

COMPOSITE PERFORMANCE (%) (period ending June 30, 2017)^{1,2}

	3 Months	YTD	1 Year	3 Years ³	5 Years ³	10 Years ³	Inception ^{3,4}
Johnston Large Cap Equity (gross of fees)	3.90	12.47	18.82	9.85	14.93	8.56	11.29
Johnston Large Cap Equity (net of fees) ⁵	3.76	12.15	18.14	9.22	14.27	7.93	10.88
S&P 500 Total Return Index ⁶	3.09	9.34	17.90	9.54	14.55	7.12	9.53
Russell 1000 Growth Index ⁷	4.67	13.99	20.42	11.10	15.29	8.90	9.23

¹Performance is preliminary

²Not all accounts are represented in this composite

³Annualized returns

⁴Inception date 12/31/1989

⁵Net performance reflects the deduction of advisory fees

⁶Benchmark index

⁷Supplemental index

Past performance does not guarantee future results

KEY TAKEAWAYS

Equity markets continue to rise, S&P 500 nears 2,500 points.

US retail shifts to online as department stores sales dip.

Johnston Large Cap Equity beats S&P 500 Total Return Index by 81 basis points.

Health Care outperforms; Edwards Lifesciences Corp. (+25.7%) and Quest Diagnostics Inc. (+13.7%) main contributors.

Markets and Outlook

While not quite the torrid pace of the first quarter, US and global equity markets delivered solid returns again over the last three months and the percentage gains for the first half of 2017 are now either in or within touching distance of double digits. Twelve month returns are in the high teens or better. Can it continue? We hope so in the short term, but would not be surprised if the market caught its breath a little over the summer. In the long run, we believe that the outlook is good, particularly for portfolio companies. While the economic expansion has lasted eight years, the pace has been tepid and we suspect there is still room to grow.

Investors remain optimistic about economies at home and abroad. Europe appears to be gaining some momentum; China and its Asian neighbors are transitioning from a pure export stance to more of a domestic consumption focus; the United States is moving along, more on the back of an increasingly healthier (financially, at least) and confident consumer than because of business spending or investment.

Businesses have so far been reluctant to add capacity or invest. As far as they are concerned, the single most important policy initiative in Washington, corporate tax reform, appears to be stalled and behind other legislative actions in the queue. A substantial pick-up in domestic investment will likely be predicated on tax rates that are more competitive with other global jurisdictions, and given the unfolding slowdown in the auto-industry and the continued malaise in energy, action on this policy would be welcome sooner rather than later. Having said that, a weaker dollar, lower energy prices, a strong pace of innovation and the world's largest economy always gives the United States a seat at the table when companies are deciding where to invest.

Portfolio Activity

We purchased two new positions in the second quarter, **Safran S.A.** and **Quintiles IMS Holdings**. Safran is a European aerospace company, and a partner with GE on their new highly fuel efficient LEAP jet engine. LEAP has been selected as the primary engine on Boeing's and Airbus' latest 737max and A320neo mid-range jets. With jet engines the real opportunity is in the decades long service contracts and the predictable revenues and profits they provide, giving us comfort with the long term outlook for the company.

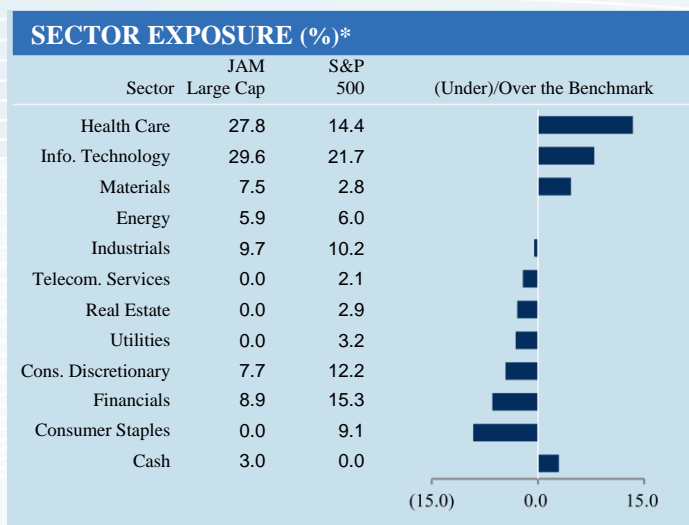
Quintiles IMS provides services to pharmaceutical companies, including assisting them in running clinical trials to assess the effectiveness of their new products. When they merged with IMS Health they gained a data asset that allows them to more efficiently design and implement these trials for their customers, in turn allowing them to bring potentially life-saving products to market sooner. Our research into their peers has shown that none are able to match this capability, and Quintiles should be able to gain market share. When combined with a healthy backdrop for the clinical research industry, we see a bright future for the company.

Positions in **HDFC Bank**, **Cognizant Technology Solutions**, **James Hardie**, **Alps Electric**, **Alibaba**, **Nidec**, **Shire** and **Allergan** were all topped up. We trimmed our positions in **Adobe** and **LVMH Moët Hennessy**, and started to exit our positions in the acquisition targets **Mobileye** and **NXP Semiconductors**.

Portfolio Performance

The Large Cap Equity Composite delivered 3.9% returns in the quarter and 12.5% year to date, outpacing the S&P 500 thanks to both individual stock performance and the international holdings. In the quarter, the top contributing stocks were primarily in healthcare and information technology, with heart valve maker **Edwards LifeSciences (+25.7%)** leading the way after a disappointing first quarter. **Cognizant Technology Solutions (+11.8%)** continues to rebound, and **Quest Diagnostics (+13.7%)** continues to deliver steady growth and was rewarded with strong appreciation. We continue to believe all three are long term growers.

Underperformers were more diversified, with retailer **Dick's Sporting Goods (-17.8%)** our largest detractor. Although Dick's continues to execute well, they are being painted with the same brush as other retailers who are being disrupted by the trend towards online shopping. Other laggards included **F5 Networks (-10.9%)**, where investors are uncertain about their positioning in cloud computing, and **Schlumberger N.V. (-15.1%)**, whose innovative and productivity improving suite of products for energy producers remains as relevant as ever, even though in a tough energy price environment. We continue to feel that all three companies represent good value for growth.



*Large Cap Equity Representative Portfolio.

SECOND QUARTER		
	Average Weight (%)	Contribution To Return (%)
Largest Contributors (%)		
Edwards Lifesciences Corp.	2.54	0.58
Cognizant Tech. Solutions	2.49	0.32
Quest Diagnostics Inc.	2.08	0.27
Largest Detractors (%)		
Dick's Sporting Goods, Inc.	2.03	-0.38
Schlumberger Ltd.	2.14	-0.36
F5 Networks, Inc.	2.58	-0.32

LAST TWELVE MONTHS		
	Average Weight (%)	Contribution To Return (%)
Largest Contributors (%)		
Adobe Systems, Inc.	3.07	1.29
Microsoft Corp.	3.27	1.14
FMC Corp.	1.95	1.01
Largest Detractors (%)		
Nielsen Holdings plc	1.87	-0.54
Occidental Petroleum Corp.	1.65	-0.34
Schlumberger Ltd.	2.52	-0.32

Holdings are reflective of positions in a representative portfolio in the Johnston Large Cap Strategy. Past performance does not guarantee future results. Contribution to performance and the methodology to calculate is available upon request. A full list of securities held in the representative portfolio as of June 30, 2017 is included later in this presentation.

PURCHASES – SECOND QUARTER

Safran S.A. Quintiles IMS Holdings Inc.

The holdings identified represent all new positions and liquidations in the Johnson Large Cap strategy. They do not represent partial reductions, additions to existing positions or cash flows for individual clients. A full list of all securities purchased and sold for the period June 30, 2017 is available upon request.

LIQUIDATIONS – SECOND QUARTER

PORTFOLIO CHARACTERISTICS

	JAM Large Cap Equity	S&P 500 Index
Weighted Average Market Cap (\$B)	120.4	168.8
Median Market Cap (\$B)	40.9	20.9
Growth Fundamentals		
EPS Growth: 3 to 5 year forecast (%) ¹	12.7	11.0
EPS Growth: 5 year trailing (%) ¹	6.8	8.4
Value Fundamentals		
P/E Ratio: 12 months – forward ²	20.9	18.8
P/E Ratio: 12 months – trailing ²	26.3	23.7
Dividend Yield (%) ³	1.3	1.9
Price/Book ²	3.9	3.0
Quality Fundamentals		
Return on Equity: 5 Year (%) ¹	17.1	17.2
Return on Investment Capital: 5 Year (%) ¹	13.2	12.1
Other		
Number of Stock Holdings	58	500
Beta: 3 year portfolio ⁴	0.96	1.00

¹Interquartile weighted mean, ²Weighted harmonic mean, ³Weighted mean, ⁴MPT beta
 Past performance does not guarantee future results.

PORTFOLIO HOLDINGS (period ending June 30, 2017)		
Sector/Company	Weight (%)	Industry
Consumer Discretionary		
Alibaba Group Holding Ltd.	1.0	Internet & Direct Marketing Retail
Comcast Corp.	3.4	Media
Dick's Sporting Goods, Inc.	1.8	Specialty Retail
LVMH	1.0	Textiles, Apparel & Luxury Goods
Mobileye N.V.	0.2	Auto Components
Sands China Ltd.	0.5	Hotels, Restaurants & Leisure
Energy		
EOG Resources, Inc.	2.2	Oil, Gas & Consumable Fuels
Occidental Petroleum Corp.	1.3	Oil, Gas & Consumable Fuels
Schlumberger Ltd.	1.9	Energy Equip. & Services
Total S.A.	0.4	Oil, Gas & Consumable Fuels
Financials		
AIA Group Ltd.	1.2	Insurance
HDFC Bank Ltd.	1.0	Commercial Banks
Marsh & McLennan Cos., Inc.	3.6	Insurance
MasterCard Inc.	2.3	Consumer Finance
ORIX Corp.	0.8	Div. Financial Services
Health Care		
Allergan plc	1.0	Pharmaceuticals
Bayer AG	1.0	Pharmaceuticals
Becton Dickinson & Co.	3.2	Health Care Equip. & Supplies
Celgene Corp.	2.7	Biotechnology
Cerner Corp.	2.0	Health Care Technology
Edwards Lifesciences Corp.	2.7	Health Care Equip. & Supplies
Johnson & Johnson	2.7	Pharmaceuticals
Medtronic plc	2.7	Health Care Equip. & Supplies
Nevro Corp.	0.8	Health Care Equip. & Supplies
Qiagen N.V.	0.6	Life Sciences Tools & Serv.
Quest Diagnostics Inc.	2.2	Health Care Providers & Services
Quintiles IMS Holdings Inc.	2.1	Life Sciences Tools & Services
Roche Holding Ltd.	0.5	Pharmaceuticals
Shire plc	1.0	Biotechnology
Varex Imaging Corp.	0.3	Health Care Equip. & Supplies
Varian Medical Systems, Inc.	2.3	Health Care Equip. & Supplies

PORTFOLIO HOLDINGS (period ending June 30, 2017)		
Sector/Company	Weight (%)	Industry
Industrials		
Atlas Copco AB	0.5	Machinery
General Electric Co.	2.0	Industrial Conglomerates
Koninklijke Philips N.V.	0.6	Industrial Conglomerates
Nidec Corp.	1.1	Electrical Equipment
Nielsen Holdings plc	1.5	Professional Services
Prysmian SpA	0.5	Electrical Equipment
Safran S.A.	0.3	Aerospace & Defense
Stanley Black & Decker, Inc.	3.2	Machinery
Information Technology		
Adobe Systems, Inc.	3.1	Software
Alphabet Inc. Class A	2.7	Internet Software & Services
Alps Electric Co., Ltd.	1.0	Electronic Equip, Instruments & Components
Apple Inc.	2.0	Technology Hardware, Storage & Peripherals
ASML Holding N.V.	0.9	Semiconductors & Semiconductor Equip.
Automatic Data Processing, Inc.	3.0	IT Services
Broadcom Ltd.	1.0	Semiconductors & Semiconductor Equip.
Cisco Systems, Inc.	2.6	Communications Equip.
Cognizant Tech. Solutions	2.7	IT Services
F5 Networks, Inc.	2.5	Communications Equip.
FLIR Systems, Inc.	2.4	Electronic Equip., Instruments & Components
Infineon Technologies AG	1.0	Semiconductors & Semiconductor Equip.
Microsoft Corp.	3.4	Software
NXP Semiconductors N.V.	0.3	Semiconductors & Semiconductor Equip.
Tencent Holdings Ltd.	1.2	Internet Software & Services
Materials		
Albemarle Corp.	2.3	Chemicals
FMC Corp.	2.3	Chemicals
James Hardie Industries	0.7	Construction Materials
Monsanto Co.	2.3	Chemicals
Cash		
US Dollar	3.0	Cash & Equivalents

Johnston Asset Management generally uses Global Industry Classification Standard to determine sector classification. Johnston may reclassify a company into a more suitable sector if it believes that the GICS classification for a specific company does not accurately classify the company from our perspective.