

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 US-based companies that correspond to the bottom half of the market capitalization range of the Russell Microcap Index.

Portfolio Managers

Travis Prentice
Chief Investment Officer, Portfolio Manager

Benchmark

Russell Microcap Growth Index

Inception Date

October 2, 2007

Firm AUM

\$2.3 Billion

Strategy AUM

\$111 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

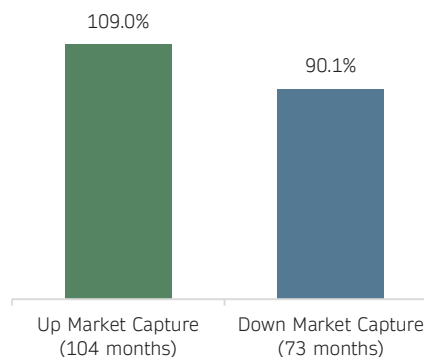
	QTD	YTD	1 Year	3 Year	5 Year	7 Year	10 Year	ITD*
EAM US Ultra Micro Cap (Gross)	-16.59%	-23.32%	-19.95%	17.40%	16.09%	11.84%	14.49%	11.20%
EAM US Ultra Micro Cap (Net)	-16.76%	-23.62%	-20.59%	16.47%	15.17%	10.95%	13.58%	10.31%
Russell Microcap Growth Index	-22.40%	-33.04%	-43.98%	0.07%	1.58%	1.13%	7.02%	4.28%
Russell Microcap Index	-18.96%	-25.11%	-30.73%	5.06%	4.55%	4.94%	9.04%	5.44%
Russell Microcap Value Index	-16.84%	-19.71%	-20.19%	7.62%	6.03%	7.26%	10.12%	5.92%

Risk Statistics

	EAM US Ultra Micro Cap	Russell Microcap Growth Index
Excess Return	6.91%	-
Alpha	7.11%	-
Tracking Error	9.51%	-
Standard Deviation	25.2%	23.6%
R-Squared	0.86	1.00
Beta	0.99	1.00
Information Ratio	0.73	-
Sharpe Ratio	0.42	0.16

Risk statistics are annualized for the period beginning October 2, 2007. Source: Northern Trust

Market Capture



Market capture is calculated versus the Russell Microcap Growth Index for the inception to date period beginning October 2, 2007. 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 October 2, 2007. EAM Investors, LLC claims compliance with the Global Investment Performance Standards (GIPS)

Characteristics

	EAM US Ultra Micro Cap	Russell Microcap Growth Index
# of holdings	90	1,015
% of Portfolio in the Top 10	18.0%	6.9%
Market Cap (Wtd Avg, \$M)	321	602
Active Share	93%	-
% of Stocks with Positive Earnings Surprise	48%	39%
% of Stocks with Upward Earnings Revisions	14%	11%
Earnings Growth, FY2	13.1%	20.9%
Price/Earnings, FY2	7.8x	9.3x
Enterprise Value/Sales, FY2	0.65x	1.54x

Source: FactSet

Sector Weights (%)



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

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 \$2.3 Billion on behalf of our clients.

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

EAM Investors, LLC (the "Advisor") is an institutionally-focused investment advisor registered with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940. The Advisor manages equity portfolios for clients in the U.S. small and micro cap markets. The EAM US Ultra Micro Cap Composite contains all discretionary, equity only accounts that invest primarily in companies that correspond to the market values within the range of the Russell Microcap Growth Index. The EAM US Ultra Micro Cap Composite is expected to maintain an investment exposure of 95-100% with the goal of capital appreciation.

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. The returns do not reflect the deduction of taxes a typical investor may accrue or custodial fees. Net returns are net of the maximum annual management fee of 0.80%. Performance is calculated in US dollars.

The Russell Microcap Index consists of the smallest 1,000 companies in the small-cap Russell 2000 Index plus the next 1,000 securities. The Russell Microcap Value Index measures the performance of those Russell Microcap companies with lower price-to-book ratios and lower forecasted growth values. The Russell Microcap Index and the Russell Microcap Value Index are being presented for informational purposes only. The Russell Microcap Growth Index (RMGI) measures the performance of those Russell Microcap companies with higher price-to-book ratios and higher forecasted growth values. The Russell Microcap Growth Index has been chosen as a benchmark to the EAM US Ultra Micro Cap composite because the Advisor believes that it is the most appropriate broad-based securities index to be used for comparative purposes given the investment growth-oriented strategy of the portfolio. The indexes are unmanaged and cannot be invested in directly.

FTSE Russell is the source of the Russell Index data and the owner of all trademarks and copyrights related thereto. Any further redistribution is prohibited. FTSE Russell is not responsible for the accuracy of this presentation and reserves the right at any time and without notice to change, amend or cease publication of the information.

Under no circumstances does the information contained within represent a recommendation to buy or sell securities. The securities identified in the materials are used for illustrative purposes in the discussion of our investment philosophy and processes. We may or may not have held, currently hold, or will hold any of the securities.

The portfolios are actively managed and holdings are subject to change. We believe the information presented is reliable, but we do not guarantee its accuracy. The opinions expressed will evolve as future events unfold. The investment risk of the portfolios may be increased by the portfolios' ability to invest in smaller company stocks, and IPOs. Investing in growth stocks involves certain risks, in part, because the value of securities is based upon future expectations that may or may not be met. Small company stocks are generally riskier than large company stocks due to greater volatility and less liquidity.

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. A GIPS composite report can be obtained by contacting Frank Hurst at fhurst@eaminvestors.com.