

Bay County Employees' Retirement System

EAGLE ASSET MANAGEMENT

Fourth Quarter 2015

Presented by: Clay Lindsey - *Vice President, Institutional Client Relations*

Date: March 8, 2016

EAGLE ASSET MANAGEMENT

Investing with Intelligence, Experience and Conviction

EAGLE | Asset Management

About our firm

Eagle Asset Management provides institutional and individual investors with a broad array of equity and fixed income products designed to meet long-term goals. Eagle and its investment management affiliates have \$31.3 billion in assets under management and advisement.* Our investment philosophies are designed to deliver superior, risk-adjusted returns via both separately managed account and mutual fund platforms. Founded in 1976, Eagle was built on the cornerstones of intelligence, experience and conviction that we believe clients expect from their investment managers.

Updates as of Dec. 31, 2015:

- I In keeping with our long-term investment focus, 13 of our 13 composites with ten-year track records beat their respective benchmarks (gross of fees) over the ten-year period. In addition, 11 of our 11 composites with fifteen-year track records beat their respective benchmarks (gross of fees) over the fifteen-year period.
- I Since their inception dates, 15 of our 16 composites beat their respective benchmarks.

Investment Objective (as of Dec. 31, 2015)	Assets (millions)
Small Cap Core	\$1,308.7
Small/Mid Cap Core – Institutional	\$181.1
Small Cap Growth – Institutional	\$1,481.8
Small Cap Growth – Sub-advised	\$798.2
Small Cap Growth – Retail	\$5,046.6
Mid Cap Growth	\$1,983.3
Small Cap Stock Opportunities	\$271.3
Smaller Company Strategy – Retail	\$358.0
Mid Cap Stock Opportunities	\$288.6
Eagle Boston Small Cap Equity – Retail	\$20.6
Eagle Boston Small/Mid Cap Equity	\$89.0
Eagle Boston Small Cap Equity – Institutional	\$642.5
Equity Income	\$3,966.5
All Cap Equity	\$1,914.1
Value	\$81.2
Fixed Income	\$5,438.9
Other	\$1,564.0
ClariVest (16 investment objectives)	\$4,452.9
Cougar Global	\$1,405.3
	\$31,292.6

Information as of Dec. 31, 2015

*Includes Eagle Boston Investment Management, Inc., a wholly owned subsidiary of Eagle Asset Management, Inc. and ClariVest Asset Management LLC and Cougar Global Investments LTD affiliates of Eagle Asset Management, Inc.

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INVESTMENT TEAM

Small Cap Growth

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Bert L. Boksen, CFA

Managing Director and
Portfolio Manager

Consumer Discretionary, Consumer Staples
Joined Eagle 1995
39 years investment experience

Eric Mintz, CFA

Portfolio Co-manager

Energy, Materials, Industrials
Joined Eagle 2005
21 years investment experience

Chris Sassouni, DMD

Portfolio Co-manager - Healthcare
Healthcare

Joined Eagle in 2003
27 years investment experience

Adam Gallina, CFA

Senior Research Analyst

Technology
Joined Eagle in 2007
16 years investment experience

Clay Lindsey

Institutional Client Relations
Joined Eagle in 2000

Andrew Adebonojo, CFA

Senior Research Analyst

Healthcare & Financials
Joined Eagle in 2011
24 years investment experience

Bryan Batassa

Research Associate

Joined Eagle in 2011
Nine years investment-
industry experience

Matt Stuart

Sr. Institutional Client
Portfolio Specialist
Joined Eagle in 2012

Tariq Siddiqi, CFA

Senior Research Analyst

Technology
Joined Eagle in 2012
13 years investment experience

POINTS OF DIFFERENTIATION

Small Cap Growth

Culture of Investment Excellence

- | Objective performance measurement, written reports, monthly updates 😊, quarterly internal stock-picking contest



Invest in Companies with Accelerating Earnings Growth

- | Apply proprietary screens and fundamental research to identify companies that will see a step-change in their earnings growth rate

Intense Focus on Risk Management

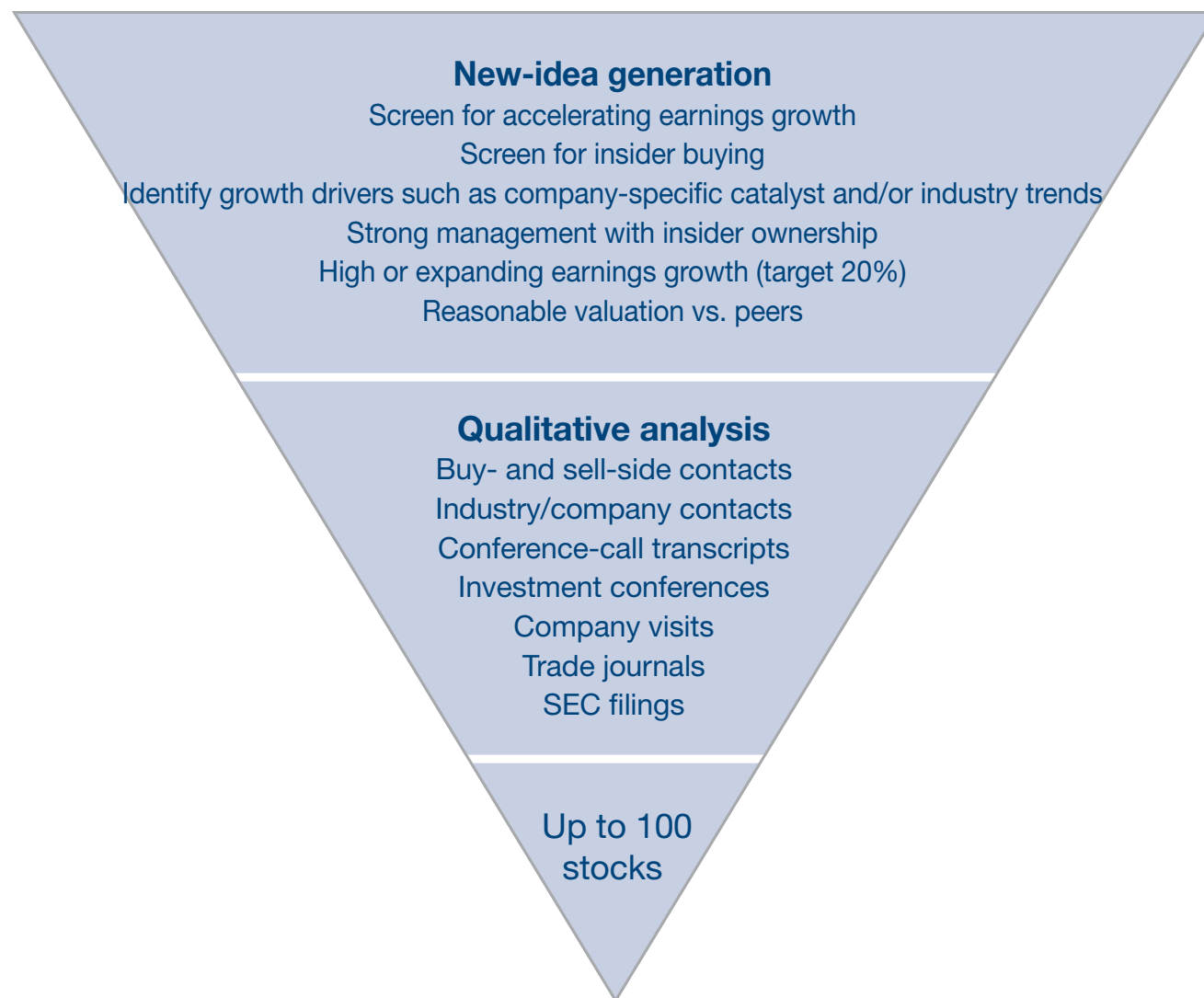
- | Continuously gather industry data to support/challenge investment thesis and monitor relative strength to identify potential problems

Strive for a Long-term Track Record of Consistent Outperformance on a Relative and Risk-Adjusted Basis

INVESTMENT PROCESS

Small Cap Growth

Rapid Growth... At A Reasonable Price



INVESTMENT PROCESS

Small Cap Growth

- ▮ Team members screen for RGARP investment ideas in their sectors
- ▮ Rigorous analysis of corporate filings, industry data and Wall Street research
- ▮ Meet with management to build investment thesis
- ▮ Write initial research report identifying key investment points and potential risk factors
- ▮ Collaborate with portfolio managers for inclusion in the portfolio
- ▮ Continuously monitor stocks in portfolio including monthly updates that identify potential positive or negative catalysts

RISK MANAGEMENT - SELL DISCIPLINE

Small Cap Growth

Proactive Process Focus

Portfolio risk

- Addressed through portfolio diversification across multiple sectors; typically up to 100 securities
- Trim holdings if more than 5% of the portfolio
- No significant sector over/under weights relative to the benchmark

Company risk

- Reduced through use of proprietary research and constant monitoring of positions
- Smiley face reports an integral part of this research
- Closely analyze the risk/reward of large negative active weights at the individual security level
- Look for evidence of declining relative strength
- Monitor earnings quality
- Buy reasonably priced stocks
- At times we will get some "stories" wrong as this is a humbling business
- Focus on identifying those situations and taking appropriate and timely action; not compound a problem

4Q15 MARKET OVERVIEW

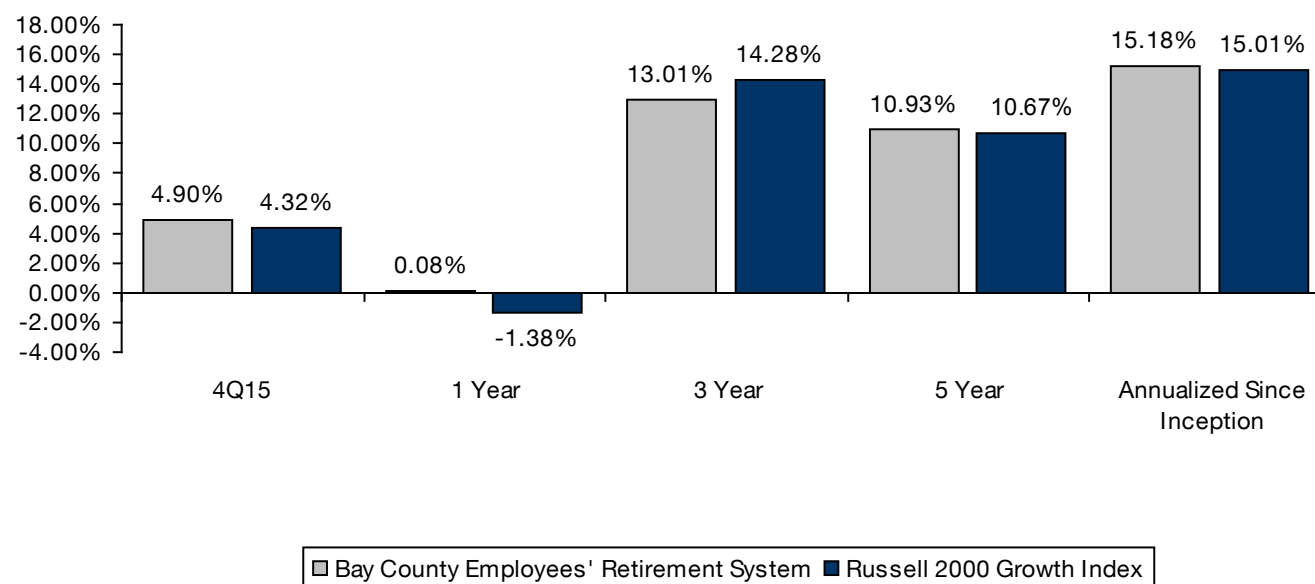
Small Cap Growth

- Small-caps posted solid gains during the fourth quarter as the Russell 2000 Growth Index (up 4.3 percent) and the Russell 2000 Value Index (up 2.9 percent) both recovered a portion of lost ground from a challenging third quarter
- Sector returns within the Russell 2000 Growth were largely positive, led by a rebound in healthcare (up 10.4 percent) while information technology (up 6.6 percent) also generated solid gains
- Weakness within energy (down 13.8 percent) has continued to weigh on index returns while consumer discretionary (down 4.2 percent) also lagged during the quarter
- For the full year, the Russell 2000 Growth Index (down 1.4 percent) fared substantially better than the Russell 2000 Value Index (down 7.5 percent), as the outperformance by growth was led by the biotech industry-driven healthcare (up 8.3 percent) and software industry-driven information technology (up 5.1 percent) sectors
- Energy (down 35.6 percent) was the clear laggard for the second year in a row, as oil prices reached lows last seen more than a decade ago

PERFORMANCE

(Data shown gross of fees as of Dec. 31, 2015)

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Account inception date is Sept. 3, 2010

Source: Eagle Research

Past performance does not guarantee or indicate future results.

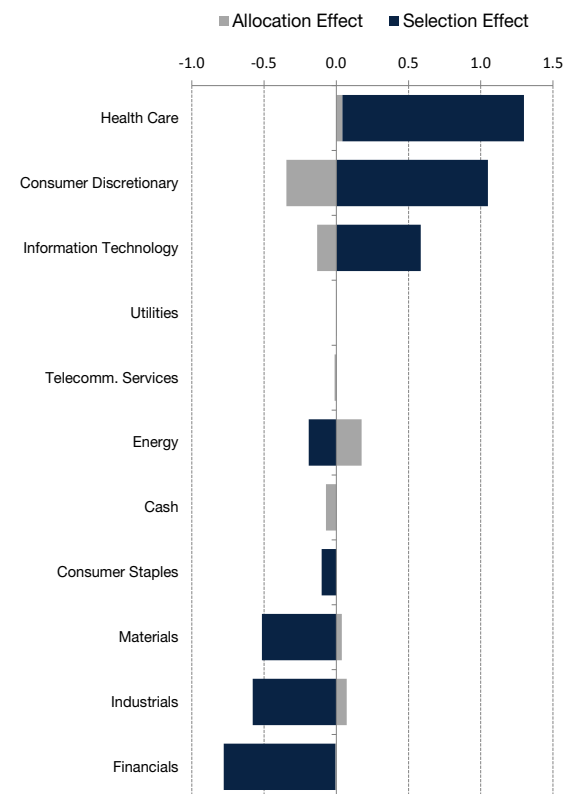
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PERFORMANCE ATTRIBUTION

(For the quarter ending Dec. 31, 2015)

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Sector	Bay County Employees' Retirement System		Russell 2000 Growth Index		Variation		
	% Portfolio	Average Return	% Portfolio	Average Return	Allocation Effect	Selection Effect	Total Effect
Health Care	27.40%	15.57%	26.90%	10.35%	0.04%	1.26%	1.30%
Consumer Discretionary	22.38%	0.52%	17.48%	-4.16%	-0.34%	1.05%	0.71%
Information Technology	19.87%	9.68%	24.99%	6.57%	-0.13%	0.58%	0.45%
Utilities	0.00%	0.00%	0.11%	4.90%	0.00%	0.00%	0.00%
Telecomm. Services	0.00%	0.00%	0.80%	6.50%	-0.01%	0.00%	-0.01%
Energy	0.65%	-19.86%	1.21%	-13.76%	0.17%	-0.19%	-0.01%
Cash	2.63%	0.03%	0.00%	0.00%	-0.07%	0.00%	-0.07%
Consumer Staples	1.89%	2.11%	3.54%	4.59%	0.00%	-0.10%	-0.10%
Materials	4.69%	-5.45%	4.16%	5.22%	0.04%	-0.51%	-0.47%
Industrials	12.58%	-2.34%	12.98%	1.77%	0.07%	-0.58%	-0.51%
Financials	7.90%	-6.43%	7.82%	3.12%	-0.01%	-0.77%	-0.78%



Source: FactSet, Eagle Research and Frank Russell Co.

Bars on attribution chart depict each sector's basis point contribution to or deduction from the relative return attributable to stock selection or sector selection. Stock selection attribution represents the impact of relative performance of our holdings in a sector vs. the benchmark's holdings in that sector. Sector selection attribution represents the impact of relative performance of our residual sector weightings vs. the benchmark's sector weightings. Past performance does not guarantee or indicate future results.

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4Q15 PORTFOLIO IN REVIEW

Small Cap Growth

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Contributors to relative performance

Health Care

- In-line weighting, outperformed on strong stock selection, particularly within biotech
- Ophthotech, a biotech company focused on therapeutics to treat eye diseases, was the largest contributor

Consumer Discretionary

- Overweight positioning, solid stock selection led to relative outperformance
- Vail Resorts, an operator of ski resorts was the top contributor as the firm benefitted from favorable weather conditions

Information Technology

- Underweight position, outperformed on solid security selection

Detractors from relative performance

Financials

- In-line weighting, but trailed benchmark returns
- Consumer finance company PRA Group, was the worst performer during the quarter

Industrials

- Slightly overweight posture, but failed to keep pace with index returns
- JetBlue Airways was the largest detractor during the quarter as the firm cited slightly softer-than-expected passenger-unit revenue guidance

Materials

- In-line weighting, but lagged the benchmark during the quarter
- Martin Marietta was the biggest detractor

TOP CONTRIBUTORS

(For the quarter ending Dec. 31, 2015)

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Contributors	Ending % of total	Total return in current period	Period contribution to return
Ophthotech (Biotechnology)	1.46%	93.81%	0.70%

Ophthotech is a biotech company focused on developing treatments for eye conditions such as age-related macular degeneration (AMD). Shares rose during the quarter as investor optimism grew on news of encouraging data from new-drug tests.

Universal Electronics (Household Durables)	3.43%	22.17%	0.65%
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Universal Electronics, largely a manufacturer of remote controls for television sets, rebounded during the quarter to regain some ground lost earlier in the year. Order growth for its next-generation, voice-controlled remote is beginning to show signs of increasing as customers such as Comcast transition to Universal's higher-margin units.

Natus Medical (Health Care Equipment & Supplies)	2.96%	21.80%	0.53%
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Natus Medical manufactures medical equipment and provides services used for newborn screening and monitoring. Shares rose as the firm announced a sizeable new contract during the quarter. Notably, a material portion of the deal will be pre-paid, which investors viewed favorably.

Acorda Therapeutics (Biotechnology)	1.20%	61.37%	0.47%
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Acorda Therapeutics is a biotechnology firm focused on drug treatments for neurological diseases. Shares appreciated during the quarter as several patent challenges concerning Acorda's multiple sclerosis (MS) drug appear poised for resolution, which should provide much-needed clarity for Acorda's growth prospects.

Akebia Therapeutics (Biotechnology)	1.52%	33.75%	0.40%
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Akebia Therapeutics benefitted from its recently announced partnership with Mitsubishi Tanabe Pharma tasked with supporting the development of Akebia's amnesia treatment candidate, Vadadustat which also would support the firm's marketing and distribution efforts should the drug ultimately be approved.

Source: FactSet; Eagle Research

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TOP DETRACTORS

(For the quarter ending Dec. 31, 2015)

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Detractors	Ending % of total	Total return in current period	Period contribution to return
PRA Group (Consumer Finance)	0.00%	-38.59%	-0.46%
<p>PRA Group, which essentially operates as a collections firm, has suffered in recent periods as many of the major receivables sellers (from which PRA Group purchases debt) have left the market. That has created a difficult environment for the firm to acquire new debt to generate earnings growth. We sold the stock.</p>			
JetBlue Airways (Airlines)	2.01%	-12.11%	-0.28%
<p>JetBlue Airways shares were off modestly after a very strong multiyear run when the firm cited slightly softer-than-expected passenger-unit revenue guidance. Despite what we view as a near-term hiccup, we continue to maintain a favorable view of JetBlue in light of its operational discipline and value-adding initiatives while also continuing to benefit from low fuel prices.</p>			
Martin Marietta Materials (Construction Materials)	2.38%	-9.89%	-0.23%
<p>Martin Marietta Materials, a supplier of construction materials, slid a bit after exhibiting notable strength earlier in the year. We believe the very modest decline was in large part due to the slide of oil prices into year-end because Martin Marietta has exposure to Texas markets. We believe positive commercial and highway construction trends should ultimately provide some offset to oil-related weakness in Texas markets.</p>			
Arctic Cat (Leisure Products)	0.00%	-24.98%	-0.19%
<p>Arctic Cat designs and manufactures snowmobiles and all-terrain vehicles (ATVs). Substantially warmer seasonal temperatures resulted in weaker-than-expected snowmobile sales during the period which subsequently pressured the stock.</p>			
Edge Therapeutics (Biotechnology)	0.72%	-3.40%	-0.18%
<p>Edge Therapeutics is a biotechnology firm developing therapies for life-threatening conditions. Shares traded down only slightly as the firm navigated its first quarter as a public company. Edge is currently developing a compound to treat patients with cerebral hemorrhaging resulting from brain aneurysms. The therapy candidate has been found in early and mid-stage trials to reduce the likelihood of brain damage relative to existing treatments while also retaining an improved safety profile.</p>			

Source: FactSet; Eagle Research
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SECTOR ALLOCATION

(Data shown as of Dec. 31, 2015)

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Economic Sector	Bay County Employees' Retirement System	Russell 2000 Growth Index	Variation
Consumer Discretionary	23.33%	16.73%	6.59%
Health Care	30.07%	28.16%	1.91%
Cash	1.76%	0.00%	1.76%
Materials	4.32%	4.06%	0.27%
Utilities	0.00%	0.12%	-0.12%
Financials	7.20%	7.81%	-0.60%
Telecommunication Services	0.00%	0.81%	-0.81%
Industrials	11.63%	12.63%	-1.00%
Energy	0.00%	1.05%	-1.05%
Consumer Staples	1.78%	3.53%	-1.75%
Information Technology	19.90%	25.11%	-5.21%

TOP 10 HOLDINGS

(Data shown as of Dec. 31, 2015)

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Company	Industry	% of Portfolio
Universal Electronics	Household Durables	3.4%
Genesco	Specialty Retail	3.2%
Natus Medical	Health Care Equipment & Supplies	3.0%
Imperva	Software	2.6%
Martin Marietta Materials	Construction Materials	2.4%
Tumi Holdings	Textiles Apparel & Luxury Goods	2.2%
Centene	Health Care Providers & Services	2.1%
JetBlue Airways	Airlines	2.0%
Quaker Chemical	Chemicals	1.9%
Vail Resorts	Hotels Restaurants & Leisure	1.9%
Total of Top 10 Holdings		24.7%

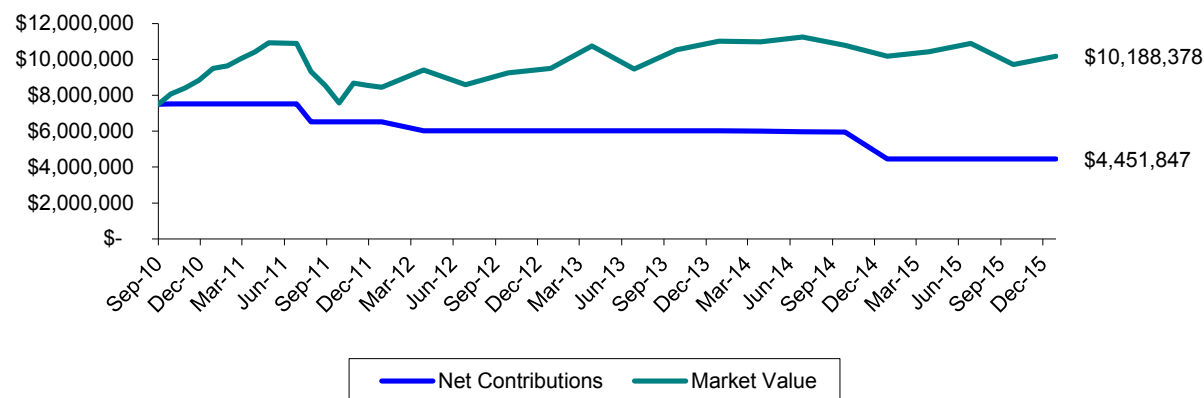
Source: FactSet, Eagle Research

No inference should be drawn that Eagle portfolios will hold these stocks in the future. References to specific securities are not intended as representative of investment recommendations by Eagle, past or present. Under no circumstances does the information contained represent a recommendation or solicitation to buy, hold or sell any security and it should not be assumed that the securities transactions or holdings discussed were or will prove to be profitable. All holdings are subject to change daily. Material regarding individual securities is based on information obtained from third-party sources that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such.

MARKET VALUE

(Data shown as of Dec. 31, 2015)

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Activity	
Initial Value	\$7,512,390
Net Deposits (Withdrawals)	\$(3,060,543)
Income	\$246,782
Appreciation (Depreciation)	\$5,489,749
Total Market Value	\$10,188,378

Account inception date is Sept. 3, 2010

Source: Eagle Research

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MARKET OUTLOOK

Small Cap Growth (As of Dec. 31, 2015)

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- The crystal ball for 2016 reflects a mixed bag:
 - Presidential election-year rhetoric likely will influence sector returns, particularly for the healthcare sector
 - Recent factory orders in China have been disappointing and that important market remains problematic
 - The continued decline in commodity prices is also troubling
 - From a technical standpoint, the narrowing of market breadth has many investors spooked
 - The domestic economy should remain reasonably healthy with gross domestic product (GDP) growth forecast at about 2 percent
 - However, energy prices may not recover until the second half of the year and then only modestly
 - The U.S. Federal Reserve likely will move very slowly in raising rates and, in fact, may not increase rates further if the economy falters
- Generally, the market takes investors by surprise and, in our view, the biggest surprise would be a very strong year.

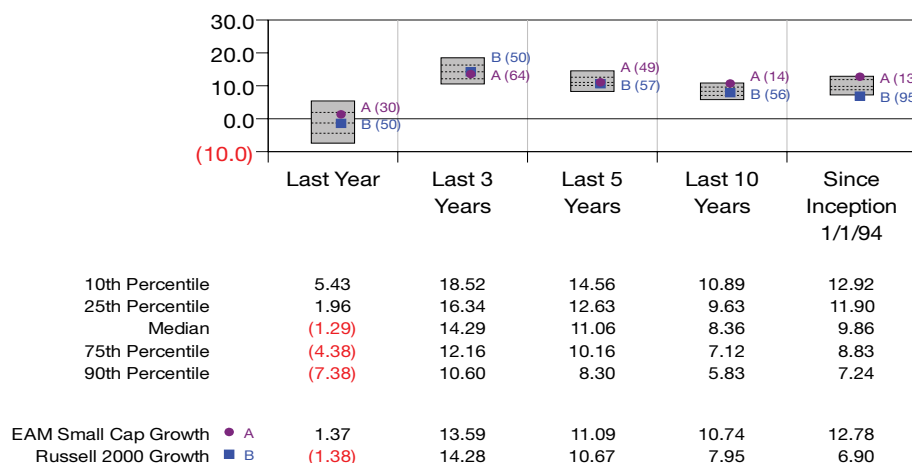
PERFORMANCE VS. PEERS

Small Cap Growth (Composite data shown gross of fees as of Dec. 31, 2015)

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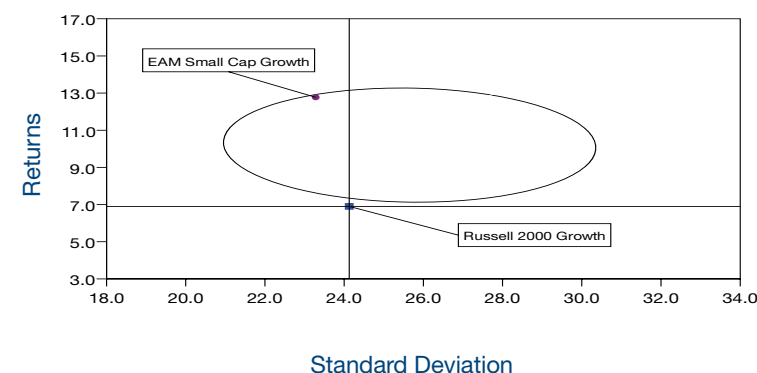
Returns vs. Peers for Small Cap Growth

(For various time periods ending Dec. 31, 2015)



Risk vs. Return for Small Cap Growth

(Since Inception Ending Dec. 31, 2015)



Performance Statistics Relative To The Russell 2000 Growth

(As of Dec. 31, 2015)

Portfolio Statistics	Since Inception
Alpha	6.27
Beta	0.88
R-Squared	0.84
Up Market Capture	140.05
Down Market Capture	95.83
Information Ratio	0.66
Sortino Ratio	1.08
Batting Average	0.614
Sharpe Ratios	Since Inception
Small Cap Growth	0.43
Russell 2000 Growth	0.17

Source: CAI; Eagle Research

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Please see important footnotes in the back of this presentation.

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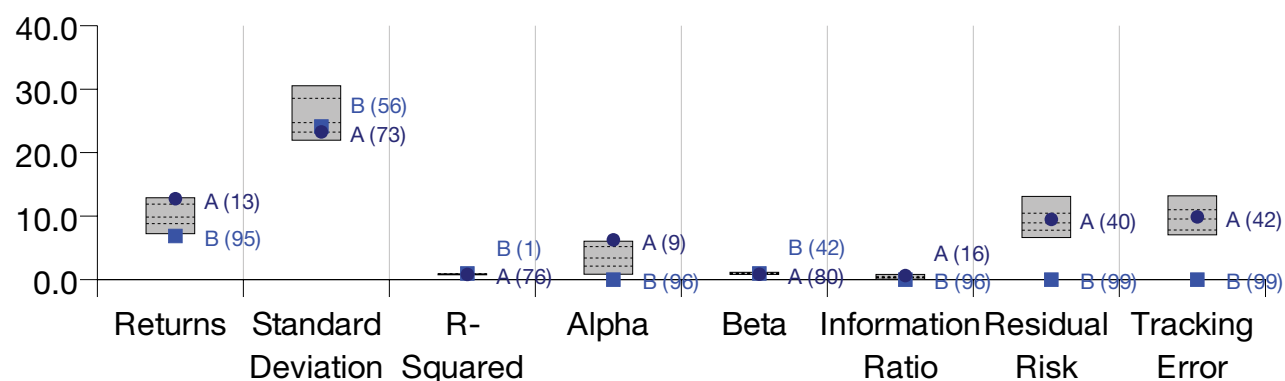
PORTFOLIO STATISTICS

Small Cap Growth (Composite data shown gross of fees as of Dec. 31, 2015)

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MPT Statistics relative to the Russell 2000 Growth Group: Small Cap Growth Style

(Since Inception, Jan. 1, 1994 ending Dec. 31, 2015)



10th Percentile	12.92	30.56	0.93	6.08	1.18	0.83	13.11	13.23
25th Percentile	11.90	28.59	0.91	5.21	1.10	0.54	10.47	11.02
Median	9.86	24.74	0.88	3.42	0.96	0.36	8.94	9.56
75th Percentile	8.83	23.26	0.84	2.15	0.89	0.29	7.79	7.83
90th Percentile	7.24	21.98	0.79	0.87	0.83	0.09	6.64	7.06

EAM Small Cap Growth	● A	12.78	23.28	0.84	6.27	0.88	0.66	9.50	9.89
Russell 2000 Growth	■ B	6.90	24.13	1.00	0.00	1.00	0.00	0.00	0.00

Source: CAI; Eagle Research

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PERFORMANCE

Small Cap Growth (Composite data shown gross of fees as of Dec. 31, 2015)

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	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year to Date	
	Gross	Gross	Gross	Gross	Gross	Russell 2000 Growth
1994	5.67%	-6.55%	4.65%	10.95%	14.66%	-2.44%
1995	5.61%	20.17%	12.25%	11.66%	59.07%	31.04%
1996	10.97%	13.11%	5.73%	7.76%	43.01%	11.26%
1997	0.79%	19.67%	17.14%	-6.37%	32.29%	12.94%
1998	15.18%	-7.37%	-25.45%	14.08%	-9.26%	1.23%
1999	-9.59%	27.39%	-16.07%	18.60%	14.64%	43.10%
2000	6.81%	-1.91%	-3.77%	-11.23%	-10.50%	-22.44%
2001	-0.53%	12.87%	-18.85%	24.58%	13.49%	-9.22%
2002	8.80%	-15.37%	-23.36%	10.53%	-22.01%	-30.27%
2003	-5.50%	22.76%	11.40%	10.92%	43.35%	48.53%
2004	7.33%	0.77%	-3.27%	14.95%	20.26%	14.31%
2005	-4.52%	3.40%	3.86%	0.97%	3.53%	4.14%
2006	15.58%	-5.67%	2.54%	8.62%	21.42%	13.35%
2007	5.62%	10.43%	-2.10%	-1.40%	12.59%	7.05%
2008	-11.86%	7.03%	-7.64%	-26.78%	-36.20%	-38.53%
2009	-10.90%	24.13%	19.31%	6.04%	39.94%	34.47%
2010	7.69%	-5.81%	12.39%	17.88%	34.39%	29.08%
2011	9.48%	4.28%	-23.32%	11.50%	-2.39%	-2.92%
2012	17.25%	-8.67%	7.70%	2.55%	18.27%	14.59%
2013	13.17%	2.98%	11.31%	4.70%	35.82%	43.29%
2014	0.04%	2.28%	-4.24%	8.64%	6.44%	5.62%
2015	3.49%	4.24%	-10.74%	5.27%	1.37%	-1.38%

PERFORMANCE

Small Cap Growth (Composite data shown gross of fees as of Dec. 31, 2015)

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Annualized rates of return	Eagle Small Cap Growth	Russell 2000 Growth Index
One year	1.37%	-1.38%
Three years	13.59%	14.28%
Five years	11.09%	10.67%
10 years	10.74%	7.95%
Since inception (Jan. 1, 1994)	12.78%	6.90%

GIPS PERFORMANCE

Small Cap Growth

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	Net Composite Return	Russell 2000 Growth Benchmark* Return	Composite Dispersion	3-year Composite Dispersion	3-year Benchmark Dispersion	Number of Portfolios	Assets (\$ Millions)	Percent of Eagle's Assets	Total Firm Assets (\$ Millions)
2014	5.69%	5.62%	0.48%	13.97%	14.02%	44	\$1,570.1	6.73%	\$23,346
2013	34.94%	43.29%	0.67%	17.19%	17.52%	54	1,925.4	8.06%	23,900
2012	17.47%	14.59%	0.73%	20.65%	21.01%	52	1,568.2	8.18%	19,165
2011	-3.03%	-2.92%	0.35%	23.81%	24.65%	49	1,273.9	7.68%	16,578
2010	33.60%	29.08%	0.41%			38	1,180.8	7.17%	16,468
2009	39.06%	34.47%	0.84%			27	482.3	3.53%	13,668
2008	-36.62%	-38.53%	0.43%			20	325.8	3.09%	10,538
2007	11.53%	7.05%	0.55%			26	1,315.7	9.25%	14,224
2006	20.21%	13.35%	0.47%			21	1,126.7	8.70%	12,952
2005	2.15%	4.14%	0.95%			18	962.8	8.31%	11,584
2004	19.08%	14.31%	0.78%			14	667.7	6.42%	10,394
2003	41.97%	48.53%	1.51%			11	364.3	4.47%	8,151
2002	-22.96%	-30.27%	0.68%			13	273.7	4.81%	5,685
2001	12.53%	-9.22%	1.50%			15	465.6	7.94%	5,867
2000	-11.31%	-22.44%	3.20%			15	411.4	6.71%	6,131
1999	13.56%	43.10%	8.30%			20	475.7	7.54%	6,307
1998	-10.29%	1.23%	3.60%			20	440.1	7.31%	6,020
1997	30.62%	12.94%	0.90%			11	253.2	5.60%	4,519
1996	40.94%	11.26%	N.M.			1	74.3	2.76%	2,697
1995	57.01%	31.04%	N.M.			1	33.5	1.61%	2,085
1994	13.52%	-2.42%	N.M.			1	0.4	0.01%	5,554

Notes:

1. Eagle Asset Management, Inc. ("Eagle") has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). Composite performance data through 2014 have been examined by an internationally recognized accounting firm.
2. Results for the full historical period are time weighted and calculated monthly. The composites are size-weighted by beginning-of-month values.
3. The Composite Dispersion is a size weighted standard deviation of annual returns for those accounts that were in the composite for the entire year. Dispersion is not meaningful (N.M.) because there was only 1 portfolio in the composite for the full year.
4. See Note # 4 which refers to Fees and Transaction Costs within Notes to Schedules of Rates of Return.
- 5.* The benchmark is the RUSSELL 2000 GROWTH Index which has been derived from published sources and has not been examined by independent accountants.
6. The three year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The three year standard deviation is not presented for 1994 through 2010 because it is not required for periods prior to 2011.
7. Figures include accounts under Eagle's management from their respective inception dates, including accounts of clients no longer with the firm.
8. No selective periods of presentation have been utilized. Data from all accounts have been continuous from their inception to the present or to the cessation of the client relationship with the firm.
9. No alteration of composites as presented here has occurred because of changes in personnel or other reasons at any time.
10. A complete list and description of firm composites and calculation of performance results is available upon request. The composite creation date for GIPS® purposes was January 2001. The composite inception date was January 1994. Performance is based upon U.S. dollar returns.
11. From composite inception through 2014, non-fee paying accounts were below 5%.
12. Over a period of 5 years, an advisory fee of 1% could reduce the total value of a client's portfolio by 5% or more.

FOOTNOTES

Small Cap Growth

The risks associated with investing in small-sized companies are based on the premise that relatively small companies will increase their earnings and grow into larger, more valuable companies. However, as with all equity investing, there is the risk that a company will not achieve its expected earnings results, or that an unexpected change in the market or within the company will occur, both of which may adversely affect investment results. Historically, small- and mid-cap stocks have experienced greater volatility than other equity asset classes, and they may be less liquid than large-cap stocks. Thus, relative to larger, more liquid stocks, investing in small- and mid-cap stocks involves potentially greater volatility and risk. The biggest risk of equity investing is that returns can fluctuate and investors can lose money.

Not every investment opportunity will meet all of the stringent investment criteria mentioned to the same degree. Trade-offs must be made, which is where experience and judgment play a key role. Accounts are invested at the discretion of the portfolio manager and may take up to 60 days to become fully invested.

Institutional Small Cap Growth Equity – is designed to provide maximum long-term capital appreciation for investors willing to accept potentially more volatility than found in a typical large capitalization equity portfolio. The Portfolio Manager believes that small capitalization stocks offer potential long-term capital appreciation that is achieved through (1) identifying competitive companies that are growing rapidly and (2) purchasing their stock before they become widely followed.

The definition of accounts included in the Institutional Small Cap Growth Equity Composite is as follows:

1994 - 95 (2nd Qtr.) The Institutional Small Cap Growth Equity Composite reported on herein from 1994 through second quarter 1995 was defined as a single account managed by Bert Boksen while he was associated with an affiliated firm. That account had objectives and policies similar to Institutional Small Cap Growth Equity accounts, except as follows: First, the original account held five or fewer stocks. Second, the original account held as much as 25% of its assets in one stock. Finally, the original account held a substantial cash position. The original account started with approximately \$300,000; it became an Institutional Small Cap Growth Equity account in May 1995 and Mr. Boksen continues to manage it.

1995 (3rd Qtr.) The Institutional Small Cap Growth Equity Composite reported on herein for third quarter 1995 is defined as all accounts with the above defined objective that paid for transactions on a commission basis.

1995 (4th Qtr.) – 2014 The Institutional Small Cap Growth Equity Composite reported on herein for fourth quarter 1995 through current is defined as all accounts with the above defined objective that exceed \$2 million in assets which paid for transactions on a commission basis, gave Eagle discretionary authorization regarding the selection of brokerage firms and are allowed to participate in new issues. In addition, these accounts are less diversified among industry sectors and are generally less tax sensitive than retail accounts.

Note # 4 Fees and Transaction Costs

As of Dec. 31, 2015, the maximum advisory fees charged for institutional accounts are as follows:

Small and Mid Cap Equity Fee Schedule

0.95% on assets under \$10,000,000

0.90% on assets between \$10,000,000 and \$25,000,000

0.85% on assets between \$25,000,000 and \$75,000,000

0.80% on assets between \$75,000,000 and \$150,000,000

0.75% on assets greater than \$150,000,000

Eagle Asset Management, Inc. is an investment adviser registered with the Securities and Exchange Commission and is engaged in providing discretionary management services to client accounts. Founded in 1976, Eagle Asset Management provides institutional and individual investors with a broad array of equity and fixed income products via both separately managed account and mutual fund platforms.

A complete list and description of all of Eagle's performance composites are available upon request by calling 800.237.3101.

Index Definition

The Russell 2000 Growth® Index represents a segment of the Russell 2000® Index with a greater-than-average growth orientation. The index is referred to for comparative purposes only and the composition of an index is different from the composition of the accounts included in the performance shown. Indices are unmanaged and one cannot invest directly in the index.

PORTFOLIO MANAGEMENT

Small Cap Growth

EAGLE | Asset
Management



BERT L. BOKSEN, CFA
*Managing Director and
Portfolio Manager*

- Joined Eagle in 1995
- 39 years of experience as a portfolio manager, former chief investment officer of parent company and analyst
- B.A., City College of New York
- M.B.A., St. John's University



ERIC MINTZ, CFA
Portfolio Co-manager

- Joined Eagle in 2005
- 21 years of investment experience as an analyst and research associate
- B.A. in economics, Washington and Lee University
- M.B.A., University of Southern California



CHRIS SASSOUNI, DMD
Portfolio Co-manager - Healthcare

- Joined Eagle in 2003
- 27 years of investment experience as an analyst and president of an independent investment research firm
- B.A. (1979) and Doctor of Dental Medicine (1985), University of Pittsburgh
- M.B.A., University of North Carolina (1989)

TEAM BIOGRAPHIES

Small Cap Growth

ADAM GALLINA, CFA *Senior Research Analyst*

- Joined Eagle in 2007
- 16 years of investment-industry experience, including seven as an analyst
- B.A., University of Rochester (2000)
- Earned his Chartered Financial Analyst designation in 2009

ANDREW ADEBONOJO, CFA *Senior Research Analyst*

- Joined Eagle in 2011
- 24 years of experience as an equities analyst
- B.A., The College of William & Mary (1989)
- M.B.A. with highest distinction, University of Michigan, (1992)
- Earned his Chartered Financial Analyst designation in 1998

TARIQ SIDDIQI, CFA *Senior Research Analyst*

- Joined Eagle in 2012
- 13 years of experience as a portfolio co-manager and equities analyst
- B.S. in finance and economics, Rochester Institute of Technology (2003)
- Earned his Chartered Financial Analyst designation in 2006

TEAM BIOGRAPHIES

Small Cap Growth

BRYAN BATASSA *Research Associate*

- Joined Eagle in 2011
 - Nine years of investment-industry experience
 - B.S.B.A. in finance, University of Wisconsin-Milwaukee (2007)
 - M.S. in finance, University of South Florida (2011)
 - Bryan is a Level II candidate in the Chartered Financial Analyst program
-

CLAY LINDSEY *Vice President, Institutional Client Relations*

- Joined Eagle in 2000
- 16 years investment experience in portfolio research and analysis
- B.S. in finance, University of Georgia (1999)
- M.B.A., University of Florida (2005)
- Clay is a Level III candidate in the Chartered Financial Analyst program

MATT STUART *Senior Institutional Client Portfolio Specialist*

- Joined Eagle in 2012
- Nine years of investment-industry experience
- B.S. in marketing, University of Tampa (2005)
- M.B.A., University of Florida (2014)
- Matt is a Level III candidate in the Chartered Financial Analyst program