

Investment Philosophy

Alta Capital Management believes companies with high free cash flow growth yield superior investment returns with nominal risk. The tenets of our process encompass the following:

- Quality factors are key to long-term alpha generation
- Growth in earnings and free cash flow fuels higher stock prices
- Sustainability of earnings growth, profitability and competitive advantages drives future cash flow generation
- Superior FCF growth with lower EPS variability leads to more resilient, risk-adjusted outcomes

Key Characteristics

- Robust cash flow generation
- Secular earnings growth with lower earnings per share variability
- Sustainable competitive advantages
- Profitability throughout the economic cycle
- Financial flexibility
- Valuation consciousness

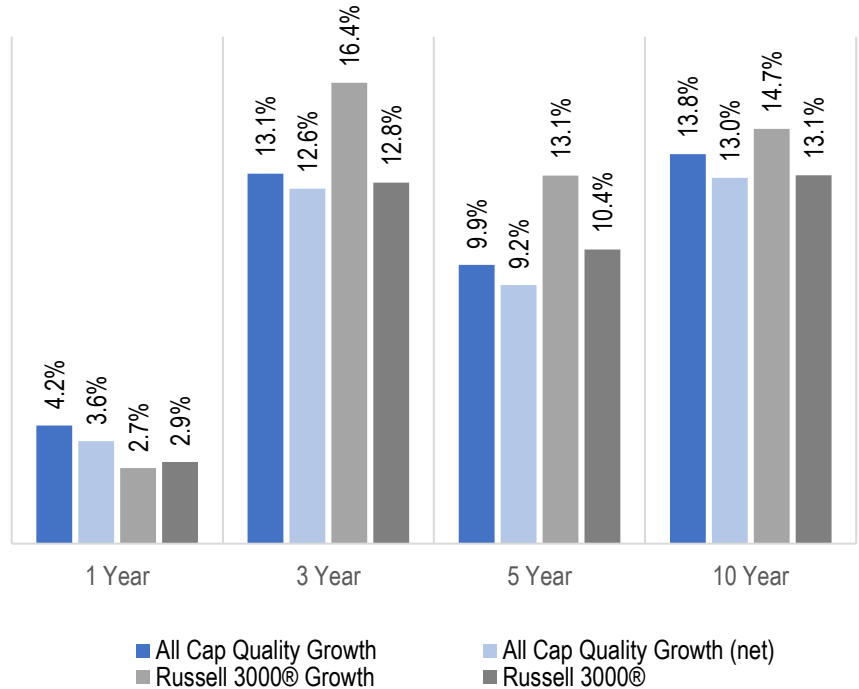
Investment Process

Companies are identified through a fundamental, bottom-up investment process, beginning with a universe screen that seeks to identify companies that demonstrate financial strength, strong profitability, and a favorable track record.

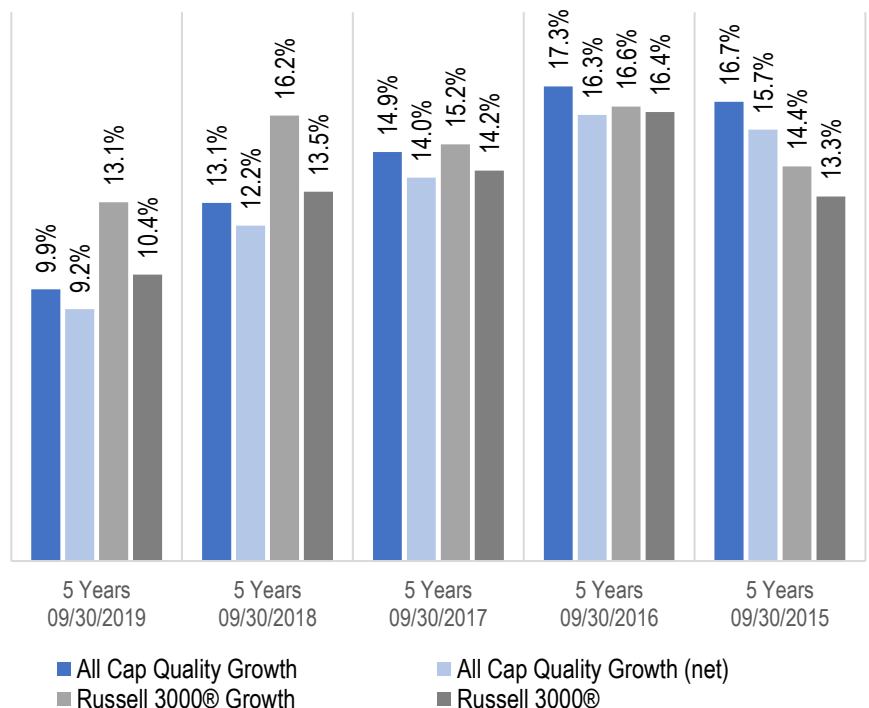
Further analysis of these firms using Alta's proprietary free cash flow model, helps define the present value of the company. Fundamental analysis validates the strength of the company's management, business, and future performance expectations.

Favorable culmination of this process is the recognition of a security whose current trading value is significantly less than its intrinsic value. For the security to establish a position, the Investment Committee must confirm eligibility, appropriate entry price target, and proper placement within the portfolio.

Annualized Returns as of September 30, 2019



Rolling 5-Year Performance



Period Returns*

Year	ALTA All Cap Quality Growth		Russell 3000®	Russell 3000®
	Gross %	Net %	Growth %	%
2018	-5.4	-5.8	-2.1	-5.2
2017	23.6	23.0	29.6	21.1
2016	1.4	0.7	7.4	12.8
2015	2.2	1.2	5.1	0.5
2014	14.3	13.2	12.4	12.6
2013	42.1	40.9	34.2	33.6
2012	20.1	19.1	15.2	16.4
2011	1.1	0.3	2.2	1.0
2010	16.0	15.1	17.7	16.9
2009	35.0	34.0	37.0	28.3
2008	-36.8	-37.3	-38.4	-37.3

Performance Evaluations* (As of 5-Year Period Ended)

	ALTA All Cap Quality Growth vs. Russell 3000®	
	Russell 3000® Growth %	Russell 3000® %
Alpha	-1.9	-0.2
Beta	0.91	0.97
Information Ratio	-0.78	-0.14
Sharpe Ratio	0.7	0.7
Up Market Capture	86.7	95.6
Down Market Capture	97.6	96.4

Sector Allocations*

	ALTA All Cap Quality Growth %	Russell 3000® Growth %	Russell 3000® %
Communication Services	13.8	10.8	9.3
Consumer Discretionary	17.9	14.3	10.4
Consumer Staples	2.8	4.8	6.8
Energy	2.9	0.3	4.2
Financials	11.1	3.3	13.6
Health Care	8.4	15.1	13.5
Industrials	6.7	10.7	10.2
Information Technology	31.0	36.3	21.5
Materials	3.1	1.5	2.9
Real Estate	-	2.7	4.3
Utilities	-	0.1	3.5
Cash	2.3	-	-

Characteristics*

	ALTA All Cap Quality Growth	Russell 3000® Growth	Russell 3000®
Number of Holdings	31	1695	3005
Standard Deviation**	12.5	13.0	12.2
Active Share	vs.	80.7	87.8
Market Cap (\$B)	\$209.1	\$308.7	\$212.4
Current Yield	0.93	1.15	1.83
EPS Variability	35.3	41.7	42.5
Est. EPS Growth	9.0	7.0	6.0
Net Margin	18.5	17.7	15.8
Return on Invested Capital	16.5	12.0	9.8
Return on Equity	26.4	11.1	9.4
P/E Ratio (12-month forward)	18.5	21.9	17.2

*Sources: Morningstar Direct, and FactSet as of September 30, 2019. All Characteristics are based on weighted average methodology with the exception of Return on Invested Capital and Return on Equity which represent each portfolio's median.

**Standard Deviation is based on 5 years as of September 30, 2019.

Alta Capital Management, LLC is an independent money management firm that focuses on identifying high quality growth companies through fundamental analysis and a sound valuation methodology. The Russell 3000 Index measures the performance of the largest 3,000 U.S. publicly held companies representing approximately 98% of the investable U.S. equity market. The Russell 3000 Growth index measures the performance of the broad growth segment of the U.S. equity universe and includes those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values. Alta Capital Management All Cap Quality Growth uses the Russell 3000 Growth as its primary index comparison. The GIPS firm is defined as Alta Capital Management, LLC which claims compliance with the Global Investment Performance Standards (GIPS®). On January 2, 2018 Guardian Capital Group purchased a majority interest in Alta Capital Management. To receive a complete list and description of composites, and/or a presentation that adheres to the GIPS standards, contact Alta Capital Management at 801-274-6010, or ContactAltaCapital@AltaCapital.com. The All Cap Quality Growth Composite includes all fully discretionary Alta All Cap Quality Growth equity accounts. The minimum account size for this composite is \$250,000. The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net returns are calculated using actual management fees. Past performance is not indicative of future results.