

# EGA Innovation Strategy

Strategy Profile

As of September 30, 2021

## Strategy Overview

Eagle believes capital allocated to moat-worthy, disruptive companies trading at reasonable prices should appreciate at a rate commensurate with the growth of the underlying business. Investments in EGA's Innovation Strategy are focused on several attributes including companies who can continuously innovate to displace incumbents, those who possess sustainable competitive advantages and also trade at reasonable valuations relative to their growth profile.

## Eagle Global Advisors, LLC

- Registered Investment Advisor, founded November 1996
- \$2.0 Billion assets under management\*\*
- 25 employees including 15 investment professionals
- Investment team has been together since 1993

## Investment Highlights

- Focus on high quality, global companies with consistent revenue growth
- **Core and Satellite Investments:**
  - **Core:** At least 80% of portfolio invested in highest conviction ideas in companies with established moats
  - **Satellite:** Up to 20% of portfolio invested in companies who are earlier in their lifecycle with current revenues a fraction of their total market potential
- Industry leaders with sustainable competitive advantages
- Highly concentrated with attractive upside capture
  - Top 5 holdings: ~50% of portfolio
- Allocations driven by stock selection: 18-22 holdings on average

## Portfolio Characteristics

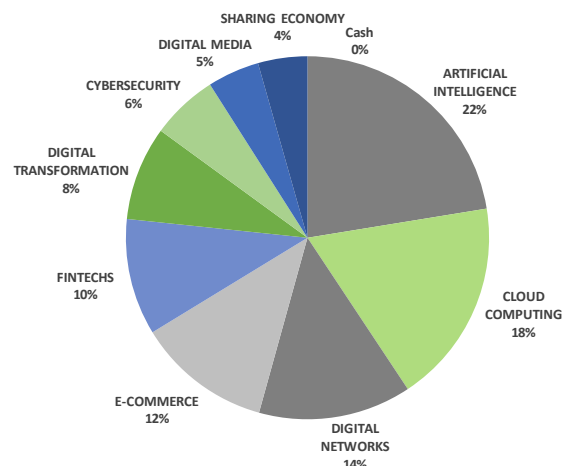
Characteristic	Eagle	Nasdaq Comp.
Weighted Average Market Cap	\$985 Billion	\$842 Billion
Weighted Median Market Cap	\$546 Billion	\$212 Billion
12M Trailing P/E	38.0	37.0
12M Forward P/E	32.7	26.2
Earnings Growth Next 5 Years	21.5	16.9
PEG Ratio	1.33	1.73
Sales TTM	24.7	26.7
ROE	29.2%	28.5%
Price to Book	13.0	14.8
# of Holdings	22	2760

## Disclaimer

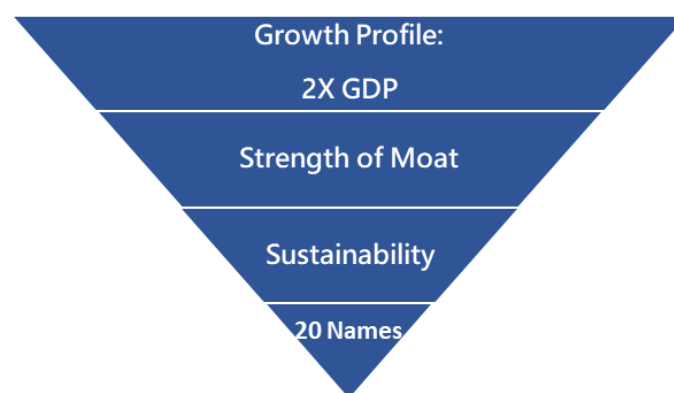
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\*\*AUM data is inclusive of both discretionary and non-discretionary client assets.

## Portfolio Themes



## Investment Process



## Performance Update

	3Q 2021*	YTD 2021* <sup>1</sup>	Annualized SI Returns (7/18)*
EGA Innovation Strategy (Gross)	0.55	18.94	23.83
EGA Innovation Strategy (Net)	0.39	18.42	23.10
Nasdaq Composite	-0.23	12.66	23.44

\* Preliminary for Innovation Strategy Performance

# EGA Innovation Composite

January 1, 2018 through June 30, 2021

	Q2 21	Q1 21	2020	2019	2018
<b>Total Return (%) Gross</b>	<b>14.89</b>	<b>2.97</b>	<b>44.13</b>	<b>36.96</b>	<b>(14.69)</b>
<b>Total Return (%) Net</b>	<b>14.72</b>	<b>2.82</b>	<b>43.29</b>	<b>36.16</b>	<b>(14.96)</b>
<b>Nasdaq Composite Benchmark Total Return (%)*</b>	<b>9.68</b>	<b>2.95</b>	<b>44.92</b>	<b>36.69</b>	<b>(11.20)</b>
Composite 3 Year Std. Dev.	19.67	N/A	N/A	N/A	N/A
Benchmark 3 Year Std. Dev.	20.70	20.54	21.05	14.52	13.81
Number of Portfolios	<6	<6	<6	<6	<6
Composite Dispersion (%)	N/A	N/A	N/A	N/A	N/A
Composite Assets at End of Period (US\$ 000)	1,302	1,133	1,100	678	434
Total Firm Assets (US\$ 000)	1,850,795	1,691,191	1,571,232	2,279,115	2,632,277

\* Benchmark: Nasdaq Composite Benchmark Total Return

**EGA Innovation Composite** - The EGA Innovation composite consists of those portfolios invested in innovative growth companies.

- For GIPS purposes, Eagle Global Advisors, LLC is an independent investment advisor, registered with the SEC, actively managing individual investment portfolios containing domestic equity, international equity, master limited partnerships, and domestic fixed income securities, (either directly or through a sub-advisory relationship), for mutual funds, high net worth individuals, retirement plans for corporations and unions, financial institutions, trusts, endowments and foundations. SEC registration does not imply a certain level of skill or training.
- Eagle Global Advisors, LLC claims compliance with Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with GIPS standards. Eagle Global Advisors, LLC has been independently verified for the periods 1/1/1997 to 12/31/2019. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. 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. Only direct trading expenses are deducted when presenting gross of fee returns. In addition to management fees, actual client returns will be reduced by any other expenses related to the management of an account such as trustee fees or custodian fees. The reporting currency is the U.S. dollar. Returns are calculated net of non-reclaimable foreign withholding taxes on dividends, interest, and capital gains. Reclaimable withholding taxes are not accrued, but are cash basis as received. Eagle uses the asset-weighted standard deviation as the measure of composite dispersion of the individual component portfolio gross full period returns around the aggregate composite mean gross return. The 3 year annual standard deviation and internal dispersion are calculated using Gross of Fees returns. If the composite contains 5 portfolios or less (<=5) for the full period, a measure of dispersion is shown as not meaningful (N/A) and the number of portfolios is not reported. Past performance cannot guarantee future results.. All investments involve risk including the loss of principal. This presentation is only intended for investors qualifying as prospective clients as defined by GIPS.
- The composite start date is January 1, 2018 and was created in March 2020. The composite consists of separate account portfolios where the firm has full investment discretion, the portfolio contains over \$100,000 in innovative growth companies and the portfolio properly represented the intended strategy at the end of the calendar quarter. All performance returns assume the reinvestment of dividends, interest, and capital gains.
- The benchmark is NASDAQ Composite, a market capitalization-weighted index that includes all domestic and international based common type stocks listed on The NASDAQ Stock Market. The NASDAQ Composite Index is a broad based Index. Benchmark returns are calculated using ETF (ONEQ), which tracks the NASDAQ Composite Index.
- The indices shown are for informational purposes only and are not reflective of any investment. As it is not possible to invest in the indices, the data shown does not reflect or compare features of an actual investment, such as its objectives, costs and expenses, liquidity, safety, guarantees or insurance, fluctuation of principal or return, or tax features. Indices do not include fees or operating expenses and are not available for actual investment. Indices presented are representative of various broad based asset classes. They are unmanaged and shown for illustrative purposes only. The volatility of the indices is likely materially different than the strategy depicted. Eagle Global's Innovation strategy includes buying and selling of various innovative growth companies. Such assets can and do include technology, communication services, consumer discretionary and stocks from other sectors of the market. Holdings will vary from period to period and due to the volatile nature of these companies can have a material impact on the performance.
- The Eagle list of composite descriptions is available upon request. Eagle policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

## EGA Innovation Composite (minimum investment: \$100,000)

<b>Account Size</b>	All Assets
<b>Annual Fee</b>	.60%

## Representative Example of Compounded Effect of Investment Advisory Fee

	Years	Cumulative Fee	Years	Cumulative Fee
A maximum 0.60% management fee deducted from a portfolio quarterly (0.0015%/quarter) would result in the following cumulative compound reduction of the portfolio time-weighted rate of return.	1	0.601%	6	3.663%
	2	1.206%	7	4.286%
	3	1.815%	8	4.913%
	4	2.427%	9	5.544%
	5	3.043%	10	6.179%