



EMERALD
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SINCE 1992

EMERALD MID CAP GROWTH SEPARATELY MANAGED ACCOUNTS



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33 Years Experience

**As of December 31, 2023*



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32 Years Experience

INVESTMENT PROCESS/PORTFOLIO CONSTRUCTION

Emerald uses a ten-step research process to assist in identifying companies that qualify for inclusion in its portfolio. The process reveals competitive advantage, an assessment of management, specific growth drivers, risk, and valuation metrics (and its comparable). Emerald portfolio managers and research analysts are in constant communication and also participate in weekly structured research meetings. To control volatility, Emerald diversifies its portfolios not only between the broad economic sectors, but also among sub-groups or industries within these sectors.

PORTFOLIO GUIDELINES

- Includes companies with market capitalizations equal to or less than the largest Russell Midcap company
- Selection criteria include:
 - Competitive advantages/pricing power
 - Leadership position/innovation
 - Strong management
 - Growth rate exceeds peer group
 - Differentiated growth drivers
 - Under-researched by the Street
- Generally holds 80-100 stocks
- Initial position sizes range 1/2– 3%
- Sector: Up to 3x Russell Midcap Index (45% Max)
(if sector is $\leq 2\%$: up to max 5%)
- Industry: $\leq 25\%$

FIRM DESCRIPTION

Founded in 1991, Emerald Advisers, LLC is an investment adviser registered under the Investment Advisers Act of 1940. The firm provides active U.S. domestic equity portfolio management services to institutional investors and to individual investors via separate account management and through its affiliate Emerald Mutual Fund Advisers Trust, the Emerald Mutual Funds.

STRATEGY

Emerald's Mid Cap Growth investment strategy seeks to invest in industry leading, mid-capitalization stocks as they transition from the Russell 2000 Index to the Russell Mid Cap Index. The strategy may initiate positions that are no larger than the largest company within the Russell Mid Cap Index and seeks to identify companies developing new, innovative and disruptive solutions across all sectors.

Natural Extension of Small Cap Growth

- Gives Emerald the ability to invest in companies that "graduate" from small cap market segment

Further Leveraging Existing Fundamental Research Process

- 10-step research process uncovers opportunities beyond small cap growth

Asset Class Remains Underrepresented and Underfollowed

- Fewer midcap companies than either large or small caps with fewer covering analysts than large cap



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OR TO SCHEDULE A CALL WITH OUR TEAM.**