

## Independent Accountant's Verification and Performance Examination Report

Members of the Investment Committee and Compliance Officer  
Stralem & Company, Inc.:

We have examined whether (1) Stralem & Company, Inc. (the "Firm") has complied with all the composite construction requirements of the Global Investment Performance Standards (GIPS® standards) on a firm-wide basis for the periods from January 1, 1992, to March 31, 2017, and (2) the Firm's policies and procedures are designed to calculate and present performance results in compliance with the GIPS standards as of March 31, 2017. We have also examined the accompanying performance presentation and Annual Disclosure Presentation of the Firm's **Large Cap Equity Strategy Composite** for the periods from January 1, 1992, to March 31, 2017. The Firm's management is responsible for compliance with the GIPS standards, the design of its policies and procedures and for the Quarterly Performance and Annual Disclosure Presentations. Our responsibility is to express an opinion based on our examination.

### Scope of Work

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Firm's compliance with the previously mentioned requirements; evaluating the design of the Firm's policies and procedures previously referred to; examining, on a test basis, evidence supporting the accompanying composite compliant presentation; and performing the procedures for a verification and performance examination required by the GIPS standards and such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

### Opinion

In our opinion, in all material respects,

- the Firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis for the periods from January 1, 1992, to March 31, 2017; and
- the Firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards as of March 31, 2017.

Also, in our opinion, in all material respects, the Firm has

- constructed the **Large Cap Equity Strategy Composite** and calculated the **Large Cap Equity Strategy Composite** performance for the periods from January 1, 1992, to March 31, 2017, in compliance with the GIPS standards; and
- prepared and presented the Annual Disclosure Presentation of the Firm's **Large Cap Equity Strategy Composite** for the periods from January 1, 1992, to March 31, 2017, in compliance with the GIPS standards.

This report does not contain an opinion on the accuracy of any composite presentation of the Firm other than the Annual Disclosure Presentation of the Firm's **Large Cap Equity Strategy Composite** for the periods from January 1, 1992, to March 31, 2017.



Ashland Partners & Company LLP  
May 24, 2017

**STRALEM & COMPANY, INC.**  
**LARGE CAP EQUITY STRATEGY COMPOSITE**  
**QUARTERLY PERFORMANCE PRESENTATION - PAGE 1 OF 3**

*Asset-Weighted Performance Gross and Net of Management Fees*  
*Results have been calculated in U.S. Dollars*

		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Annual
2017	Gross	7.00%				
	Net	6.83%				
2016	Gross	2.65%	4.01%	1.25%	0.97%	9.14%
	Net	2.49%	3.86%	1.09%	0.80%	8.46%
2015	Gross	(0.06%)	1.02%	(5.86%)	8.28%	2.91%
	Net	(0.24%)	0.84%	(6.02%)	8.09%	2.19%
2014	Gross	1.50%	4.06%	(0.71%)	3.00%	8.01%
	Net	1.33%	3.88%	(0.88%)	2.82%	7.27%
2013	Gross	10.50%	1.59%	5.28%	9.71%	29.65%
	Net	10.31%	1.42%	5.09%	9.52%	28.76%
2012	Gross	8.50%	(3.50%)	4.93%	(1.07%)	8.69%
	Net	8.31%	(3.67%)	4.76%	(1.24%)	7.95%
2011	Gross	5.85%	2.41%	(10.23%)	11.84%	8.83%
	Net	5.66%	2.22%	(10.39%)	11.65%	8.06%
2010	Gross	3.47%	(8.86%)	10.52%	6.33%	10.82%
	Net	3.29%	(9.02%)	10.34%	6.15%	10.06%
2009	Gross	(11.77%)	11.82%	15.01%	7.07%	21.49%
	Net	(11.93%)	11.63%	14.82%	6.89%	20.65%
2008	Gross	(5.88%)	0.12%	(5.82%)	(18.22%)	(27.41%)
	Net	(6.04%)	(0.05%)	(5.98%)	(18.37%)	(27.93%)
2007	Gross	1.86%	6.01%	2.90%	2.22%	13.59%
	Net	1.67%	5.81%	2.71%	2.03%	12.74%

**STRALEM & COMPANY, INC.**  
**LARGE CAP EQUITY STRATEGY COMPOSITE**  
**QUARTERLY PERFORMANCE PRESENTATION - PAGE 2 OF 3**

*Asset-Weighted Performance Gross and Net of Management Fees*  
*Results have been calculated in U.S. Dollars*

		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Annual
2006	Gross	1.78%	(2.55%)	5.11%	6.16%	10.68%
	Net	1.60%	(2.73%)	4.91%	5.98%	9.88%
2005	Gross	1.15%	3.47%	6.62%	1.73%	13.51%
	Net	0.77%	3.08%	6.23%	1.35%	11.85%
2004	Gross	2.75%	1.66%	3.45%	8.66%	17.42%
	Net	2.38%	1.29%	3.08%	8.26%	15.72%
2003	Gross	(2.67%)	13.89%	1.18%	9.93%	23.30%
	Net	(3.04%)	13.49%	0.80%	9.53%	21.50%
2002	Gross	1.37%	(7.38%)	(15.43%)	1.14%	(19.70%)
	Net	0.99%	(7.73%)	(15.77%)	0.77%	(20.91%)
2001	Gross	(7.67%)	6.92%	(8.96%)	12.31%	0.95%
	Net	(8.02%)	6.53%	(9.31%)	11.92%	(0.54%)
2000	Gross	4.46%	(0.83%)	1.40%	0.84%	5.93%
	Net	4.09%	(1.20%)	1.03%	0.47%	4.38%
1999	Gross	4.54%	10.19%	0.32%	15.23%	33.16%
	Net	4.29%	9.92%	0.07%	14.96%	31.88%
1998	Gross	14.85%	2.28%	(1.32%)	17.52%	36.23%
	Net	14.57%	2.03%	(1.57%)	17.25%	34.91%
1997	Gross	3.26%	14.72%	9.46%	0.36%	30.13%
	Net	3.00%	14.46%	9.18%	0.11%	28.86%
1996	Gross	4.58%	18.58%	(5.85%)	5.78%	23.51%
	Net	4.33%	18.30%	(6.08%)	5.51%	22.31%

**STRALEM & COMPANY, INC.**  
**LARGE CAP EQUITY STRATEGY COMPOSITE**  
**QUARTERLY PERFORMANCE PRESENTATION - PAGE 3 OF 3**

*Asset-Weighted Performance Gross and Net of Management Fees*  
*Results have been calculated in U.S. Dollars*

		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Annual
1995	Gross	10.41%	13.36%	4.01%	6.33%	38.42%
	Net	10.14%	13.08%	3.76%	6.07%	37.08%
1994	Gross	(6.60%)	(0.49%)	11.19%	4.86%	8.37%
	Net	(6.84%)	(0.73%)	10.93%	4.60%	7.30%
1993	Gross	(2.84%)	(3.71%)	1.86%	7.46%	2.40%
	Net	(3.09%)	(3.95%)	1.62%	7.20%	1.40%
1992	Gross	(1.69%)	(1.30%)	4.39%	3.48%	4.82%
	Net	(1.93%)	(1.55%)	4.14%	3.23%	3.79%

**\* Represents non-annualized partial period performance ending on March 31, 2017.**

Past performance is not indicative of future results. The Independent Accountant's Verification and Performance Examination Report and the Annual Disclosure Presentation are an integral part of this presentation.

**Large Cap Equity Strategy Composite**  
**Annual Disclosure Presentation (Gross & Net Returns)**

Year End	Total Firm	Composite Assets		Annual Performance Results			
	Assets (\$ millions)	Assets (\$ millions)	Number of Accounts	Composite		S&P 500	Composite Dispersion
				Gross	Net		
2016	958	838	51	9.14%	8.46%	11.96%	0.4%
2015	1,129	955	64	2.91%	2.19%	1.38%	0.4%
2014	2,297	2,089	140	8.01%	7.27%	13.69%	0.3%
2013	3,522	3,352	246	29.65%	28.76%	32.39%	0.6%
2012	3,434	3,283	278	8.69%	7.95%	16.00%	0.6%
2011	3,695	3,584	296	8.83%	8.06%	2.11%	0.6%
2010	3,292	3,059	306	10.82%	10.06%	15.06%	0.5%
2009	2,514	2,292	265	21.49%	20.65%	26.46%	0.7%
2008	1,803	1,649	206	-27.41%	-27.93%	-37.00%	0.5%
2007	2,092	1,938	176	13.59%	12.74%	5.49%	0.4%
2006	1,631	1,472	152	10.68%	9.88%	15.79%	0.4%
2005	1,106	786	86	13.51%	11.85%	4.91%	0.7%
2004	644	387	38	17.42%	15.72%	10.88%	0.6%
2003	350	152	14	23.30%	21.50%	28.68%	1.7%
2002	234	76	6	-19.70%	-20.91%	-22.06%	N.A.
2001	267	93	Five or fewer	0.95%	-0.54%	-11.93%	N.A.
2000	266	85	Five or fewer	5.93%	4.38%	-9.10%	N.A.
1999	326	33	Five or fewer	33.16%	31.88%	21.04%	N.A.
1998	288	25	Five or fewer	36.23%	34.91%	28.58%	N.A.
1997	260	29	Five or fewer	30.13%	28.86%	33.36%	N.A.
1996	230	24	Five or fewer	23.51%	22.31%	22.96%	N.A.
1995	121	23	Five or fewer	38.42%	37.08%	37.58%	N.A.
1994	104	16	Five or fewer	8.37%	7.30%	1.32%	N.A.
1993	106	14	Five or fewer	2.40%	1.40%	10.08%	N.A.
1992	80	12	Five or fewer	4.82%	3.79%	7.62%	N.A.

N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

Year End	3 Year Annualized Performance			3 Year Annualized Ex-Post Standard Deviation (based on monthly returns)		
	Composite		S&P 500	Composite		S&P 500
	Gross	Net		Gross	Net	
2016	6.65%	5.94%	8.87%	9.79%	9.79%	10.59%
2015	12.95%	12.18%	15.13%	10.33%	10.33%	10.48%
2014	15.03%	14.25%	20.41%	8.50%	8.50%	8.98%
2013	15.32%	14.52%	16.18%	10.29%	10.29%	11.94%
2012	9.44%	8.69%	10.87%	12.35%	12.35%	15.09%
2011	13.58%	12.79%	14.11%	15.73%	15.73%	18.70%
2010	-0.76%	-1.45%	-2.85%	18.89%	18.89%	22.16%
2009	0.06%	-0.66%	-5.63%	17.30%	17.29%	19.91%
2008	-3.00%	-3.71%	-8.36%	13.36%	13.35%	15.29%
2007	12.58%	11.48%	8.62%	7.12%	7.12%	7.79%
2006	13.83%	12.46%	10.44%	6.62%	6.61%	6.92%
2005	18.01%	16.29%	14.39%	8.35%	8.35%	9.17%
2004	5.15%	3.60%	3.60%	11.30%	11.30%	15.07%
2003	-0.02%	-1.50%	-4.05%	12.84%	12.84%	18.33%
2002	-4.95%	-6.36%	-14.55%	12.98%	12.98%	18.81%
2001	12.51%	11.04%	-1.04%	12.87%	12.89%	16.94%
2000	24.33%	22.92%	12.26%	14.13%	14.15%	17.66%
1999	33.15%	31.86%	27.56%	14.59%	14.59%	16.76%
1998	29.85%	28.59%	28.23%	16.84%	16.84%	16.24%
1997	30.55%	29.27%	31.15%	14.83%	14.83%	11.30%
1996	22.82%	21.62%	19.68%	14.10%	14.10%	9.72%
1995	15.38%	14.26%	15.34%	11.00%	11.00%	8.34%
1994	5.17%	4.14%	6.27%	10.11%	10.11%	8.06%

Stralem & Company (“Stralem”) is an independent, SEC registered investment adviser established in 1966. The Large Cap Equity Strategy™ Composite (LCES) consists of fully discretionary large capitalization equity accounts. The investment objective of the LCES is to deliver above market returns with less risk during both up and down markets. The investment philosophy of the Large Cap Equity Strategy is predicated on the belief that there are four types of market environments, two types of bull markets and two types of bear markets each characterized by momentum and valuation factors. Market environments affect portfolio structure so it is critical to identify and prepare for changing market environments. The Large Cap Equity Strategy adds value by purchasing a set of fundamentally solid growth companies along with a set of companies that deliver strong cash flow and adjusting the balance between these two groups depending on where we are in the market cycle. Stralem defines the LCES as a conservative growth strategy that also focuses on preserving capital during down markets.

For comparison purposes, the composite is measured against the S&P 500 index. The S&P 500 index is widely recognized as a leading indicator of the U.S. equity markets. Prior to 7/1/2014, the Russell 1000 growth index was presented in addition to the S&P 500 as an additional benchmark for the LCES composite.

Stralem claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Stralem has been independently verified for the periods January 1, 1992 through December 31, 2016. Verification

assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Large Cap Equity Strategy Composite has been examined for the periods January 1, 1992 through December 31, 2016. The verification and performance examination reports are available upon request.

The Large Cap Equity Strategy Composite was created July 1, 2002.

The Large Cap Equity Strategy Composite has been examined by an independent third party verifier (Ashland Partners & Company LLP). The firm maintains a complete list and description of composites, which is available upon request. To receive a complete list and description of Stralem's composites contact Stralem at 212-888-8123.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The U.S. Dollar is the currency used to express performance. Returns are presented both gross and net of management fees and include the reinvestment of all income. There are portfolios included in the composite which have directed brokerage arrangements and are not charged trading commissions by their broker. These portfolios represent approximately 4% of composite assets. Performance for these accounts do not include transaction costs, and it has been determined that there is no material impact on composite performance. Returns are presented gross of custodial fees and withholding taxes but net of all trading expenses. Gross returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. Actual investment advisory fees incurred by clients may vary. Net of fee performance is calculated using a weighted-average fee based on actual fees. From 2008 to 2015, net performance is calculated using a model fee of 0.70%. From 2006 to 2008, net performance is calculated using a weighted-average fee based on actual fees. Prior to 2006, net performance is calculated using the highest client's management fee in the composite. From 2000 - 2005 the highest fee was 1.50%. Prior to 2000 the highest fee was 1.00%. A fee schedule is an integral part of a complete presentation and is described in Part 2 of the firm's ADV, which is available upon request. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. The investment management fee schedule is as follows: 0.80% on the first \$5 million, 0.70% on the next \$20 million, and 0.50% on the remainder. Actual investment advisory fees incurred by clients may vary. Clients may have different fee arrangements than the above fee schedule with fees that are higher or lower depending on when the contract was entered into and the services provided. Accounts that require additional resources for administration, management and servicing may be charged an advisory fee of up to 1.25% per annum. Upon request, Stralem will also provide its clients with a fulcrum fee arrangement, which includes a lower, fixed advisory fee plus a performance based fee. Fulcrum fees arrangements may vary among clients.

Prior to 1997, carve-outs are included in this composite and performance reflects required total segment plus cash returns. All cash not directly related to fixed income is included in the equity carve-out. 100% of composite assets were comprised of carve-out segments prior to 1997. There are no carve-out segments in the composite subsequent to 1996.