

Firm Summary

Founded in 1994, AMI has a 20+ 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 150+ years of investment experience and the firm has approximately \$1.6 billion in assets under management as of June 30, 2022.

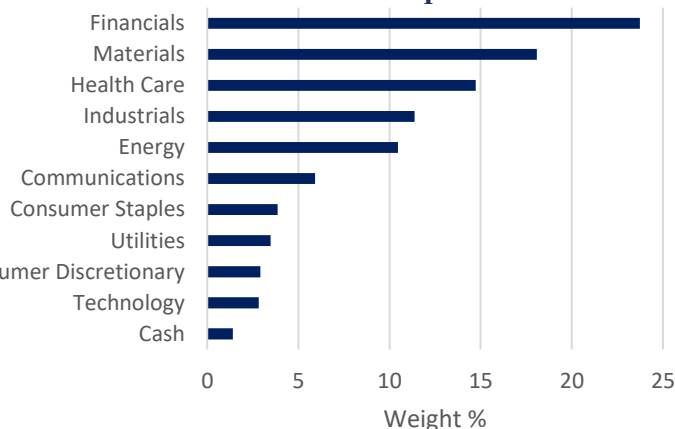
High Yield Fixed Income Investment Objectives

AMI's High Yield Fixed Income objective is to provide income and growth of capital. AMI fixed income portfolios are constructed for capital preservation, liquidity, and predictable cash flow.

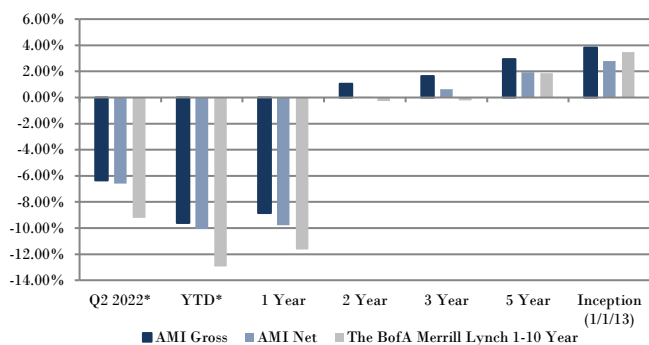
Strategy

- AMI believes that High Yield index construction is broken, with the most indebted companies making up the largest portion of the index.
- We focus on smaller issuers and special situations to deliver strong risk adjusted returns. Our bias is for BB rated credits.
- We employ fundamental bottom-up security selection and top-down risk management.
- Holdings are revisited on a quarterly basis for fundamental quality declines.
- We will hold up to 30% investment grade corporate bonds.

AMI Portfolio Composition ²



Annualized Performance¹



General Portfolio Characteristics ²

	AMI	BofA 1-10 BB-B High Yield Index
Credit Quality	BB	BB-
Modified Duration	3.83 Years	4.33 Years
Yield to Worst	8.69%	8.21%
Yield To Maturity	8.71%	8.23%

	Q2 2022*	YTD*	1 Year	2 Year	3 Year	5 Year	Inception (1/1/13)
AMI Gross	-6.34%	-9.60%	-8.85%	1.07%	1.65%	2.95%	3.83%
AMI Net	-6.59%	-10.08%	-9.78%	0.06%	0.64%	1.93%	2.80%
BofA 1/10 Year BB-B HYield Index	-9.21%	-12.94%	-11.64%	-0.27%	-0.22%	1.86%	3.49%

1. As of 6/30/22. Source – AMI. Net returns are calculated by deducting 1/4th of the highest applicable annual fee 1.00% from the gross composite returns on a quarterly basis. The above reflects the performance of the AMI High Yield Capital Appreciation Composite, includes the reinvestment of income, and client accounts may vary. Past performance is not an indication of future returns. Please refer to important disclosures on page 2.

High Yield Fixed Income investing involves risk and might not be suitable for all individuals.

2. As of 6/30/22. Source AMI and Bloomberg. 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. The portfolio composition and characteristics information is being presented as supplemental information to the AMI High Yield Capital Appreciation GIPS Composite Report. Please refer to important disclosures on page 2.

AMI Asset Management
High Yield Capital Appreciation Composite GIPS Report
January 1, 2013 through December 31, 2021

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 (%)
2013	1,202,046,130	7,439,119	0	3	0	4.44	3.41	6.47	n/a†	n/a††	n/a††
2014	1,476,318,603	8,351,478	0	4	0	3.42	2.40	2.75	n/a†	n/a††	n/a††
2015	1,756,380,341	7,456,865	0	3	0	1.75	0.74	-2.82	n/a†	3.73	5.03
2016	1,683,058,163	7,336,284	0	3	0	8.75	7.69	13.96	n/a†	3.20	5.30
2017	1,800,836,245	7,647,848	0	3	0	5.29	4.25	6.41	n/a†	2.84	4.81
2018	1,580,254,746	7,298,282	0	3	0	-0.33	-1.32	-1.73	n/a†	2.41	3.77
2019	1,737,927,411	8,415,085	0	4	0	12.60	11.51	14.59	n/a†	2.46	3.73
2020	1,834,611,036	8,906,750	0	4	0	6.92	5.86	5.04	n/a†	9.85	8.53
2021	2,061,111,218	9,231,874	0	4	0	4.69	3.66	4.34	n/a†	9.85	8.35

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

†† Not applicable due to less than 36 months of data.

- 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, 2021. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm’s policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.
- 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.
- The High Yield Capital Appreciation Composite includes all fully discretionary, fee-paying and non-fee paying, taxable and nontaxable accounts with at least \$750,000 in high yield bonds on the last day of each previous quarter. AMI manages the High Yield Capital Appreciation Composite for our clients with the goal of achieving long term returns in excess of the BofA Merrill Lynch U.S. High Yield BB-B Rated 1-10 Year Index. The composite was created and inception on January 1, 2013. Policies for valuing investments, calculating performance and preparing GIPS Reports are available upon request.
- 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 1/4th of the highest applicable annual fee 1.00% from the gross composite returns on a quarterly basis. The annual fee schedule is as follows: 1.00% 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.
- The benchmark we use is the BofA Merrill Lynch U.S. High Yield BB-B Rated 1-10 Year Index which is a subset of the Merrill Lynch U.S. High Yield including all securities with a remaining term to final maturity less than 10 years and rated BB1 through B3, inclusive.
- The actual cash and cash equivalents are used in the performance.
- High Yield 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.
- 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 gross returns presented within the composite for the full year. The three-year annualized standard deviation measures the variability of the composite gross returns and the benchmark returns over the preceding 36-month period. Accounts managed by AMI Asset Management Corporation do not make use of leverage, derivatives or short positions.
- A significant cash flow is defined as a cash flow greater than 20% of the high yield bond portfolio.
- GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.
- 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.

