

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

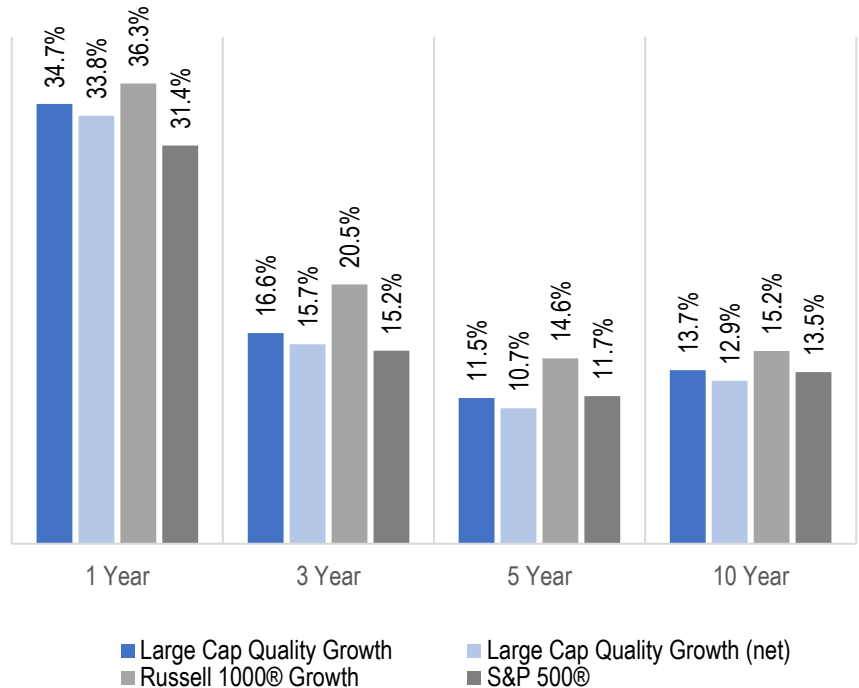
Investment Process

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 favourable track record.

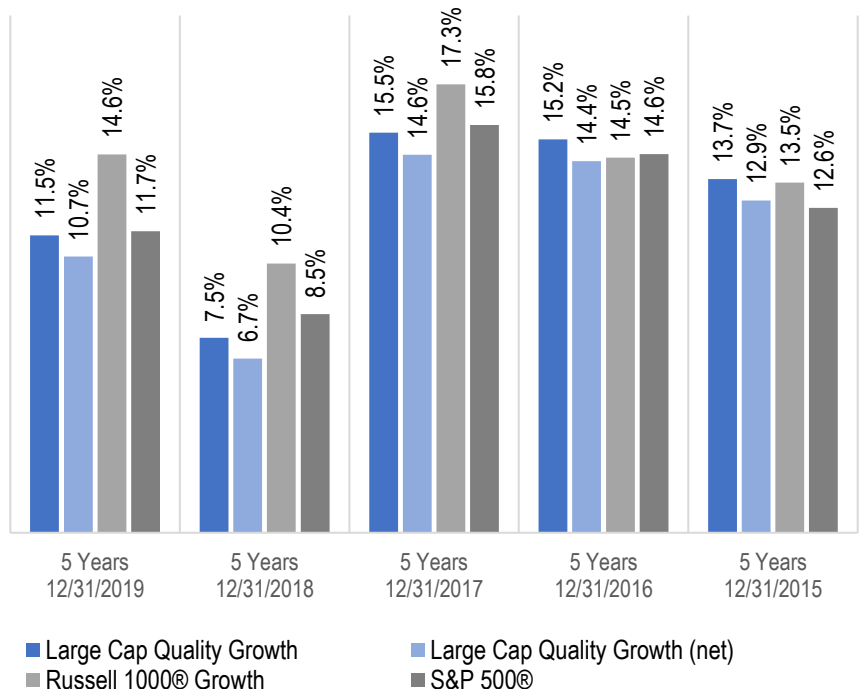
Further analysis of these firms using Alta's proprietary free cash flow model, helps define the present value of the company. Fundamental analysis validates the strength of the company's management, business, and future performance expectations.

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 December 31, 2019



Rolling 5-Year Performance



Period Returns*

Year	ALTA Large Cap Quality Growth		Russell 1000® Growth %	S&P 500® %
	Gross %	Net %		
2019	34.7	33.8	36.3	31.4
2018	-2.8	-3.5	-1.5	-4.4
2017	21.1	20.1	30.2	21.8
2016	5.5	4.7	7.1	12.0
2015	3.1	2.3	5.7	1.4
2014	12.4	11.6	13.1	13.7
2013	38.8	37.8	33.5	32.4
2012	19.7	18.8	15.3	16.0
2011	-1.4	-2.1	2.6	2.1
2010	13.7	12.9	16.7	15.1
2009	32.3	31.4	37.2	26.5
2008	-31.7	-32.2	-38.4	-37.0

Sector Allocations*

	ALTA Large Cap Quality Growth %	Russell 1000® Growth %	S&P 500® %
Communication Services	15.6	11.5	10.4
Consumer Discretionary	20.0	13.8	9.8
Consumer Staples	0.0	4.6	7.2
Energy	2.6	0.3	4.3
Financials	7.5	3.1	12.9
Health Care	13.5	14.8	14.2
Industrials	13.4	9.4	9.0
Information Technology	24.6	38.9	23.2
Materials	1.9	1.3	2.7
Real Estate	-	2.4	2.9
Utilities	-	-	3.3
Cash	0.9	-	-

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

	ALTA Large Cap Quality Growth vs.	
	Russell 1000® Growth %	S&P 500® %
Alpha	-1.1	0.4
Beta	0.86	0.95
Information Ratio	-0.71	-0.06
Sharpe Ratio	0.9	0.9
Up Market Capture	86.1	93.4
Down Market Capture	94.6	89.0

Characteristics*

	ALTA Large Cap Quality Growth	Russell 1000® Growth	S&P 500®
Number of Holdings	31	530	506
Standard Deviation**	11.9	12.9	12.0
Active Share	vs.	77.6	81.6
Market Cap (\$B)	\$285.7	\$394.2	\$291.3
Current Yield	1.00	1.11	1.79
EPS Variability	36.9	38.9	39.9
Est. EPS Growth	8.3	5.9	5.4
Net Margin	17.4	17.2	16.7
Return on Invested Capital	15.2	14.0	12.1
Return on Equity	22.4	19.8	16.1
P/E Ratio (12-month forward)	20.4	23.1	18.2

*Sources: Morningstar Direct, and FactSet as of December 31, 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 December 31, 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 Russell 1000 Growth Index measures the performance of the large cap growth segment of the U.S. equity universe and includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. Alta Capital Management Large Cap Quality Growth uses the Russell 1000 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 Large Cap Quality Growth Composite includes all fully discretionary Alta Large Cap Quality Growth 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.