

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

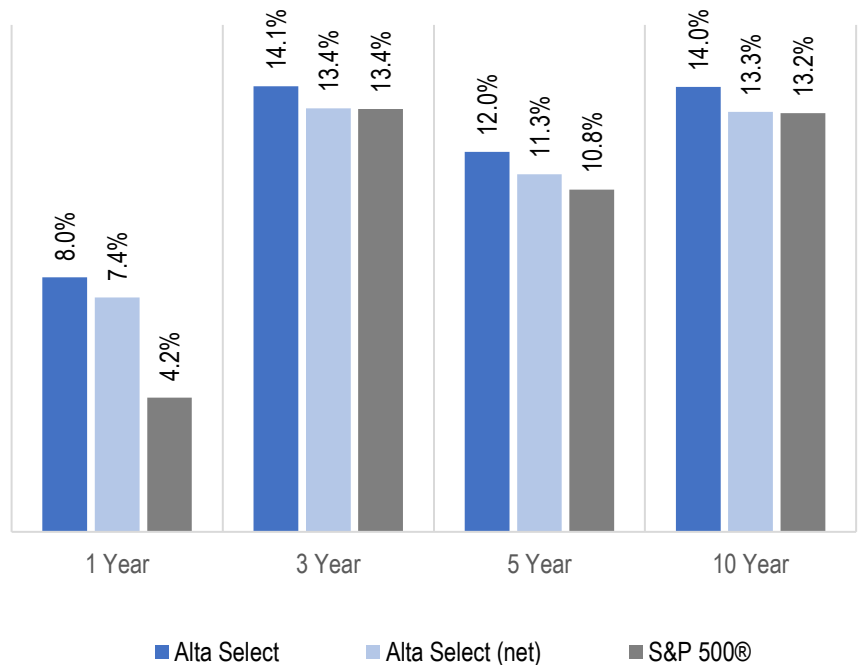
Investment Process

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.

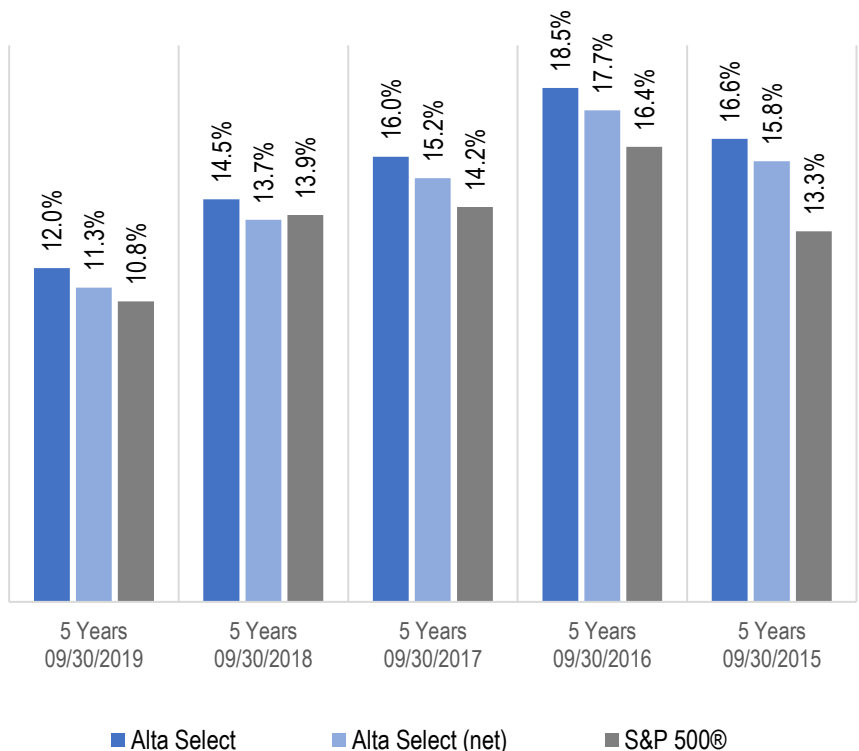
Further analysis of these firms using Alta's proprietary free cash flow model, helps define the present value of the company. Fundamental analysis validates the strength of the company's management, business, and future performance expectations.

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 Select | | S&P 500® % |
|------|-------------|-------|------------|
| | Gross % | Net % | |
| 2018 | -2.7 | -3.3 | -4.4 |
| 2017 | 22.5 | 21.8 | 21.8 |
| 2016 | 4.0 | 3.3 | 12.0 |
| 2015 | 7.4 | 6.7 | 1.4 |
| 2014 | 15.2 | 14.5 | 13.7 |
| 2013 | 38.9 | 38.0 | 32.4 |
| 2012 | 20.2 | 19.3 | 16.0 |
| 2011 | -2.8 | -3.5 | 2.1 |
| 2010 | 12.4 | 11.4 | 15.1 |
| 2009 | 39.2 | 38.1 | 26.5 |
| 2008 | -33.5 | -34.0 | -37.0 |

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

| | ALTA Select vs. S&P 500® % |
|---------------------|----------------------------|
| Alpha | 1.2 |
| Beta | 0.99 |
| Information Ratio | 0.24 |
| Sharpe Ratio | 0.9 |
| Up Market Capture | 101.6 |
| Down Market Capture | 94.0 |

Sector Allocations*

| | ALTA Select % | S&P 500® % |
|------------------------|---------------|------------|
| Communication Services | 17.6 | 10.4 |
| Consumer Discretionary | 26.0 | 10.1 |
| Consumer Staples | 7.6 | 7.6 |
| Energy | - | 4.5 |
| Financials | 12.3 | 13.0 |
| Health Care | 9.4 | 13.7 |
| Industrials | 3.2 | 9.4 |
| Information Technology | 17.0 | 21.9 |
| Materials | 4.1 | 2.7 |
| Real Estate | - | 3.2 |
| Utilities | - | 3.6 |
| Cash | 2.9 | - |

Characteristics*

| | ALTA Select | S&P 500® |
|-------------------------------------|-------------|----------|
| Number of Holdings | 21 | 505 |
| Standard Deviation** | 12.7 | 11.9 |
| Active Share | vs. | 85.8 |
| Weighted Average Market Cap (\$B) | \$234.6 | \$250.8 |
| Current Yield | 0.77 | 1.91 |
| EPS Variability | 37.8 | 42.0 |
| Est. EPS Growth | 10.6 | 6.2 |
| Net Margin | 19.0 | 17.3 |
| Return on Invested Capital (Median) | 14.6 | 12.1 |
| Return on Equity (Median) | 22.3 | 15.7 |
| P/E Ratio (12-month forward) | 19.2 | 16.9 |

*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 S&P 500 Index measures the performance of the 500 largest publicly held companies actively traded in the United States. 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 Select Composite includes all fully discretionary Alta Select equity accounts. There is no minimum account size for this composite. 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.