

## Mid Cap Growth

Fourth Quarter | 2024

**Eric Mintz, CFA**  
Managing Director  
and Portfolio Manager

**Christopher Sassouni, D.M.D.**  
Portfolio Co-Manager

**David Cavanaugh**  
Portfolio Co-Manager

Past performance does not guarantee future results. The information presented is for a representative account and for illustrative purposes only. Actual account holdings will vary depending on the size of an account, cash flows within an account, and restrictions on an account. This information is intended solely to report on investment strategies as reported by Eagle Asset Management, Inc. Opinions and estimates offered constitute Eagle's judgment and are subject to change without notice, as are statements of financial market trends, which are based on current market conditions. Under no circumstances does the information contained within represent a recommendation to buy, hold, or sell any security, and it should not be assumed that the securities, transactions, or holdings discussed were or will prove to be profitable. All holdings are subject to change daily. The Index is referred to for information purposes only; the composition of each Index is different from the composition of the accounts managed by the investment manager. An index is unmanaged and has no expenses. It is not possible to invest directly in an index.

© 2025, Eagle Asset Management, Inc. All rights reserved.

### Market Overview

Mid-cap stocks experienced mixed results in the fourth quarter after delivering broader positive gains in the previous quarter. Among the style indexes, the Russell Midcap® Growth Index rose 8.14% while the Russell Midcap® Value Index fell 1.75%. Information technology (up 20.24%) distinguished itself as the top-performing sector by a notable margin. Utilities (up 13.79%), energy (up 13.40%), communication services (up 11.01%), and financials (up 10.28%) posted solid returns that outpaced the performance of the broader growth index. Although consumer discretionary (up 3.76%) and industrials (up 2.73%) lagged the overall growth benchmark, their modest gains helped them avoid the same negative drawdown experienced by their value peers. On the other hand, consumer staples (down 0.15%) finished in negative territory, with healthcare (down 1.60%) and real estate (down 5.44%) faring worse. Materials (down 11.20%) finished as the worst-performing sector on an absolute basis.

Similar to the previous year, mid-cap stocks posted solid returns in 2024, as the Russell Midcap Growth Index (up 22.10%) once again outperformed the Russell Midcap Value Index (up 13.06%) by a notable margin. Despite not typically being viewed as a high-growth area, utilities (up 111.11%) posted strong returns that helped it emerge as the best-performing sector. To a lesser extent, communication services (up 38.85%) and information technology (up 34.20%) also posted solid gains that outpaced their value counterparts. Financials (up 31.30%) outperformed the broader index along with energy (up 29.14%), which made an impressive comeback after being the

worst-performing sector on a relative basis in 2023. Industrials (up 21.47%), consumer discretionary (up 21.09%), and real estate (up 20.52%) delivered strong returns but modestly trailed overall benchmark performance. Healthcare (down 1.96%) once again found itself among the bottom three sectors this year, joining materials (down 3.26%) and consumer staples (down 8.75%).

### Portfolio Review<sup>1,2</sup>

The Eagle Mid Cap Growth portfolios underperformed the benchmark Russell Midcap Growth Index on a gross and net basis during the fourth quarter. On a sector basis, the portfolios' information holdings lagged most notably due to stock selection. Communication services and real estate also performed poorly on a relative basis, but to a lesser extent. An overweight posture in materials, the worst-performing sector on an absolute basis in the index, detracted from performance. Stronger performance was seen within financials and consumer discretionary, where overweight allocations benefited the portfolio. Other bright spots included strong stock selection in industrials, energy, and consumer staples, which helped to offset some of the broader trailing performance.

For the full year, the Eagle Mid Cap Growth portfolios underperformed the Russell Midcap Growth Index on a gross and net basis. The portfolio was challenged in keeping up with index returns as stocks selected in information technology, healthcare, and consumer discretionary finished with the highest levels of negative attribution. An overweight allocation to real estate coupled with weaker stock selection also produced results notably lower than

Not FDIC Insured ■ May Lose Value ■ No Bank Guarantee

880 Carillon Parkway | St. Petersburg, FL 33716 | 800.237.3101 | 727.573.2453 | eagleasset.com

671617 | Exp. 4/30/25 | CM-EA-MCGROWTH

## Mid Cap Growth

Fourth Quarter | 2024

### 10 Largest Holdings

Wabtec  
 U.S. dollar  
 RB Global  
 Baker Hughes  
 Ares Management  
 Waste Connections  
 Marvell Technology  
 Royal Caribbean Cruises  
 DoorDash  
 LPL Financial

As of Dec. 31, 2024. The information provided herein 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. Past performance does not guarantee future results. Please note that the holdings identified do not represent all of the securities purchased, sold, or recommended for the composite. They are provided for informational purposes only. Eagle, its affiliates, or their respective employees may have a position in the securities listed.

benchmark counterparts. Financials lagged for similar reasons, as did communication services. On the other hand, strong stock selection in materials helped offset some of the weakness in the sector. The biggest bright spot was industrials, where stock selection helped to offset some of the broader detracting performance in the portfolio.

#### Top-performing securities

AppLovin is a platform for mobile app developers to grow their apps through user acquisition, monetization, and analytics. The company reported robust revenue growth as its latest tools are finding strong reception from customers. Furthermore, investors appreciated the initial success the company is having in moving beyond mobile games advertising into e-commerce advertising.

Axon Enterprise provides next-generation law enforcement technology solutions. The company has continued to post impressive quarterly results, as it continues to exhibit ongoing success with innovative new product offerings that are garnering significant attention among both customers and investors. Axon remains intensely focused on the development of new solutions to address all aspects of law enforcement and has made significant strides recently in the emerging area of drones, as well as in artificial intelligence-enabled solutions used for evidence and administrative-related use cases. In addition, the company continues to execute within its core TASER, body camera, and software product offerings that have made Axon a household name in law enforcement.

LPL Financial is an independent broker-dealer that offers technology, brokerage,

and investment advisory services to financial advisors and financial institutions. The stock performed well due to very strong organic net new business as well as improving cash sweep market dynamics. A higher interest rate environment also benefitted the company.

Marvell Technology is a leading provider of semiconductor chips for data centers. This past quarter, management highlighted very strong orders coming from customers in the artificial intelligence (AI) space as well as design wins for future AI-related chips. Management shared a long-term view for a revenue target that was above expectations.

Royal Caribbean, a global cruise company with a fleet of vessels, saw strong quarterly earnings and the initial outlook provided for 2025 propel its stock during the quarter. Cruise demand remains strong, and we expect cruises to continue to gain market share from land-based vacations.

#### Bottom-performing securities

Monolithic Power provides semiconductors for power management. The company delivered results ahead of expectations for the quarter, driven by strength in AI-driven data center applications, but said that it expects to share the market with other competitors over time. The company is well-diversified across end markets, including communications, computers, automotive, and industrial segments. We suspect that investors may be overestimating potential share loss in the AI segment, and that the other segments should rebound in 2025 after a relatively weaker year.

Wingstop is a franchisor and restaurant operator that specializes in cooked-to order chicken wings in a fast-casual setting. The stock pulled back sharply as quarterly

## Mid Cap Growth

Fourth Quarter | 2024

Performance<sup>2</sup> as of Dec. 31, 2024

		Fourth Quarter	Year to Date	One Year	Three Years	Five Years	10 Years	Since Inception (April 1, 2004)
Eagle Mid Cap Growth	Gross	5.63%	13.39%	13.39%	1.17%	10.07%	11.78%	10.89%
Eagle Mid Cap Growth	Net	4.85%	10.08%	10.08%	-1.81%	6.84%	8.51%	7.63%
Russell Midcap <sup>®</sup> Growth Index		8.14%	22.10%	22.10%	4.04%	11.47%	11.54%	10.59%

The performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value will fluctuate so that an investor's portfolio, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance information quoted. To obtain current month-end performance information, please call your financial professional or visit eagleasset.com.

Past performance is not a guarantee of future results. The calculation of the performance data includes reinvestment of all income and gains and is depicted on a time-weighted and size-weighted average for the entire period. Performance is shown after deduction of transaction costs and both "gross" (before the deduction of management fees) and "net" (after the deduction of management fees). The net returns reflect the application of the highest wrap fee of 3% annum.

### Performance Disclosures<sup>2</sup>

The calculation of the performance data includes reinvestment of all income and gains and is depicted on a time-weighted and size-weighted average for the entire period. Performance is shown after deduction of transaction costs and both "gross" (before the deduction of management fees) and "net" (after the deduction of management fees). Performance figures include all internal, retail Mid Cap Growth accounts of Eagle Asset Management, a St. Petersburg, Florida-based firm. Eagle Asset Management, Inc. 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. Eagle Asset Management, Inc. has received a firm-wide verification for the periods January 1, 1982 through December 31, 2023. Performance data for 2024 and the current year may be revised, and Eagle will publish any revised performance data. The compound impact on performance of the deduction of fees is determined by the account size, the amount of the fee, the time period and the gross investment performance. This compounding effect is generally reflected in the Annualized Performance chart. Because accounts are individually managed, returns for separate accounts may be higher or lower than the average performance stated in the charts.

Securities shown should not be considered recommendations or solicitations and may not have been, or in the future be, profitable. Investing in equities may result in a loss of capital. Past performance is not a guarantee of future results.

earnings came in short of very high expectations. Additionally, forward guidance pointed to more slowing in the business than expected as Wingstop laps extremely strong comparable sales.

Booz Allen Hamilton is a technology services provider to the defense, intelligence, and civil markets. Booz Allen has benefitted from the long-term adoption and upgrade of the U.S. government's digital capabilities. However, investors have become concerned that the incoming administration will focus on efficiency and consulting companies like Booz Allen might have a more difficult time winning contracts. We believe that the deep capabilities and the critical nature of the services provided to the U.S. government by

Booz Allen cannot be dismissed easily and despite efficiency being an admirable goal, the company remains on a solid footing.

Floor & Decor is a specialty retailer of hard-surface flooring and related accessories. The stock lagged despite management reporting solid results. The upward move in interest rates pressured the stock as investors became less convinced that the company is close to a positive inflection in sales.

MongoDB is a vendor of next-generation database software. The company delivered solid earnings results, with much of the strength driven by the legacy database product and helped by a few large one-time deals. We remain positive on the newer

cloud database, which is highly relevant for AI applications due to its ability to index unstructured data. However, there is some risk in the near term due to a management change.

### Outlook

The outlook for the equity market remains constructive against the backdrop of the beginning of a U.S. Federal Reserve (Fed) easing cycle, coupled with a more favorable political environment for U.S. business. As most investors are keenly aware, the equity market's returns in 2024 were heavily driven by a group of momentum stocks associated with the AI investment theme as valuations among these favored stocks expanded considerably. Looking

## Mid Cap Growth

Fourth Quarter | 2024

ahead, just one major chip designer's data center revenues are expected to represent approximately 15% of total U.S. capital spending in 2025, a staggering number that highlights the potential risk of excess capacity should generative artificial intelligence (GenAI) applications fail to stir demand. According to analysts' estimates, the large hyperscalers will need to generate \$400 billion in revenue from AI to justify this level of spending. While most GenAI application adoption rates are still relatively nascent, it is encouraging that user surveys suggest that GenAI applications across a variety of industries have thus far met or exceeded expectations. User acceptance and adoption that are needed to drive monetization will remain key indicators to watch as the data center investments are brought online.

In 2025, we believe the market should see a broadening of returns beyond the AI theme as more businesses benefit from potential deregulation and a more favorable merger and acquisition (M&A) environment as well as from a loosening of monetary policy. In fact, the November reading of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index jumped 8 points, the most on record, to 101.7, above its 5-year average of 98 for the first time in nearly three years. Within the index, the outlook for U.S. business conditions surged 41 points, also the largest increase on record, to its highest level in four years. Encouraged by continued progress on the inflation front, the Federal Reserve began its easing cycle with a 50-basis point cut in the federal funds rate in September followed by additional 25-basis point reductions in November and December, respectively.

Despite these favorable dynamics, risks to the current environment keep us vigilant.

Potential changes in government policies will be closely monitored, posing some notable risks as tariffs and deportations could re-ignite inflationary pressures. It remains notable that the yield on the 10-year U.S. Treasury note has risen by nearly 100 basis points over the exact time period that the fed funds rate has been reduced 100 basis points. With mortgage rates rising in tandem with the 10-year Treasury yield, the Housing Affordability Index remains at low levels and has been a headwind to the housing sector despite pent-up demand. Surprisingly, the recent back-up in longer-term interest rates has largely gone unnoticed by many of the higher-valuation stocks that typically display more sensitivity to interest rates given that their valuations are largely supported by a view of discounted value of future cash flows. Finally, we note that investor sentiment appears to have reached frothy levels and may present a headwind to market returns. According to the November Conference Board Consumer Confidence Index<sup>®</sup>, more than 56% of respondents expected stock prices to rise over the next 12 months, which was the highest reading in the survey's history. Historically, market corrections have expunged excessive sentiment and created attractive opportunities in the equity markets.

The outlook for the cyclical areas of the economy appears slightly positive given our forecast for slightly above-trend gross domestic product (GDP) growth in 2025. The pro-business policies associated with the Trump administration, specifically lower taxes and deregulation, have ushered in the prospect of an era of "American exceptionalism" led by a recovery in the U.S. manufacturing base. Encouragingly, small business optimism has improved considerably since the election and the new

orders component of the Institute of Supply Management's manufacturing Purchasing Managers' Index rose above 50 for two consecutive months to end 2024. Balancing these tailwinds, long-term interest rates have risen, and the U.S. dollar has strengthened notably since the election.

Given these offsetting factors, we are cautiously optimistic on the prospects for growth in the coming year, but we will continue to monitor the risks closely. With respect to end markets, we are incrementally positive on the aerospace industry, where we see the potential for an improvement in jet aircraft build rates as a leading U.S. jet manufacturer appears to finally be making progress in addressing its litany of manufacturing issues. We are also incrementally positive on energy, where crude oil stockpiles are below normal and natural gas demand should be buoyed by the growth in electricity generation demand for AI data centers. We remain constructive on electrical equipment companies with exposure to data centers as the announced capital expenditure plans of hyperscalers should drive strong growth in the coming years. Finally, we are incrementally negative on residential construction, where higher mortgage rates will dampen growth despite a relatively low supply of new housing.

The year 2024 proved once again to be challenging for healthcare. The sector dramatically underperformed the major benchmark indices, such as the S&P 500 Index, the Russell 2000<sup>®</sup> Growth Index, and the Russell Midcap Growth Index. The degree of underperformance was unusually large and extended healthcare's losing streak relative to most sectors and the major benchmarks over the last several years. This degree of underperformance is unusual given that national healthcare



## Mid Cap Growth

Fourth Quarter | 2024

expenditures for the United States are now over \$5 trillion per year and are growing 4% per year, according to the Centers for Medicare and Medicaid Services as published in the Health Affairs Journal. No other sector is as large as healthcare in the United States. We attribute the underperformance of healthcare stocks in 2024 to a variety of causes, including the following:

- Unexpected increases in medical utilization, especially in the Medicaid population, that pressured margins among large-capitalization managed care organizations (MCOs). These companies had historically been considered havens for healthcare investors.
- The amount of capital raised by biotechnology companies from venture capitalists and public offerings continued to be volatile. This level of volatility introduced uncertainty into the spending patterns of biotechnology companies, especially for outsourced clinical research services. This, in turn, pressured the results of large-capitalization clinical research organizations (CROs) and chased investors away from these stocks, which had historically been favored by healthcare investors.
- Global healthcare companies saw softer demand for medical and scientific instruments or medical devices in the Chinese market. This is due to a sluggish Chinese economy and the implementation of a volume-based procurement (VBP) program by the Chinese government. It is expected that growth will begin to normalize in 2025. This has

pressured the stocks of life science tools companies.

- High-profile healthcare companies with larger market capitalizations that significantly missed investor expectations consequently experienced notable drawdowns in their stock.
- President-elect Donald Trump has put forward a slate of untested nominees for positions atop the major healthcare agencies of the federal government. Because of uncertainty over the impact that these nominees may have on the healthcare industry, many healthcare investors have adopted a “wait and see” attitude toward these nominees. These nominees include Robert F. Kennedy Jr. as the secretary for the U.S. Department of Health and Human Services, Dr. Mehmet Oz as the administrator of the Centers for Medicare and Medicaid, and Dr. Marty Makary as commissioner of the Food and Drug Administration.

Despite these issues affecting the healthcare sector, we believe that healthcare stocks could see a lift in the second half of 2025 as M&A activity picks up in the space, Trump’s nominees as heads of the country’s major healthcare agencies are confirmed and their agendas are revealed, and there is greater visibility in a return to growth in China’s economy. This, combined with attractive valuations relative to growth prospects, could bring new investors into the space.

With macroeconomic conditions stabilizing, along with expectations for steady inflation and interest rates, the technology sector remains a promising area for investment. Strong employment figures and resilient consumer spending bolster this positive outlook, fostering an environment conducive to increased technology spending

and accelerated growth in the new year. Additionally, under the new administration, we anticipate smoother pathways for mergers, acquisitions, and initial public offerings (IPOs). Within technology, we continue to find attractive opportunities in durable, strong companies with healthy balance sheets that will benefit from secular themes such as cloud computing, artificial intelligence, mobility and telecommunications infrastructure, digital payments, the Internet of Things, smart homes, industrial automation, security software, e-gaming, and alternative energy.

The current outlook for the financials sector is constructive. While interest rates have been volatile recently, economic growth remains reasonably robust, the Fed eased the fed funds rate by 50 basis points during the past quarter and the yield curve now has a more encouraging positive slope. In this environment, we see the most interesting opportunities outside of the typical banking space. Some areas we are currently excited about are boutique advisory firms poised to benefit from an increase in M&A activity that will accompany the decrease in interest rates. In addition, we see opportunities in the alternative asset space as those products continue to grow and become available in the wealth management and retail channels. Lastly, we see opportunities within the transaction processor space.

The continued, although slowing, moderation in inflation and the thus-far steady job market continue to provide support to the consumer. Against this backdrop, we find a few different dynamics at play:

- Consumers continue to prioritize travel and experiences,

- Consumers remain interested in overall health and wellness, and
- Consumers continue to be quite discerning about where they want to spend their discretionary funds.

Some exciting areas where we see attractive opportunities include companies offering unique experiences, ranging from cruise vacations to spa treatments while on cruises to trips to amusement parks. We are excited that online sports betting continues to grow with a number of providers approaching profitability. Lastly, we are excited about individual retailers offering innovative products coupled with positively inflecting businesses.

1. London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2025. FTSE Russell is a trading name of certain of the LSE Group companies. Russell<sup>®</sup> is a trade mark of the relevant LSE Group companies and is used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor, or endorse the content of this communication.

2. References to specific securities are intended to illustrate the types of securities Eagle may hold in this portfolio. They are not intended as representations of specific investment recommendations that would have been profitable to an investor. Past performance is not a guarantee of future results. Opinions and estimates offered constitute Eagle's judgment and are subject to change without notice as are statements of financial-market trends, which are based on current market conditions. Investing involves risk, including the possible loss of principal.

This information is not intended to serve as investment, tax, legal, or accounting advice. It

should not be considered a recommendation to engage in or refrain from taking a particular course of action and is not an endorsement, recommendation, or sponsorship of any securities, services, or other investment property. It has been prepared for informational purposes only, and you should consult your own investment, tax, legal, and/or accounting professionals before engaging in any transaction. Any discussion of tax matters contained herein is not intended or written to be used, and cannot be used, for the purpose of avoiding any penalties that may be imposed under federal tax laws. The opinions expressed are those of the author(s) and do not necessarily reflect the views of the firm, its clients, or any of its or their respective affiliates. Views expressed are as of the date indicated and may change based on market and other conditions. The accuracy of the content and its relevance to your particular circumstances is not guaranteed.

3. Source: Bloomberg, Russell. Statistics represent an aggregate of all Mid Cap Growth portfolios.

Investments in mid-cap companies generally involve greater risks than investing in larger capitalization companies. These companies often have narrower commercial markets and more limited managerial and financial resources than larger, more established companies. As a result, their performance can be more volatile and they face greater risk of business failure, which could increase the volatility of a strategy's portfolio. Additionally, small-cap companies may have less market liquidity than larger companies.

Growth companies are expected to increase their earnings at a certain rate. When these expectations are not met, investors may punish the stocks excessively, even if earnings showed an absolute increase. Growth company stocks also typically lack the dividend yield that can cushion stock prices in market downturns. The companies engaged in the technology industry are subject to fierce competition and their products and services may be subject to rapid obsolescence. The values of these companies tend to fluctuate sharply.

#### Definitions

American exceptionalism is an idea centered on the notion that the United States is a unique and even superior nation as a result of historical, ideological, religious, and/or, in the context of finance, economic reasons. Proponents of American exceptionalism often advocate for the United States to occupy or play a leading role in global affairs.

Attribution is a term used to describe factors, circumstances or events that affect the performance or returns of an investment.

Basis points (bps) are measurements used in

discussions of interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01%.

Cash sweep refers to the practice of investment firms to move uninvested cash into accounts that can earn interest or dividends.

Comparables, or comps, carries different meanings depending on the industry and context, but generally entails a comparison of financial metrics – often for two different time periods – or other factors to quantify performance or determine valuation.

The Consumer Confidence Index<sup>®</sup> is a survey, administered by The Conference Board, that measures how optimistic or pessimistic consumers are regarding their expected financial situations.

Cyclical stocks have prices influenced by macroeconomic changes in the economy and are known for following the economy as it cycles through expansion, peak, recession, and recovery.

Discounted future cash flows are a measure of the current value of future cash flows that an investment is expected to generate.

Excess capacity refers to when demand for a business's products or services is below what the business could supply.

The federal funds rate is the target interest rate set by the Federal Open Market Committee of the U.S. Federal Reserve. The target is the Fed's suggested rate for commercial banks to borrow and lend their excess reserves to each other overnight.

Generative artificial intelligence (GenAI) is a form of artificial intelligence that can create new content that includes text, audio, code, video, and images.

Gross domestic product (GDP) is the total value of goods and services provided in an economy during a specified period, often one year.

Growth investing is a stock-buying strategy that focuses on companies expected to grow at an above-average rate compared to their industry or the market.

Guidance refers statements from the managers of publicly traded companies that indicate whether they expect to realize near-term profits or losses and why.

Headwind is a term used to describe events or market forces that hinder the prospects for performance in an individual investment or

group of investments.

The Housing Affordability Index, published by the National Association of Realtors, measures whether a typical family earns enough income to qualify for a mortgage loan on a typical home at the national and regional levels based on recent price and income data.

Hyperscaler refers to the largest cloud computing providers that can provide massive amounts of computing resources and storage at enterprise scale.

An inflection in sales marks a sudden change in the direction and rate of change of for a company's sales.

Lapping a comparable sale refers to a seller reaching the anniversary, often one year, since a noteworthy level of sales took place.

The manufacturing Purchasing Managers' Index (PMI) measures the prevailing direction of economic trends in the manufacturing sector. It is created by the Institute for Supply Management (ISM), and consists of an index summarizing whether market conditions as reported in a monthly survey of supply chain managers are expanding, staying the same, or contracting. Market capitalization, or market cap, refers to the total dollar market value of a company's outstanding shares of stock.

Market capitalization, or market cap, refers to the total dollar market value of a company's outstanding shares of stock.

Momentum investing is a strategy that aims to capitalize on the continuance of an existing market trend. It is a trading strategy in which investors buy securities that are already rising and look to sell them when they look to have peaked. It entails taking long positions on financial instruments with prices trending up and short positions on instruments with prices trending down.

The National Federation of Independent Business's Small Business Optimism Index surveys small and independent business owners on 10 equally weighted and seasonally adjusted variables, including their hiring, investment, and inventory plans, as well as on their economic expectations, assessment of the state of the economy, labor market, credit conditions, and earnings trends. The monthly change of each variable contributes proportionally to the overall monthly change in the index.

Organic net new business refers to growth in accounts, orders, sales, or other operational metrics that occurs as a result of a company's internal efforts and operations, as opposed to new business gained through the acquisition of some or all of another firm.

Overweight describes a portfolio position in an industry sector or some other category that is greater than the corresponding weight level in a benchmark portfolio.

Secular stocks are characterized by having consistent earnings over the long term constant regardless of other trends in the market. Secular companies often have a primary business related to consumer staples most households consistently use whether the larger economy is good or bad.

Tailwind is a term used to describe events or market forces that exert a positive influence on an investment's performance.

Value investing is an investment strategy that involves picking stocks that appear to be trading for less than their intrinsic or book value.

Visibility reflects the degree to which market participants or observers can reliably estimate future near- or long-term trends affecting a particular security, sector, area of the market, or national economy.

A volume-based procurement program, such as a national program used in China, uses pooled

procurement practices within the pharmaceutical sector to lower the price of drugs.

A yield curve is a line that plots yields (interest rates) of bonds having equal credit quality but differing maturity dates. The slope of the yield curve gives an idea of future interest rate changes and economic activity.

Indices

The Russell Midcap<sup>®</sup> Growth Index, the strategy's benchmark index, measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth<sup>®</sup> Index.

The Russell Midcap<sup>®</sup> Value Index measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value<sup>®</sup> Index.

The Russell 2000<sup>®</sup> Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

The S&P 500 Index measures change in stock market conditions based on the average performance of 500 widely held common stocks. It is a market-weighted index calculated on a total return basis with dividends reinvested. The S&P 500 represents approximately 80% of the investable U.S. equity market.

Indices are unmanaged, and one cannot invest directly in an index.

The views and opinions expressed are not necessarily those of any broker/dealer or any affiliates. Nothing discussed or suggested should be construed as permission to supersede or circumvent any broker/dealer policies, procedures, rules, and guidelines.

© 2025, Eagle Asset Management, Inc. All rights reserved.