectors. This provides sector weightings and industry allocations.
- ◆ Issue selection is determined by a bottom-up fundamental external sources as well as internal proprietary research.
- ◆ Corporate bonds are examined for their ability to deleverage their balance sheets, increase interest coverage and achieve fundamental financial improvement so as to achieve ratings upgrades resulting in bond price appreciation (spread tightening).
- ◆ Portfolios are separately managed and no derivatives, hedging or leveraged strategies are used. Additionally, portfolios can be easily customized to meet client requests including cash flow needs, yield requirements, sector exposure and maturity limitations.

Performance

Period Returns (Since Inception 1-1-09)	AMI Returns (Gross)	AMI Returns (Net)	B of A U.S. Corp. & Govt. 1-10 Year
YTD	-0.40%	-0.69%	-0.97%
1 Year	1.07%	0.46%	-0.57%
3 Year	3.28%	2.66%	1.18%
5 Year	3.71%	3.10%	1.69%
Inception	4.01%	3.40%	2.99%

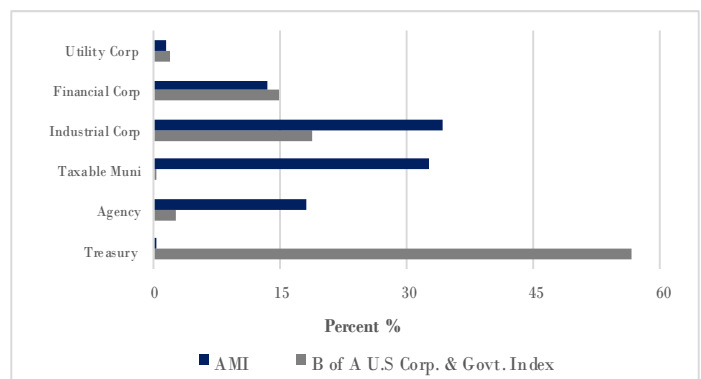
As of 6/30/18. Source – AMI. Net returns are based on an annual fee of 0.60%. Past performance is not an indication of future returns. The above reflects the performance of the AMI Government/Corporate Fixed Income Composite and includes the reinvestment of income. Please refer to important disclosures on last page.

General Portfolio Characteristics

	AMI	B of A U.S. Corp. & Govt. 1-10 Year
Credit Quality	A-	A
Effective Maturity	3.97 Years	4.19 Years
Modified Duration	3.40 Years	3.79 Years
Yield to Worst	4.13%	3.15%
Yield to Maturity	4.93%	3.15%

As of 6/30/18. Source – AMI and Bloomberg. The portfolio characteristics information is being presented as supplemental information to the Government/Corporate Fixed Income Composite. Please refer to important disclosures on last page.

Portfolio Composition



As of 6/30/18. Source – AMI and Bloomberg. The portfolio characteristics information is being presented as supplemental information to the AMI Government/Corporate Fixed Income Composite. Please refer to important disclosures on last page.

Annual Performance

Year	AMI Returns (Gross)	AMI Returns (Net)	B of A U.S. Corp & Govt. 1-10 Yr. Index
2009 Annual	5.76%	5.24%	5.71%
2010 Annual	4.43%	3.81%	6.04%
2011 Annual	5.40%	4.78%	5.88%
2012 Annual	6.01%	5.39%	4.24%
2013 Annual	-0.18%	-0.78%	-1.04%
2014 Annual	5.20%	4.58%	3.34%
2015 Annual	1.96%	1.36%	1.17%
2016 Annual	5.35%	4.73%	2.15%
2017 Annual	4.75%	4.13%	2.17%

Top 10 Holdings

1.	CitiGroup Inc. 6.250% Due 12-29-49	1.79%
2.	Newfield Expl. Co. 5.625% Due 07-01-24	1.67%
3.	T Mobile USA Inc. 6.000% Due 03-01-23	1.66%
4.	Andeavor Logistics LP 6.875% Perpetual	1.65%
5.	E Trade Financial Corp. 5.875% Perpetual	1.64%
6.	CCO Hldgs. LLC / CCO Hldgs. Cap 5.750% Due 01-15-24	1.59%
7.	Cheniere Corpus Christi Hldgs. 5.875% Due 03-31-25	1.58%
8.	Olin Corp. 5.500% Due 08-15-22	1.57%
9.	Dell Computer Corp. 7.100% Due 04-15-28	1.55%
10.	Aramark SVCS Inc. 5.125% Due 01-15-24	1.55%
	Total Top 10 Holdings	16.25%

Above: As 6/30/18. Net returns are based on an annual fee of 0.60%. Past performance is not an indication of future returns. The above reflects the performance of the Government/Corporate Fixed Income Composite and includes the reinvestment of income. Please refer to important disclosures at the bottom of the page. Source – AMI

Right: The Top Ten Holdings information is being presented as supplemental information to the AMI Government/Corporate Fixed Income Composite. *Data provided by Bloomberg Professional. As of 6/30/18. Holdings are subject to change. 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

AMI Asset Management Government/Corporate Fixed Income Composite January 1, 2009 through December 31, 2017

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)	ML U.S. Corporate & Government Master Index Return (%)	Internal Dispersion (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)
2009	453,680,134	52,174,559	30	23	0	5.76	5.24	5.71	0.76		
2010	528,289,682	75,347,266	0	38	0	4.43	3.81	6.04	1.11		
2011	646,220,334	94,013,266	0	42	0	5.40	4.78	5.88	0.60	2.02	2.04
2012	803,448,904	107,983,504	0	51	0	6.01	5.39	4.24	0.34	1.66	1.78
2013	1,202,046,130	109,638,114	0	61	0	-0.18	-0.78	-1.04	0.40	2.64	2.20
2014	1,476,318,603	124,655,917	0	75	0	5.20	4.58	3.34	0.48	2.67	2.06
2015	1,756,380,341	137,247,471	0	84	0	1.96	1.36	1.17	0.21	2.78	2.20
2016	1,683,058,163	140,555,418	0	87	0	5.35	4.73	2.15	0.25	2.23	2.22
2017	1,800,836,245	101,843,644	0	79	0	4.75	4.13	2.17	0.23	1.95	2.07

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, 2017. The verification reports are available upon request.

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. Verification does not ensure the accuracy of any specific composite presentation.

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 Government/Corporate Fixed Income Composite includes all fully discretionary, fee-paying and non-fee paying, taxable and nontaxable accounts with at least \$500,000 in core bonds on the last day of each previous quarter. AMI manages the Government/Corporate Fixed Income Composite for our clients with the goal of achieving long term returns in excess of the BoFA Merrill Lynch U.S. Corporate and Government 1-10 Year Index. The composite was created on January 1, 2009. 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 0.60% from the quarterly gross composite. Prior to January 1, 2010, net returns were calculated by deducting the annual fee of 0.50% from the quarterly gross composite. The fee schedule is as follows: 0.60% for all asset amounts. The minimum annual fee is \$6,000 which may be waived by AMI.

5. The benchmark we use is the BoFA Merrill Lynch U.S. Corporate and Government 1-10 Year Index which is a blended index of over 5,000 government and investment grade corporate bonds. Government issues include both direct Government obligations as well as Federal Agencies which carry an implied Government guarantee. Corporate bonds contained in the index range in rating from AAA to BBB and have broad industry diversification. The index is a proxy of the overall domestic investment grade fixed-income market with the exception of mortgage related securities which are excluded in the index. The benchmark was changed from the Merrill Lynch U.S. Corporate & Government Master Index to the BoFA Merrill Lynch U.S. Corporate & Government 1-10 Year Index on July 1, 2011. The BoFA Merrill Lynch U.S. Corporate & Government 1-10 Year Index is a more accurate comparison to our composite strategy due to the intermediate portfolio, and therefore was applied retroactively.

6. The actual cash and cash equivalents are used in the performance. Prior to January 1, 2010, cash was allocated based on the percentage of core bonds in the composite. That percentage is applied to the cash portion and the actual average monthly cash balances of accounts and the respective returns of those cash balances is allocated to the composite.

7. Government/Corporate Fixed Income investments can be significantly affected by interest rate risk (as interest rates rise, bond prices fall), the risk of issuer default, issuer credit risk, and inflation risk. 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 return 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 2009-2010 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 October 1, 2008, the significant cash flow policy was added to the Government/Corporate Fixed Income Composite. A significant cash flow is defined as a cash flow greater than 15% of the core bond portfolio.

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