

Eagle Small Cap Core Value Fund

FOURTH QUARTER | 12/31/11

Management

David Adams, CFA

Managing Director
and Portfolio Co-manager

John “Jack” McPherson, CFA

Portfolio Co-manager

Characteristics

| | |
|-----------------------------|---------|
| Total net assets (millions) | \$77.87 |
| Number of holdings | 97 |

Top Holdings

Aspen Technology
Herbalife
Allete
Amerigroup
Dresser-Rand Group
Cubist Pharmaceuticals
AGL Resources
Dycom Industries
Merit Medical Systems
MarketAxess Holdings

Please consider the investment objectives, risks, charges, and expenses of any fund carefully before investing. Contact Eagle at 800.421.4184 or your financial advisor for a prospectus, which contains this and other important information about the funds. Read the prospectus carefully before you invest or send money.

Market Overview

The Russell 2000 Index reversed the third quarter’s poor performance with positive returns of 15.5 percent. The market bought back into areas that previously underperformed. This continues to demonstrate the see-saw market conditions and the need for a clearer economic direction to help provide the right catalyst for consistent growth and reduced volatility. It would be accurate, in our view, to characterize 2011 as more of a defensively led year when analyzed in its entirety. Small caps generated the strongest return for the quarter but lagged large caps on a year-to-date basis. Continued market uncertainty has led to heightened volatility and increased positive correlations. However, small caps provide portfolio diversification and have the potential to further their performance leadership as economic conditions improve.

Portfolio Review

Contributors to performance in the quarter included AMERIGROUP, DealerTrack Holdings and DyCom Industries. AMERIGROUP, a multi-state managed-care service provider for Medicare and Medicaid beneficiaries, appreciated on the market recognizing its underlying strong fundamentals. DealerTrack Holdings, which sells software to the U.S. and Canadian retail auto industry, rose on a more bullish outlook for auto sales, strong reported earnings and a continued robust growth forecast. Specialty contracting-services company Dycom Industries, which serves the telecommunications and infrastructure industries went up after it reported revenue and net-income growth that further lifted the stock.

Detractors included AuRico Gold, School Specialty and Rovi. Gold and silver mining company AuRico Gold declined as market prices slid during the quarter; however, we believe the company’s valuation already factored in lower commodity prices. School Specialty, a distributor of non-textbook educational supplies and furniture, dropped after delivering soft results and citing lower-than-expected sales trends due to a sluggish market. Rovi, a provider of digital home-entertainment products, reported revenue that did not meet some estimate expectations. The stock declined based on some legacy products, which overshadowed their longer-term prospects from new-product development.

Outlook

We maintain a positive outlook for small-cap equities based on a combination of current fundamentals and longer-term opportunities. At the end of 2011, operating margins for most companies in our universe were well below peak levels and stocks were trading at what we view as reasonable earnings multiples based on historical trends, providing comfort that we are far from overvaluation territory. Also, despite well-known global macroeconomic issues and a U.S. election cycle in 2012 (which likely will stoke continued volatility), we are hopeful that gradual resolution will provide clarity for investors to act more decisively in the coming years.

Much of the extreme volatility directionally in 2010 and 2011 was more sentiment-driven than fundamentally supported. Through our focus at the company level, and maintaining a cautious view on U.S. and global economic growth, we strive to take

advantage of market volatility and strategically add to and subtract from positions. The correlation of stock-price movements has been exceptionally high (greater than 90 percent) at times over the past two years, it adds significant challenges in adding value through pure stock selection. Ultimately, fundamentals and valuation are the key determinants of investment returns over extended periods. Volatility may continue and actually increase in the coming months or quarters but we believe our focus on long-term opportunities will provide solid risk-adjusted returns.

Finally, the Eagle Small Cap Core Value Fund (EGEAX) will be renamed the Eagle Smaller Company Fund effective March 1, 2012. The fund name change does not affect its small-blend investment style as categorized

by Morningstar, nor are there any changes to the ticker and CUSIP numbers. We believe that this decision will help simplify the product name and provide clarity in its investment classification.

Investing in small-company stocks may involve greater risks than investing in larger, more established companies. These companies often have narrow markets and more limited managerial and financial resources.

Investments in value stocks are subject to the risk that their true worth may not be fully realized by the market. This may result in the value stocks' prices remaining undervalued for extended periods of time. The fund's performance also may be affected adversely if value stocks remain unpopular with, or lose favor among, investors.

Past performance is not indicative of future results and investing involves risk, including the risk of loss. All information as of Dec. 31, 2011. Opinions expressed are the current opinions as of the date appearing in this material only. This material should not be construed as research or investment advice. No part of this material may, without Eagle Asset Management's prior written consent, be copied, photocopied or duplicated in any form, by any means.

The information provided should not be construed as a recommendation to buy, sell or hold any particular security. The data is shown for informational purposes only and is not indicative of future portfolio characteristics or returns. Portfolio holdings are not stagnant and may change over time without prior notice.

Benchmark Indices:

The Russell 2000 Index is a market-capitalization-weighted benchmark index made up of the 2,000 smallest U.S. companies in the Russell 3000.

The Russell 2500 Index is a market-capitalization-weighted benchmark index made up of 2500 of the smallest securities in the Russell 3000. It is not possible to invest in an index.

Eagle Boston Investment Management is an affiliate of Eagle Asset Management, the Investment Adviser to the Eagle Small Cap Core Value Fund.

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