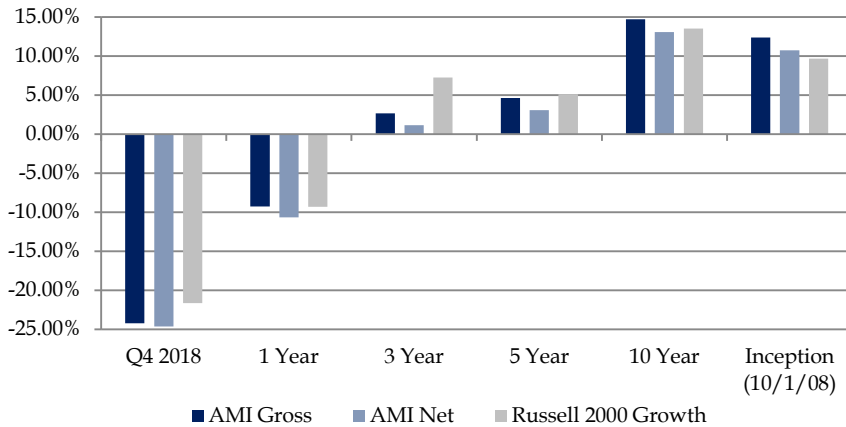


# AMI Small Cap Growth Equity Factsheet

Growth Through Stability

Q4 • 2018

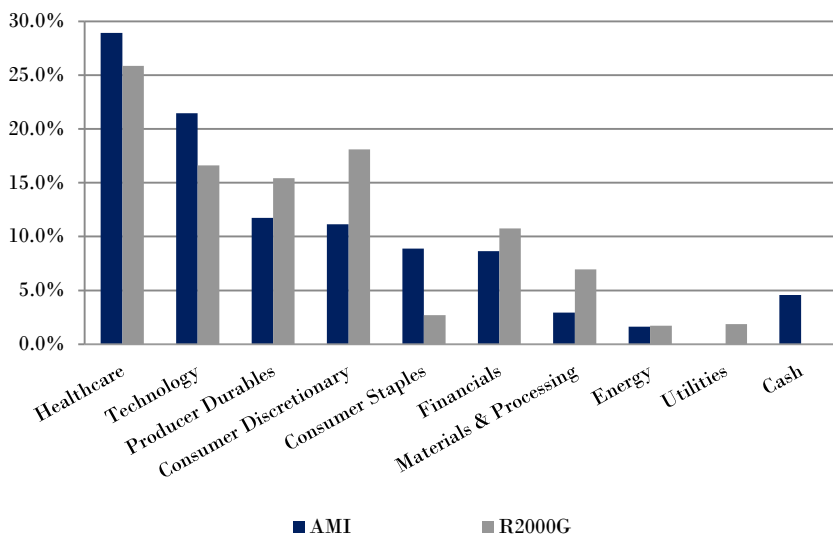
## Annualized Returns



	Q4 2018*	1 Year	3 Year	5 Year	10 Year	Inception (10/1/08)
<b>AMI Gross</b>	<b>-24.25%</b>	<b>-9.27%</b>	<b>2.68%</b>	<b>4.62%</b>	<b>14.73%</b>	<b>12.36%</b>
<b>AMI Net</b>	<b>-24.63%</b>	<b>-10.67%</b>	<b>1.15%</b>	<b>3.07%</b>	<b>13.07%</b>	<b>10.73%</b>
<b>Russell 2000 Growth</b>	<b>-21.65%</b>	<b>-9.31%</b>	<b>7.24%</b>	<b>5.13%</b>	<b>13.52%</b>	<b>9.68%</b>

\*Not annualized. As of 12/31/18. Net returns are based on the highest annual fee paid by AMI clients of 1.50%. The annual fee schedule for institutional accounts is as follows: 0.90% for the first \$10 million, 0.80% on the next \$15 million, 0.70% on the next \$25 million and 0.60% on the balance. The above information is based on the Domestic Small Cap Growth Composite and clients accounts may vary and includes the reinvestment of dividends and other earnings. Past performance is not an indication of future returns. Please refer to important disclosures on last page. Source - AMI.

## 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: \$1.6 Billion
- Total Strategy Assets: \$312 Million

## 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 45%
- Target in-line participation in up markets, with significant downside protection

## Portfolio Characteristics

	AMI Growth	Russell 2000C
Price/Earnings	17.3x	29.2x
Price to Book Value	2.7x	3.6x
EPS LTG Estimate	16.2%	11.9%
Dividend Yield	0.4%	0.8%
Dollar Weighted Market Cap. (\$B)	\$2.3	\$2.2
Median Market Cap. (\$B)	\$1.9	\$0.8
Positions	35	1,239

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



## Top Ten Holdings

Company	Sector	Weight
Merit Medical Systems (MMSI)	Healthcare	4.35%
Green Dot (GDOT)	Financial Services	4.09%
Performance Food Group (PFGC)	Consumer Staples	3.96%
LogMeIn (LOGM)	Technology	3.96%
Frontdoor (FTDR)	Consumer Discretionary	3.61%
ExlService Holdings (EXLS)	Producer Durables	3.51%
Ligand Pharmaceuticals (LGND)	Healthcare	3.49%
Syneos Health (SYNH)	Healthcare	3.48%
Verint Systems (BFAM)	Technology	3.44%
Anika Therapeutics (ANIK)	Healthcare	3.42%

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

## Risk/Return Statistics

	3 Year	5 Year	10 Year
Standard Deviation	9.24	10.23	15.63
R-Squared	0.11	0.42	0.79
Alpha	7.85	4.91	6.32
Beta	0.47	0.61	0.70
Sharpe Ratio	1.71	1.17	0.99
Tracking Error	9.31	8.82	9.19
Upside Capture	92.08	86.16	88.49
Downside Capture	87.18	54.56	58.18

As of 9/30/18. Source – AMI, PSN Informa. 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 Small Cap Growth Composite. Please refer to important disclosures below.

### AMI Asset Management Domestic Small Cap Growth Composite October 1, 2008 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)	Russell 2000® Growth Return (%)	Internal Dispersion (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)
Q4 2008	388,681,780	1,844,604	0	8	0	-16.46	-16.83	-27.45	n/a†		
2009	453,680,134	2,746,992	0	8	0	18.77	17.06	34.47	0.56		
2010	528,289,682	6,250,836	0	11	0	38.26	36.36	29.09	0.25		
2011	646,220,334	9,100,929	0	15	0	3.67	2.13	-2.91	0.16	17.93	23.28
2012	803,448,904	11,543,740	0	16	0	24.30	22.54	14.59	0.10	16.02	19.07
2013	1,202,046,130	180,957,292	0	44	0	49.03	47.02	43.30	0.14	14.72	17.25
2014	1,476,318,603	171,092,700	0	24	0	12.14	10.51	5.60	0.41	13.35	13.80
2015	1,756,380,341	203,663,864	0	45	0	3.26	1.72	-1.38	0.20	14.95	14.93
2016	1,683,058,163	239,006,016	0	54	0	12.02	10.40	11.32	0.34	15.92	16.65
2017	1,800,836,245	285,846,456	0	41	0	6.52	4.95	22.17	0.24	14.16	14.58

† Not applicable due to less than one year of data

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 Domestic Small Cap Growth Composite includes all fully discretionary, fee-paying and non-fee-paying, taxable and nontaxable accounts with at least \$100,000 in small cap equities on the last day of each previous quarter. AMI manages the Domestic Small Cap Growth Composite with the goal of achieving long term returns in excess of the Russell 2000® Growth Index through investing in quality small cap growth companies that trade at a discount to their fair values. The composite was created on October 1, 2008. There have been no changes in AMI's organization that has led to modification of historical composite results. 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 1.50% from the quarterly gross composite return. The annual fee schedule for institutional accounts is as follows: 0.90% for the first \$10 million, 0.80% on the next \$15 million, 0.70% on the next \$25 million and 0.60% on the balance.

5. The benchmark we use is the Russell 2000® Growth Index which measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values and includes the reinvestment of dividends.

6. The actual cash and cash equivalents are used in the performance of the composite.

7. Small cap securities tend to be more volatile than those of larger, more well known companies. This can lead to a greater chance of a larger decline when there are 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 2008-2010 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. A significant cash flow is defined as a cash flow greater than 20% of the equity portfolio in the Domestic Small Cap Growth Composite 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@amiasetmanagement.com](mailto:Katharine@amiasetmanagement.com).

\*\*As of 12/31/18. Source – Bloomberg, AMI, Russell. The 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 Small Cap Growth Composite.

\*\*\*As of 12/31/18. 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 Small Cap Growth Composite.