

## INVESTMENT PHILOSOPHY

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

- Quality factors are key to long-term alpha generation
- Growth in earnings and free cash flow drives 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.

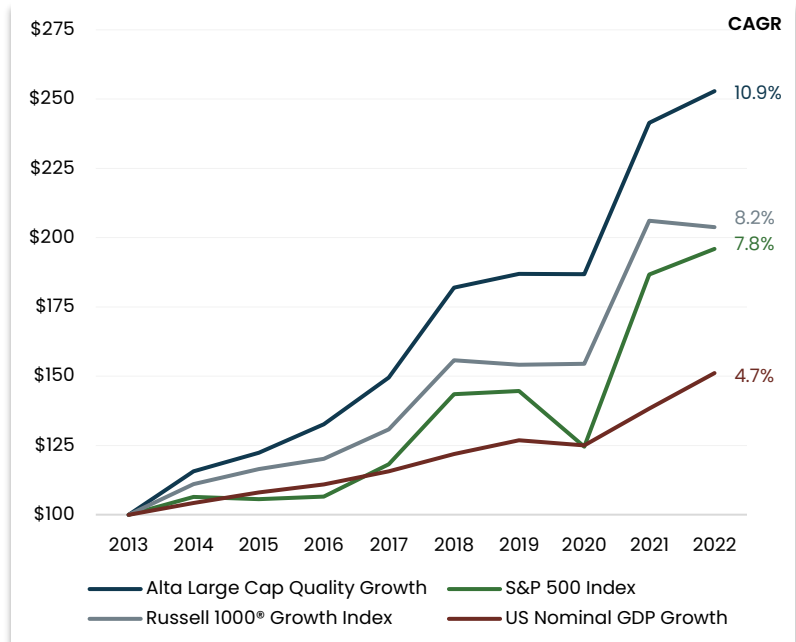
Further analysis of these firms using Alta's proprietary free cash flow model, helps define the present value of the company. Fundamental analysis validates the strength of the company's management, business, and future performance expectations.

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.

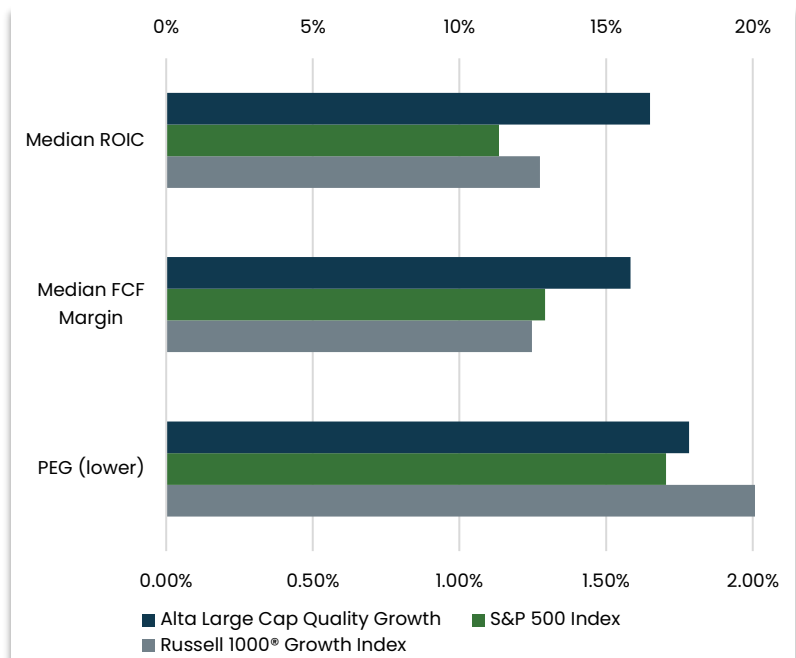
## OUR PORTFOLIO

We seek companies that support our three pillars: profitability, growth, and valuation. We build portfolios of companies demonstrating exceptional EPS growth, ROIC, margins, and valuation.

## CUMULATIVE EARNINGS PER SHARE GROWTH<sup>1</sup>



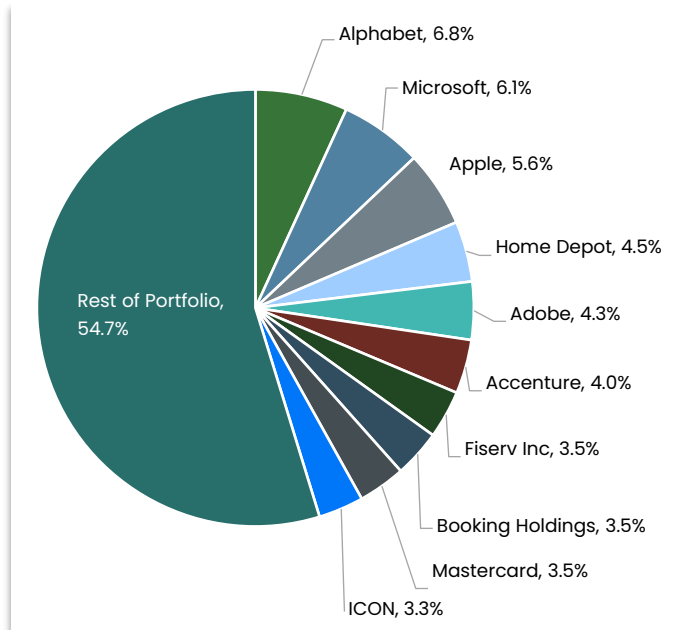
## FIVE-YEAR AVERAGE CHARACTERISTICS<sup>2</sup>



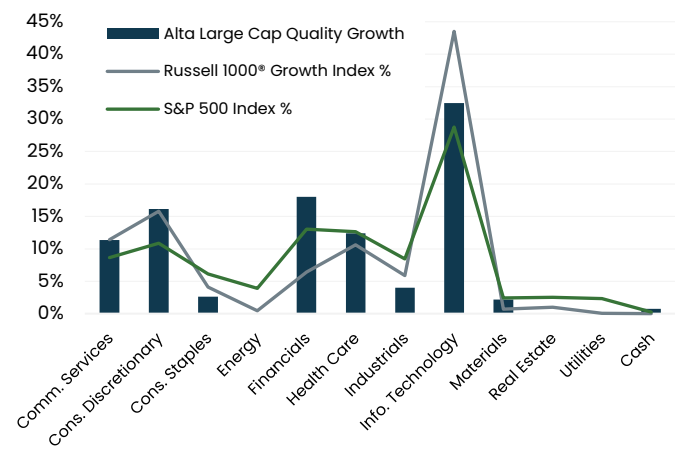
**PERFORMANCE ANALYSIS<sup>3</sup>**

	Strategy Gross %	Strategy Net %	Russell 1000 <sup>®</sup> Growth %	S&P 500 %
3 Months	13.62%	13.34%	14.16%	11.69%
2023	32.15%	30.84%	42.67%	26.28%
2022	-28.91%	-29.62%	-29.13%	-18.11%
2021	21.57%	20.36%	27.59%	28.70%
2020	21.06%	19.86%	38.49%	18.39%
2019	34.71%	33.37%	36.38%	31.48%
2018	-2.76%	-3.73%	-1.51%	-4.38%
2017	21.05%	19.85%	30.21%	21.83%
2016	5.46%	4.42%	7.07%	11.95%
2015	3.06%	2.04%	5.66%	1.38%
2014	12.41%	11.30%	13.04%	13.68%
2013	38.79%	37.42%	33.48%	32.38%
2012	19.67%	18.49%	15.25%	16.00%
1 Year	32.15%	30.84%	42.67%	26.28%
3 Year	4.52%	3.49%	8.86%	10.00%
5 Year	13.24%	12.12%	19.49%	15.68%
10 Year	10.35%	9.26%	14.86%	12.03%

**TOP 10 HOLDINGS**



**SECTOR ALLOCATION %**



**PORTFOLIO CHARACTERISTICS**

	Alta Large Cap	Russell 1000 <sup>®</sup> Growth	S&P 500
Number of Holdings	30	443	502
Standard Deviation**	21.5	20.8	18.5
Active Share	-	70.3	74.7
Market Cap (\$B)	622.6	1104.5	723.7
Current Yield	0.7%	0.7%	1.5%
EPS Variability	25.5	25.6	30.8
Est. EPS Growth	10.2	13.6	6.6
Net Margin %	12.6	10.0	12.0
Return on Invested Capital	15.5	13.0	11.2
Return on Equity	26.9	20.0	15.5
P/E Ratio (12-month forward)	23.5	26.5	19.6
PEG Ratio (12-month forward)	2.3	2.0	3.0

Sources: Morningstar Direct, and FactSet as of December 31, 2023. 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.

<sup>1</sup>Based on latest available data. <sup>2</sup>Based on reported data for calendar years 2018 – 2023 (latest available). <sup>3</sup>Returns for periods more than one year are annualized. <sup>4</sup>Standard Deviation is based on 5 years as of December 31, 2023.

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<sup>®</sup> Growth Index measures the performance of the large cap growth segment of the U.S. equity universe and includes those Russell 1000<sup>®</sup> companies with higher price-to-book ratios and higher forecasted growth values. Alta Capital Management Large Cap Quality Growth uses the Russell 1000<sup>®</sup> 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<sup>®</sup>). GIPS<sup>®</sup> 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. 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 a list of broad distribution pooled funds and/or a GIPS Report, contact Alta Capital Management at 801-274-6010, or [Compliance@AltaCapital.com](mailto:Compliance@AltaCapital.com). The Large Cap Quality Growth Composite includes all fully discretionary Alta Large Cap Quality Growth equity accounts. The composite excludes portfolios with material restrictions imposed by the client that impair our ability to fully implement the intended strategy. Performance results are time-weighted total returns that have been adjusted for cash flows. Composite results have been aggregated monthly and weighted based on end-of-month portfolio valuations. 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 of fee performance was calculated on an applied model fee basis of 1.0% annually, applied monthly. Past performance is not indicative of future results.