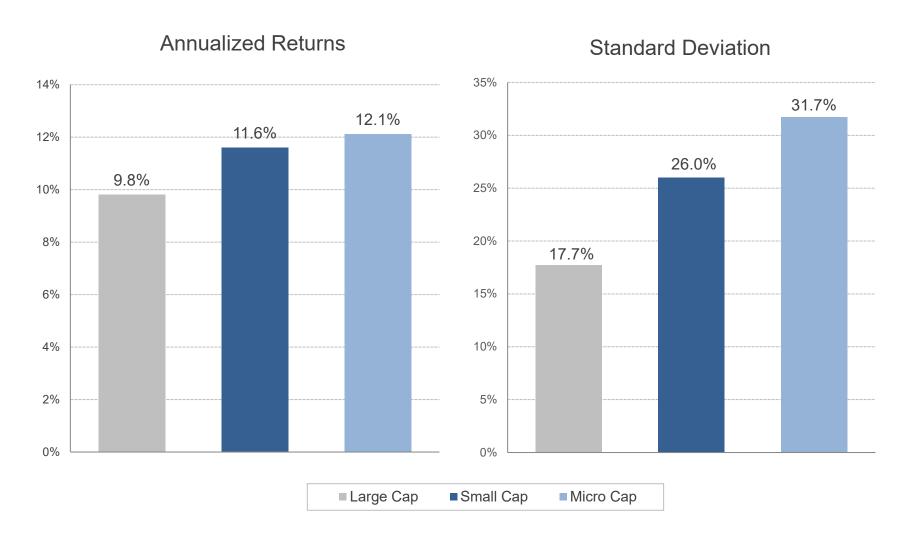


U.S. Equity Small Cap and Micro Cap Market Dynamics Annual Report



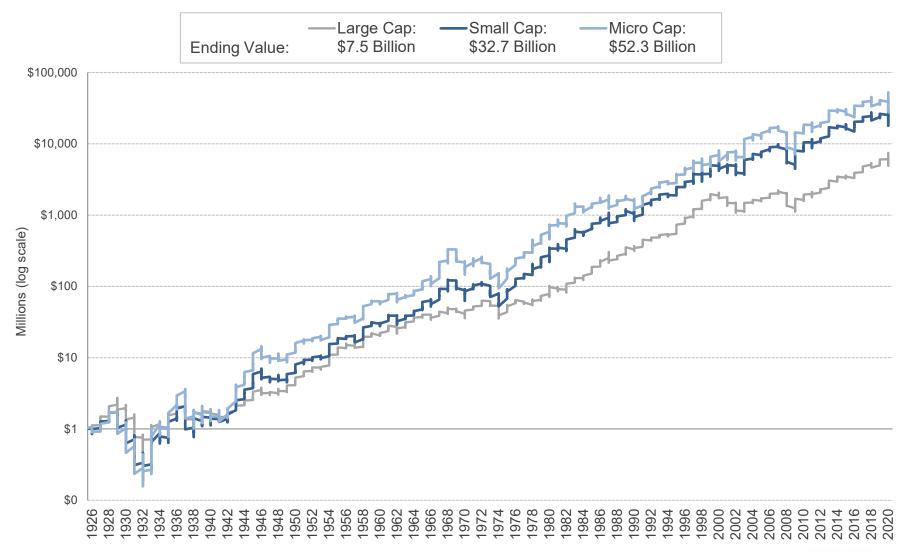
December 2020

Long-Term Return and Risk of US Equities by Market Capitalization For the Period 1926 - 2020



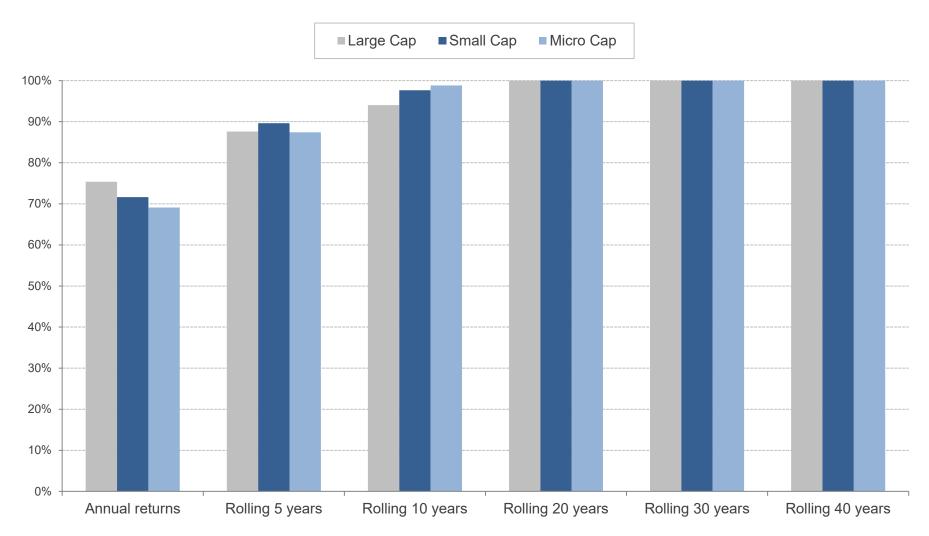
Long-Term US Equity Returns: Growth of \$1 Million

For the Period 1926 - 2020

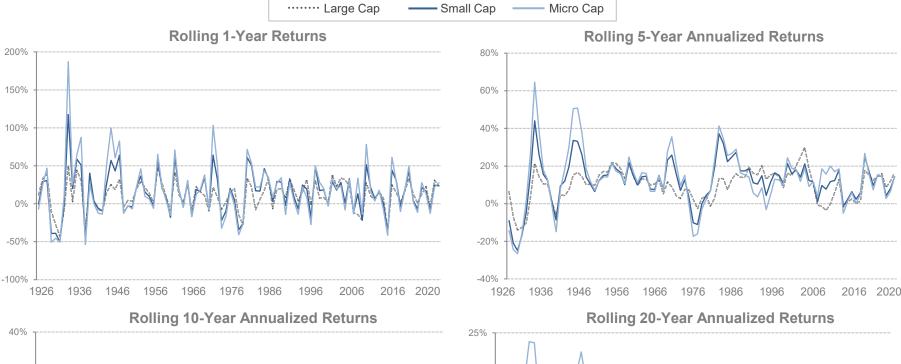


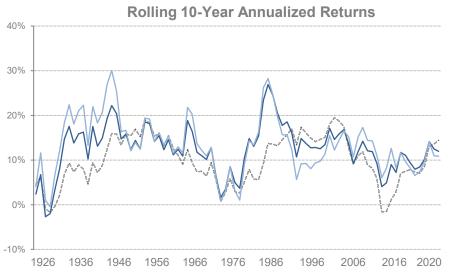
Long-Term US Equity Returns: Percentage of Periods with a Positive Return

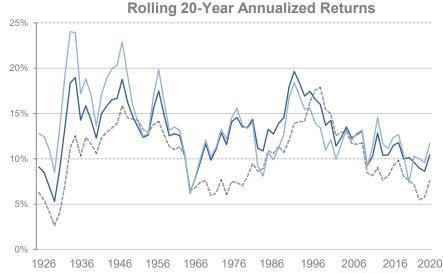
For the Period 1926 - 2020



Long-Term US Equity Rolling Returns by Market Capitalization

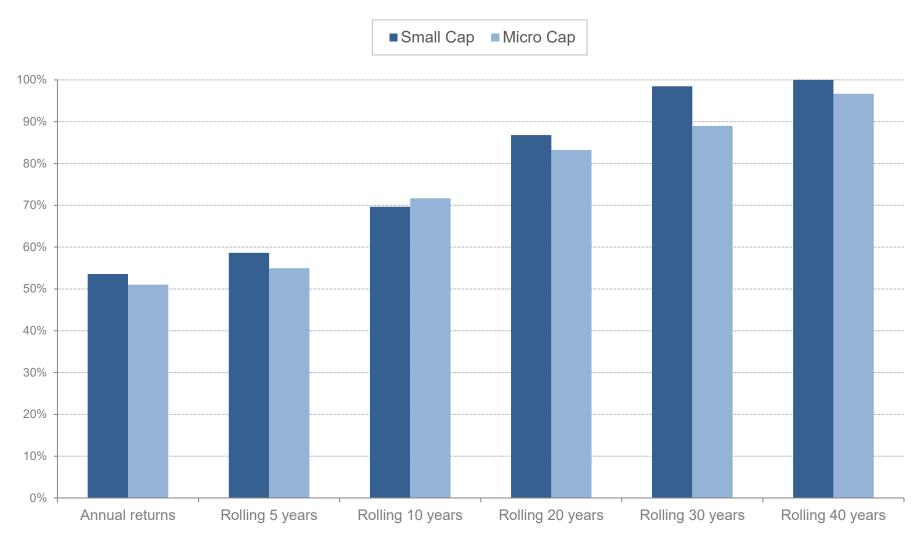




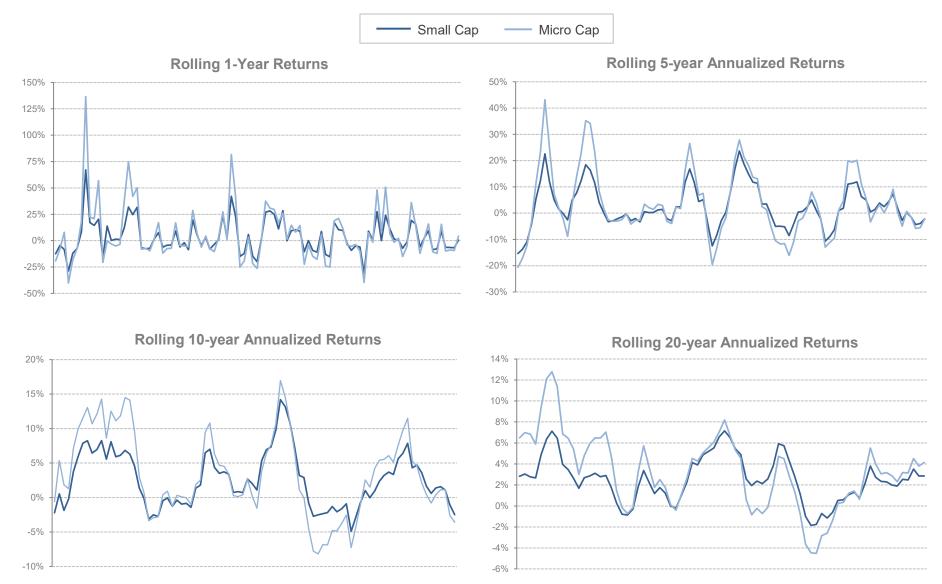


Long-Term US Equity Returns: Percentage of Periods Beating Large Cap

For the Period 1926 - 2020

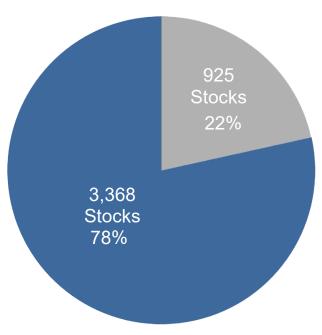


Long-Term US Equity Rolling Returns: Relative to Large Cap



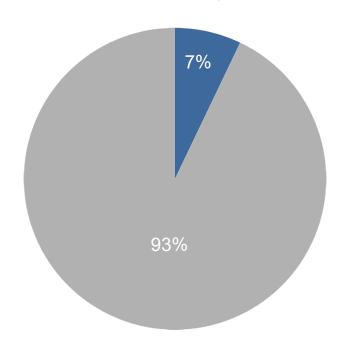
Large Universe of Potential Investments





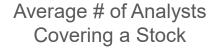
Small Cap/Micro Cap (Stocks < \$4B Market Cap)

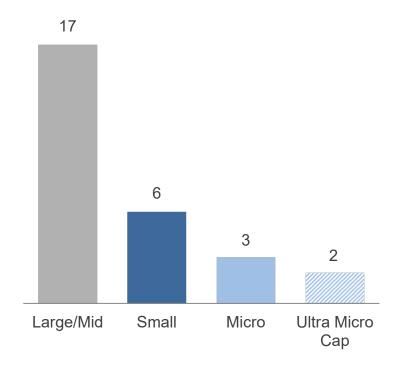
Total US Equity
Market Capitalization: ~\$37 Trillion
% of Total US Equity Market Cap



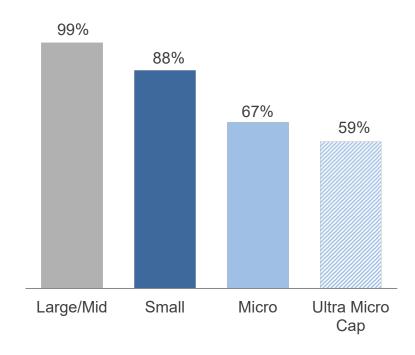
Large Cap/Mid Cap
(Stocks > \$4B Market Cap)

Research Coverage in the US Equity Universe

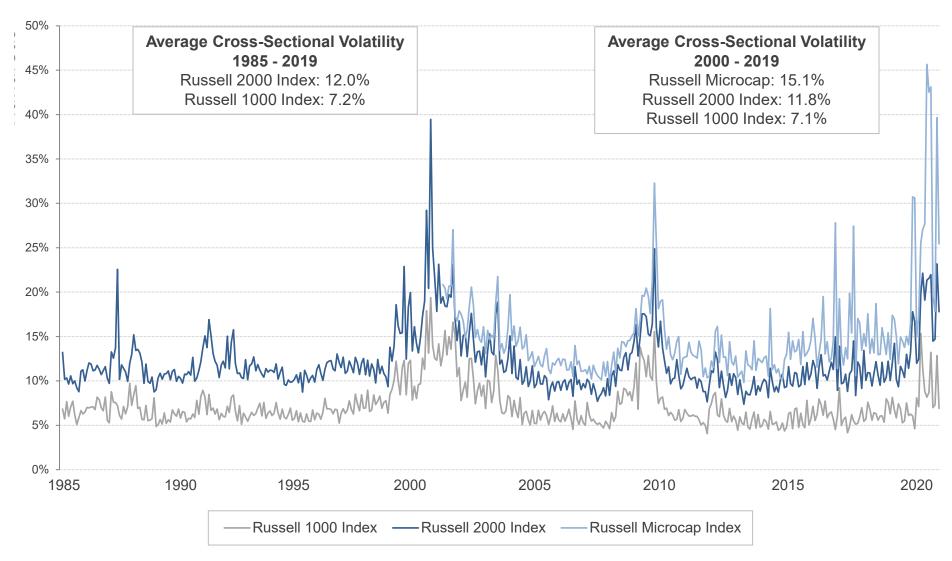




% of Stocks Covered By At Least One Analyst



Higher Cross-Sectional Volatility Signals Greater Opportunity for Alpha



Cross-Sectional Volatility provided by Russell-Parametric based on Russell 1000 (Large Cap) and Russell 2000 (Small Cap) are from January 1985 through December 2014, and for the Russell Microcap Index from August 2000 through December 2014. Russell-Parametric discontinued their cross volatility index series in 2015, therefore, from January 2015 going forward, cross volatility is calculated via Factset using a similar methodology.

EAM Strategies Cover the Entire Market Cap Spectrum of Small Cap and Micro Cap Stocks Under \$4 Billion

Selection Universe

EAM Portfolio Guidelines

EAM Portfolios	Market Cap Range	Number of Stocks	% of US Equity Market Cap	Number of Holdings	Largest Position	Capacity*
Small Cap Growth	\$150M-\$4B	2,250	6.9%	100-150	2%	\$3B
Micro Cap	<\$800M	2,306	1.4%	80-120	3%	\$1B
Ultra Micro Cap	<\$300M	1,608	0.5%	60-90	3%	\$300M

Important Information

Under no circumstances does the information contained within represent a recommendation to buy or sell securities. We believe the information presented is reliable, but we do not guarantee its accuracy. The opinions expressed will evolve as future events unfold. 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.

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