# Eaton Vance Atlanta Capital High Quality SMID Cap

## Investment Philosophy

We believe that companies with a demonstrated history of **consistent growth & stability in earnings** can more likely provide attractive returns with moderate risk over the long-term.

## Key Differentiators

**High Quality** — We seek to invest in a select number of companies with a demonstrated history of consistent growth & stability in earnings

**Valuation Discipline** — We purchase shares in these high quality companies at a discount to our estimate of fair value

**Downside Protection** — We own companies that we believe will generate sustainable free cash flow, this can help mitigate downside risk in difficult markets

## Types Of Companies – Four Critical Characteristics

1. **Financial Strength** — Sustainable free cash flow; acceptable return of invested capital; strong balance sheet

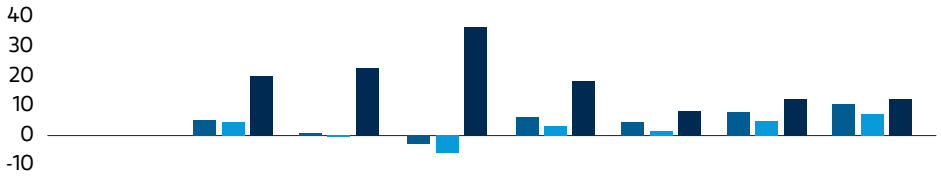
2. **Innovative Business Model** — Dominate a niche; high barriers to entry; consistent demand over business cycle

3. **Shareholder-Oriented Management** — Management incentives aligned with shareholders; rational capital allocation

4. **Overlooked and Underfollowed** — Limited Wall Street research coverage

### Atlanta Capital High Quality SMID Cap Wrap Fee Composite

Annualized performance (%) as of 06/30/2026




| | QTD | YTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years |
|---|---|---|---|---|---|---|---|
| Gross | 5.22 | 0.88 | -2.93 | 6.23 | 4.59 | 7.93 | 10.52 |
| Net | 4.45 | -0.60 | -5.77 | 3.14 | 1.55 | 4.79 | 7.31 |
| Benchmark | 20.26 | 22.71 | 36.72 | 18.40 | 8.30 | 12.21 | 12.25 |

Benchmark: Russell 2500™ Index

## Investment Discipline

**Create a "Focus List" of high quality companies**

- Capitalizations range between $500 million - $7 billion at time of purchase
- Screen for above average quality, excluding companies with volatile earnings streams, short operating histories, high levels of debt, weak cash flow generation and low returns on capital
- 200 – 250 purchase candidates with consistent earnings streams & long operating histories

**Conduct proprietary "onsite" fundamental research**

- Research must answer the following questions:
  - Is this the type of business we want to own?
  - What price are we willing to pay?

**Construct a focused yet well-diversified portfolio**

- Generally 50 – 60 companies that reflect our best ideas
- 5% maximum position sizes
- Sector weights limited to 30% absolute

**Monitor holdings & review focus list**

- Prudent profit taking / portfolio rebalancing as a response to price changes
- We will sell a business if there is a:
  - Change in management or business strategy
  - Deterioration of financial quality
  - Excessive valuation
  - More compelling investment candidate materializes

## Your Management Team

**Charles B. Reed, CFA**
Investment experience dating to 1989
Joined ACM in 1998
B.S. from Florida State University

**W. Matthew Hereford, CFA**
Investment experience dating to 1995
Joined ACM in 2002
B.B.A. from University of Mississippi

**Jeffrey Wilson, CFA**
Investment experience dating to 2005
Joined ACM in 2024
B.S. and M.S. from Wake Forest University

This information is for illustrative purposes only, is subject to change at any time and should not be considered investment advice or a recommendation to buy or sell any particular security. The information is based upon the total assets of all discretionary accounts comprising the Atlanta Capital High Quality SMID Cap Wrap Fee Composite shown. Performance returns reflect the average annual rates of return. Periods less than 1 year are not annualized. The composite results shown are GROSS and NET of investment advisory/management fees, which include performance fees if applicable, are quoted in USD and include the reinvestment of dividends and income. Each portfolio may differ due to specific investment guidelines and restrictions. Accordingly, individual results will vary. After August 1, 2006, composite gross returns are pure gross returns that do not include any fees, expenses or transaction costs. A client's return will be reduced by these and will be less than the results shown. Please see the Notes to Composite section for additional information regarding the Composite's performance history. Please refer to the last page for additional important information. **Past performance does not predict or guarantee future results**. It is not possible to invest directly in an index.

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| Holdings-Based Characteristics | Rep Account | Benchmark |
|---|---|---|
| 5 Year Historical Growth | 15.20% | 11.70% |
| Est. Long Term Future Growth | 9.50% | 14.70% |
| Return on Capital | 13.50% | 9.10% |
| Return on Equity | 22.20% | 7.50% |
| Debt/Capital | 38.90% | 39.50% |
| Price/Earnings (NTM) | 16.00x | 15.90x |
| Price/Cash Flow | 13.70x | 11.10x |
| Price/Book Value | 3.60x | 2.50x |
| Dividend Yield (TTM) | 0.79% | 1.42% |
| Market Capitalization (weighted average) | $12.7B | $9.2B |
| Number of Stocks | 55 | 2,488 |

## Returns-Based Characteristics (%)
Since Inception as of 06/30/2026

| | Composite (Gross) | Benchmark |
|---|---|---|
| Alpha | 3.16 | — |
| Beta | 0.78 | 1.00 |
| R-Squared | 0.86 | 1.00 |
| Information Ratio | 0.23 | — |
| Standard Deviation | 16.50 | 19.67 |
| Upside Market Capture | 85.75 | 100.00 |
| Downside Market Capture | 65.97 | 100.00 |

| Sector Breakdown (%) | Rep Account | Benchmark |
|---|---|---|
| Industrials | 29.78 | 20.10 |
| Financials | 21.71 | 16.11 |
| Information Technology | 15.07 | 14.66 |
| Consumer Discretionary | 14.78 | 10.16 |
| Materials | 8.59 | 5.14 |
| Health Care | 4.81 | 14.32 |
| Consumer Staples | 2.64 | 3.24 |
| Real Estate | 2.62 | 6.84 |
| Communication Services | — | 2.57 |
| Energy | — | 4.04 |
| Utilities | — | 2.81 |

| Top 10 Holdings (%) | |
|---|---|
| Carlisle Companies Incorporated | 4.51 |
| Burlington Stores, Inc. | 3.77 |
| Aramark | 3.64 |
| CACI International Inc Class A | 3.51 |
| Affiliated Managers Group, Inc. | 3.09 |
| W. R. Berkley Corporation | 3.08 |
| SEI Investments Company | 3.04 |
| Avery Dennison Corporation | 2.85 |
| Markel Group Inc. | 2.84 |
| TransUnion | 2.72 |

**Source:** FactSet. Top ten holdings, portfolio metrics and sector weightings are based on equity assets of a representative client portfolio and are subject to change. The specific securities identified are not representative of all of the securities purchased, sold or recommended for advisory clients. Actual holdings will vary for each client and there is no guarantee that a particular client account will hold any or all of the securities listed. It should not be assumed that any of the above securities were or will be profitable. This information is for illustrative purposes only and should not be considered investment advice or a recommendation to buy or sell any particular security. Information provided for the High Quality SMID Cap Wrap Fee Composite (the "Composite") is based upon the total assets of all discretionary accounts comprising the Composite. It is not possible to invest directly in an index.

## **Composite Report** SMA High Quality SMID Cap Wrap Fee Composite (SMA 11) as of 12/31/2025

| Period | Gross Returns (%)[1] | Net Returns (%) | Benchmark Returns (%) | Composite 3-yr Std. Dev. (%)[3] | Benchmark 3-yr Std. Dev. (%) | Number of Accounts | Internal Dispersion (%)[3] | Composite Assets ($mil) | % Wrap Fee Accounts | Firm Assets ($mil) |
|---|---|---|---|---|---|---|---|---|---|---|
| **2025[2]** | -4.60 | -7.39 | 11.91 | 13.63 | 17.79 | 845 | 0.40 | 682 | 99 | 27,027 |
| **2024** | 13.97 | 10.67 | 11.99 | 17.30 | 21.70 | 927 | 0.49 | 838 | 99 | 34,256 |
| **2023** | 15.36 | 12.03 | 17.42 | 17.25 | 20.15 | 984 | 0.42 | 843 | 99 | 31,290 |
| **2022** | -8.00 | -10.71 | -18.37 | 22.55 | 25.16 | 1,040 | 0.52 | 781 | 99 | 25,734 |
| **2021** | 22.84 | 19.31 | 18.18 | 20.23 | 22.48 | 1,096 | 0.39 | 903 | 99 | 29,908 |
| **2020** | 11.63 | 8.39 | 19.99 | 21.36 | 24.21 | 1,121 | 0.87 | 822 | 100 | 28,933 |
| **2019** | 35.51 | 31.65 | 27.77 | 13.23 | 14.58 | 1,460 | 0.36 | 855 | 100 | 25,479 |
| **2018** | -5.01 | -7.80 | -10.00 | 13.02 | 14.10 | 1,567 | 0.35 | 714 | 100 | 19,188 |
| **2017** | 26.28 | 22.66 | 16.81 | 10.73 | 12.13 | 1,622 | 0.37 | 835 | 100 | 20,606 |
| **2016** | 12.55 | 9.30 | 17.59 | 11.72 | 13.67 | 1,676 | 0.41 | 734 | 100 | 17,646 |

## **Annualized Returns** (%) for Periods Ending 12/31/2025

Cumulative (%)

| SMA High Quality SMID Cap Wrap Fee Composite | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | Since Inception** | Since Inception** |
|---|---|---|---|---|---|---|---|
| Composite Gross of Fees* | -4.60 | 7.85 | 7.23 | 11.51 | 11.22 | 11.88 | 1048.28 |
| Composite Net of Fees | -7.39 | 4.71 | 4.11 | 8.28 | 7.99 | 8.62 | 503.72 |
| Russell 2500™ Index | 11.91 | 13.75 | 7.26 | 11.75 | 10.40 | 9.16 | 573.24 |

[1]Supplemental information – pure gross returns were presented from 08/01/06 through 12/31/20. The composite was redefined beginning 01/01/21 to include wrap fee and non-wrap fee accounts.

[2]Period – 01/01/2025 through 12/31/2025. Past performance does not predict or guarantee future results.

[3]Internal Dispersion and Composite 3-yr Standard Deviation are calculated using Gross of Fee Returns.

* Supplemental information – pure gross returns were presented from 08/01/06 through 12/31/20. The composite was redefined beginning 01/01/21 to include wrap fee and non-wrap fee accounts.

**Inception date is April 1, 2004.

**Atlanta Capital Management Company, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Atlanta Capital Management has been independently verified for the periods January 1, 1999 through December 31, 2025. The verification reports are available upon request.**

**A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.**

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**Firm Definition:** Atlanta Capital Management Company, LLC (Atlanta Capital or the Firm) is an SEC-registered investment adviser located in Atlanta, Georgia. The Firm became a majority-owned subsidiary of Eaton Vance Corp. in 2001. On March 1, 2021 Eaton Vance and its affiliates which included Atlanta Capital Management became a part of Morgan Stanley Investment Management, a division of Morgan Stanley. Atlanta Capital provides professional investment advisory services to a broad range of institutional and individual clients, and sub-advisory investment management to mutual funds and separately managed wrap fee programs. Atlanta Capital includes all discretionary accounts under management in its composites; total firm assets include discretionary and nondiscretionary accounts for which the firm has investment responsibility.

**Composite Definition:** The investment objective of this style is to seek long-term capital growth. Accounts in this composite invest in common stocks of companies having market capitalizations within the range of companies comprising the Russell 2500TM Index. Management seeks to invest in quality companies in strong financial condition whose equities are priced below their estimate of fair value. Characteristics of high quality companies include a history of sustained growth in earnings and operating cash flow, high returns on capital, attractive profit margins and leading industry positions. Investments are determined based primarily on fundamental analysis of a company's financial trends, products and services, and other factors. Financial quality rankings provided by nationally-recognized rating services may be utilized as part of the investment analysis but are not solely relied upon. The portfolios are broadly diversified. All fully discretionary, wrap-fee paying, and transactions cost paying non-wrap fee, sub-advisory and program-sponsored advisory accounts managed in this strategy are eligible for inclusion in the composite. Individual accounts in the composite may contain account specific investment restrictions or features that may lead to differences in the holdings and performance of each account but are still eligible for inclusion in the composite.

For the period August 1, 2006, through December 31, 2010, the firm maintained a significant cash flow policy for this composite. When a cash flow of 10% or greater occurred in a wrap-fee account, the account was removed from the wrap-fee composite for the month in which the cash flow occurred. The account was reinstated in the composite at the beginning of the following month after the cash was removed from the account in the event of a withdrawal or reinvested in stocks in the event of a contribution. Beginning January 1, 2011, the policy for significant cash flows was no longer applied to this composite, and accounts are not removed from the wrap-fee composite due to cash flows. Additional information regarding the treatment of significant cash flows is available upon request.

**Risk Considerations:** The value of investments held by the strategy may increase or decrease in response to economic, and financial events (whether real, expected or perceived) in the U.S. and global markets. The value of equity securities is sensitive to stock market volatility. Small and Medium capitalization companies are generally subject to greater price fluctuations, limited liquidity, higher transaction costs and higher investment risk than larger, more established companies. The strategy is exposed to liquidity risk when trading volume, lack of a market maker or trading partner, large position size, market conditions, or legal restrictions impair its ability to sell particular investments or to sell them at advantageous market prices.

**Benchmark:** The composite's benchmark is the Russell 2500™ Index, a widely accepted measure of the small to mid-cap segment of the U.S. equity universe. The index includes the smallest 2500 companies in the Russell 3000®. The investment process for this strategy is not limited by the relative weights of a benchmark. Strategy deviations from the benchmark may include but are not limited to such factors as active management, exclusion/inclusion of securities held/not held in the index, over/underweighting specific sectors or securities, limitations in market cap, and/or client constraints. Indexes include the reinvestment of dividends and earnings, are unmanaged, and do not incur management fees, transaction costs or other expenses associated with separately managed accounts. It is not possible to directly invest in an index.

**Gross and Net Returns:** Performance reflects reinvestment of all income and capital gains. Composite returns and market values are reported in U.S. dollars. Prior to August 1, 2006, composite gross returns are after transaction costs, any foreign withholding taxes and other direct expenses, but before management fees, custody charges and taxes. From August 1, 2006 through December 31, 2020, composite gross returns are pure gross returns that do not include any fees, expenses or transaction costs. From January 1, 2021 forward, composite gross returns include transaction costs that are incurred by some of the accounts in the composite. Composite gross returns are presented as supplemental information. Composite net returns for all periods are calculated by deducting the highest annual managed account fee of 3.00% charged by sponsors for wrap-fee accounts in this composite from the gross performance returns. The fee is applied monthly. The managed account fee is a bundled fee that may include any combination of management, transaction, custody and other administrative fees. The annual fee schedule for this composite is as follows: 3.00% on all assets. Actual fees may vary from sponsor to sponsor. All fees for wrap-fee accounts in this composite are available from the managed account sponsors.

**Composite Dispersion:** The annual internal composite dispersion is calculated using the asset-weighted standard deviation of annual gross of fee returns of those portfolios that were included in the composite for the entire year. For those years when less than six portfolios were included in the composite for the full year, no dispersion measure is presented. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The measure is disclosed for each composite and its benchmark where 36 monthly returns for the composite are available.

**Notes to Composite:** The creation date of this composite is May 2004. Effective August 1, 2006, this composite was redefined to include only fully discretionary, wrap-fee paying, sub-advisory and program-sponsored advisory accounts. Prior to that time, the composite information presented is that of the Firm's institutional High Quality SMID Cap Composite which included only tax-exempt institutional accounts that did not pay a bundled fee. Effective March 1, 2008, the name of this composite changed from SMA High Quality Small Cap-Extended Wrap Fee Composite to SMA High Quality SMID Cap Wrap Fee Composite. Effective August 1, 2009 and November 11, 2016, participating program sponsors with a significant number of accounts became solely responsible for all account rebalancing and trading activity. As a result, these accounts became ineligible for composite inclusion. As of January 1, 2021 the SMA High Quality SMID Cap Wrap Fee Composite was redefined to include all fully-discretionary SMA sub-advisory program accounts managed in this strategy. This includes accounts that do not pay commissions on trades (bundled fee) and accounts that do pay commissions on trades (non-bundled fee). Previously there were separate composites for accounts that did not pay a commission on trades (Wrap Fee Composites) and accounts that did pay commissions on trades (Transactions Cost Non-Wrap Fee Composites). Effective January 1, 2021 the SMA accounts that do pay commissions on trades are now included in the SMA Wrap Fee Composites. There has been no change in investment objective or management style due to the composite redefinitions. Clients or prospective clients should not assume that they will have an investment experience similar to that indicated by past performance results, as shown on the Schedule. Returns may vary based upon differences in account size, timing of transactions and market conditions at the time of investment. Performance during certain time periods reflects the strong stock market performance and/or the strong performance of stocks held during those periods. This performance is not typical and may not be repeated.

**Other Matters:** A complete list of composite descriptions and information regarding policies for valuing investments, calculating performance, and preparing GIPS® Reports are available upon request. **Past performance does not predict future results.**

**DEFINITIONS**

**Russell 2500™ Index** is an unmanaged index of approximately 2,500 small- and midcap U.S. stocks. Unless otherwise stated, index returns do not reflect the effect of any applicable sales charges, commissions, expenses, taxes or leverage, as applicable. It is not possible to invest directly in an index. Historical performance of the index illustrates market trends and does not represent the past or future performance of the fund. **Russell 3000® Index** is an unmanaged index of the 3,000 largest U.S. stocks. **Alpha** measures risk-adjusted performance, showing excess return delivered at the same risk level as the benchmark. **Beta** is a measure of the relative volatility of a security or portfolio to the market's upward or downward movements. **R-Squared** measures how well an investment's returns correlate to an index. An R-squared of 1.00 means the portfolio performance is 100% correlated to the index's, whereas a low R-squared means that the portfolio performance is less correlated to the index's. **Information ratio** is the portfolio's alpha or excess return per unit of risk, as measured by tracking error, versus the portfolio's benchmark. **Standard deviation** measures how widely individual performance returns, within a performance series, are dispersed from the average or mean value. **Upside market capture** measures the percentage of the benchmark's returns that was captured by the manager, in periods defined by positive returns for the benchmark. **Downside market capture** measures the percentage of the benchmark's returns that was captured by the manager, in periods defined by negative returns for the benchmark.

**IMPORTANT INFORMATION**

**RISK CONSIDERATIONS**

There is no assurance that a Portfolio will achieve its investment objective. Portfolios are subject to market risk, which is the possibility that the market values of securities owned by the Portfolio will decline and may therefore be less than what you paid for them. Market values can change daily due to economic and other events (e.g. natural disasters, health crises, terrorism, conflicts and social unrest) that affect markets, countries, companies or governments. It is difficult to predict the timing, duration, and potential adverse effects (e.g. portfolio liquidity) of events. Accordingly, you can lose money investing in this Portfolio. Please be aware that this Portfolio may be subject to certain additional risks. In general, equities securities' values also fluctuate in response to activities specific to a company. Smaller companies are generally subject to greater price fluctuations, limited liquidity, higher transaction costs and higher investment risk than larger, more established companies. Investors should be aware that this strategy may be subject to additional risks, which should be carefully considered prior to any investment decision.

**There is no guarantee that any investment strategy will work under all market conditions, and each investor should evaluate their ability to invest for the long-term, especially during periods of downturn in the market.**

**A separately managed account may not be appropriate for all investors. Separate accounts managed according to the Strategy include a number of securities and will not necessarily track the performance of any index. Please consider the investment objectives, risks and fees of the Strategy carefully before investing. A minimum asset level is required.**

**For important information about the investment managers, please refer to Form ADV Part 2.**

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