

## Investment Philosophy

Based on three core beliefs:

- Momentum is a significant source of alpha
- Inefficient response to change creates the opportunity
- Actively addressing risk retains alpha

## Investment Process

Our Informed Momentum™ approach combines stock selection, tailored risk management, and efficient implementation to effectively deliver the momentum premium and alpha for our clients.

## Investment Objective

To deliver consistent alpha by investing in non-US small cap companies that correspond to the market capitalization range of the MSCI ACWI ex-US Small Cap Index.

## Portfolio Managers

Joshua Moss  
Managing Director, Portfolio Manager

John Scripp  
Managing Director, Portfolio Manager

Travis Prentice  
Chief Investment Officer

## Benchmark

MSCI ACWI ex-US Small Cap Index

## Inception Date

May 1, 2011

## Firm AUM

\$2.8 Billion

## Strategy AUM

\$331 Million

Strong inception-to-date alpha

Benchmark-like volatility with beta at or below 1.0

Favorable upside and downside capture ratios

Excess return correlations complement traditional styles

Consistent exposure to stock-specific risk and momentum

## Performance

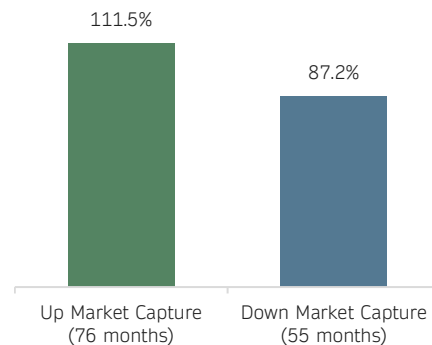
	QTD	YTD	1 Year	3 Year	5 Year	7 Year	10 Year	ITD*
EAM Non-US Small Cap (Gross)	-10.42%	-10.42%	0.21%	13.65%	11.31%	10.32%	13.30%	10.61%
EAM Non-US Small Cap (Net)	-10.60%	-10.60%	-0.59%	12.75%	10.43%	9.44%	12.40%	9.73%
MSCI ACWI ex-US Small Cap Index	-6.51%	-6.51%	0.04%	10.22%	7.89%	7.24%	7.28%	5.32%
MSCI ACWI ex-US SC Growth Index	-10.38%	-10.38%	-3.28%	11.36%	9.07%	7.96%	7.78%	5.75%
MSCI ACWI ex-US SC Value Index	-2.60%	-2.60%	3.28%	8.72%	6.50%	6.34%	6.66%	4.78%

## Risk Statistics

	EAM Non-US Small Cap	MSCI ACWI ex-US Small Cap Index
Excess Return	5.29%	-
Alpha	5.54%	-
Tracking Error	7.57%	-
Standard Deviation	16.9%	15.9%
R-Squared	0.80	1.00
Beta	0.95	1.00
Information Ratio	0.70	-
Sharpe Ratio	0.60	0.30

Risk statistics are annualized for the period beginning May 1, 2011. Source: Northern Trust

## Market Capture

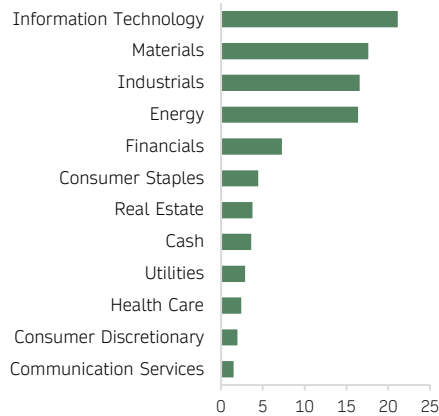


Market capture is calculated versus the MSCI ACWI ex-US Small Cap Index for the inception to date period beginning May 1, 2011. Source: Northern Trust

Performance data is based on the firm's composite for this strategy. **Past performance does not guarantee future results.** All periods greater than one year are annualized.

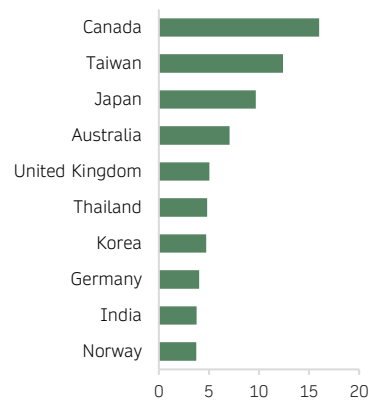
\* Inception date for the strategy is May 1, 2011. EAM Investors, LLC claims compliance with the Global Investment Performance Standards (GIPS)

## Sector Weights (%)



Portfolio weights are subject to change. Source: FactSet, GICS

## Top 10 Country Weights (%)



Portfolio weights are subject to change. Source: FactSet, MSCI

## Characteristics

	EAM Non-US Small Cap	MSCI ACWI ex-US Small Cap Index
# of holdings	124	4,344
% of Portfolio in the Top 10	10.4%	1.8%
Market Cap (Wtd Avg, \$M)	3,502	2,779
Active Share	97%	-
% of Stocks with Positive Earnings Surprise	47%	37%
% of Stocks with Upward Earnings Revisions	71%	31%
Earnings Growth, FY2	11.3%	11.7%
Price/Earnings, FY2	10.8x	12.3x
Enterprise Value/Sales, FY2	1.54x	2.16x

Source: FactSet

**INSTITUTIONAL INVESTOR USE ONLY. Past performance does not ensure future results, and there is no assurance that the portfolios will achieve their investment objectives.**

Gross and net returns are presented net of brokerage commissions and include the reinvestment of income from interest and dividends as well as capital gains less applicable withholdings. The returns do not reflect the deduction of other taxes a typical investor may accrue or custodial fees. The U.S Dollar is the currency used to express performance. Net returns are net of the maximum annual management fee of 0.80%.

All periods greater than one year are annualized. Inception-To-Date returns for the EAM Non-US Small Cap portfolio is from the period beginning May 1, 2011.

The MSCI ACWI ex-US Small Cap Index captures small cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 25 Emerging Markets (EM) countries. The index is designed to measure small cap equity market performance in the global developed and emerging markets excluding the United States. The MSCI ACWI ex-US Small Cap Index has been chosen as a benchmark to the EAM Non-US Small Cap strategy because the Advisor believes that it is the most appropriate broad-based securities index available to be used for comparative purposes given the investment strategy of the portfolios. The MSCI ACWI ex-US Small Cap Growth Index captures small cap securities exhibiting overall growth style characteristics across 22 of 23 DM countries (excluding the US) and 25 EM countries. The MSCI ACWI Small Cap Value Index captures small cap securities exhibiting overall value style characteristics across 23 DM countries and 25 EM countries. The MSCI ACWI ex-US Small Cap Growth Index and the MSCI ACWI ex-US Small Cap Value Index are being presented for informational purposes only.

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## About EAM

EAM Investors is solely focused on delivering alpha for clients in global equity markets. Our approach to investing leverages our collective insight within a systematic process designed to deliver consistent and predictable outcomes. We currently manage \$2.8 Billion on behalf of our clients.