

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 158+ years of investment experience and the firm has approximately \$1.8 billion in assets under management as of June 30, 2019.

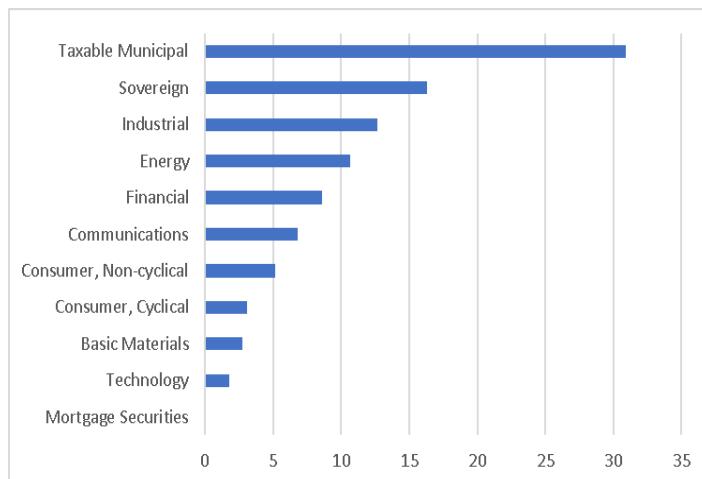
Taxable Fixed Income Investment Objectives

AMI's Taxable Fixed Income objective is to provide strong risk adjusted returns and current income. All AMI fixed income portfolios are constructed for capital preservation, liquidity, and predictable cash flows.

Strategy

- AMI uses rigorous research to generate returns in corporate bonds and taxable municipal bonds, which we overweight.
- Our size allows us to get meaningful exposure to overlooked and mispriced securities.
- Compared to our index, we are underweight treasuries and government agencies, which are the most efficient and lowest yielding parts of the fixed income markets.
- We employ fundamental bottom up security selection and top down risk management
- We never use leverage, derivative products or collateralized loan obligations.
- Portfolios are fully customizable

AMI Portfolio Composition



As of 6/30/19. 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.

General Portfolio Characteristics

	AMI	B of A U.S. Corp. & Govt. 1-10 Year
Credit Quality	BBB+	AA
Effective Maturity	8.51 Years	4.28 Years
Modified Duration	3.55 Years	3.85 Years
Yield to Worst	3.96%	2.18%
Yield to Maturity	4.22%	2.20%

As of 6/30/19. 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.

Performance

Period Returns (Since Inception 1-1-09)	AMI Returns (Gross)	AMI Returns (Net)	B of A U.S. Corp. & Govt. 1-10 Year
Q2	2.43%	2.28%	2.59%
YTD	6.22%	5.91%	5.00%
1 Year	6.95%	6.32%	6.97%
3 Year	4.03%	3.41%	2.04%
5 Year	3.88%	3.26%	2.44%
10 Year	4.24%	3.63%	3.33%
Inception	4.28%	3.67%	3.36%

As of 6/30/19. 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.

AMI Asset Management
Government/Corporate Fixed Income Composite
January 1, 2009 through December 31, 2018

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
2018	1,580,254,746	139,635,135	0	90	0	0.26	-0.34	0.89	0.28	1.88	2.04

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, 2018. 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 of fee returns are calculated by deducting 1/4th of the highest applicable annual fee of 0.60% from the gross composite returns on a quarterly basis. Prior to January 1, 2010, net of fee returns were calculated by deducting 1/4th of the highest applicable annual fee of 0.50% from the gross composite returns on a quarterly basis. The annual fee schedule is as follows: 0.60% for all asset amounts. Actual fees charged to clients may vary. The minimum annual management fee is \$10,000 (based on a client’s total assets under management), which may be waived by AMI. Further information regarding investment advisory fees is described in Part 2A of the firm’s Form ADV.

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.

