

EAGLE SMALL CAP STRATEGY

Second Quarter | 2024

EAGLE | Asset
Management

Not FDIC Insured

May Lose Value

No Bank Guarantee

EAGLE SMALL CAP STRATEGY

The Eagle Small Cap Strategy team seeks to invest in high-quality small cap companies at a discount to what it perceives as fair market value. The team utilizes a consistent and repeatable investment process. The natural result of this disciplined strategy creates an attractive risk profile designed to reduce some of the volatility inherent in the small cap asset classes.

INVESTMENT PHILOSOPHY

The team believes in three key principles:

- Durable franchises differentiate themselves through long-term investment in their products and services, employees, community and culture;
- Such intangible investments are often misvalued as investors fail to recognize their resiliency; and
- Consistent alpha may be achieved using a repeatable process to identify such franchises, exploit periodic mispricing, and mitigate unpredictable macro-level risk in portfolio construction

INVESTMENT STRATEGY¹

We are long-term investors, constructing portfolios of high-quality “blue chip” small-cap companies.

Our approach focuses on identifying **Durable Franchises**, which are companies that have:

- Defensible business models with differentiated products and services;
- A conservative financial profile; and
- Management teams that think and act for the long-term interests of all constituents

We create a **Focus List** which contains approved portfolio holdings and “bench” ideas.

We establish and build positions when short-term investors fail to recognize the value of durable franchises.

ESG CONSIDERATIONS

ESG analysis is integrated into our approach from initial company analysis and subsequently monitored throughout the investment’s life cycle.

We focus on materiality to determine what issues are most/least important for each company.

We seek to encourage companies to enhance their commitment to all stakeholders.

In addition to seeking out those companies that take into account the interest of all constituents, our sell discipline is also willing to consider divesting our portfolio of companies that have violated this responsibility.

RESULT

Over a full market cycle, the team would expect the portfolio to outperform the benchmark Russell 2000® Index with less risk and volatility.

TOP 10 HOLDINGS³

Texas Roadhouse	2.75%
Globus Medical	2.43%
Chord Energy	2.42%
PJT Partners	2.24%
RBC Bearings	2.17%
Altair Engineering	2.16%
Cohen & Steers	2.02%
Prestige Consumer Healthcare	2.01%
Bio-Techne	2.00%
EXL Service Holdings	1.98%

STATISTICAL INFORMATION

	Portfolio	Index*
Forward Price/ Earnings ⁵	18.65x	15.53x
Est. 3-5 yr. EPS Growth ⁴	11.80%	15.67%
Long-term Debt/Capital ⁴	30.42%	35.07%
Return on Equity ⁶	9.53%	5.42%
Return on Invested Capital ⁶	6.70%	3.17%
Free Cash Flow Yield ⁴	4.44%	1.91%
Wtd. average market cap	\$4.96 B	\$4.58 B
Typical number of positions	70-100	
Annual portfolio turnover	Less than 50%	

PORTFOLIO MANAGEMENT TEAM:

Matthew McGeary, CFA
Jason Wulff, CFA
Matthew Spitznagle, CFA
E.G. Woods, CFA

*Russell 2000 Index

⁴Weighted average

⁵Weighted harmonic average

⁶Median

PERFORMANCE² as of June 30, 2024

		Second Quarter	Year to Date	One Year	Three Years	Five Years	10 Years	Since Inception (Aug. 1, 2012)
Eagle Small Cap Strategy	Gross	-4.78%	-2.99%	3.81%	-0.34%	7.81%	8.78%	11.04%
Eagle Small Cap Strategy	Net	-5.51%	-4.45%	0.74%	-3.30%	4.63%	5.58%	7.78%
Russell 2000® Index		-3.28%	1.73%	10.06%	-2.58%	6.94%	7.00%	9.84%

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.

CALENDAR YEAR RETURNS²

		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Eagle Small Cap Strategy	Gross	16.24%	-18.13%	25.53%	19.33%	28.54%	-6.44%	20.55%	19.69%	-5.18%	4.51%
Eagle Small Cap Strategy	Net	12.84%	-20.60%	21.88%	15.84%	24.81%	-9.22%	17.03%	16.20%	-8.00%	1.43%
Russell 2000® Index		16.94%	-20.43%	14.81%	19.94%	25.53%	-11.03%	14.65%	21.32%	-4.42%	4.89%

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.

TRAILING STANDARD DEVIATION as of June 30, 2024

		One Year	Three Years	Five Years	10 Years	Since Inception* (Aug. 1, 2012)
Eagle Small Cap Strategy	Gross	14.93%	15.61%	23.60%	19.23%	18.12%
Russell 2000® Index		17.57%	16.11%	26.98%	21.80%	20.49%

Source: Callan; standard deviation is not statistically relevant for periods less than three years

*Composite inception date is August 1, 2012, however, Q4 is used as a representation since it is the first full quarter of performance.

The information provided above 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.

¹Not every investment opportunity will meet all of the stringent investment criteria mentioned to the same degree. Trade-offs must be made, which is where experience and judgment play a key role. Accounts are invested at the discretion of the portfolio manager and may take up to 60 days to become fully invested.

The Eagle Institutional US Small Cap Strategy composite was re-named and re-defined as of January 1, 2019 to the Eagle US Small Cap Strategy in order to include retail wrap accounts that were managed in the same model as institutional separately managed accounts. Effective January 1, 2019 the composite included accounts with wrap fees and accounts where Eagle does not have brokerage discretion along with accounts that grant Eagle brokerage discretion. The minimum account size for inclusion in the composite was changed from \$1,000,000 to \$50,000 effective January 1, 2019.

Risks Associated with Small Cap Strategy Investing

Investing in small-sized companies is based on the premise that relatively small companies will increase their earnings and grow into larger, more valuable companies. However, as with all equity investing, there is the risk that a company will not achieve its expected earnings results, or that an unexpected change in the market or within the company will occur, both of which may adversely affect investment results. Historically, small-cap stocks have experienced greater volatility than other equity asset classes, and they may be less liquid than larger cap stocks. Thus, relative to larger, more liquid stocks, investing in small-cap stocks involves potentially greater volatility and risk. The biggest risk of equity investing is that returns can fluctuate and investors can lose money. Not every investment opportunity will meet all of the stringent investment criteria mentioned to the same degree. Trade-offs must be made, which is where experience and judgment play a key role. Accounts are invested at the discretion of the portfolio manager and may take up to 60 days to become fully invested.

Sustainable investing may incorporate criteria beyond traditional financial information into the investment selection process. This could result in investment performance deviating from other investment strategies or broad market benchmarks. Please review any offering or other informational material available for any investment or investment strategy that incorporates sustainable investing criteria and consult your financial professional prior to investing.

²Performance Disclosures

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 figures include all managed Small Cap Strategy accounts of Eagle Asset Management, a St. Petersburg, Florida-based firm. Eagle Asset Management, Inc. claims compliance with the Global Investment Performance Standards (GIPS®). GIPS® 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 may be revised, and Eagle will publish any revised performance data. To obtain a GIPS-compliant performance information, please call 1.800.237.3101.

No inference should be drawn by present or prospective clients that managed accounts will achieve similar investment performance in the future. Past performance does not guarantee future results. Because accounts are individually managed, returns for separate accounts may be higher or lower than the average performance stated in the charts. Investing in equities may result in a loss of capital.

³In addition to these securities, as of June 30, 2024, the portfolio also held a position in the U.S. dollar that would put it in the No. 5 position on this list.

Descriptions and Definitions

The Russell 2000® Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000® Index is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

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

Standard Deviation is a measure of the dispersal or uncertainty in a random variable. For example, if a financial variable is highly volatile, it has a high Standard Deviation. Standard Deviation is frequently used as a measure of the volatility of a random financial variable.

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About Eagle Asset Management

Eagle Asset Management, a boutique in the Raymond James Investment Management family, provides a broad array of fundamental equity and fixed-income strategies designed to meet the long-term goals of institutional and individual investors. Eagle’s multiple independent investment teams have the autonomy to pursue investment decisions guided by their individual philosophies and strategies.

LEARN MORE ABOUT THE EAGLE SMALL CAP STRATEGY PORTFOLIO.

FINANCIAL PROFESSIONALS: 1.800.237.3101 | INVESTING PUBLIC: contact your financial professional