# Emerald Advisers, LLC
# Small Capitalization Growth

*Prepared for:*

FORT PIERCE
THE SUNRISE CITY

*Data as of March 31, 2021*

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# Inception to Date Statement of Cashflow

| | | |
|---|---|---|
| Original Investment | | $4,841,219.58 |
| Contributions | | $1,000,000.00 |
| Withdrawals | | -$9,418,226.94 |
| | | |
| Management Fees | | -$906,271.48 |
| 1Q04 | -$1,499.47 | |
| 2Q04 | -$10,496.24 | |
| 3Q04 | -$4,804.83 | |
| 4Q04 | -$10,840.63 | |
| 1Q05 | -$10,406.50 | |
| 2Q05 | -$10,663.78 | |
| 3Q05 | -$11,314.23 | |
| 4Q05 | -$11,689.52 | |
| 1Q06 | -$13,377.49 | |
| 2Q06 | -$12,840.88 | |
| 3Q06 | -$12,400.84 | |
| 4Q06 | -$12,973.99 | |
| 1Q07 | -$13,372.71 | |
| 2Q07 | -$12,999.35 | |
| 3Q07 | -$11,334.91 | |
| 4Q07 | -$10,462.07 | |
| 1Q08 | -$9,129.24 | |
| 2Q08 | -$9,499.07 | |
| 3Q08 | -$9,102.94 | |
| 4Q08 | -$7,072.70 | |

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# Inception to Date Statement of Cashflow

| Management Fees | |
|---|---|
| 1Q09 | -$6,610.24 |
| 2Q09 | -$7,486.93 |
| 3Q09 | -$8,601.21 |
| 4Q09 | -$10,134.48 |
| 1Q10 | -$11,610.98 |
| 2Q10 | -$10,760.62 |
| 3Q10 | -$12,001.66 |
| 4Q10 | -$12,532.52 |
| 1Q11 | -$13,664.03 |
| 2Q11 | -$13,554.81 |
| 3Q11 | -$9,250.42 |
| 4Q11 | -$10,427.46 |
| 1Q12 | -$12,332.14 |
| 2Q12 | -$11,474.10 |
| 3Q12 | -$12,193.85 |
| 4Q12 | -$12,038.06 |
| 1Q13 | -$13,565.10 |
| 2Q13 | -$14,234.57 |
| 3Q13 | -$16,471.32 |
| 4Q13 | -$16,650.18 |
| 1Q14 | -$17,075.62 |
| 2Q14 | -$16,699.88 |
| 3Q14 | -$15,959.43 |

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# Inception to Date Statement of Cashflow

| Management Fees | |
|---|---|
| 4Q14 | -$17,095.17 |
| 1Q15 | -$17,115.17 |
| 2Q15 | -$18,215.70 |
| 3Q15 | -$14,566.22 |
| 4Q15 | -$14,228.14 |
| 1Q16 | -$12,347.47 |
| 2Q16 | -$12,482.11 |
| 3Q16 | -$13,613.33 |
| 4Q16 | -$14,044.61 |
| 1Q17 | -$14,658.39 |
| 2Q17 | -$15,559.11 |
| 3Q17 | -$16,500.19 |
| 4Q17 | -$17,671.17 |
| 1Q18 | -$17,357.17 |
| 2Q18 | -$18,780.48 |
| 3Q18 | -$19,956.46 |
| 4Q18 | -$15,751.99 |
| 1Q19 | -$18,828.52 |
| 2Q19 | -$18,086.78 |
| 3Q19 | -$16,412.08 |
| 4Q19 | -$18,101.56 |
| 1Q20 | -$11,602.25 |
| 2Q20 | -$12,885.41 |
| 3Q20 | -$13,974.24 |

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# Inception to Date Statement of Cashflow

| | | |
|---|---|---|
| Management Fees | | |
| | 4Q20 | -$17,238.62 |
| | 1Q21 | -$17,588.14 |

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# Inception to Date Statement of Cashflow

| | | | |
|---|---|---|---|
| Total Investment Earnings | | | $13,196,955.84 |
| Income | $424,698.84 | | |
| Capital Appreciation/(Depreciation) | $12,772,257.00 | | |
| **Total Assets as of March 31, 2021** | | **$8,713,677** | |
| **Total Assets as of April 30, 2021 (Preliminary)** | | **$9,094,735** | |

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## Parent Company: Emerald Asset Management PA, LLC

- Emerald Incorporated in November, 1991
- Employees Participate in Ownership via ESOP Plan and Equity Awards
- $6.0 Billion Firm-Wide Assets Under Management as of March 31, 2021
- Driven by In-Depth Fundamental, Bottom-Up Research

## Emerald Asset Management

***Emerald Advisers***

**Mid Cap Growth**

**Emerald Growth Opportunities (ACG)**

**Small Cap Growth**

**PA Small Cap Core**

**Financial Services Sector**

***Emerald Mutual Fund Advisers Trust***

**Mutual Funds**

**Emerald Growth Fund**

**Emerald Insights Fund**

**Emerald Banking & Finance Fund**

***Affiliated Advisers:***

***EmStone Advisers LLC***

**Traditional & Enhanced Fixed-Income Portfolios**

## Partial Client List

***Public***

Commonwealth of Pa.
Contra Costa County (CA)
State of Illinois Teachers'
13 Pennsylvania Counties

***Corporate***

Independence Blue Cross
Carpenter Technology
Shands Healthcare

***Endowments***

Lower Susquehanna Synod of the ELCA
Shippensburg University Foundation

***Taft-Hartley***

UFCW Tri-State Pension Fund

***Sub-Advisory Relationships***

Prudential Investments

***It is not known whether the clients approve or disapprove of Emerald services provided through its subsidiaries. Emerald did not use performance-based data to determine which clients are included on this list. Clients were selected based upon their general name recognition and as a representative sampling of the types of accounts managed.***

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# Small Cap Growth Product Snapshot

Objective: Long-term growth of capital by delivering alpha during both up and down markets.[1]

| | |
|---|---|
| Product Inception: | October, 1992 |
| Number of Holdings: | 110 - 120 |
| Average Position: | 1/2 - 2% |
| Weighted Average Market Cap: | $3,919 mm |
| 3-5 Year Projected Growth Rate of Portfolio Holdings: | 23.9% |

**Assets Under Management in Diversified SCG Strategy:**

| | |
|---|---|
| Total AUM | $5,458 mm |
| Institutional AUM | $5,176 mm[2] |

| Account Breakdown | |
|---|---|
| Public Plans/Government | 38% |
| Mutual Fund | 29% |
| Subadvised | 28% |
| Corporate | 4% |
| Endowment/Foundation | 1% |
| Taft Hartley/Union | 1% |

*[1] There can be no assurance that the Adviser will achieve its objective.*

*[2] Institutional accounts include all sub-advised accounts, institutional separate accounts and institutional accounts in the Emerald Growth Fund as of 03/31/2021.*

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# The Emerald Advantage

Emerald demonstrates an ongoing commitment to "The Five P's"
- Embedded in its corporate culture since its founding in 1992

- **People**
  - Portfolio management team has 94 years collective experience; together since 1994
  - Teamwork Environment: 13 analysts with 17 years average tenure
- **Philosophy**
  - Active management works to uncover opportunities in small-cap markets
  - We work to maximize return and minimize risk by capitalizing on inherent inefficiencies
- **Process**
  - Disciplined focus grounded by Emerald 10-Step Research Process
  - Focused and consistent investment style adhering to growth and small-cap mandates
  - Emerald's entrepreneurial culture seeks to generate alpha by discovering and exploiting trends
  - Demonstrated ability to invest (when risk/reward is appropriate) in the pre-profit Biotech Industry (10%+ of index) and all pre-profit companies (20%+ of index)
- **Persistence**
  - Remaining true to our fundamental, bottom-up process irrespective of market cycles
  - Demonstrated by a 28 year record of portfolio attribution and performance
- **Performance**
  - Emerald seeks to provide competitive long-term performance and upside/downside market capture

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## Research-Driven Active Portfolio Management

- Top line & bottom line growth drives stock values higher.
- Seek to maximize returns and minimize risks by capitalizing on the inefficiencies inherent in small-cap markets.
  - 1,114 Russell 2000 stocks have five or fewer sell-side analysts, while 340 stocks have two or fewer. *(Source: FactSet as of 4/1/2021)*
- Dedicated to fundamental, bottom-up research designed to identify unrecognized, under-researched companies.
- In-house fundamental investment research is the key to outperforming benchmark market indices.
- Industry & scientific expertise across all sectors.

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## Analysis of Sell-Side Analyst Coverage

**April 1, 2021**

| | S&P 500 | Russell Mid Cap | Russell 2000 |
|---|---|---|---|
| Average # of Sell-Side Analysts Per Stock | 18.7 | 13.3 | 5.6 |
| Stocks with >= 20 Sell-Side Analysts | 206 | 139 | 8 |
| *% of Total* | *40.79%* | *16.87%* | *0.42%* |
| Stocks with <= 5 Sell-Side Analysts | 12 | 91 | 1,114 |
| *% of Total* | *2.38%* | *11.04%* | *57.96%* |
| Stocks with <= 2 Sell-Side Analysts | 2 | 23 | 340 |
| *% of Total* | *0.40%* | *2.79%* | *17.69%* |
| Total # of Stocks | 505 | 824 | 1,922 |

*Source: FactSet Research Systems*

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# Equity Portfolio Managers/Analysts Coverage & Firm Tenure

## TEAM EMERALD*

13 Investment Professionals | 17 Yrs. Avg. Tenure | 23 Yrs. Avg. Industry Experience

**Kenneth G. Mertz, CFA**
Chief Investment Officer
Port. Manager - SCG & Banking
*Coverage*: Financial Services
28 Yrs. Tenure

**Stacey L. Sears, MBA**
Port. Manager - SCG
*Coverage*: Consumer
28 Yrs. Tenure

**Joseph W. Garner, MBA**
Director of Research
Port. Manager - SCG
*Coverage*: Consumer Goods/ Technology/Transportation
26 Yrs. Tenure

**David Volpe, CFA, MA**
Deputy CIO
Port. Manager - ACG & MCG
*Coverage*: Energy
20 Yrs. Tenure

**Steven E. Russell, Esq., MBA**
Port. Manager - Banking
*Coverage*: Financial Services Banks, REITs
19 Yrs. Tenure

**Ori Elan, MBA**
Research Analyst
*Coverage:* Insurance, REITs
5 Yrs. Tenure

**Stephen Amsterdam**
Assoc. Manager – ACG & MCG
*Coverage*: Semiconductors Technology/Gaming
19 Yrs. Tenure

**Joseph Hovorka**
Assoc. Manager – ACG & MCG
*Coverage*: Consumer Discretionary
4 Yrs. Tenure

**Scott Blumenthal, MBA**
Dir. of Industrials Research
*Coverage*: Basic Materials/Industrials/ Capital Goods Engineering/Defense Aerospace/Construction
16 Yrs. Tenure

**Derek Fisher**
Dir. of Technology Research
*Coverage*: Technology Professional Services
24 Yrs. Tenure

**Nishit Trivedi PhD, MBBS, MBA**
Dir. of Life Sciences Research
*Coverage*: Molecular Diagnostics/ Hospitals/ Medical Devices
14 Yrs. Tenure

**Terry M. Smith, PhD, MBA**
Dir. of Life Sciences Research
*Coverage*: Biotechnology/ Drugs & Pharma. /Managed Care
14 Yrs. Tenure

**Nathan R. Jones, PhD, MBA**
Senior Research Analyst
*Coverage*: Technology
7 Yrs. Tenure

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* as of December 31, 2020

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# Investment Research Process

**Emerald's research team focuses on providing fundamental research and analysis of every investment opportunity, utilizing a proprietary process initiated in 1992.**

## 10-Step Process

1. **Review SEC Filings, Press Releases and News Stories**
   The process includes monitoring relevant media sources such as industry press, financial press and popular press.
2. **Meet with Management**
   Meet with management across the organization in areas such as executive management, marketing, product development, operations and finance. The Emerald Research Team conducts approximately 2,000 meetings per year on-site at the company, or off-site at conferences, trade shows or other locations. Emerald also leverages the use of adaptable video-conferencing capabilities when such on-site meetings are not feasible.
3. **Interview Customers**
   Interview customers to determine (1) the critical factors driving their buy decision, (2) what competitors or alternatives were considered, (3) level of satisfaction with the quality of the product or service, and (4) likelihood of generating repeat business.
4. **Interview Competitors**
   Interview competitors to determine their strengths and weaknesses, as well the competitors' perception of the strengths and weaknesses of the company.
5. **Interview Suppliers**
   Interview suppliers to determine their ability to supply the products/services required by the company. Also, assess the extent of potential supply chain bottlenecks.
6. **Interview Distributors**
   Interview distributors to determine potential issues and opportunities in the company's distribution channel such as inventory levels, demand drivers and competitive pressures.
7. **Develop Financial and Valuation Models**
   Develop a financial model to analyze financial performance and estimate future cash flows, earnings and financing needs. Use a valuation model to analyze relative and absolute valuation.
8. **Review Third-Party Research**
   Review published research from sell-side analysts and industry research firms to compare our data points and financial estimates. Also, use third party research to assess security-specific and industry-specific sentiment.
9. **Publish an internal research report**
   Publish an internal research report summarizing the company's business, competitive advantages, management strengths/weaknesses, growth drivers and risks, as well as stating investment conclusions and recommendations.
10. **Communicate, Communicate, Communicate**
    The entire research team formally meets once a week and informally on an ongoing basis with the portfolio management team to discuss the fundamentals of current and potential holdings. Internal discussions are held throughout the process.

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# Small Cap Growth Portfolio Management Team

| Kenneth G. Mertz II, CFA | Stacey L. Sears | Joseph W. Garner |
|---|---|---|
| *Chief Investment Officer/ Portfolio Manager* | *Portfolio Manager / Analyst* | *Portfolio Manager / Director of Research* |
| Investment Experience | | |
| 42 Yrs. | 26 Yrs. | 26 Yrs. |

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## Stock Selection is a Fundamentally Driven Process

### IDEA GENERATION

**Universe**
- Universe is Russell 2000
- Capitalization ≤ the largest Russell 2000 company

**13-Member Team**
- Assigned Sector/Industry Coverage
- Expertise / Tenure

**10-Step Process**
- Fundamentally driven
- Bottom-up focus
- Meetings with management
- Written report generated for every stock

### STOCK SELECTION PROCESS

**Buy Criteria**
- Competitive advantages
- Leadership position
- Strong management
- Growth rate exceeds peer group
- Differentiated growth drivers
- Under-researched by the Street

**Buy Decision**
- Valuation deemed attractive relative to defined growth prospects
- Security fits within portfolio risk constraints

### PORTFOLIO CONSTRUCTION

**Diversified Portfolio**
- 110-120 stocks
- Sector & industry diversification

**Unequal Weighted**
- At the stock level
  - Position sizes range ½ - 2%
  - Stock specific risk/cross-risk/correlation
- At the sector/industry level
  - Sector/industry weights are a fallout of the bottom-up investment process
- Ability to participate in a broader opportunity set than our peers

**Risk Averse**
- Sector: ≤ 3x R-2000 Index (max. 45%), (if sector is ≤ 2%: up to max. 5%)
- Industry: ≤ 25%
- Stock : ≤ 5% holding size
  ≤ 5% ownership in company

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# City of Fort Pierce Performance
as of March 31, 2021

| GROSS PERFORMANCE | QTD | YTD | 1 Year* | 3 Year* | 5 Year* | Incept** |
|---|---|---|---|---|---|---|
| City of Fort Pierce | 2.39 | 2.39 | 87.27 | 18.83 | 20.14 | 12.26 |
| RUSSELL 2000G TOTAL RETURN*** | 4.88 | 4.88 | 90.20 | 17.16 | 18.61 | 10.45 |

**Annualized **Since Inception-Mar 17, 2004*

***** Source: Frank Russell Company – see full disclosure**

**Performance Disclaimer - The performance information reflected is approved for "One-on-One" client presentations only.** The gross performance figures do not reflect the deduction of investment fees; the investment advisory fees are described in Part II of Emerald Advisers' Form ADV. For example, if a client placed $100,000 under management and a hypothetical gross return of 10% were achieved, the investment assets before fees would have grown to $259,374 in ten years. However, if an advisory fee of 1% of average net assets were charged, investment assets would have grown to $234,573, or an annual compounded rate of 8.9%. This includes all reinvestment of dividends.

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# City of Fort Pierce Performance (Gross)
as of March 31, 2021

**RATE OF RETURN REPORTED GROSS**

| | MARKET VALUE ($) | TOTAL | RUSSELL 2000G TOTAL RETURN* |
|---|---|---|---|
| **Monthly** | | | |
| March | 8,713,677 | -3.26 | -3.15 |
| February | 9,007,627 | 4.40 | 3.30 |
| January | 8,628,146 | 1.38 | 4.82 |
| December | 8,527,262 | 9.86 | 9.35 |
| November | 7,762,229 | 12.52 | 17.63 |
| October | 6,898,666 | 1.85 | 0.76 |
| September | 6,786,262 | -1.95 | -2.14 |
| August | 6,921,205 | 4.90 | 5.87 |
| July | 6,597,681 | 6.53 | 3.44 |
| June | 6,205,554 | 2.87 | 3.84 |
| May | 6,032,546 | 11.35 | 9.45 |
| April | 5,417,720 | 15.76 | 14.89 |
| **Quarterly** | | | |
| 1stQtr2021 | 8,713,677 | 2.39 | 4.88 |
| 4thQtr2020 | 8,527,262 | 25.89 | 29.61 |
| 3rdQtr2020 | 6,786,262 | 9.57 | 7.16 |
| 2ndQtr2020 | 6,205,554 | 32.59 | 30.58 |

| | | MARKET VALUE ($) | TOTAL | RUSSELL 2000G TOTAL RETURN* |
|---|---|---|---|---|
| **Yearly** | | | | |
| 2021 | YTD | 8,713,677 | 2.39 | 4.88 |
| 2020 | | 8,527,262 | 38.22 | 34.63 |
| 2019 | | 8,987,498 | 30.66 | 28.48 |
| 2018 | | 7,734,396 | -10.81 | -9.31 |
| 2017 | | 8,757,957 | 29.11 | 22.17 |
| 2016 | | 6,823,790 | 10.32 | 11.32 |
| 2015 | | 6,921,673 | 4.91 | -1.38 |
| 2014 | | 7,733,365 | 8.29 | 5.60 |
| 2013 | | 8,178,646 | 50.62 | 43.30 |
| 2012 | | 5,753,631 | 18.54 | 14.59 |
| 2011 | | 4,894,644 | -0.23 | -2.91 |
| 2010 | | 5,870,649 | 29.73 | 29.09 |
| 2009 | | 5,224,800 | 34.89 | 34.47 |
| 2008 | | 3,105,499 | -36.22 | -38.54 |
| 2007 | | 4,913,104 | 2.93 | 7.05 |
| 2006 | | 6,252,795 | 13.01 | 13.35 |
| 2005 | | 5,567,745 | 9.79 | 4.15 |
| 2004 | YTD | 5,114,889 | 6.05 | 8.26 |
| Cumulative | | | **618.76** | **442.24** |
| Annualized | | | **12.26** | **10.45** |

*** Source: Frank Russell Company – see full disclosure**

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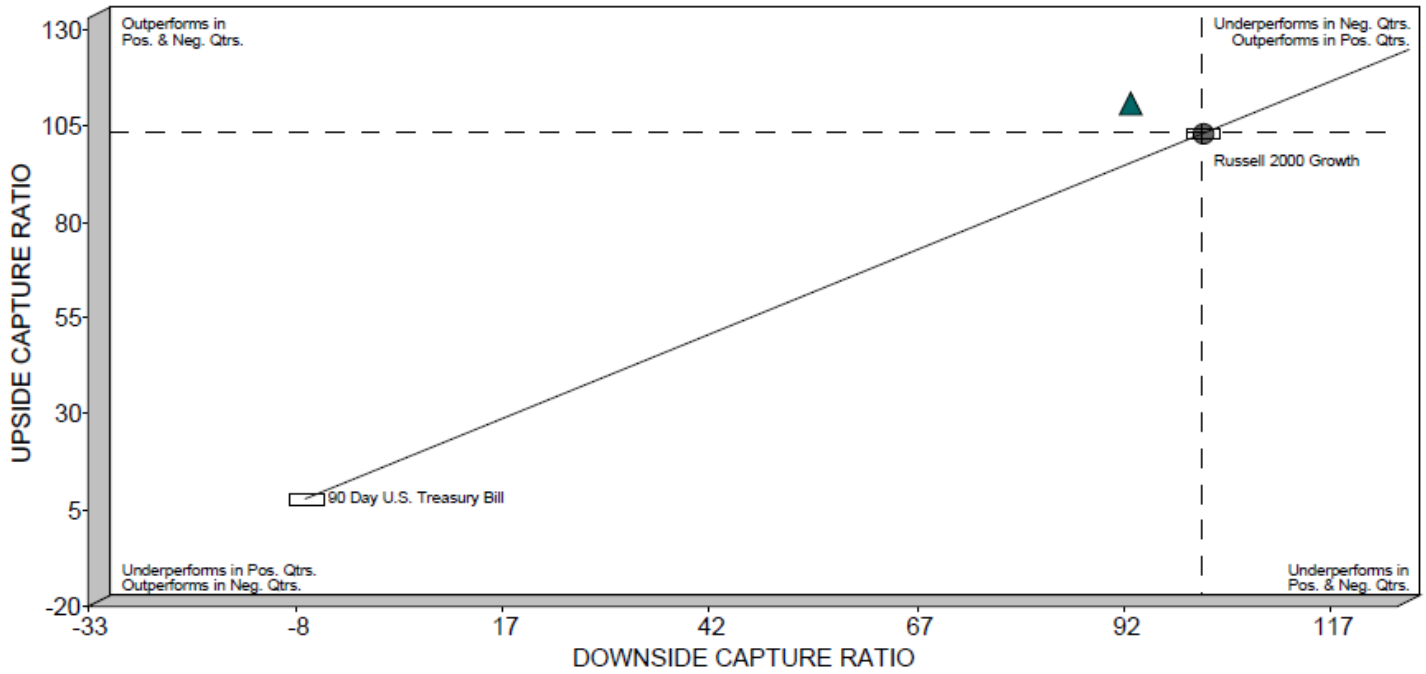
# Market Capture Since Inception
as of March 31, 2021

**RATE OF RETURN REPORTED GROSS**




| | Up Mkt Capt Retrn | Up Cap Ratio | Dnside Cap Return | Dnside Cap Ratio | R-Squared |
|---|---|---|---|---|---|
| Emerald Advisers Emerald Div. Sm. | 46.28 | 107.90 | -31.60 | 91.40 | 0.86 |
| Russell 2000 Growth | 42.89 | 100.00 | -34.57 | 100.00 | 1.00 |

Source: PSN, Inception: 10/1/92

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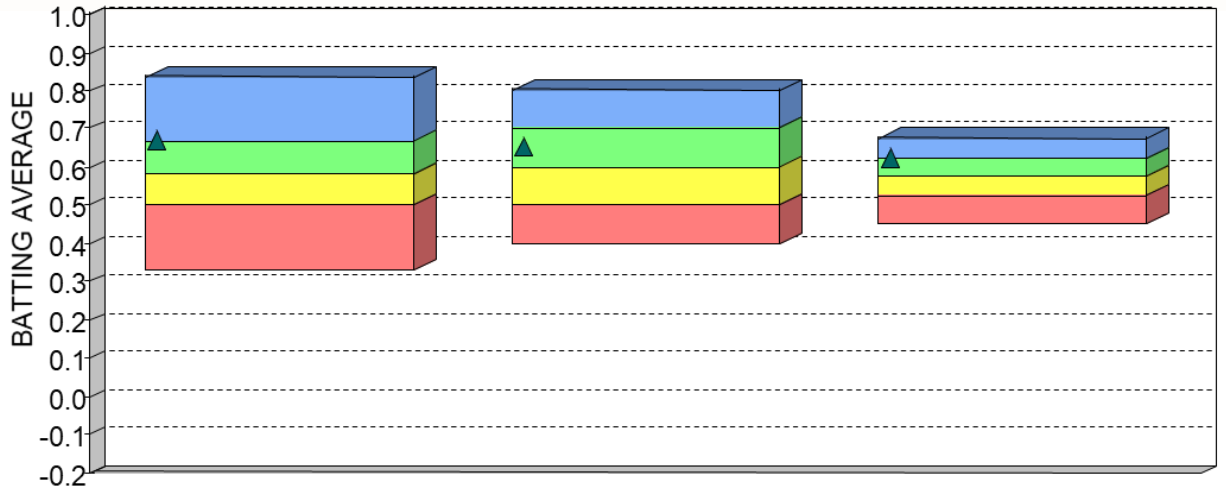
# Batting Average
as of March 31, 2021

**RATE OF RETURN REPORTED GROSS**




| | 3 Years | 5 Years | 10 Years |
|---|---|---|---|
| HIGH (0.05) | 0.83 | 0.80 | 0.68 |
| FIRST QUARTILE | 0.67 | 0.70 | 0.62 |
| MEDIAN | 0.58 | 0.60 | 0.57 |
| THIRD QUARTILE | 0.50 | 0.50 | 0.53 |
| LOW (0.95) | 0.33 | 0.40 | 0.45 |
| MEAN | 0.61 | 0.59 | 0.56 |
| VALID COUNT | 126 | 123 | 110 |

| | 3 Years | | 5 Years | | 10 Years | |
|---|---|---|---|---|---|---|
| | VALUE | RANK | VALUE | RANK | VALUE | RANK |
| ▲ Emerald Advisers Emerald Div. Sm. | 0.67 | 22 | 0.65 | 30 | 0.62 | 13 |

Source: PSN, Universe: Small Cap Growth, Inception: 10/1/92

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- **The market rally continued through the first quarter of 2021, with equities posting gains across all of the broad market indices. The S&P rose 6.2% and exited the quarter at a record high.**

- **Vaccination progress, a more visible path to reopening, the finalization of a new stimulus bill, an infrastructure bill in-waiting, building economic momentum, and strong equity inflows (+78 Billion in Q121) collectively supported the advance.**

- **While equities advanced, bonds retraced as the growth implications from these same factors stoked inflation expectations, driving bond yields higher. The 10-year yield posted its largest quarterly increase since the fourth quarter of 2016, rising 83 bps for the period and driving a (13.29%) contraction in long-term Treasury bond returns.**

- **The Russell 2000 gained 12.70%, furthering the small cap relative outperformance that began in earnest in November of 2020. Within the Russell 2000, the smallest of the small capitalization stocks continue to post the strongest performance.**

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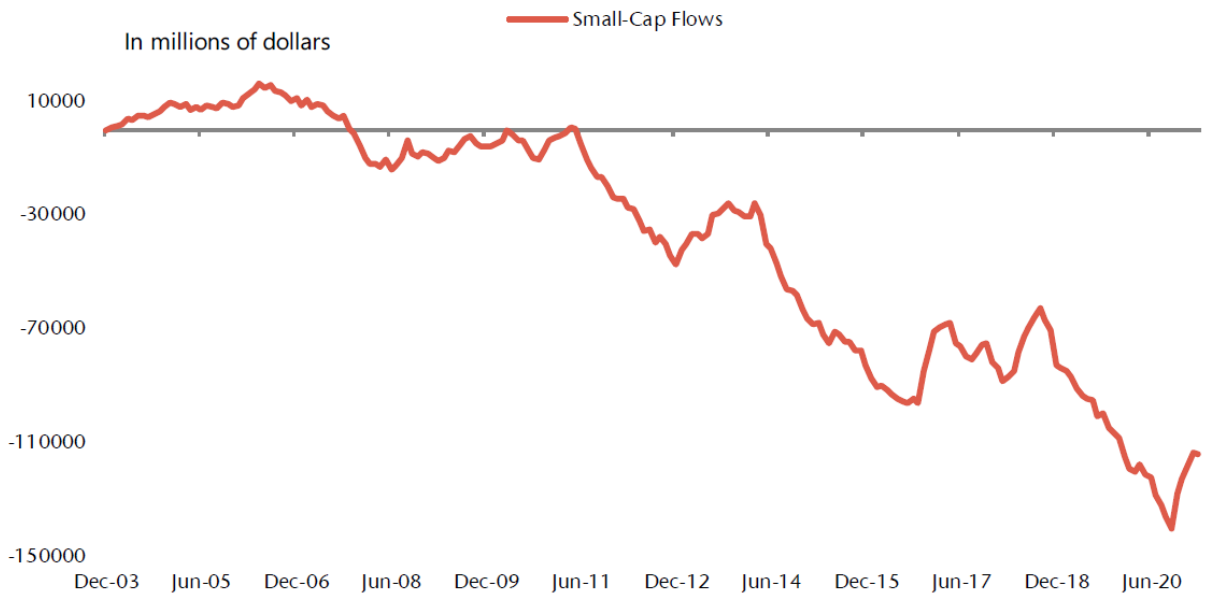
## ...Aided by $26.2B of flows into small caps since November, more to come




Source: EPFR; Jefferies

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- **According to an April 4, 2021 strategy update report from Steven DeSanctis, Equity Strategies at Jeffries, those companies with market capitalizations < $1 billion gained more than 22% while those companies with market capitalizations > $1 billion gained a much more modest 10.94%.**

Performance by Market Cap: Stocks <$1B added 3% to R2, 1.2% to R2G, 5.4% to R2V

| | First Quarter 2021 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Russell 2000 | | | Russell 2000 Growth | | | Russell 2000 Value | | |
| **Market Cap Group** | **Absolute** | **Contrib** | **Relative** | **Absolute** | **Contrib** | **Relative** | **Absolute** | **Contrib** | **Relative** |
| >1 Billion | 10.94 | 9.46 | -1.76 | 3.80 | 3.54 | -1.07 | 19.69 | 15.76 | -1.47 |
| 500M to 1 Billion | 22.65 | 1.98 | 9.96 | 15.87 | 0.84 | 11.00 | 25.76 | 3.29 | 4.60 |
| <500M | 25.45 | 1.25 | 12.75 | 17.11 | 0.49 | 12.24 | 29.08 | 2.11 | 7.92 |

Source: FactSet; FTSE Russell; Jefferies

Information contained herein should be used for one-on-one presentations only and should be accompanied by this disclosure.

- **The performance variation, when decomposing the index by size quintile, was starker as the smallest size quintile gained 22.67%, whereas the largest size quintile gained 6.08%.**

Performance by Market Cap Quintile: Lower was better due to ETF flows

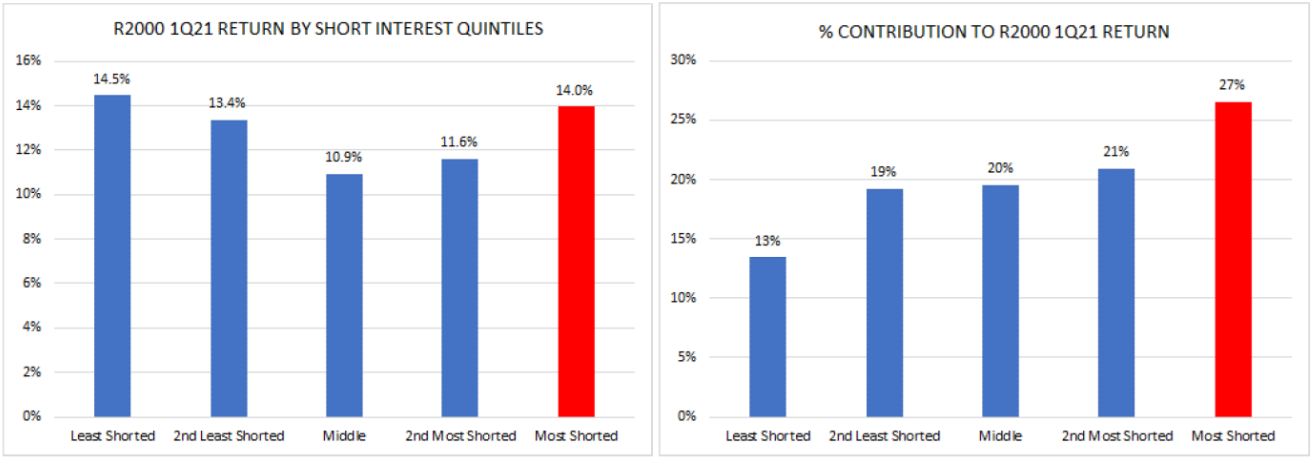
| | First Quarter 2021 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Russell 2000 | | | Russell 2000 Growth | | | Russell 2000 Value | | |
| Size Quintile | Absolute | Contrib | Relative | Absolute | Contrib | Relative | Absolute | Contrib | Relative |
| 1 (Largest) | 6.08 | 3.76 | -6.61 | 0.79 | 0.77 | -4.08 | 15.04 | 8.10 | -6.13 |
| 2 | 17.94 | 4.12 | 5.25 | 9.92 | 2.08 | 5.05 | 29.36 | 7.11 | 8.20 |
| 3 | 28.09 | 3.06 | 15.40 | 8.99 | 0.97 | 4.11 | 24.91 | 3.27 | 3.75 |
| 4 | 24.08 | 1.27 | 11.38 | 16.91 | 0.77 | 12.03 | 30.12 | 1.95 | 8.96 |
| 5 (Smallest) | 22.67 | 0.48 | 9.98 | 17.20 | 0.29 | 12.33 | 25.48 | 0.73 | 4.32 |

Source: FactSet; FTSE Russell; Jefferies

Information contained herein should be used for one-on-one presentations only and should be accompanied by this disclosure.

- **Further, in our review of the factors that impacted index performance during the first quarter, we would be remiss if we did not mention the implications from the Reddit craze and the ensuing upward pressure on the most heavily shorted stocks.**
- **Within the Russell 2000, the most shorted stocks quintile, according to a recent report from Jim Furey of Furey Research, was the second best performing group by short-interest rising 14.0% and meaningfully outperforming the Russell 2000 Index overall. This cohort, because it comprised some of the larger market capitalization companies inside of the benchmark, actually contributed approximately 27% to the Russell 2000's total return.**

Fig 11. **Highly shorted stocks outperformed in 1Q21**




*Source: Furey Research Partners and FactSet. Based upon short interest on 12/31/20; sector neutral. Performance data as of dates indicated.*

- **From a style perspective, the strengthening economic backdrop and rising interest rates shifted the value rotation into high gear with cyclicals surging and long duration secular growth equities lagging.**

## The Cyclicals have been the real stars of Q1

| Bucket | Jan | Feb | March | YTD |
|---|---|---|---|---|
| Cyclicals | 7.8 | 8.6 | 3.7 | 21.3 |
| Bond Proxies | 1.7 | 4.3 | 3.6 | 9.8 |
| Secular Growth | 3.8 | 4.8 | -1.9 | 6.8 |
| **Russell 2000** | **5.0** | **6.2** | **1.0** | **12.7** |

Source: FactSet; FTSE Russell; Jefferies

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- **This rotation was magnified by the fund flows into value equities which surged (+$31 billion) while growth equities experienced outflows (-$14.5 billion).**
- **These factors resulted in a meaningful bifurcation in performance amongst the style indices, with the Russell 2000 Value advancing 21.17%, while the Russell 2000 Growth gained 4.88%.**

| Index | Q1 2021 | CY 2021 |
|---|---|---|
| Russell 2000 Growth | 4.88% | 4.88% |
| Russell 2000 | 12.70% | 12.70% |
| Russell 2000 Value | 21.17% | 21.17% |
| Russell 2500 Growth | 2.49% | 2.49% |
| Russell 2500 | 10.93% | 10.93% |
| Russell 2500 Value | 16.83% | 16.83% |
| Russell 1000 Growth | 0.94% | 0.94% |
| Russell 1000 | 5.91% | 5.91% |
| Russell 1000 Value | 11.26% | 11.26% |
| Russell 3000 Growth | 1.19% | 1.19% |
| Russell 3000 Value | 11.89% | 11.89% |

Source: Russell Investments

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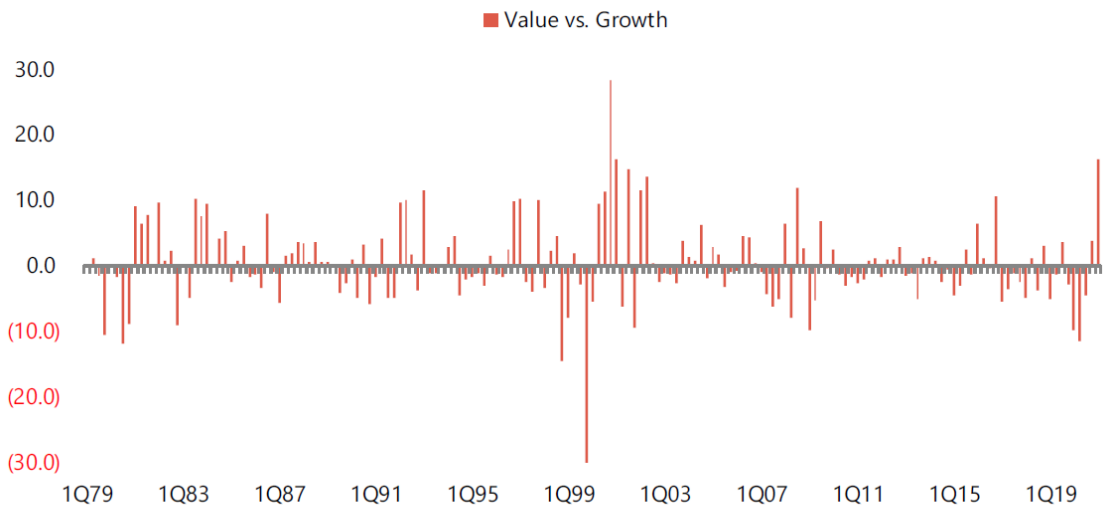
- **The 16.3% performance gap to Growth, was the largest outperformance by Value since the fourth quarter of 2000, according to the same report cited above.**
- **This performance gap was noticeably narrower in Russell Midcap and Russell 1000 at 13.6% and 10.3% respectively.**

The 16.3% win by Value was the largest since Q4-2000




Source: FactSet; FTSE Russell; Jefferies

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- **The value factor rotation can also be observed within the performance of the constituents of the Russell 2000 Growth Index. For example, according to the same report from Steven DeSanctis cited previously, when decomposing the performance of the Russell 2000 Growth Index by sales growth, we find that the fastest growing companies gained 0.79% for the quarter materially underperforming the performance of the slowest growing companies which gained 9.49%.**

Performance by Sales Growth: The best way to define Growth, Higher was NOT better

| | First Quarter 2021 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Russell 2000 | | | Russell 2000 Growth | | | Russell 2000 Value | | |
| **Sales Growth** | **Absolute** | **Contrib** | **Relative** | **Absolute** | **Contrib** | **Relative** | **Absolute** | **Contrib** | **Relative** |
| Q1 (Best) | 4.95 | 1.37 | -7.75 | 0.79 | 0.28 | -4.09 | 16.71 | 3.28 | -4.45 |
| Q2 | 12.04 | 2.58 | -0.66 | 2.25 | 0.63 | -2.62 | 17.65 | 3.40 | -3.51 |
| Q3 | 15.37 | 2.92 | 2.68 | 11.05 | 2.16 | 6.18 | 18.96 | 3.97 | -2.20 |
| Q4 | 17.23 | 3.08 | 4.53 | 8.06 | 1.28 | 3.18 | 25.21 | 5.33 | 4.04 |
| Q5 (Worst) | 21.99 | 3.07 | 9.29 | 9.49 | 1.19 | 4.62 | 28.20 | 5.11 | 7.04 |
| N/A | -10.62 | -0.31 | -23.31 | -13.17 | -0.67 | -18.04 | 5.03 | 0.06 | -16.14 |

Source: FactSet; FTSE Russell; Jefferies

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- **The underperformance of the fastest growing companies can also be witnessed when viewing performance by long-term earnings growth. In an April 1, 2021 report from Savita Subramanian of B of A Securities, those companies within the Russell 2000 Growth with earnings growth of 10% or less gained 11.6% in the quarter while those companies with earnings growth of 20% or greater advanced by a more modest 4.0%.**

## Russell 2000 Growth

**Table 34: Russell 2000 Growth Performance Attribution Analysis**
1m, 3m and YTD performance attribution (as of 03/31/2021)

| | March | | Last Three Months | | Year to date | | |
|---|---|---|---|---|---|---|---|
| | Return | Contrib. | Return | Contrib. | Return | Contrib. | Weight |
| Index | -3.2 | — | 4.9 | — | 4.9 | — | |
| Long-Term Earnings Growth | | | | | | | |
| <=10% | 0.4 | 0.0 | 11.6 | 0.9 | 11.6 | 0.9 | 7.1 |
| >10%, <=20% | -1.1 | -0.2 | 7.5 | 0.9 | 7.5 | 0.9 | 14.6 |
| >20% | -1.8 | -0.2 | 4.4 | 0.4 | 4.4 | 0.4 | 10.3 |
| NA | -4.0 | -2.7 | 4.0 | 2.9 | 4.0 | 2.9 | 68.0 |

**Source:** FactSet, BofA US Equity and US Quant Strategy

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- **The headwinds to growth were just as pronounced when viewing performance by P/E quintile. The highest P/E quintile and non-earners (typically associated with higher growth) returned (1.17%) and (3.23%) respectively for the quarter whereas the lowest P/E quintile returned a whopping 29.86%.**

## Performance by P/E Quintile: Cheaper was better and highest in red in R2G

| | First Quarter 2021 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Russell 2000 | | | Russell 2000 Growth | | | Russell 2000 Value | | |
| **P/E Quintile (FY1)** | **Absolute** | **Contrib** | **Relative** | **Absolute** | **Contrib** | **Relative** | **Absolute** | **Contrib** | **Relative** |
| Q1 (Lowest) | 29.75 | 2.37 | 17.05 | 29.86 | 1.67 | 24.99 | 30.42 | 3.50 | 9.25 |
| Q2 | 21.60 | 2.55 | 8.91 | 9.81 | 1.03 | 4.93 | 22.17 | 3.55 | 1.00 |
| Q3 | 15.94 | 2.28 | 3.24 | 16.04 | 1.87 | 11.17 | 19.89 | 3.41 | -1.27 |
| Q4 | 12.18 | 2.07 | -0.52 | 7.35 | 1.15 | 2.48 | 14.41 | 2.41 | -6.75 |
| Q5 (Highest) | 3.52 | 0.59 | -9.17 | -1.17 | -0.29 | -6.04 | 10.93 | 1.84 | -10.23 |
| Non | 7.10 | 2.82 | -5.60 | -3.23 | -0.55 | -8.10 | 26.07 | 6.45 | 4.91 |

Source: FactSet; FTSE Russell; Jefferies

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- **These shifting preferences for growth had a meaningful impact on sector leadership within the Russell 2000 Growth benchmark, with the consumer discretionary (+19.41%), Energy (+11.25%) and Telecommunications (+10.33%) leading, while the Utilities (-3.71%), Healthcare (-2.43%) and Technology (+1.34%) lagged.**

| Russell Sector | Q1 2021 R2000 Growth |
|---|---|
| Technology | 1.34% |
| Telecommunications | 10.33% |
| Health Care | -2.43% |
| Financials | 4.52% |
| Real Estate | 2.58% |
| Consumer Discretionary | 19.41% |
| Consumer Staples | 8.49% |
| Industrials | 12.47% |
| Basic Materials | 9.46% |
| Energy | 11.25% |
| Utilities | -3.71% |

Source: Russell Investments

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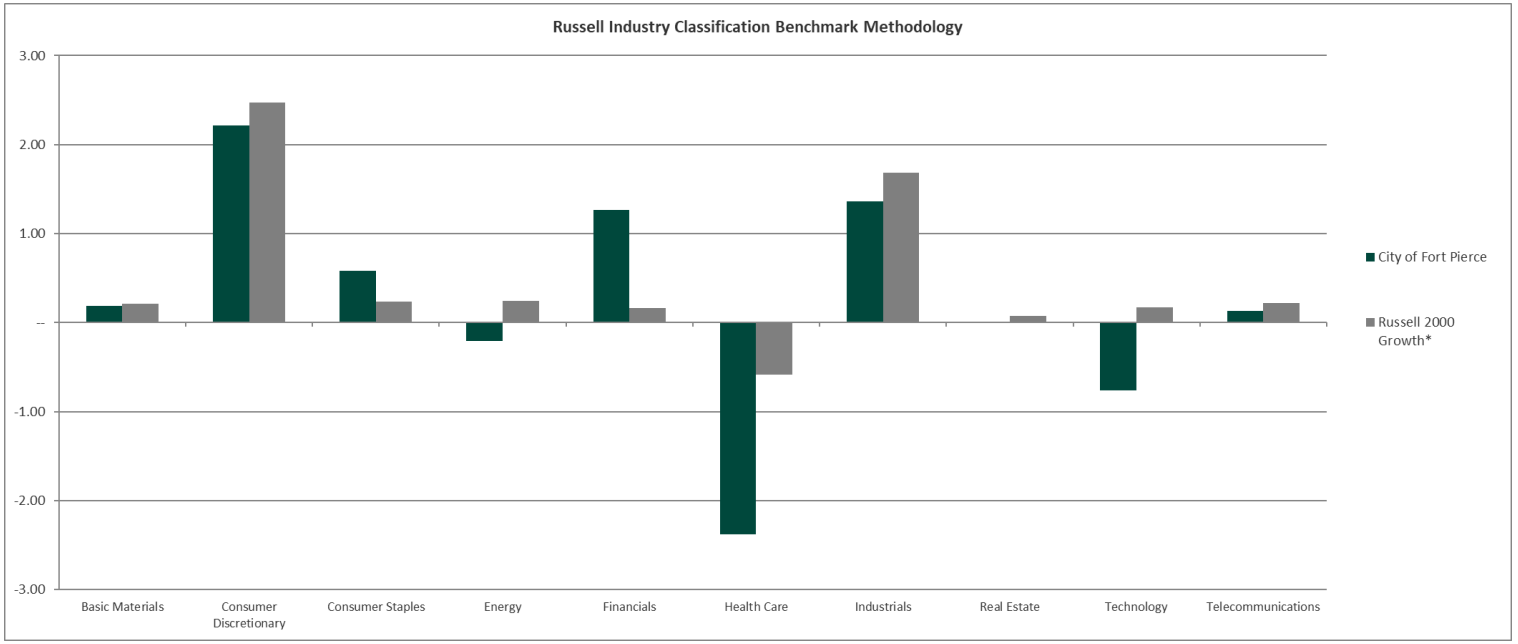
- **Given Emerald's strategy to invest in the fastest growing companies in the sectors and industries within the Russell 2000, the market's aversion to growth as discussed in detail above created a notable headwind to the portfolio's relative performance.**

- **While headwinds were particularly noteworthy within the traditionally longer duration sectors of healthcare and technology which succumbed to multiple compression during the quarter, the impact was felt across the portfolio, with the Emerald Diversified Small Cap growth portfolio trailing the benchmark for the quarter as a result of challenging stock selection. At the sector level, stock selection headwinds were most notable within the healthcare, technology, industrial, consumer discretionary and energy sectors which more than offset relative outperformance within the financial and consumer staples sectors.**




**** Source: Frank Russell Company – see full disclosure***

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## Portfolio Performance Summary

| Contributors |
| --- |
| The financial services sector was the largest positive contributor to return driven by both the portfolio's relative overweight position and stock selection. At the industry level, the portfolio experienced the most noteworthy outperformance within the bank and investment services industries. |
| The consumer staples sector was also a notable source of relative outperformance for the quarter. Emerald continues to focus on select niche opportunities in disruptive category leaders with innovative product offerings and above average growth prospects that are aligned with emerging consumer trends in the food and beverage industries. The portfolio's outperformance in the fourth quarter was led by holdings in the soft drinks and food products industries. |

| Top 10 Contributors to Return |
| --- |
| Pacific Premier Bancorp, Inc. |
| Montrose Environmental Group Inc. |
| TransMedics Group, Inc. |
| Chart Industries, Inc. |
| National Beverage Corp. |
| Live Oak Bancshares, Inc. |
| Onto Innovation, Inc. |
| SeaWorld Entertainment, Inc. |
| Silvergate Capital Corp. Class A |
| Chuy's Holdings, Inc. |

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## Portfolio Performance Summary

| Detractors |
|---|
| The healthcare sector was the largest detractor to performance largely resulting from challenging stock selection within the biotechnology industry. |
| Performance within the technology sector was also a headwind to relative performance driven largely by challenging stock selection within the software and consumer digital services industries. |
| Performance within the energy, industrial and consumer discretionary sectors also proved challenging. Within the energy sector, portfolio performance lagged as a result of both the portfolio's relative underweight position and stock selection within the renewable energy industry. Within the industrial and consumer discretionary sectors, while stock selection was a headwind to performance there were no meaningful detractors to return at the industry or stock level. |

| Top 10 Detractors to Return |
|---|
| Immunovant Inc. |
| Rapid7 Inc. |
| NeoGenomics, Inc. |
| Karyopharm Therapeutics, Inc. |
| Turning Point Therapeutics, Inc. |
| LiveRamp Holdings, Inc. |
| ORIC Pharmaceuticals Inc. |
| Palomar Holdings, Inc. |
| Ultragenyx Pharmaceutical, Inc. |
| Replimune Group, Inc. |

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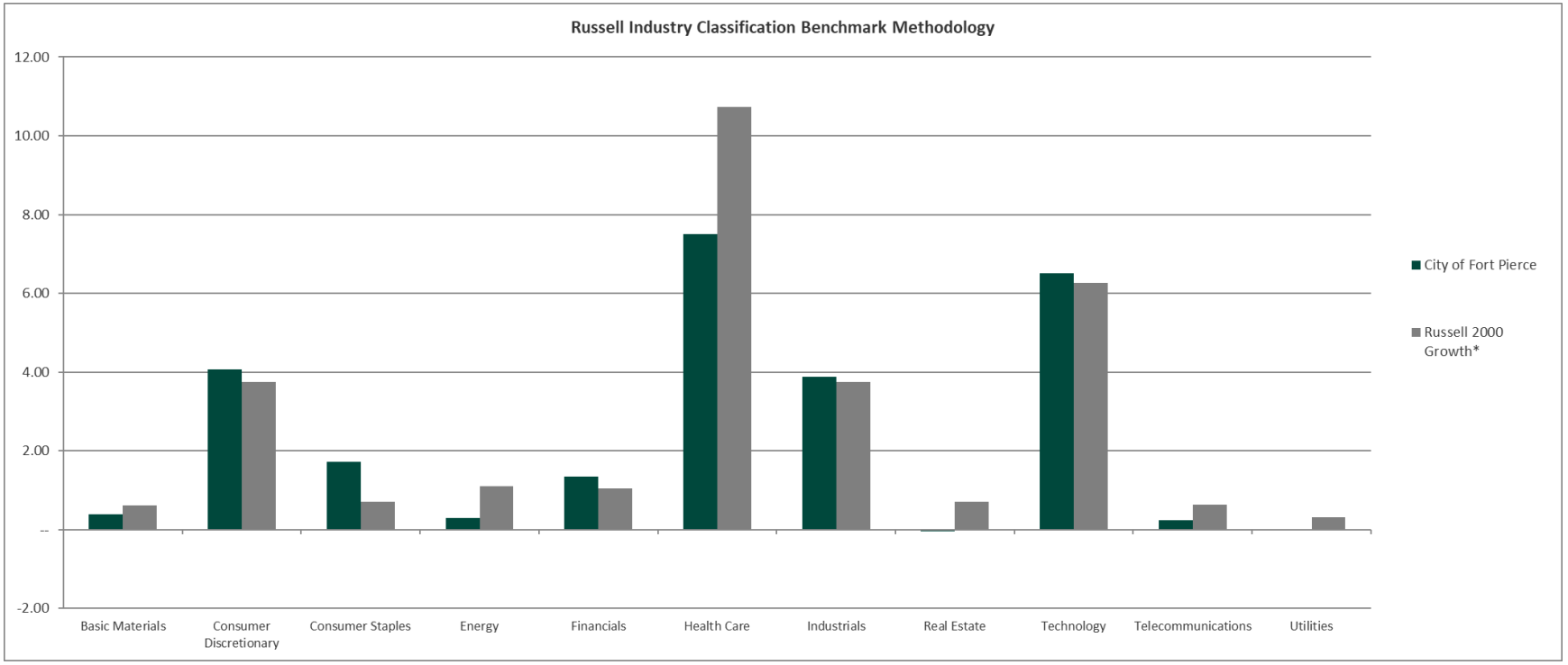
# 4th Quarter 2020 Perf. Attribution




** Source: Frank Russell Company – see full disclosure*

**Source: Factset**

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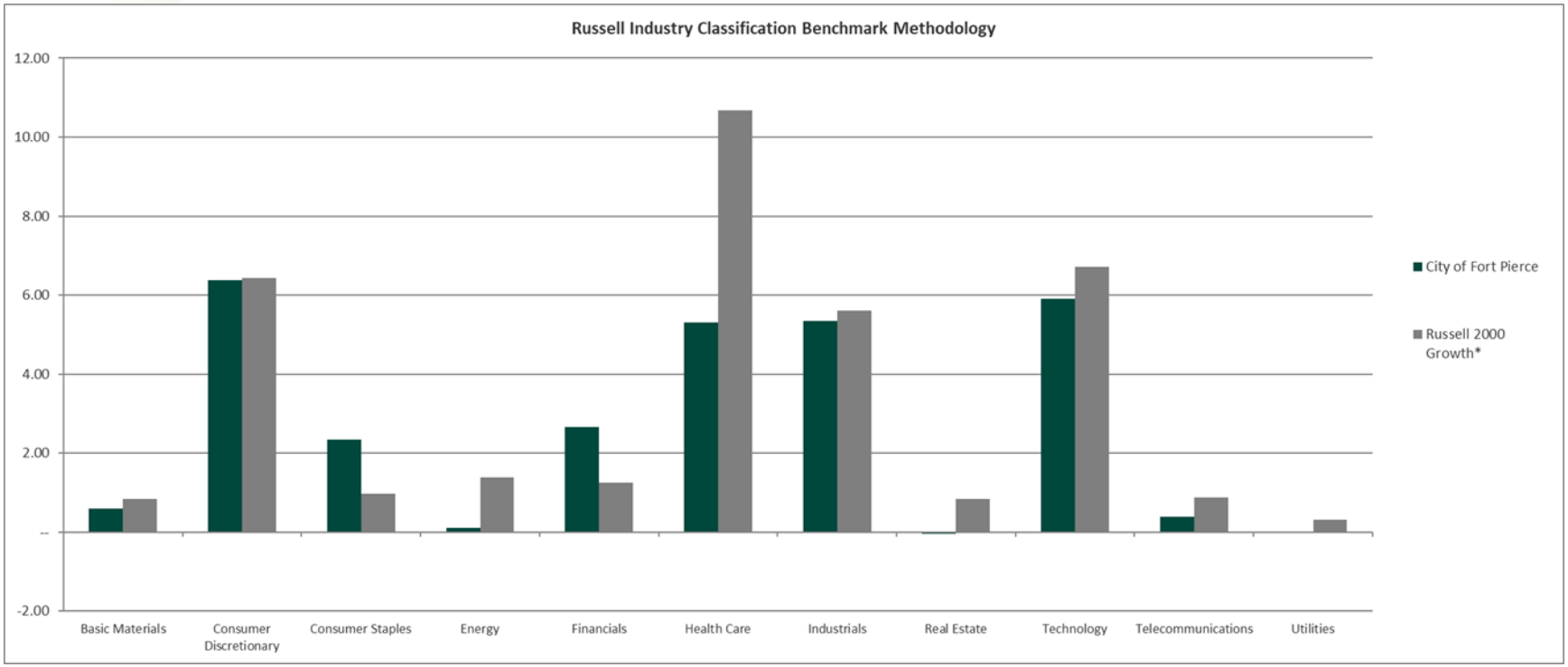
# 6-Month Perf. Attribution
as of March 31, 2021




** Source: Frank Russell Company – see full disclosure*

**Source: Factset**

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| 4Q20 Sector Allocation (Russell Industry Classification Benchmark Methodology) | | |
|---|---|---|
| **Sector** | **City of Fort Pierce** | **Russell 2000 Growth*** |
| Basic Materials | **1.1%** | 2.3% |
| Consumer Discretionary | **17.5%** | 14.1% |
| Consumer Staples | **6.3%** | 3.0% |
| Energy | **1.4%** | 1.6% |
| Financials | **8.0%** | 4.1% |
| Health Care | **24.3%** | 33.9% |
| Industrials | **16.2%** | 14.1% |
| Real Estate | **0.0%** | 3.4% |
| Technology | **20.7%** | 18.4% |
| Telecommunications | **1.6%** | 2.2% |
| Utilities | **0.0%** | 2.8% |
| Cash | **2.8%** | 0.0% |

| 1Q21 Sector Allocation (Russell Industry Classification Benchmark Methodology) | | |
|---|---|---|
| **Sector** | **City of Fort Pierce** | **Russell 2000 Growth*** |
| Basic Materials | **1.4%** | 2.4% |
| Consumer Discretionary | **19.1%** | 15.7% |
| Consumer Staples | **4.8%** | 2.7% |
| Energy | **0.0%** | 1.8% |
| Financials | **11.4%** | 3.8% |
| Health Care | **22.8%** | 32.6% |
| Industrials | **16.7%** | 14.9% |
| Real Estate | **0.7%** | 3.5% |
| Technology | **19.8%** | 18.0% |
| Telecommunications | **1.8%** | 2.0% |
| Utilities | **0.0%** | 2.6% |
| Cash | **1.6%** | 0.0% |

**** Source: Frank Russell Company – see full disclosure.***
***Red and green shading indicates negative and positive weighting changed 0.5% or greater from previous quarter.***

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## City of Fort Pierce - Top Ten Holdings (by Market Value)

| | *Company* | *Ticker* | *Sector* | *% Held* |
|---|---|---|---|---|
| 1. | Freshpet, Inc. | FRPT | Consumer Staples | 2.44 |
| 2. | NeoGenomics, Inc. | NEO | Healthcare | 2.22 |
| 3. | Churchill Downs, Inc. | CHDN | Consumer Discretionary | 1.96 |
| 4. | Chart Industries, Inc. | GTLS | Industrials | 1.94 |
| 5. | Chegg, Inc. | CHGG | Consumer Discretionary | 1.87 |
| 6. | Varonis Systems, Inc. | VRNS | Technology | 1.84 |
| 7. | MACOM Technology Sol. Holdings, Inc. | MTSI | Technology | 1.84 |
| 8. | Tetra Tech, Inc. | TTEK | Industrials | 1.69 |
| 9. | Moelis & Co. | MC | Financials | 1.67 |
| 10. | Pacific Premier Bancorp, Inc. | PPBI | Financials | 1.60 |

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## Portfolio Characteristics vs. Benchmark

| Characteristic | Emerald SCG | Russell 2000 Growth* |
|---|---|---|
| Projected Growth Rate (3-5 Year)** | **23.9%** | 21.5% |
| P/E Ratio*** | **24.3x** | 23.4x |
| $R^2$ vs. Russell 2000 Growth | **0.87** | 1.00 |
| Yield (%) | **0.31** | 0.37 |
| Price/Book Value*** | **4.3x** | 5.3x |
| Median Market Cap (By No. of Stocks) | **$3,204 mm** | $1,282 mm |
| Wgt. Average Market Cap | **$3,919 mm** | $4,160 mm |
| Turnover (Trailing 12 mos.) | **68%** | --- |

** Source: Frank Russell Company – see full disclosure*

*** Database estimate, Emerald's internal estimates are higher.*

**** In order to better reflect Emerald's characteristics relative to the Russell Indices, Emerald is now calculating its P/E and Price/Book ratios based on a weighted harmonic average in line with Russell's calculation methodology.*

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- **2021 is shaping up to be one the strongest years for domestic economic growth in recent history.**
- **The ISM services survey for the month of March surged to a historic high, with new orders and business activity both demonstrating an acceleration. The ISM manufacturing survey was similarly strong, hitting the highest level for that survey since 2010. The March Nonfarm Payroll report also surprised to the upside with 916,000 jobs added.**
- **Consumer confidence is building and as the states further ease their COVID-related restrictions, we believe the unemployment rate will continue to decline, confidence will rise and spending should accelerate as excess savings currently residing in saving accounts gets redeployed into services and goods.**
- **We are similarly optimistic regarding the trajectory of business investment, which we anticipate will accelerate as 2021 progresses. Given the aforementioned, Emerald believes that 2021 GDP growth estimates are biased to the upside from the current 5.9% FactSet Consensus and expect economic growth will continue to gain momentum as the economy reopens.**

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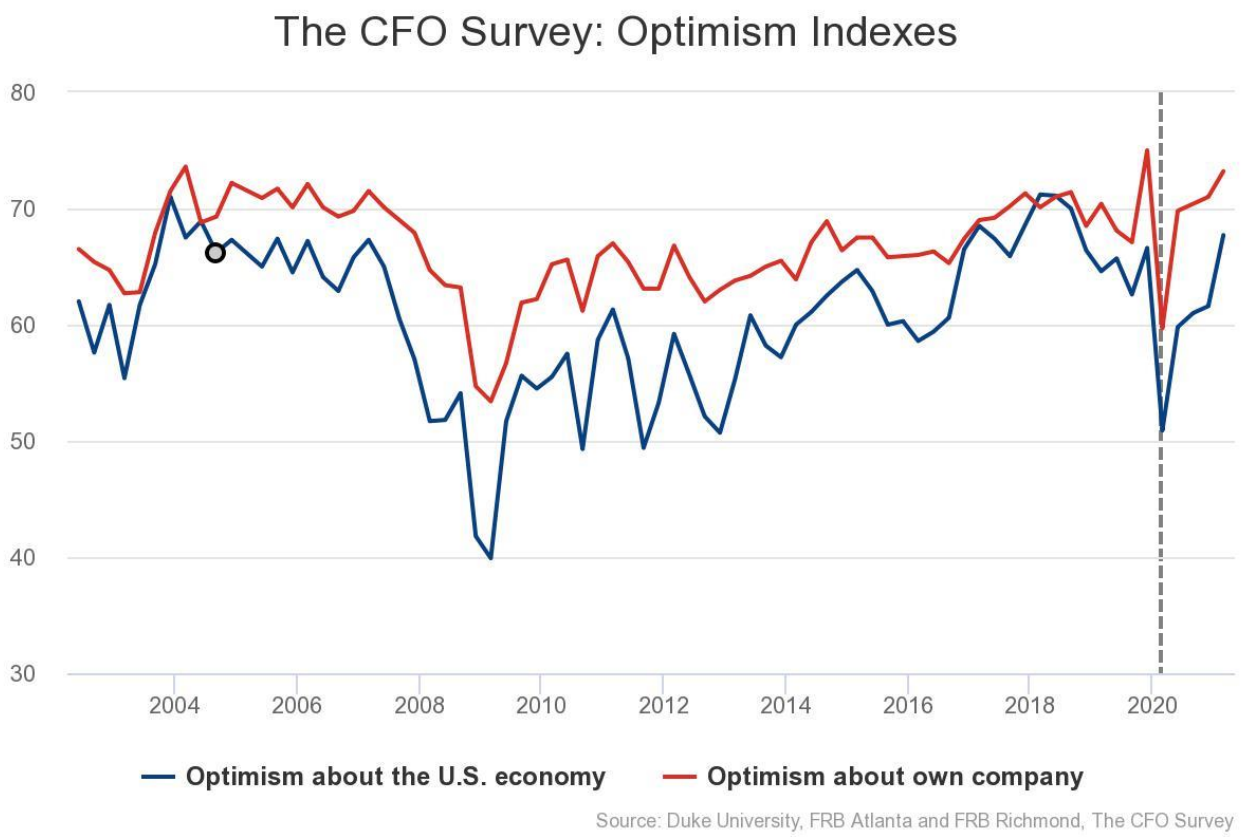


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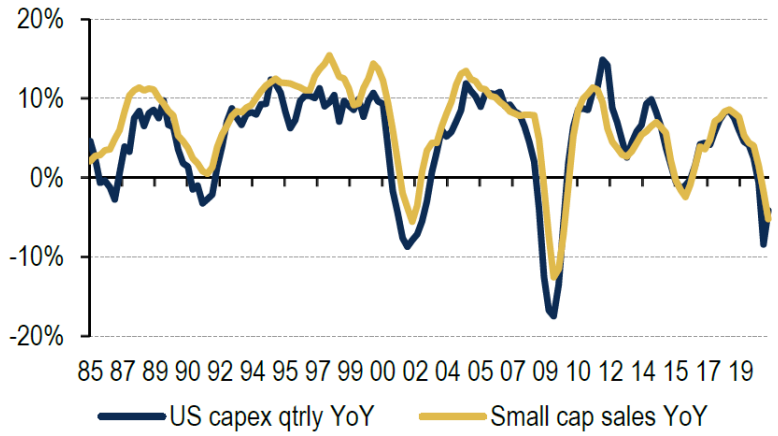
**Chart 20: Small cap sales growth has been highly correlated w/ US capex…**

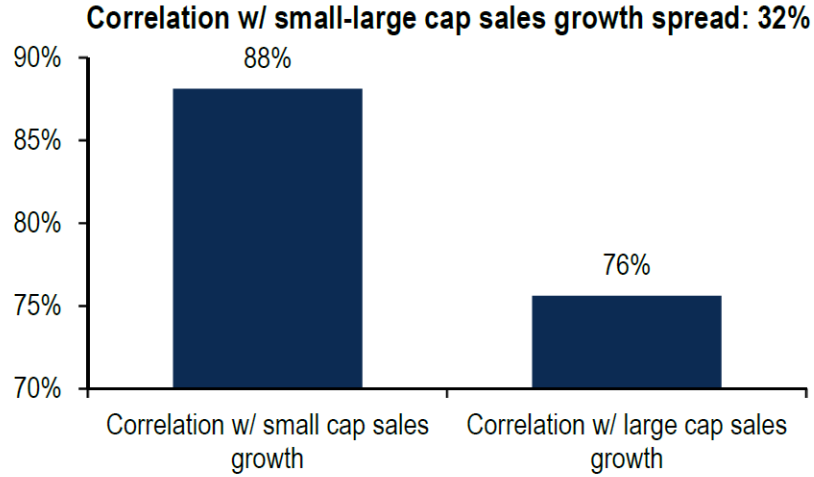
US capex growth (private non-residential fixed investment YoY) vs. small cap (Russell 2000) sales growth YoY, 1985-present




Source: FactSet, Haver Analytics, BofA US Equity & US Quant Strategy

**Chart 21: … with small caps benefitting more than large caps**

Correlation of US capex growth with small cap (Russell 2000) and large cap (S&P 500) sales growth, 1985-present




Source: FactSet, Haver Analytics, BofA US Equity & US Quant Strategy

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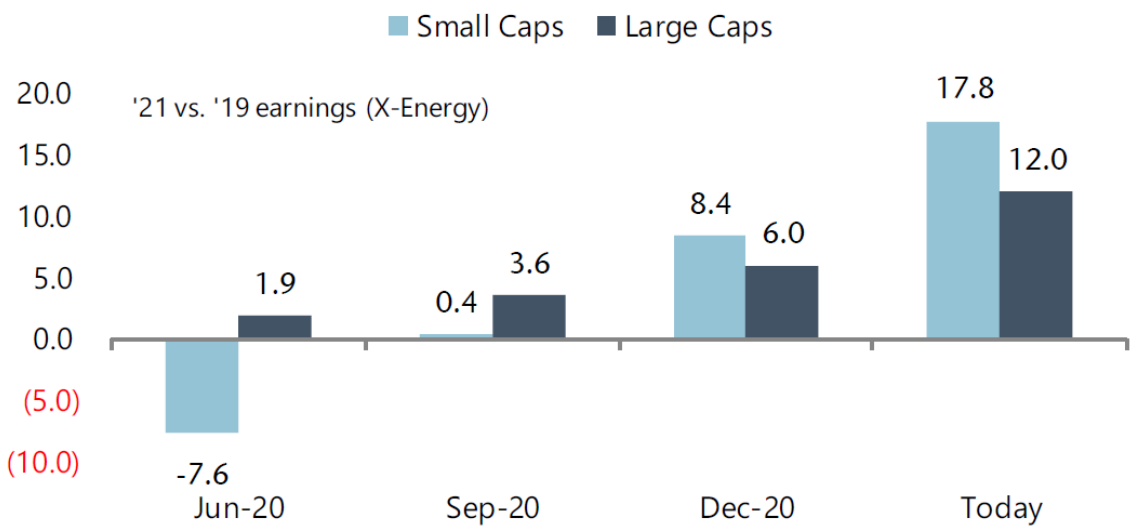
- **A strong domestic economic backdrop, in our view, is particularly favorable for the trajectory of small capitalization earnings growth. As of early April, Russell 2000 earnings growth ex-energy was estimated to grow by more than 17.8% over the 2019 earnings level, representing a more than 500 bps delta to its large capitalization counterpart, according to an April report from Steve DeSanctis of Jeffries.**

We have seen a bigger improvement in earnings for Small vs. Large...




Source: FactSet; Standard & Poor's; Jefferies

Information contained herein should be used for one-on-one presentations only and should be accompanied by this disclosure.

## When we X-out Energy, earnings now expected to rise 17.8% for Small vs. 12.0% for Large

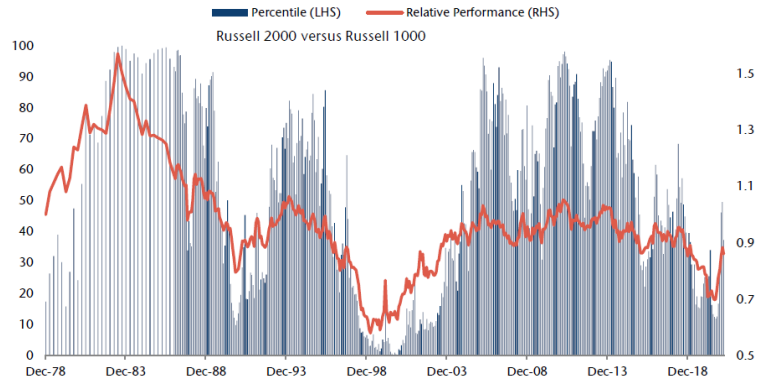
| | Small Caps | | Mid Caps | | Large Caps | |
|---|---|---|---|---|---|---|
| **GICS Sector** | **Earnings** | **Sales** | **Earnings** | **Sales** | **Earnings** | **Sales** |
| Comm Serv | 129.9 | 20.1 | -30.8 | -5.0 | 22.9 | 18.4 |
| Discretionary | 29.9 | 7.8 | 18.8 | 7.5 | 3.9 | 14.6 |
| Staples | 27.3 | 11.8 | 26.5 | 10.8 | 10.3 | 6.7 |
| Energy | NM | -16.4 | NM | -17.3 | NM | -16.4 |
| Financials | 9.8 | 9.2 | 8.1 | 7.4 | -2.1 | 2.3 |
| Health Care | 25.7 | 2.2 | 23.8 | 13.8 | 21.8 | 18.3 |
| Industrials | 0.3 | 0.2 | 6.5 | -4.6 | -12.8 | -3.8 |
| Info Tech | 40.6 | 8.6 | 22.2 | 5.4 | 25.6 | 17.7 |
| Materials | 71.2 | 37.4 | 45.9 | 6.6 | 39.7 | 7.4 |
| Real Estate | -16.2 | 0.8 | -17.8 | -10.6 | 0.0 | 3.4 |
| Utilities | 7.1 | 4.4 | 14.0 | 8.0 | 8.7 | 0.8 |
| **Benchmark** | **15.5** | **6.5** | **11.1** | **2.8** | **10.8** | **8.2** |
| **Benchmark less Energy** | **17.8** | **7.8** | **11.1** | **4.0** | **12.0** | **10.5** |
| **Growth** | **18.8** | **14.0** | **13.5** | **8.9** | **20.3** | **17.2** |
| **Value** | **14.1** | **5.0** | **9.7** | **1.1** | **2.6** | **3.0** |

Source: FactSet; Standard & Poor's; FTSE Russell; Jefferies

Information contained herein should be used for one-on-one presentations only and should be accompanied by this disclosure.

- **Valuations of small caps also remain supportive, as the Russell 2000 continues to trade at a discount to the Russell 1000.**

**Chart 10 - ...But relative model slipped back to 37th percentile**




Source: FactSet; FTSE Russell; Jefferies

**Table 4 - Relative valuations for Russell 2000 vs. Russell 1000**

| | Russell 2000 vs. Russell 1000 | | |
|---|---|---|---|
| **Valuation Metric** | **Current** | **LT Avg** | **% Diff** |
| Trailing P/E (Non Negative) | 0.75 | 1.01 | -25.9 |
| Forward P/E | 1.11 | 1.05 | 6.0 |
| Price to Book | 0.67 | 0.77 | -13.5 |
| Price to Cash Flow* | 1.51 | 1.33 | 13.6 |
| Price to Sales | 0.75 | 0.80 | -6.2 |
| P/E to Growth | 0.84 | 0.83 | 1.3 |

*Price to cash flow started in 2002.

Note: From March 31, 2016 forward Jefferies estimates.

Source: FactSet; FTSE Russell; Jefferies

Information contained herein should be used for one-on-one presentations only and should be accompanied by this disclosure.

# Market Outlook

- **Although we remain enthusiastic regarding the prospect for upward revisions to economic growth, the prospect for a near-term inflation overshoot remains plausible as the economy reopens.**

- **Consumer confidence surveys are flashing warning signs with concerns rising regarding the prospect for price inflation, and while Chairman Powell and the Federal Reserve continue to reiterate the committee's unified commitment to the lower for longer rates strategy, any meaningful uptick in inflation will likely fuel concerns of a Federal Reserve policy misstep.**

- **We believe the interplay between yields and inflation is likely to remain a source of equity market volatility as these dynamics continue to unfold.**

- **Additionally, while we do not yet know how strong 2021 domestic growth will ultimately be, the market has already baked above trend growth into expectations given the current consensus for 2021 domestic GDP growth standing at 5.9%. As we move through the balance of the year however, we believe the market will begin to focus on the outlook for 2022 and the sustainability of above-trend GDP growth.**

- **Key considerations include the direction of Federal Reserve Policy, extreme deficit spending, the ultimate structure of the Biden administration's tax proposal and to a lesser degree foreign policy initiatives, specifically as it relates to China and Iran, and the amount of new primary and secondary stock sales including IPO's and SPAC's. Finally, we would note that while the roll-out and trajectory of vaccinations in the U.S. has been exemplary, we are keeping a watchful eye on the rest of the world and the potential for any short-term supply disruptions or any supplier-specific issues to surface.**

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## PORTFOLIO APPRAISAL

| | | Cost Basis | | Market Value | | | | | Estimated |
|---|---|---|---|---|---|---|---|---|---|
| | Quantity | Average Cost | Total Cost | Current Price | Total Value | % Portfolio | Unrealized Gain/Loss | Current Yield | Annual Income |
| **Cash/Cash Equivalent** | | | | | | | | | |
| **LIQUID ASSETS** | | | **137,715.58** | | **137,715.58** | **1.6** | **0.0** | **0.0** | **0** |
| PRINCIPAL CASH | | | 137,715.58 | | 137,715.58 | 1.6 | 0.00 | 0.0 | 0.00 |
| **TOTAL Cash/Cash Equivalent** | | | **137,715.58** | | **137,715.58** | **1.6** | **0.0** | **0.0** | **0** |
| **Equity** | | | | | | | | | |
| **BASIC MATERIALS** | | | **78,099.94** | | **117,938.65** | **1.4** | **39,838.7** | **1.8** | **2,121** |
| AVIENT CORPORATION | 2,495 | 31.30 | 78,099.94 | 47.27 | 117,938.65 | 1.4 | 39,838.71 | 1.8 | 2,120.75 |
| **CONSUMER DISCRETIONARY** | | | **1,011,498.39** | | **1,661,409.24** | **19.1** | **649,910.9** | **0.3** | **4,265** |
| BJ`S RESTAURANT INC | 1,103 | 59.68 | 65,832.22 | 58.08 | 64,062.24 | 0.7 | -1,769.98 | 0.0 | 0.00 |
| CHURCHILL DOWNS INC | 739 | 92.20 | 68,136.36 | 227.42 | 168,063.38 | 1.9 | 99,927.02 | 0.3 | 459.66 |
| CHEGG INC | 1,868 | 9.57 | 17,871.00 | 85.66 | 160,012.88 | 1.8 | 142,141.88 | 0.0 | 0.00 |
| CHUY`S HOLDINGS INC | 1,378 | 25.85 | 35,623.45 | 44.32 | 61,072.96 | 0.7 | 25,449.51 | 0.0 | 0.00 |
| CINEMARK HOLDINGS INC | 2,428 | 21.11 | 51,265.61 | 20.41 | 49,555.48 | 0.6 | -1,710.13 | 0.0 | 0.00 |
| DICKS SPORTING GOODS INC | 1,060 | 40.78 | 43,230.81 | 76.15 | 80,719.00 | 0.9 | 37,488.19 | 1.9 | 1,537.00 |
| EVERI HOLDINGS INC | 5,524 | 11.05 | 61,044.37 | 14.11 | 77,943.64 | 0.9 | 16,899.27 | 0.0 | 0.00 |
| NATIONAL VISION HOLDINGS | 2,000 | 26.22 | 52,446.04 | 43.83 | 87,660.00 | 1.0 | 35,213.96 | 0.0 | 0.00 |
| FIVE BELOW | 495 | 46.41 | 22,974.94 | 190.79 | 94,441.05 | 1.1 | 71,466.11 | 0.0 | 0.00 |
| JACK IN THE BOX INC | 1,171 | 75.86 | 88,830.31 | 109.78 | 128,552.38 | 1.5 | 39,722.07 | 1.5 | 1,873.60 |
| LINBLAD EXPEDITIONS HOLDINGS | 2,369 | 17.00 | 40,275.38 | 18.90 | 44,774.10 | 0.5 | 4,498.72 | 0.0 | 0.00 |
| MERITAGE CORP | 370 | 50.49 | 18,680.07 | 91.92 | 34,010.40 | 0.4 | 15,330.33 | 0.0 | 0.00 |
| NOODLES AND COMPANY | 4,240 | 9.41 | 39,912.15 | 10.35 | 43,884.00 | 0.5 | 3,971.85 | 0.0 | 0.00 |
| THE CHILDREN`S PLACE INC | 640 | 74.23 | 47,505.93 | 69.70 | 44,608.00 | 0.5 | -2,897.93 | 0.0 | 0.00 |
| PLANET FITNESS INC | 1,062 | 31.23 | 33,164.11 | 77.30 | 82,092.60 | 0.9 | 48,928.49 | 0.0 | 0.00 |
| SEAWORLD ENTERTAINMENT | 1,617 | 23.65 | 38,246.51 | 49.67 | 80,316.39 | 0.9 | 42,069.88 | 0.0 | 0.00 |
| SUN COUNTRY AIRLINES HOLDING | 689 | 31.63 | 21,790.44 | 34.28 | 23,618.92 | 0.3 | 1,828.48 | 0.0 | 0.00 |
| STAMPS.COM INC | 299 | 251.01 | 75,053.39 | 199.51 | 59,653.49 | 0.7 | -15,399.90 | 0.0 | 0.00 |
| TILLY`S INC-CLASS A SHRS | 1,997 | 10.37 | 20,704.54 | 11.32 | 22,606.04 | 0.3 | 1,901.50 | 0.0 | 0.00 |
| VISTEON CORP | 547 | 78.16 | 42,753.08 | 121.95 | 66,706.65 | 0.8 | 23,953.57 | 0.0 | 0.00 |
| WINNEBAGO INDUSTRIES | 823 | 58.68 | 48,293.61 | 76.71 | 63,132.33 | 0.7 | 14,838.72 | 0.6 | 395.04 |
| PET ACQUISITION LLC | 1,998 | 21.82 | 43,598.99 | 22.16 | 44,275.68 | 0.5 | 676.69 | 0.0 | 0.00 |
| YETI HOLDINGS INC | 1,103 | 31.07 | 34,265.08 | 72.21 | 79,647.63 | 0.9 | 45,382.55 | 0.0 | 0.00 |

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## PORTFOLIO APPRAISAL

| | | Cost Basis | | Market Value | | | | Estimated |
|---|---|---|---|---|---|---|---|---|
| | Quantity | Average Cost | Total Cost | Current Price | Total Value | % Portfolio | Unrealized Gain/Loss | Current Yield | Annual Income |
| **CONSUMER STAPLES** | | | **158,419.63** | | **422,478.16** | **4.8** | **264,058.5** | **0.0** | **0** |
| BELLRING BRANDS INC | 4,323 | 15.54 | 67,175.12 | 23.61 | 102,066.03 | 1.2 | 34,890.91 | 0.0 | 0.00 |
| FRESHPET INC | 1,319 | 18.26 | 24,084.24 | 158.81 | 209,470.39 | 2.4 | 185,386.15 | 0.0 | 0.00 |
| SIMPLY GOOD FOODS CO | 3,647 | 18.42 | 67,160.27 | 30.42 | 110,941.74 | 1.3 | 43,781.47 | 0.0 | 0.00 |
| **FINANCIALS** | | | **759,748.84** | | **989,524.26** | **11.4** | **229,775.4** | **1.6** | **16,107** |
| BRP GROUP INC | 4,038 | 14.66 | 59,180.26 | 27.25 | 110,035.50 | 1.3 | 50,855.24 | 0.0 | 0.00 |
| EASTERN BANKSHARES INC | 6,458 | 15.21 | 98,219.18 | 19.29 | 124,574.82 | 1.4 | 26,355.64 | 1.2 | 1,549.92 |
| HOULIHAN LOKEY | 879 | 63.01 | 55,384.96 | 66.51 | 58,462.29 | 0.7 | 3,077.33 | 2.0 | 1,160.28 |
| LIVE OAK BANCSHARES INC | 1,287 | 46.85 | 60,301.47 | 68.49 | 88,146.63 | 1.0 | 27,845.16 | 0.2 | 154.44 |
| MOELIS & CO | 2,607 | 39.96 | 104,174.41 | 54.88 | 143,072.16 | 1.6 | 38,897.75 | 4.0 | 5,735.40 |
| OCEANFIRST FINANCIAL CORP | 3,215 | 24.65 | 79,256.35 | 23.94 | 76,967.10 | 0.9 | -2,289.25 | 2.8 | 2,186.20 |
| PAYA HOLDINGS INC | 3,192 | 12.25 | 39,102.00 | 10.96 | 34,984.32 | 0.4 | -4,117.68 | 0.0 | 0.00 |
| PALOMAR HOLDINGS INC | 1,092 | 45.32 | 49,484.91 | 67.04 | 73,207.68 | 0.8 | 23,722.77 | 0.0 | 0.00 |
| PACIFIC PREMIER BANCORP | 3,157 | 33.53 | 105,869.95 | 43.44 | 137,140.08 | 1.6 | 31,270.13 | 2.8 | 3,788.40 |
| SILVERGATE CAPITAL CORPORATION | 379 | 67.72 | 25,666.33 | 142.17 | 53,882.43 | 0.6 | 28,216.10 | 0.0 | 0.00 |
| SOUTH STATE CORP | 815 | 73.12 | 59,589.02 | 78.51 | 63,985.65 | 0.7 | 4,396.63 | 2.4 | 1,532.20 |
| TRINITY CAPITAL INC | 1,680 | 14.00 | 23,520.00 | 14.92 | 25,065.60 | 0.3 | 1,545.60 | 0.0 | 0.00 |
| **HEALTH CARE** | | | **1,623,642.88** | | **1,988,271.01** | **22.8** | **364,628.1** | **0.0** | **0** |
| ADDUS HOMECARE CORPORATION | 561 | 68.43 | 38,388.04 | 104.59 | 58,674.99 | 0.7 | 20,286.95 | 0.0 | 0.00 |
| ADAPTHEALTH CORP | 2,361 | 35.55 | 83,925.87 | 36.76 | 86,790.36 | 1.0 | 2,864.49 | 0.0 | 0.00 |
| APPLIED THERAPEUTICS INC | 1,733 | 36.29 | 62,884.05 | 18.76 | 32,502.41 | 0.4 | -30,381.64 | 0.0 | 0.00 |
| ARENA PHARMACEUTICALS INC | 1,051 | 73.56 | 77,307.64 | 69.39 | 72,928.89 | 0.8 | -4,378.75 | 0.0 | 0.00 |
| ARVINAS INC | 1,021 | 73.65 | 75,200.31 | 66.10 | 67,488.10 | 0.8 | -7,712.21 | 0.0 | 0.00 |
| ATRICURE INC | 1,766 | 29.50 | 52,092.95 | 65.52 | 115,708.32 | 1.3 | 63,615.37 | 0.0 | 0.00 |
| AVROBIO INC | 2,860 | 16.69 | 47,719.15 | 12.69 | 36,293.40 | 0.4 | -11,425.75 | 0.0 | 0.00 |
| BLUEPRINT MEDICINES CORP | 892 | 71.34 | 63,635.85 | 97.23 | 86,729.16 | 1.0 | 23,093.31 | 0.0 | 0.00 |
| CHEMOCENTRYX INC | 898 | 42.20 | 37,891.87 | 51.24 | 46,013.52 | 0.5 | 8,121.65 | 0.0 | 0.00 |
| COLLEGIUM PHARMACEUTICAL INC | 2,375 | 15.39 | 36,543.93 | 23.70 | 56,287.50 | 0.6 | 19,743.57 | 0.0 | 0.00 |
| CURIS INC | 5,878 | 8.55 | 50,268.48 | 11.32 | 66,538.96 | 0.8 | 16,270.48 | 0.0 | 0.00 |
| DECIPHERA PHARMACEUTICALS INC | 999 | 48.31 | 48,258.02 | 44.84 | 44,795.16 | 0.5 | -3,462.86 | 0.0 | 0.00 |
| DICERNA PHARMACEUTICALS INC | 1,621 | 13.83 | 22,422.53 | 25.57 | 41,448.97 | 0.5 | 19,026.44 | 0.0 | 0.00 |

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## PORTFOLIO APPRAISAL

| | | Cost Basis | | Market Value | | | | | Estimated |
|---|---|---|---|---|---|---|---|---|---|
| | Quantity | Average Cost | Total Cost | Current Price | Total Value | % Portfolio | Unrealized Gain/Loss | Current Yield | Annual Income |
| GOSSAMER BIO INC | 1,500 | 9.65 | 14,481.02 | 9.25 | 13,875.00 | 0.2 | -606.02 | 0.0 | 0.00 |
| INTEGER HOLDINGS CORP | 620 | 72.79 | 45,132.02 | 92.10 | 57,102.00 | 0.7 | 11,969.98 | 0.0 | 0.00 |
| KALVISTA PHARMACEUTICALS INC | 1,270 | 37.98 | 48,230.54 | 25.69 | 32,626.30 | 0.4 | -15,604.24 | 0.0 | 0.00 |
| KARUNA THERAPEUTICS INC | 558 | 129.64 | 72,339.70 | 120.23 | 67,088.34 | 0.8 | -5,251.36 | 0.0 | 0.00 |
| MERIT MED SYS INC | 931 | 57.11 | 53,167.08 | 59.88 | 55,748.28 | 0.6 | 2,581.20 | 0.0 | 0.00 |
| MIRATI THERAPEUTICS INC | 80 | 172.77 | 13,821.42 | 171.30 | 13,704.00 | 0.2 | -117.42 | 0.0 | 0.00 |
| NEOGENOMICS INC | 3,950 | 14.97 | 59,124.66 | 48.23 | 190,508.50 | 2.2 | 131,383.84 | 0.0 | 0.00 |
| OCULAR THERAPEUTIX INC | 4,220 | 13.24 | 55,882.81 | 16.41 | 69,250.20 | 0.8 | 13,367.39 | 0.0 | 0.00 |
| ORIC PHARMACEUTICAL | 2,088 | 29.34 | 61,271.47 | 24.50 | 51,156.00 | 0.6 | -10,115.47 | 0.0 | 0.00 |
| PASSAGE BIO INC | 1,630 | 20.84 | 33,977.01 | 17.48 | 28,492.40 | 0.3 | -5,484.61 | 0.0 | 0.00 |
| ULTRAGENYX PHARMACEUTICAL INC | 742 | 107.88 | 80,047.80 | 113.86 | 84,484.12 | 1.0 | 4,436.32 | 0.0 | 0.00 |
| REPLIMUNE GROUP INC | 2,984 | 18.87 | 56,303.83 | 30.51 | 91,041.84 | 1.0 | 34,738.01 | 0.0 | 0.00 |
| REATA PHARMACEUTICALS INC | 798 | 115.13 | 91,876.07 | 99.70 | 79,560.60 | 0.9 | -12,315.47 | 0.0 | 0.00 |
| SEER INC | 640 | 64.70 | 41,407.95 | 50.02 | 32,012.80 | 0.4 | -9,395.15 | 0.0 | 0.00 |
| SEASPINE HOLDINGS CORP | 1,825 | 14.35 | 26,182.33 | 17.40 | 31,755.00 | 0.4 | 5,572.67 | 0.0 | 0.00 |
| TG THERAPEUTICS INC | 861 | 50.53 | 43,504.48 | 48.20 | 41,500.20 | 0.5 | -2,004.28 | 0.0 | 0.00 |
| TRANSMEDICS GROUP INC | 1,667 | 19.03 | 31,730.78 | 41.49 | 69,163.83 | 0.8 | 37,433.05 | 0.0 | 0.00 |
| TURNING POINT THERAPEUTICS INC | 573 | 70.16 | 40,202.31 | 94.59 | 54,200.07 | 0.6 | 13,997.76 | 0.0 | 0.00 |
| TWIST BIOSCIENCE CORP | 145 | 28.89 | 4,189.36 | 123.86 | 17,959.70 | 0.2 | 13,770.34 | 0.0 | 0.00 |
| UNITED THERAPEUTICS CORP DEL | 567 | 95.65 | 54,231.55 | 167.27 | 94,842.09 | 1.1 | 40,610.54 | 0.0 | 0.00 |
| **INDUSTRIALS** | | | **852,215.22** | | **1,453,004.94** | **16.7** | **600,789.7** | **0.2** | **3,028** |
| ALTRA INDUSTRIAL MOTION CORP | 1,258 | 57.11 | 71,841.70 | 55.32 | 69,592.56 | 0.8 | -2,249.14 | 0.4 | 301.92 |
| AMERESCO INC | 452 | 46.13 | 20,850.99 | 48.63 | 21,980.76 | 0.3 | 1,129.77 | 0.0 | 0.00 |
| THE AZEK COMPANY | 2,180 | 30.04 | 65,495.82 | 42.05 | 91,669.00 | 1.1 | 26,173.18 | 0.0 | 0.00 |
| MASONITE INTERNATIONAL CORP | 579 | 81.18 | 47,002.40 | 115.24 | 66,723.96 | 0.8 | 19,721.56 | 0.0 | 0.00 |
| ECHO GLOBAL LOGISTICS INC | 1,770 | 21.67 | 38,359.00 | 31.41 | 55,595.70 | 0.6 | 17,236.70 | 0.0 | 0.00 |
| FARO TECHNOLOGIES INC | 749 | 71.70 | 53,704.96 | 86.57 | 64,840.93 | 0.7 | 11,135.97 | 0.0 | 0.00 |
| FORWARD AIR CORP COM | 709 | 64.47 | 45,712.77 | 88.81 | 62,966.29 | 0.7 | 17,253.52 | 0.9 | 595.56 |
| CHART INDS INC | 1,167 | 72.22 | 84,275.78 | 142.35 | 166,122.45 | 1.9 | 81,846.67 | 0.0 | 0.00 |
| H&E EQUIPMENT SERVICES INC | 493 | 35.80 | 17,651.58 | 38.00 | 18,734.00 | 0.2 | 1,082.42 | 2.9 | 542.30 |
| HYDROFARM HOLDINGS GROUP INC | 380 | 38.03 | 14,451.79 | 60.32 | 22,921.60 | 0.3 | 8,469.81 | 0.0 | 0.00 |

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## PORTFOLIO APPRAISAL

| | | Cost Basis | | Market Value | | | | Estimated |
|---|---|---|---|---|---|---|---|---|
| | Quantity | Average Cost | Total Cost | Current Price | Total Value | % Portfolio | Unrealized Gain/Loss | Current Yield | Annual Income |
| INSTALLED BUILDING PRODUCTS | 717 | 56.25 | 40,330.31 | 110.88 | 79,500.96 | 0.9 | 39,170.65 | 1.1 | 860.40 |
| KRATOS DEFENSE AND SECURITY | 4,751 | 13.83 | 65,687.23 | 27.28 | 129,607.28 | 1.5 | 63,920.05 | 0.0 | 0.00 |
| MONTROSE ENVIRONMENTAL GROUP | 1,619 | 20.41 | 33,039.63 | 50.19 | 81,257.61 | 0.9 | 48,217.98 | 0.0 | 0.00 |
| NV5 GLOBAL INC | 830 | 45.15 | 37,471.73 | 96.57 | 80,153.10 | 0.9 | 42,681.37 | 0.0 | 0.00 |
| REPAY HOLDINGS CORP CL A | 1,943 | 25.06 | 48,689.07 | 23.48 | 45,621.64 | 0.5 | -3,067.43 | 0.0 | 0.00 |
| SUMMIT MATERIAL | 1,023 | 28.95 | 29,618.66 | 28.02 | 28,664.46 | 0.3 | -954.20 | 0.0 | 0.00 |
| TRINET GROUP IN | 1,265 | 58.32 | 73,770.70 | 77.96 | 98,619.40 | 1.1 | 24,848.70 | 0.0 | 0.00 |
| TREX INC | 1,346 | 14.22 | 19,140.79 | 91.54 | 123,212.84 | 1.4 | 104,072.05 | 0.0 | 0.00 |
| TETRA TECH INC | 1,070 | 42.17 | 45,120.31 | 135.72 | 145,220.40 | 1.7 | 100,100.09 | 0.5 | 727.60 |
| **REAL ESTATE** | | | **66,205.12** | | **64,940.16** | **0.7** | **-1,265.0** | **1.2** | **797** |
| HANNON ARMSTRONG INFRASTRUCTURE CAPITAL | 569 | 57.12 | 32,502.89 | 56.10 | 31,920.90 | 0.4 | -581.99 | 2.5 | 796.60 |
| RYMAN HOSPITALITY PROPERTIES | 426 | 79.11 | 33,702.23 | 77.51 | 33,019.26 | 0.4 | -682.97 | 0.0 | 0.00 |
| **TECHNOLOGY** | | | **1,144,248.70** | | **1,723,125.99** | **19.8** | **578,877.3** | **0.0** | **0** |
| ALLEGRO MICROSYSTEMS INC | 2,270 | 19.35 | 43,931.51 | 25.35 | 57,544.50 | 0.7 | 13,612.99 | 0.0 | 0.00 |
| COHU INC | 2,235 | 39.49 | 88,252.30 | 41.84 | 93,512.40 | 1.1 | 5,260.10 | 0.0 | 0.00 |
| COVETRUS INC | 1,735 | 26.74 | 46,390.23 | 29.97 | 51,997.95 | 0.6 | 5,607.72 | 0.0 | 0.00 |
| DIODES INCORPORATED | 853 | 57.17 | 48,763.20 | 79.84 | 68,103.52 | 0.8 | 19,340.32 | 0.0 | 0.00 |
| EVERQUOTE INC | 1,763 | 38.29 | 67,500.10 | 36.29 | 63,979.27 | 0.7 | -3,520.83 | 0.0 | 0.00 |
| FORMFACTOR INC | 1,204 | 35.02 | 42,162.39 | 45.11 | 54,312.44 | 0.6 | 12,150.05 | 0.0 | 0.00 |
| II-VI INC | 793 | 49.61 | 39,343.11 | 68.37 | 54,217.41 | 0.6 | 14,874.30 | 0.0 | 0.00 |
| JAMF HOLDING CORP | 1,180 | 35.05 | 41,354.25 | 35.32 | 41,677.60 | 0.5 | 323.35 | 0.0 | 0.00 |
| LATTICE SEMICONDUCTOR CORPORATION | 1,670 | 27.22 | 45,449.84 | 45.02 | 75,183.40 | 0.9 | 29,733.56 | 0.0 | 0.00 |
| MEDIAALPHA INC | 2,070 | 28.16 | 58,287.59 | 35.43 | 73,340.10 | 0.8 | 15,052.51 | 0.0 | 0.00 |
| MODEL N INC | 2,178 | 12.43 | 27,064.08 | 35.23 | 76,730.94 | 0.9 | 49,666.86 | 0.0 | 0.00 |
| MACOM TECHNOLOGY SOLUTIONS | 2,713 | 24.11 | 65,398.22 | 58.02 | 157,408.26 | 1.8 | 92,010.04 | 0.0 | 0.00 |
| ONTO INNOVATION INC | 1,595 | 36.67 | 58,492.76 | 65.71 | 104,807.45 | 1.2 | 46,314.69 | 0.0 | 0.00 |
| PING IDENTITY HOLDING CORP | 1,623 | 32.85 | 53,315.96 | 21.93 | 35,592.39 | 0.4 | -17,723.57 | 0.0 | 0.00 |
| PERFICIENT INC | 1,538 | 45.55 | 70,057.68 | 58.72 | 90,311.36 | 1.0 | 20,253.68 | 0.0 | 0.00 |
| Q2 HOLDINGS INC | 647 | 77.45 | 50,111.14 | 100.20 | 64,829.40 | 0.7 | 14,718.26 | 0.0 | 0.00 |
| LIVERAMP HOLDINGS INC | 1,136 | 56.11 | 63,739.87 | 51.88 | 58,935.68 | 0.7 | -4,804.19 | 0.0 | 0.00 |
| RAPID7 INC | 1,780 | 34.56 | 61,515.27 | 74.61 | 132,805.80 | 1.5 | 71,290.53 | 0.0 | 0.00 |

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## PORTFOLIO APPRAISAL

| | | Cost Basis | | Market Value | | | | | Estimated |
|---|---|---|---|---|---|---|---|---|---|
| | Quantity | Average Cost | Total Cost | Current Price | Total Value | % Portfolio | Unrealized Gain/Loss | Current Yield | Annual Income |
| SAILPOINT TECHNOLOGIES HOLDINGS | 2,013 | 25.48 | 51,297.10 | 50.64 | 101,938.32 | 1.2 | 50,641.22 | 0.0 | 0.00 |
| SUPER MICRO COMPUTER INC | 1,072 | 30.61 | 32,814.83 | 39.06 | 41,872.32 | 0.5 | 9,057.49 | 0.0 | 0.00 |
| SEMTECH CORP | 961 | 52.06 | 50,034.17 | 69.00 | 66,309.00 | 0.8 | 16,274.83 | 0.0 | 0.00 |
| VARONIS SYSTEMS INC | 3,072 | 12.69 | 38,973.10 | 51.34 | 157,716.48 | 1.8 | 118,743.38 | 0.0 | 0.00 |
| **TELECOMMUNICATIONS** | | | **121,689.58** | | **154,193.30** | **1.8** | **32,503.7** | **1.9** | **2,929** |
| COGENT COMMUNICATIONS HOLDINGS | 970 | 43.79 | 42,472.05 | 68.76 | 66,697.20 | 0.8 | 24,225.15 | 4.4 | 2,929.40 |
| VIAVI SOLUTIONS INC | 5,573 | 14.21 | 79,217.53 | 15.70 | 87,496.10 | 1.0 | 8,278.57 | 0.0 | 0.00 |
| **TOTAL Equity** | | | **5,815,768.30** | | **8,574,885.71** | **98.4** | **2,759,117.4** | **0.3** | **29,247** |
| **TOTAL Dividend Accruals** | | | | | **1,076.07** | **0.0** | | | |
| **TOTAL MANAGED** | | | **5,953,483.88** | | **8,713,677.36** | **100** | **2,759,117.4** | **0.3** | **29,247** |

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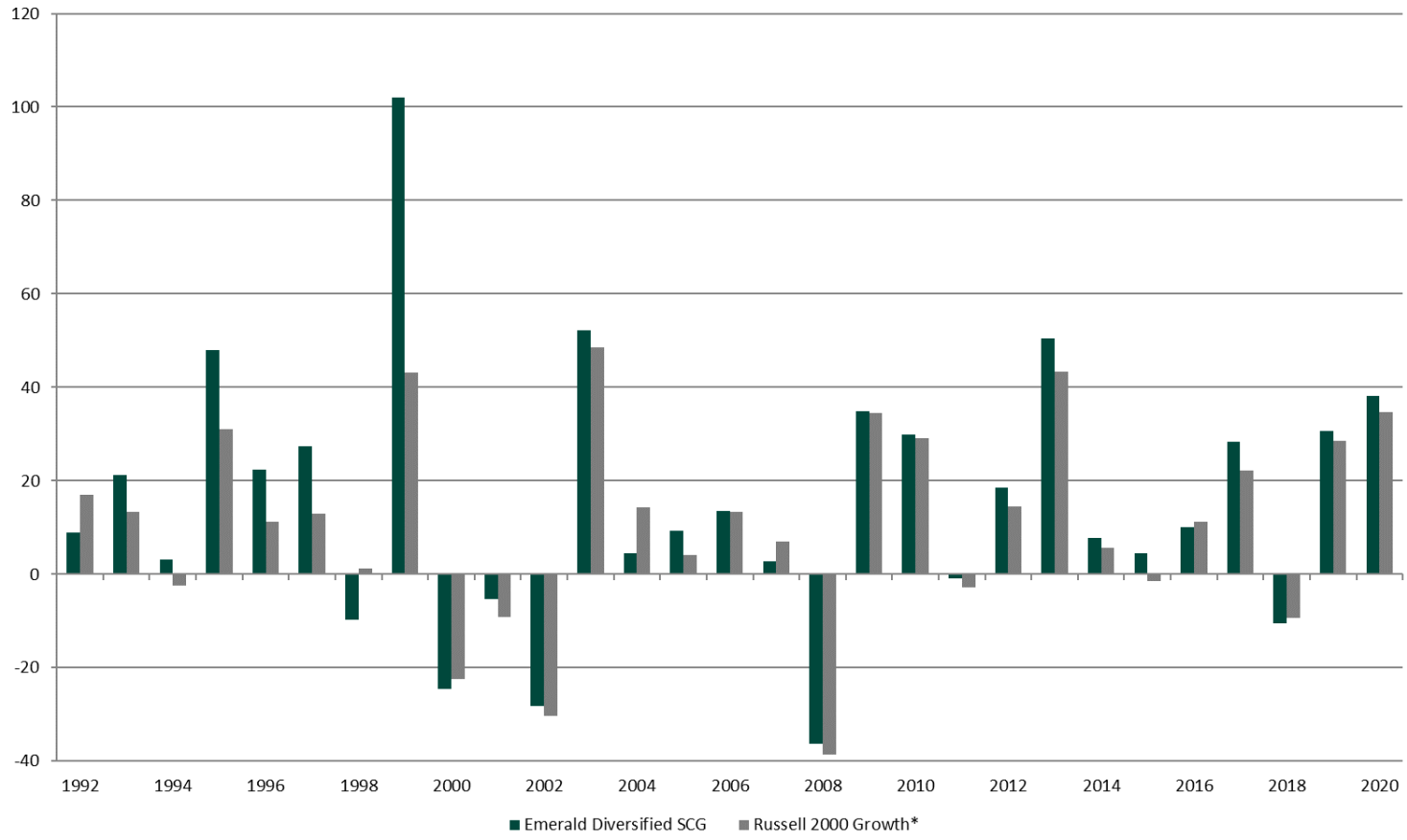
*DRIVEN BY RESEARCH*

# Div. Small Cap Growth Calendar Year Performance
as of December 31, 2020 (Gross)




**RATE OF RETURN REPORTED GROSS**

Emerald has outperformed in 22 of the 28 full calendar years we have been in business.

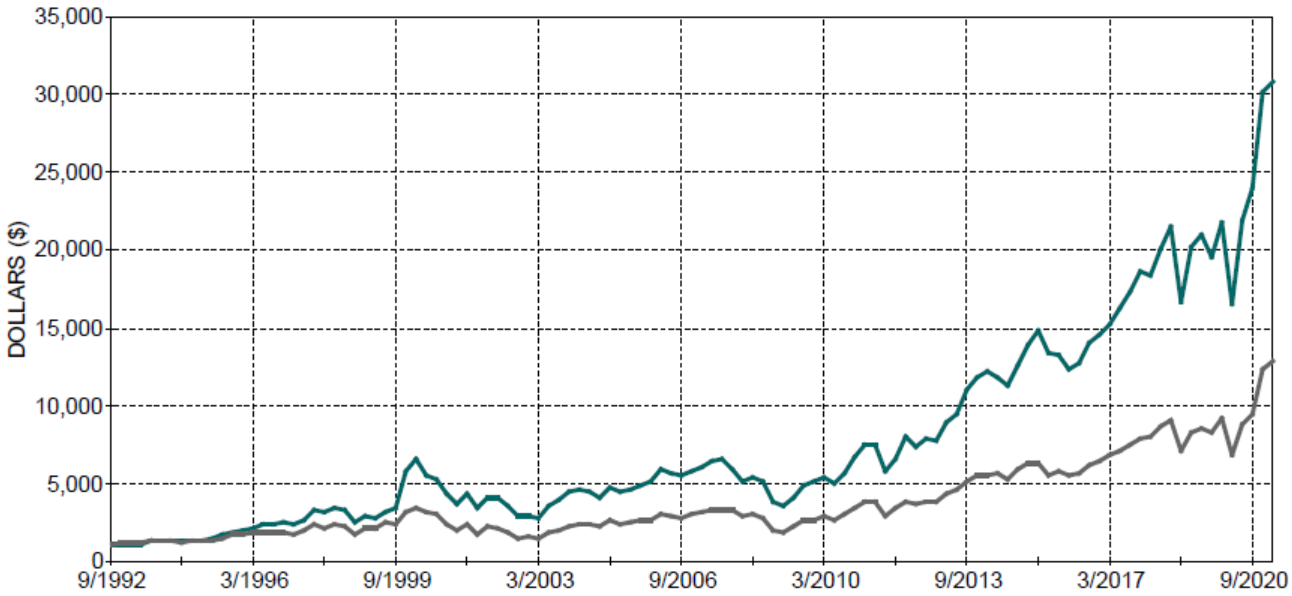
**** Source: Frank Russell Company – see full disclosure***

Performance Disclaimer - The performance information reflected is approved for "One-on-One" client presentations only. The performance figures do not reflect the deduction of investment fees; the investment advisory fees are described in Part II of Emerald Advisers' Form ADV. For example, if a client placed $100,000 under management and a hypothetical gross return of 10% were achieved, the investment assets before fees would have grown to $259,374 in ten years. However, if an advisory fee of 1% of average net assets were charged, investment assets would have grown to $234,573, or an annual compounded rate of 8.9%. This includes all reinvestment of dividends.

*DRIVEN BY RESEARCH*

# Growth of $1,000,000 Investment (Gross)
10/01/1992 – 03/31/2021

RATE OF RETURN REPORTED GROSS




| | Since Inception |
|---|---|
| Emerald Advisers Emerald Div. Sm. | 30,854 |
| Russell 2000 Growth | 12,887 |

Source: PSN from 10/01/1992- 03/31/2021, Inception Date: 10/01/1992

Performance Disclaimer - The performance information reflected is approved for "One-on-One" client presentations only. The performance figures do not reflect the deduction of investment fees; the investment advisory fees are described in Part II of Emerald Advisers' Form ADV. For example, if a client placed $100,000 under management and a hypothetical gross return of 10% were achieved, the investment assets before fees would have grown to $259,374 in ten years. However, if an advisory fee of 1% of average net assets were charged, investment assets would have grown to $234,573, or an annual compounded rate of 8.9%. This includes all reinvestment of dividends.

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# Emerald Differentiators

- ✓ In-House Research Orientation
- ✓ 10-Step Repeatable Process
- ✓ Skill Set of Research Analysts
- ✓ Team Approach to Rapidly Changing Sectors
  - Health Care Team
  - Technology Team
- ✓ 23 Years Average Institutional Research Knowledge
- ✓ Longevity of Research Team
- ✓ Always True to Growth and Cap Size Mandates

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# Emerald Differentiators

- ✓ Ability to invest, analyze, evaluate and properly value pre-profit opportunities
- ✓ Ability to participate in various opportunities by using a portfolio of up to 120 stocks
- ✓ Examines the entire Russell 2000 universe for idea generation
- ✓ 28 years of working to generate alpha using the same Process, Philosophy & Portfolio Management
- ✓ Unequal weighted manager, base weightings on each company's fundamental outlook, company specific risk and risk structure of the existing portfolio
- ✓ Unique portfolio construction risk constraints

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# Emerald Keys to Success

✓ ***Stability of Emerald***

- 28 years as a growing boutique investment manager/All employees participate in ownership via ESOP plan
- Low turnover of investment professionals/Retention promoted via equity awards

✓ ***Experience***

- 31 years average equity management investment experience
- Experienced client services team dedicated to providing client support

✓ ***Collaborative Resources***

- Collection of firm investment staff knowledge provides a blend of independent thinking

✓ ***Adherence to Philosophy/Process***

- Emerald has former plan sponsor CIOs on staff that have a deep understanding of plan sponsor needs
- Managers remain true to style
- Managers are invested in the product managed
- Committed to company-wide culture of compliance

✓ ***Performance***

- Long-term, risk-adjusted returns

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# Supplemental Material

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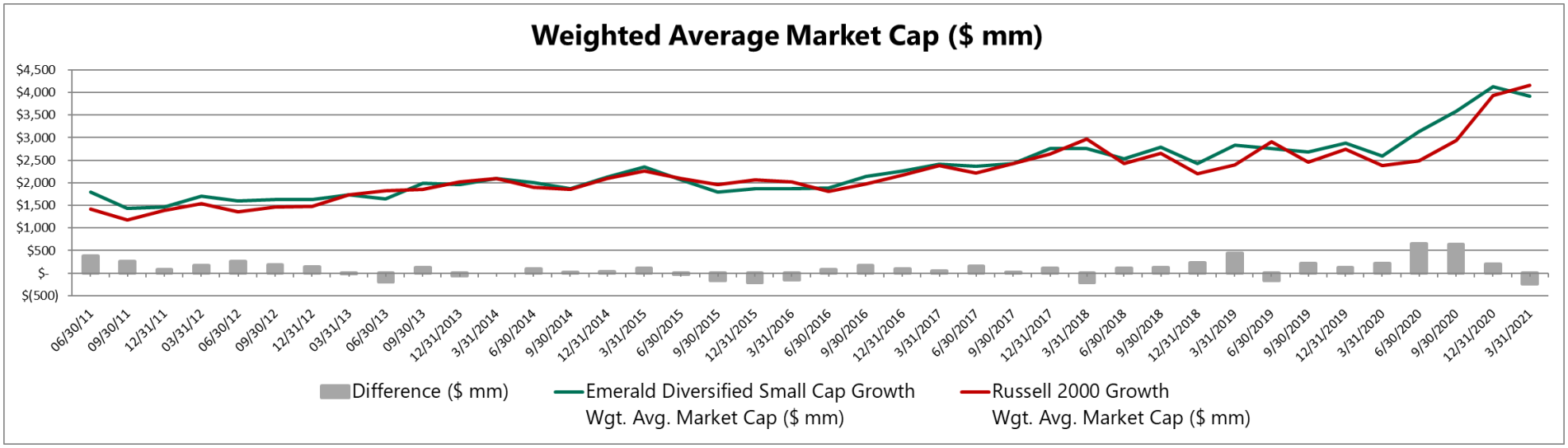
# Emerald Div. Small Cap Growth (SMA) vs. R-2000 Growth
## 10 Year Wtd. Avg. Market Cap as of March 31, 2021




**Source: FactSet. This information reflects Emerald's Diversified Small Cap Growth Separate Account Institutional Composite Account and does not include the deduction of management and other fees. Institutional accounts may differ in performance and composition from the mutual fund.**

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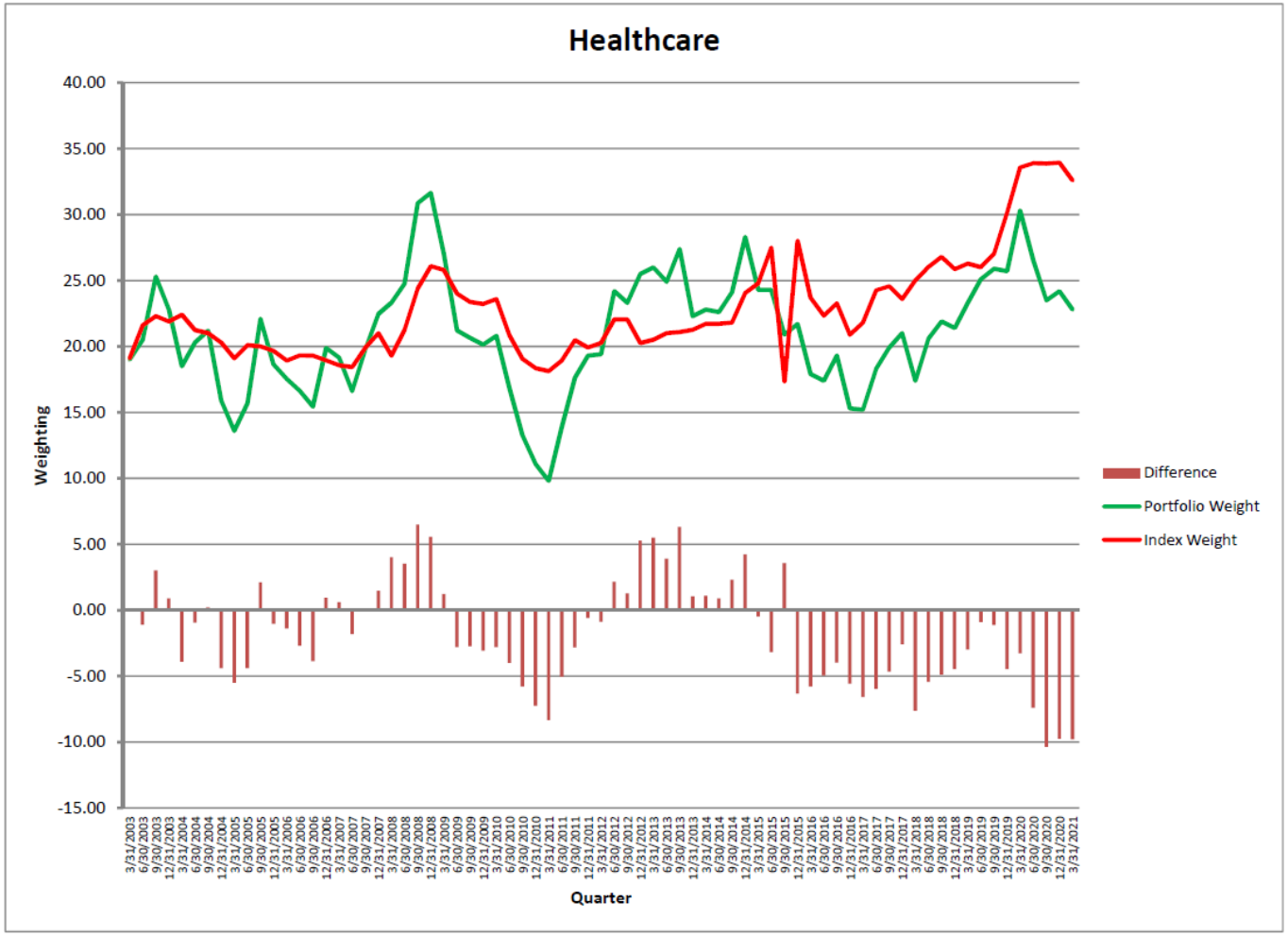
# Emerald Div. Small Cap Growth (SMA) vs. R-2000 Growth
## Healthcare Weighting as of March 31, 2021




**Source: INDATA/Russell. This information reflects Emerald's Diversified Small Cap Growth Separate Account Institutional Composite Account and does not include the deduction of management and other fees. Institutional accounts may differ in performance and composition from the mutual fund.**

# The Emerald Foundation

## Engage · Enrich · Empower · Everyone

Founded by Emerald CEO Joseph Besecker in 2010, **The Emerald Foundation** is an independent 501(c)(3) non-profit organization. The nationally-engaging Foundation is headquartered at The Emerald Foundation Community Campus (EFCC) or "The E" to provide space for tenants as well as host local initiatives and programming.

**THE EMERALD FOUNDATION INITIATIVES**

| | | | |
|---|---|---|---|
| Access to Opportunities | Autumn's Food Pantry | Rise N' Shine | Esports |
| Operation Emerald | Emerging Artist Series | Sports Safety Initiative | |

"The E" is a hub/incubator for non-profits, providing discounted office space as well as hosting and supporting on-going programming that directly benefits the local community and our neighbors in need.

The Foundation's focus is on supporting education, helping youth and promoting health and safety awareness, we strive to create a thriving community by providing programming to fill unmet community needs, opportunities for diverse citizens to meet and learn from one another through lectures, programs, clubs, exhibits, etc. and rental subsidies and collaborative programming opportunities for non-profits.

*Representative tenant list as of 09/30/2020

**Contacting Us:**

By Phone: 800.722.4123

Website: www.teamemerald.com

**Your Team Emerald Contacts:**

**Client/Consultant Relations**

Mark F. Schlegel, CFA

mschlegel@teamemerald.com

**Client Services/Operational Support**

Serena W. Tenant

stenant@teamemerald.com

**Manager**

Kenneth G. Mertz, II

Stacey L. Sears

Joseph W. Garner

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