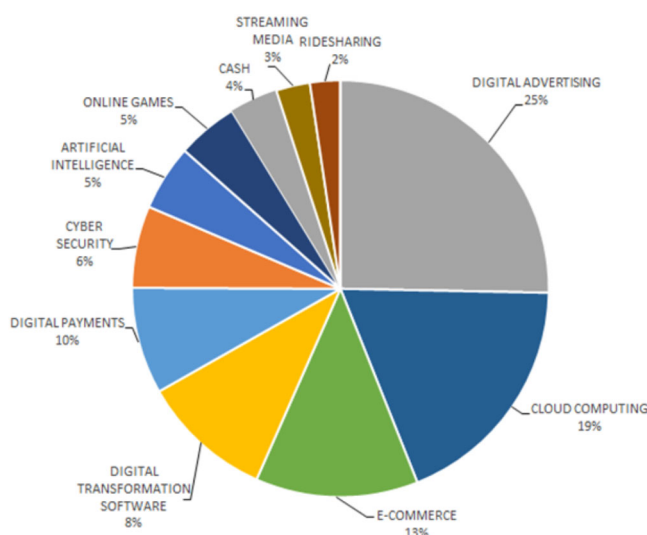


### EGA Innovation Strategy

From the EGA Portfolio Management Team

The Innovation Strategy returned 12.3% (gross, est.)/12.1% (net, est.) during Q3 and 32.1% (gross, est./31.6% (net, est.) YTD. Individual portfolio returns may differ due to cash flows, tax management and other factors. Comparable period returns for the benchmark (Nasdaq Composite) were 11.2%% and 25.3%, respectively. Quarterly returns were led by investments in digital advertising, followed by ecommerce and digital transformation software companies. Our current portfolio themes include the following:



### A Note on Valuation Cycles

We consider ourselves to be skilled at finding the right investments for our clients. We can neither control nor predict the value market participants will assign to that investment over the short-term. We take a long-term view and prefer not to trim positions based on short-term valuation fluctuations. When stock prices appreciate faster than underlying earnings growth, (i.e. when valuation multiples expand), our portfolio will perform better than our goal of ~15% per annum appreciation. However, one should not assume a disconnect between earnings growth and price appreciation can last forever. It is natural to assume a period of valuation expansion will at some point be followed by a period of valuation contraction, when price appreciation will trail earnings growth. In an ideal world, we would reduce exposure at the peak of the valuation cycle and add exposure at the very bottom. In reality, we cannot sustainably predict these cycles and the best way to realize the earnings potential of an investment is to ride both the up cycle and the down cycle with the exception of extreme swings in individual securities relative to the benchmark.

## Innovation in Adversity

The adversity brought on by the pandemic didn't stop innovation within our portfolio companies. In fact, our companies fired up their innovation engines to adapt to the pandemic and expand their market share within their broad industry groups. For instance, a digital advertising company overcame revenue slowdown in Q2 by launching new products that would allow brick and mortar stores, which were hit particularly hard by the pandemic, new ways to sell and reach their customers online. Additionally, the company offered to predominantly offline businesses digital tools that help track sales, offer customer engagement insights and allow them to communicate with their customers, receive notifications and alerts, all in one place using their mobile devices. The launch of this new product transformed (almost overnight) in-person fitness classes into virtual workout sessions and on-site wine tastings to live online wine events for wine lovers. The sales of almost any physical product (from skin care to apparel to home furnishing goods) shifted from in-shop to online with a glass pane separating the shop from its customer. Historically, online and offline businesses would advertise on this ad platform to earn the attention of their prospective customers. Now, these businesses can close the advertising loop by also selling to their customers without having to leave the app. Having the ability to advertise and sell products in one place makes it easier for businesses to measure the results of their advertising spend, while removing the friction for consumers to switch between apps before making the final transaction. Lower friction and a better measurement of advertising spend results in higher conversion rates and ultimately higher spend. The nimbleness of this portfolio company to pivot from being just an advertising platform to an advertising and ecommerce platform (in 3 months!) where merchants can advertise and sell, influencers can promote and monetize products and users, inspired by the social commerce stories of their connections, can browse those products and purchase items without having to leave the app is simply remarkable. To consolidate all these use cases on an app with a massive captive audience base is pure genius. Pivots like these reinforce our confidence in the ability of our portfolio companies to expand their growth levers by continuously innovating and adding new use cases. These new use cases bring in additional revenue while accelerating the flywheel of existing use cases, ultimately strengthening the company's moat.

Obsessed with the goal of generating wealth for our clients, we are on a mission to find more opportunities to compound your capital. We believe we are only scratching the surface of the world of potential innovative investment opportunities. The EGA Innovation Strategy travels this world of innovation for you to invest ahead of the curve and to capitalize on the economy of the future.

Thank you for entrusting us with the management of your assets.

- The EGA Innovation Strategy Team