



## **Part 2A of FORM ADV Firm Brochure**

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This brochure provides information about the qualifications and business practices of Eagle Asset Management, Inc. ("Eagle"). If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer at 1-800-237-3101, or visit us at [www.eagleasset.com/contact.htm](http://www.eagleasset.com/contact.htm). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Eagle is a registered investment adviser. Registration of an investment adviser does not imply a certain level of skill or training.

Additional information about Eagle is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

### ITEM 2 MATERIAL CHANGES

On July 28, 2010, the United States Securities and Exchange Commission amended Part 2 of Form ADV. Part 2 of Form ADV sets forth the minimum requirements for the disclosure statement that investment advisors must deliver to their advisory clients and prospective advisory clients. This brochure dated December 1, 2011, was prepared in accordance with the SEC's amendments to Part 2 of Form ADV. As such, this brochure is materially different in structure from Eagle Boston's previous brochure dated November 1, 2010, and contains certain new information that Eagle Boston's previous brochure did not include.

Investment advisors must update the information in their brochure at least annually. In the future, this Item 2 will reference the date of Eagle Boston's previous annual updating amendment and include a summary discussion of the material changes made to Eagle Boston's brochure since that previous update. In the future, in lieu of providing clients with an updated brochure each year, we may provide Eagle Boston's existing advisory clients with this Item 2 summary describing any material changes occurring since the last annual update of the brochure. We will deliver a brochure or summary each year to existing clients within 120 days of the close of Eagle Boston's fiscal year. Clients wishing to receive a complete copy of the then-current brochure may request the complete brochure at no charge by contacting our Chief Compliance Officer, at 1-800-237-3101 or by emailing [www.eagleboston.com/contact.htm](http://www.eagleboston.com/contact.htm)

Additional information about Eagle Boston Investment Management, Inc. is available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Eagle Boston who are registered, or are required to be registered, as investment adviser representatives of Eagle Boston.

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## **Item 4 – Advisory Business**

Eagle Boston Investment Management, Inc. (“Eagle Boston”) is a wholly owned subsidiary of Eagle Asset Management, Inc. (“Eagle”). Eagle is a wholly owned subsidiary of Raymond James Financial, Inc. (“RJF”) New York Stock Exchange (NYSE ticker - RJF). Eagle Boston is registered as an investment adviser with the U.S. Securities and Exchange Commission (“SEC”), and has also filed registration exemptions in several Canadian provinces. Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

Eagle Boston provides investment advisory services to the following groups of clients:

- Institutions such as pension plans, public funds, endowments, multi-managers, foundations and other tax-exempt entities, affiliated mutual funds, and other mutual funds on a sub-advisory basis;
- High Net Worth clients such as individual investors, trusts and smaller employee benefit plans.

Although Eagle Boston generally exercises investment discretion for each account that it advises, the portfolio composition within the same investment objective may, at any given time, differ as to composition. As a result, the performance of an account within a particular investment objective may differ from other accounts within that same investment objective. Clients should not expect that the performance of their portfolios will be identical to that of the Eagle Boston average for that investment objective. These differences in portfolio composition are attributable to a variety of factors, including, but not limited to, the type of account (e.g., manner of trade execution), clients’ restrictions and guidelines, sizes and significant account activity (e.g., significant number of contributions and/or withdrawals).

### **Institutional Account Services**

Eagle Boston provides investment advisory services to institutional clients which may include corporate pension plans, public funds, foundations, endowments and other tax-exempt entities, and registered investment companies (including mutual funds). Such accounts are managed in accordance with investment objectives, guidelines, and restrictions established by each client. Eagle Boston executes purchases and sales of securities for these accounts either through broker-dealer firms Eagle Boston selects including those which, from time to time, furnish Eagle Boston with investment research information and other services, or through firms which the client directs Eagle Boston to use. In executing trades for institutional accounts where the client authorizes Eagle Boston to choose broker-dealers, Eagle Boston uses its best efforts to obtain the best available price and most favorable execution. Additional detail about each of the client types for which Eagle Boston provides advisory services is provided in Item 7 below.

Except for investment management wrap fee programs (“Wrap Programs”) discussed below, Eagle Boston generally performs advisory services for each client under the terms of an investment advisory agreement between Eagle Boston and the client (“Advisory Contract”). Within a given strategy – and consistent with the strategy’s stated investment objectives, policies and restrictions– Eagle Boston typically exercises exclusive investment discretion regarding the purchase or sale of securities or other investments. Eagle Boston may also agree to manage a client’s account subject to certain reasonable restrictions the client imposes on the inclusion of specific securities, or types of securities, within that account. Item 8 below provides additional detail about the various investment strategies Eagle Boston offers.

### **High Net Worth Clients / Separately Managed Account Wrap Programs**

Certain unaffiliated sponsors have retained Eagle Boston as an investment manager under a number of Wrap Programs. Wrap Program clients typically enter into an investment advisory agreement with the sponsor, and the sponsor enters into a sub-advisory agreement with Eagle Boston to provide portfolio management services to the Wrap Program. In these circumstances, the sponsor is responsible for analyzing the financial needs of each particular Wrap Program client and determining whether Eagle Boston’s portfolio management services are suitable for that client. Wrap Program clients generally do not

pay an investment advisory fee directly to Eagle; instead, the sponsor pays Eagle Boston's advisory fee out of the proceeds of the "wrap fee" that the clients pay to the sponsor. With some exceptions, Wrap Program accounts are managed by Eagle Boston in a manner that is generally similar to Private Client Separate Accounts.

Differences may include limited flexibility of Wrap Program accounts to customize investment guidelines and the further limitation that certain Wrap Program sponsors may not allow their Wrap Program accounts to hold securities issued by the sponsor.

#### **Advisory Services to Mutual Funds**

Eagle Boston receives an advisory fee as a subadviser to a number of mutual funds including the Eagle Smaller Company Fund which is part of an affiliated mutual fund group called the Eagle Family of Funds. Eagle Boston receives a subadvisory fee in accordance with the fee schedules listed in each Funds' Prospectus ("Prospectus") and the Statement of Additional Information ("Statement of Additional Information"). Clients can view the Prospectus and the Statement of Additional Information on each Funds website. The Fees are typically calculated as a percentage of each Fund's average daily net assets and accrue daily and are paid monthly. Each Funds' Board of Trustees renews the advisory contract and reviews the Fees annually.

#### **Eagle Boston Investment Management**

**Discretionary: \$1,067,999,145**

**Non-Discretionary: \$22,458,023**

**Total: \$1,090,457,168**

## **ITEM 5 – FEES AND COMPENSATION**

The following information describes Eagle Boston's compensation for the advisory services it provides to each type of client account. Unless otherwise specified below or in the Advisory Contract between Eagle Boston and a particular client, Eagle Boston's fees will be automatically deducted from client accounts. Generally, advisory fees are paid quarterly based on the market value of assets in an account as of the last day of each calendar quarter. However, certain accounts such as mutual funds calculate advisory fees based upon average daily assets. Eagle Boston imposes investment minimums on certain types of accounts. For a discussion of the applicable investment minimums, see Item 7, below.

#### **Fees for Institutional and Private Client Separate Accounts**

When Eagle Boston enters into an Advisory Contract to provide portfolio management services to an institutional or High Net Worth client through a separate account, Eagle Boston will charge each such separate account a fee at a specified annual percentage rate of the account's assets under management. Eagle Boston's standard fee rates for separate accounts are listed below. However, the fees charged to separate accounts are negotiable and will typically vary depending on a number of factors including, but not limited to: the type of client; whether the client wishes to impose particular restrictions on Eagle Boston's discretionary investment authority (e.g., restrictions on the types of securities that Eagle Boston may acquire for the account); and the amount of client assets under management with Eagle Boston, and other business considerations. The fee rates listed below do not include fees that a separate account client pays to other third party service providers, such as custodial, third party money manager, consultant, brokerage and exchange fees. Note also that only some of the following strategies are available to Private Client Separate Account clients. See Item 7, below, for more detail about the types of strategies that may be available to each client.

<b>Assets Under Management</b>	<b>Institutional Account Management Fee Schedule</b>
Small and SMID Cap Equity	
Under \$10,000,000	0.95%
Between \$10,000,000 and \$25,000,000	0.90%
Between \$25,000,000 and \$75,000,000	0.85%
Between \$75,000,000 and \$150,000,000	0.80%
Greater than \$150,000,000	0.75%

**Example of fee calculation for \$50,000,000 Small Cap Equity Account**

0.95% on first \$10,000,000

0.90% on next \$15,000,000

0.85% on next \$25,000,000

As a result of applying the above breakpoint fee, the schedule to a \$50,000,000 investment in a Small Cap Equity Account the effective annualized advisory fee would be 0.885%. This example assumes no growth in, no withdrawals from, and no additions to the account. Increases and decreases in assets in such an account would result in a higher or lower effective rate.

Institutional clients may negotiate discounts from the institutional account management fee schedule shown above. Also, for accounts where Eagle Boston serves as a sub-adviser such as mutual funds and variable annuity separate accounts, Eagle Boston receives a fee that is different than shown in the above institutional account management fee schedule. Typically, Eagle Boston's sub-advisory fee for mutual fund and variable annuity accounts is approximately one half of the fee paid by the fund to its adviser. For mutual funds Eagle Boston sub-advises, the respective mutual fund's adviser (not Eagle Boston) typically provides administrative, marketing and shareholder services, including any necessary disclosures to shareholders.

**Most Favored Nation Clauses for Institutional Separate Accounts**

Eagle Boston generally does not enter into contracts with "most favored nation" clauses. However, certain Institutional Separate Account clients have negotiated such clauses in their Advisory Contracts. These clauses require Eagle Boston to decrease the fees charged to the "most favored nation" client if Eagle Boston enters into an advisory agreement at a lower fee rate with another institutional client. The applicability of a "most favored nation" clause may depend on the degree of similarity between institutional clients, including the amount of assets under management and the particular investment strategy selected by each client, however, Eagle Boston does not agree to "most favored nation" clauses in all circumstances where institutional clients are similarly situated.

**Fees for Sub-Advisory Services to Unaffiliated Registered Investment Companies**

Eagle Boston provides sub-advisory services to a number of unaffiliated mutual funds. Eagle Boston and the principal adviser for each sub-advised fund negotiate Eagle Boston's advisory fees for providing those services. These sub-advisory fees are set forth in the sub-advisory agreement between Eagle Boston and that principal adviser. Eagle Boston's fee is a component of the total investment advisory fee paid by an investor in the specific sub-advised mutual fund. Additional detail about the fees charged to an investor in any such fund is available in the then-current fund Prospectus.

**Fees for Wrap Programs**

A Wrap Program client typically pays the program sponsor an annual fee ranging from 1% to 3% of the client's annual assets under management. In the event that a Wrap Program sponsor engages Eagle Boston to provide investment sub-advisory services to clients, Eagle Boston's sub-advisory agreement with the sponsor will specify the amount of Eagle Boston's sub-advisory fee. In general, Eagle Boston receives an annual fee ranging from 0.30% to 0.75% of the client assets managed by Eagle Boston. Eagle Boston and the Wrap Program sponsor will negotiate the specific fee amount, which will depend on a number of factors, including the size of the Wrap Program and the particular Eagle Boston investment strategy(ies) that the Wrap Program will offer to clients. The Wrap Program client does not pay any fees directly to Eagle Boston; instead, the sponsor pays Eagle Boston's fee out of the proceeds of the "wrap fee" the client pays the sponsor. In the event that Eagle Boston's service to the Wrap Program is terminated before the end of a billing period, any pre-paid advisory fee will be refunded to the client on a pro rata basis. A portion of the wrap fee that clients pay to the Wrap Program sponsor is used to pay brokerage commissions incurred on securities traded within the client's account.

#### **Fees for Unified Managed Account Programs ("UMA Programs")**

Eagle Boston charges a fee to each UMA Program sponsor that enters into a contract. The sponsor contracts with Eagle Boston to use Eagle Boston's model portfolios to assist the sponsor in managing its client accounts. Eagle Boston and the sponsor usually negotiate the fee amount. The fee may vary depending on a number of factors, including the number of model portfolios that the sponsor is purchasing and the total assets under management.

#### **Retail Wrap Program Management Fees**

Retail Account Program sponsors typically charge their clients an annualized asset based fee ranging from 1.50% to 3.00% of assets under management. This fee may be negotiable, and the sub-advisory fee paid to Eagle Boston as sub-advisor to these Retail Account Programs may vary. For its services as a sub-adviser Eagle Boston receives a management fee which is typically 0.50% of assets under management for equity accounts and 0.30% for fixed income accounts. These fees may vary for different Retail Account Programs. The Wrap Programs in which Eagle Boston participates are listed in Eagle Boston's Form ADV Part I, and Eagle Boston's management fee should be described in each sponsor's respective Schedule H or wrap brochure (also known as an appendix). Clients should receive a sponsor's Schedule H or wrap brochure and direct any questions regarding the overall wrap fee, including Eagle Boston's sub-advisory fee, to the sponsor.

In Wrap Programs, sponsors typically obtain information from clients regarding the clients' financial circumstances, risk profile, and investment objectives. The sponsor then consults with clients to determine the objective and the manager most suitable for each client's situation. The sponsor has the primary responsibility for determining the suitability of client objectives. Eagle Boston conducts a, more limited suitability review based upon information the sponsor provides.

Eagle Boston also maintains some direct (i.e. not as sub-adviser in Wrap Program) relationships with retail clients. Such clients may be referred by financial advisors of unaffiliated brokerage firms, or they may be clients of Eagle Boston's affiliated brokers. Management fees for these accounts are typically 1.00% of assets under management for accounts with equity objectives. In some instances, management fees for larger accounts may be discounted and certain clients may also aggregate related accounts to realize discounted management fees (see below). Eagle Boston performs suitability reviews before opening accounts with direct retail clients.

#### **GENERAL INFORMATION ABOUT FEES**

##### **Investment Management Consultants Referrals**

Institutional clients often hire investment management consultants to search for investment managers, and these consultants often contact Eagle Boston as a candidate. Some consultants are also service providers to investment managers including Eagle, with respect to industry data and other information. Although this is an apparent conflict of interest, Eagle Boston believes that its purchase of such services

from consultants is separate from and has no bearing on the consultants' activities in the conduct of their manager searches. Our purchase of these services is not a condition to be included in a manager search.

### **Retail Wrap Program Services**

Eagle Boston provides investment advisory services to retail clients, including individuals, Individual Retirement Accounts ("IRAs"), trusts, and employee benefit plans. The majority of Eagle Boston's retail business is generated through Eagle Boston's participation as a sub-adviser in various Wrap Programs sponsored by brokerage firms ("Sponsors") both affiliated and unaffiliated with Eagle Boston.

A wrap fee is an asset-based fee charged by a Sponsor as compensation for its custody, brokerage and advisory services, and may include a sub-advisory fee paid to Eagle Boston. Eagle Boston also acts as a sub-adviser in Wrap Programs sponsored by its affiliate, Raymond James & Associates, Inc. ("RJA"). Certain Sponsors, including RJA, ask Eagle Boston to contribute to the Sponsor's cost of providing training and education to its registered representatives. This fee is usually based upon the assets under Eagle Boston's management in the Wrap Program.

### **Refunds of Pre-Paid and Unearned Advisory Fees**

Either party to Eagle Boston's Advisory Contracts may typically terminate the contract at any time upon written notice to the other party. If an Advisory Contract is terminated, Eagle Boston will promptly refund to the client any unearned and pre-paid advisory fees.

### **Portfolio Values for Fee Calculations**

Calculation methods for each client type for asset-based fees owed and payable to Eagle Boston are as follow:

*Institutional Separate Accounts* (including unaffiliated registered investment companies): As set forth in the client's contract with Eagle Boston, portfolio valuations are generally determined by either (i) the client's custodian or (ii) Eagle, using its own asset valuations. Eagle Boston's valuations are generally based upon information Eagle Boston receives from third party pricing vendors, and may be higher or lower than the portfolio valuation calculated by a custodian bank. If no pricing vendor information is available or Eagle Boston does not agree with the vendor's valuation, Eagle Boston uses various factors to determine a fair value.

*Private Client Separate Accounts*: Eagle Boston generally determines portfolio valuations using its own asset valuations. These valuations are generally based upon information Eagle Boston receives from third party pricing vendors, and may be higher or lower than the portfolio valuation calculated by a custodian bank. If no pricing vendor information is available or Eagle Boston does not agree with the vendor's valuation, Eagle Boston uses various factors to determine a fair value.

*Wrap Programs*: Asset valuation within Wrap Programs is typically determined by the Wrap Program's Sponsor or the Sponsor's agents or affiliates.

### **Additional Expenses**

If Eagle Boston invests a client's assets in a mutual fund, or exchange-traded fund, the client may incur additional expenses and fees as a shareholder of those mutual or exchange traded funds. These additional expenses may include: advisory/management fees, distribution fees, administrative expenses, and other fund operating expenses. Clients wishing to obtain more information about the fees and expenses that may apply due to investing in mutual funds or exchange-traded funds should contact Eagle Boston. Clients may also obtain more information by reviewing the relevant prospectus(es) for the underlying mutual funds or exchange-traded funds in which the clients' assets are invested. Attention is also directed to Item 12, below for additional information about the types of brokerage and other transaction costs that Eagle Boston's clients may incur.

### **Services to Family and Friends of Eagle**



Eagle Boston may provide portfolio management services to certain family members or friends of Eagle Boston's principals without charge, or for fee rates that are lower than the rates available to other clients.

#### **Tax Implications - Liquidation of Existing Positions upon Transition to Eagle**

Unless Eagle Boston is otherwise directed by a client pursuant to a contract, Eagle Boston will liquidate all securities deposited into an account if the securities are not suitable or consistent with Eagle Boston's investment models for a particular strategy. Eagle Boston will then re-allocate the cash resulting from the liquidations according to the Eagle Boston strategy the client selected. Eagle Boston does not consider a client's tax consequences when liquidating securities deposited into an account that it will manage.

### **Item 6 – Performance-Based Fees and Side-By-Side Management**

Some institutional clients have entered into performance fee arrangements with Eagle Boston. Eagle Boston offers performance fee arrangements when allowed by law. A performance fee arrangement is a method of compensating an investment adviser on the basis of a share of the gains or appreciation of the assets under management. Eagle Boston requires that performance fee accounts have a minimum account size of \$2,000,000. The fee structure consists of a base fee and a performance fee. The base fee for equity and fixed income objectives is negotiable and the performance fee, if earned, will be calculated as follows:

The typical annual performance fee will be equal to 25-35% of the amount, if any, by which the fair market value (as described below) of the assets held in an Eagle Boston account exceeds an assumed amount equal to the value such assets would have held had the value of the account on its inception date been invested in the appropriate index (with dividends reinvested) for the client's particular account objective, ( e.g., the Russell 2000 Index for the Small Cap Growth objective ( *The Russell 2000 Index consists of 2,000 U.S. companies and is a widely used measure of small capitalization stock performance.*) The performance fee for a given year will be the cumulative performance fee from the account's inception date less the total amount of performance fees paid in prior years. If the cumulative performance fee is less than the total amount of performance fees paid with respect to prior years, no fee refund will be due to the client.

The fee arrangement described above may be perceived as providing an incentive for Eagle Boston to seek to maximize the investment return by making investments that are subject to greater risk, or are more speculative than would be the case if Eagle Boston's compensation were not based upon the investment return. Eagle Boston's performance is contingent upon the return experienced by the client, which is computed based upon unrealized and realized appreciation of assets in the client's account. Accounts participating in a performance fee arrangement may pay Eagle Boston more compensation when compared to standard fee rates. Performance fee arrangements may not be available for all asset classes and must be approved by Eagle Boston on a case-by-case basis. Performance fee rates are negotiable. Client may negotiate the base fee rate, performance fee rate, the index used to calculate the performance fee, or the use of no index in calculating the performance fee.

Any performance fee that Eagle Boston charges is intended to comply with the Eagle Boston's Investment Advisory Agreements Policy and Rule 205-3 requirements under the Investment Advisers Act of 1940 (the "Adviser's Act"). Eagle Boston may also be perceived to have an incentive to favor accounts which it charges a performance fee over other types of client accounts, by allocating more profitable investments to performance fee accounts or by devoting more resources toward the accounts' management. Eagle Boston seeks to mitigate the potential conflicts which may arise from managing accounts that bear a performance fee by monitoring and diligently enforcing its policies and procedures, including those related to investment allocation, and complying with its Investment Advisory Agreements Policy and Rule 205-3 as stated above.

**Performance Fee – Account Valuation Methodology**

Fair market value for purposes of computing Eagle Boston's compensation, if any, is determined by valuing the assets as follows:

- (1) Cash and cash equivalents shall be valued at face amount.
- (2) Notes, bonds and other debt instruments' current market value shall be determined on the basis of market quotations, or, if such quotations are not readily available, market value will be determined based on coupon, maturity, rating, liquidity, industry factors, company factors, and management.
- (3) Common stock and other equity securities shall have a value equal to their respective closing prices as quoted by the NYSE or the NASDAQ Stock Exchange ("NASDAQ") system on the last business day preceding the day on which fair market value is being determined.
- (4) Interest and dividends shall be accrued to the last business day preceding the day on which fair market value is being determined.

If a performance fee agreement is terminated prior to one year from the agreement's inception date, Eagle Boston's fee shall be equal to the standard management fee rates set forth in item 4 above based on the objective from inception to the termination date, less base fee payments. Eagle Boston will request the custodian to deduct its compensation from the assets prior to returning the assets to the client.

**Item 7 – Types of Clients**

Eagle Boston provides portfolio management services to the types of clients described below. Where relevant, this disclosure also includes information about the minimum account size necessary to open and maintain each type of client account. See Item 5, above, for a discussion of Eagle Boston's compensation for managing each of the following types of client accounts.

**Institutional Separate Accounts**

Eagle Boston provides portfolio management services to Institutional Separate Accounts. Eagle Boston's management of the institutional client's separate account will be consistent with the particular investment strategy or strategies the client selected for that account. Clients may impose certain limitations or restrictions on Eagle Boston's discretionary authority. However, Eagle Boston reserves the right not to enter into a contract with a prospective client, or to terminate an agreement with an existing client, if the proposed limitation or restriction is likely in Eagle Boston's opinion to impair its ability to provide services to a client or is otherwise believed by Eagle Boston to be administratively or practically infeasible. The menu of investment strategies which Eagle Boston may make available to Institutional Separate Account clients is shown below. A brief description of each strategy's investment objective(s), along with the investment strategies used to achieve the objective and the material risks associated with such investment strategies, is provided in response to Item 8, below. Additional detail about each strategy may be obtained at no charge by contacting Eagle Boston at 1-800-533-9337.

*Equity Strategies*

Small Cap  
Small /Mid Cap

The account minimum for an institutional client separate account is \$2 million. Eagle Boston reserves the right in its sole discretion to waive account minimums in certain circumstances.

**Retail Private Client Separate Accounts**

From time to time, Eagle Boston may also provide portfolio management services to private clients. Eagle will manage a private client's separate account consistent with the particular investment strategy or strategies the client selected for that account. Clients may impose certain limitations or restrictions on

Eagle Boston's exercise of its discretionary authority. However, Eagle Boston reserves the right not to enter into a contract with a prospective client, or to terminate an agreement with an existing client, if the proposed limitation or restriction is likely in Eagle Boston's opinion to impair its ability to provide services to a client or Eagle Boston otherwise believes to be administratively or practically infeasible. The menu of investment strategies which Eagle Boston may make available to Private Client Separate Account clients is shown below in item 8. A brief description of each strategy's investment objective(s), along with the investment strategies used to achieve the objective and the material risks associated with such investment strategies, is provided in response to Item 8, below. Additional detail about each strategy can be obtained at no charge by contacting Eagle Boston at 1-800-533-9337, or on Eagle Boston's website at [www.eagleboston.com](http://www.eagleboston.com).

The account minimum for a Private Client Separate Account invested in an equity strategy is typically \$100,000. Eagle Boston reserves the right in its sole discretion to waive account minimums in certain circumstances.

### **Wrap Programs**

Eagle Boston has been retained as an investment manager under a number of Wrap Programs sponsored by certain unaffiliated sponsors. In a typical Wrap Program arrangement, the client enters into an investment advisory agreement with the sponsor, and the sponsor enters into a sub-advisory agreement with Eagle Boston. The sponsor pays Eagle Boston's investment advisory fee out of the fee that the sponsor collects from the client. The sponsor retains responsibility for determining that Eagle Boston's portfolio management services are suitable for a particular client. The sponsor also remains responsible for monitoring and evaluating Eagle Boston's performance on the client's behalf, for executing brokerage transactions within the client's account, and for providing custodial services for the client's assets. Eagle Boston's sub-advisory agreement with a Wrap Program sponsor typically provides that Eagle Boston will maintain exclusive investment discretion over the purchase and sale of securities and other investments within the client's account, consistent with the particular investment strategy the client selected, and the capabilities of the client's custodian. The investment strategies Eagle Boston makes available to Wrap Program clients vary from one Wrap Program to another. Each Wrap Program sponsor imposes a minimum account size to open and maintain an account. Typical Wrap Program account minimums range from \$50,000 to \$100,000 for equity strategies and from \$200,000 to \$300,000 for fixed income strategies. Eagle Boston reserves the right in its sole discretion to waive account minimums in certain circumstances.

For a complete list of the Wrap Programs in which Eagle Boston may participate, see Eagle Boston's Form ADV, Part I, available on the SEC's web site, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), or by contacting Eagle Boston's Chief Compliance Officer, at 1-800-237-3101, or visiting [www.eagleasset.com/contact.htm](http://www.eagleasset.com/contact.htm)

### **Unified Managed Account ("UMA") Programs**

Eagle Boston offers model portfolios to UMA Program sponsors for a fee. These UMA Program sponsors use Eagle Boston's model portfolios as one input in developing the sponsors' investment recommendations to their clients and managing their clients' accounts. When a UMA Program sponsor engages Eagle Boston, Eagle Boston constructs model portfolios that correspond to each Eagle Boston investment strategy selected by the sponsor. Eagle Boston provides the UMA Program sponsor with reports identifying Eagle Boston's recommendations as to the securities to be purchased, sold and held from time to time in each UMA Program account, as well as the percentage of the model portfolio that would be invested in each security. Eagle Boston provides this information to the UMA Program sponsor at or near the same time Eagle Boston updates its model portfolios. UMA Program sponsors retain sole authority and responsibility for managing their clients' accounts. Each UMA Program sponsor provides individualized investment advice and portfolio management services to its clients, and may or may not decide to implement and or all of Eagle Boston's recommendations as to the securities and other property to be held within an account. In the event that a UMA Program sponsor determines to follow Eagle Boston's recommendation regarding the purchase or sale of any securities or other investments, the UMA Program sponsor may purchase and sell those investments within its clients' accounts at the same time, prior to, or after Eagle Boston purchases and sells those investments within the corresponding Eagle

Boston strategy. The resulting UMA Program sponsor's trading activity could have a positive or negative impact on Eagle Boston's ability to execute trades for Eagle Boston's clients. This is because the UMA Program sponsor's trading activity may affect the availability of securities in the marketplace and the securities' prices. Eagle Boston mitigates the potential effect of this trading activity by pursuing the practices described in "Trade Rotation" under Item 12, below.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

Eagle Boston's investment programs are listed below along with a brief description of each investment objective's general investment strategies typically used in managing the assets including the methods of analysis, and the material risks associated with investing in the objective. There is no guarantee that a particular strategy will meet its investment goals. Additionally, the investment strategies and techniques Eagle Boston uses within a given strategy will vary over time depending on various factors. Eagle Boston may give advice and take action for clients which differs from advice given or the timing or nature of action taken for other clients with different objectives. Eagle Boston is not obligated to initiate transactions for clients in any security which its principals, affiliates or employees may purchase or sell for their own accounts or for other clients.

Eagle Boston generally manages accounts with full investment discretion. However, clients may place reasonable restrictions on the management of their accounts. Clients may also direct Eagle Boston to sell, or to avoid selling, particular securities for the purpose of realizing a capital loss or avoiding a capital gain.

Summaries of investment objectives, principal investment strategies and material risks provided below are necessarily limited, and are presented for general information purposes in accordance with regulatory requirements. Consequently, these summaries are in all instances qualified and superseded by the descriptions of objectives, strategies and risks, portfolio reports, and other communications which are provided to each client in connection with the creation and maintenance of the client's own account with Eagle Boston. Additional detail about each strategy can be obtained at no charge by contacting Eagle Boston at 1-800-237- 3101.

Investing in securities involves the risk of monetary loss, and clients investing their money with Eagle Boston should be prepared to bear that loss. None of the strategies for which Eagle Boston provides portfolio management services is a deposit in any bank, nor are those investment vehicles insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

### **Equity Strategies -- Objectives, Principal Investment Strategies and Material Risks**

*Note: The narrative discussion of each equity strategy includes a list of the material risks that may be associated with an investment in that strategy. A description of each of the named risks is included at the end of this Item 8, following the narrative discussion of all of the equity and fixed income strategies.*

### **INVESTMENT PROGRAMS:**

Eagle Boston provides investment advice to clients for the following principal objectives:

Manager(s)	Institutional or Platform
<b>Equity</b>	
Small / Mid Cap	Dave Adams, Jack McPherson Institutional

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Small Cap

Dave Adams, Jack McPherson

Both

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NOTE: Upon a portfolio manager's termination of employment, or reassignment to other duties, Eagle Boston may appoint a new portfolio manager without prior or any notice to clients.

Occasionally, Eagle Boston may manage accounts with investment objectives or investment styles different from those listed above. In such cases, the client will receive a description of the objective.

**Suitability Considerations for Institutional Clients**

Institutional clients should bear in mind that these objectives may have high turnover ratios. Thus, the potential for high volatility and increased transaction costs (including increased brokerage and taxes) exists for these objectives.

**Suitability Guidelines for Retail Platform Clients**

The equity investor's primary goal should be to maximize long-term returns with great importance attached to capital appreciation and relatively little emphasis on current income. Conversely, the fixed income investor's primary goal should be to generate income while conserving principal. Equity securities generally have a greater potential for both reward and risk while fixed income securities offer more modest rewards with correspondingly less risk. Investing in securities carries with it the risk of loss of capital. Eagle Boston generally imposes a minimum dollar amount of \$100,000 worth of assets for retail equity. Eagle Boston reserves the right in its sole discretion to waive account minimums in certain circumstances.

**Below is a description of the investment objectives Eagle Boston offers.**

**Equity Objectives**

*Investment Objective(s):* Long-term capital growth.

*Principal Investment Strategies:* Investors considering any one of Eagle Boston's equity objectives should recognize that equity objectives managed primarily to achieve capital appreciation are managed more aggressively than objectives managed primarily to achieve income. An equity investor's time horizon should generally be long-term - at least three years.

Investors considering the, Small Cap, Small/Mid Cap objectives should recognize that the issuers of securities selected for these objectives may not have the business experience, or they may be businesses that are still evolving when compared to issuers of securities of Large Cap Companies. The securities selected for these objectives will typically be more speculative and thus have greater potential for capital loss.

Additionally, securities selected for the Small Cap and Small/Mid Cap objectives may be less liquid, i.e., have less trading volume and greater spreads between the purchase and sale price of the securities, and thus may experience greater market volatility than securities with larger market capitalizations.

Investors in Small Cap, Small/Mid Cap objectives, due to the more aggressive and volatile nature of these objectives, should generally have a higher tolerance for risk and the possibility of capital loss than investors in the Large Cap objectives.

*Material Risks:* Management Risk; Market and Economic Risk; Risks Affecting Specific Issuers; Smaller Company Risk; Foreign Investment Risk; Credit Risk; Interest Rate Risk; Liquidity Risk.

**MODEL PORTFOLIO PROGRAMS AND SERVICES**

Eagle Boston provides certain advisers and financial intermediaries with model portfolio services. Eagle Boston provides these services to investment managers in a non-discretionary capacity. Eagle Boston and the investment managers negotiate the fees depending on the specific services provided. Eagle amends and updates the model portfolio(s) from time to time similar to other portfolio strategies it manages for other discretionary clients.

### **Descriptions of Material Risks**

*Credit Risk* – If debt obligations held by an account are downgraded by ratings agencies, go into default, or if management action, legislation or other government action reduces the issuers' ability to pay principal and interest when due, the obligations' value may decline and an account's value may be reduced. Because the ability of an issuer of a lower-rated or unrated obligation (including particularly "junk" or "high yield" bonds) to pay principal and interest when due is typically less certain than for an issuer of a higher rated obligation, lower rated and unrated obligations are generally more vulnerable than higher-rated obligations to default, ratings downgrades, and liquidity risk. Political, economic and other factors also may adversely affect governmental issues.

*Derivatives Risk* – An account's investments in derivatives involve risks associated with the securities or other assets underlying the derivatives, as well as risks different or greater than the risks affecting the underlying assets. Risk unassociated with the underlying assets include the inability or unwillingness of the other party to a derivative to perform its obligations to an account, an account's inability or delay in selling or closing positions in derivatives, and difficulties in valuing derivatives.

*Foreign Investment Risk* – Investments in securities of foreign issuers may involve risks including adverse fluctuations in currency exchange rates, political instability, confiscations, taxes or restrictions on currency exchange, difficulty in selling foreign investments, and reduced legal protection. These risks may be more pronounced for investments in developing countries.

*Interest Rate Risk* – When interest rates increase, the value of the account's investments may decline and the account's share value may decrease. This effect is typically more pronounced for intermediate and longer term obligations. This effect is also typically more pronounced for mortgage and other asset-backed securities, since value may fluctuate more significantly in response to interest rate changes. When interest rates decrease, the account's current income may decline.

*Liquidity Risk* – Due to a lack of demand in the marketplace or other factors, an account may not be able to sell some or all of the investments promptly, or may only be able to sell investments at less than desired prices.

*Management Risk* – Eagle Boston client accounts are actively managed portfolios. The accounts' value may decrease if Eagle Boston pursues unsuccessful investments or fails to correctly identify risks affecting the broad economy or specific issuers comprising the accounts.

*Market and Economic Risk* – An account's investment value may decline due to changes in general economic and market conditions. A security's value held in an account may change in response to developments affecting entire economies, markets or industries, including changes in interest rates, political and legal developments, and general market volatility.

*Prepayment Risk* – Decreases in market interest rates may result in prepayments of obligations in the account, requiring the account to reinvest at lower interest rates.

*Real Estate Risk* – An account's investments in real estate investment trusts ("REITs") are subject to risks affecting real estate investments generally (including market conditions, competition, property obsolescence, changes in interest rates and casualty to real estate), as well as risks specifically affecting REITs (the quality and skill of REIT management and the REIT's internal expenses).

*Risks Affecting Specific Issuers* – The value of an equity security or debt obligation may decline in response to developments affecting the specific issuer of the security or obligation, even if the overall industry or economy is unaffected. These developments may comprise a variety of factors, including but

not limited to management issues or other corporate disruption, political factors adversely affecting governmental issuers, a decline in revenues or profitability, an increase in costs, or an adverse effect on the issuer's competitive position.

*Smaller Company Risk* – Investments in smaller companies may involve additional risks because of limited product lines, limited access to markets and financial resources, greater vulnerability to competition and changes in markets, lack of management depth, increased volatility in share price, and possible difficulties in valuing or selling the investments.

*Structured Products Risk* – An account's investments in structured finance arrangements, including Collateralized Mortgage Obligations (CMOs), Collateralized Debt Obligations (CDOs), Collateralized Loan Obligations (CLOs), involve the risks associated with the underlying pool of securities or other assets, as well as risks different or greater than the risks affecting the underlying assets. In particular, these investments may be less liquid than other debt obligations, making it difficult for an account to value its investment or sell the investment in a timely manner or at an acceptable price.

## **Item 9 – Disciplinary Information**

Neither Eagle Boston, nor any of its management persons, has been the subject of any material legal or disciplinary action.

## **Item 10 – Other Financial Industry Activities and Affiliations**

Eagle Boston is an investment adviser registered with the Securities and Exchange Commission. Eagle Boston is a subsidiary of Eagle Asset Management, Inc. Eagle Asset Management, Inc. is a subsidiary of Raymond James Financial, Inc. (NYSE-RJF), a publicly owned company. RJF is a diversified financial services holding company whose subsidiaries engage primarily in securities brokerage, investment banking, asset management and banking services. Its three principal wholly owned broker-dealer subsidiaries are Raymond James & Associates, Inc. (RJA), Raymond James Financial Services, Inc. (RJFS), and Raymond James Ltd.

RJA and RJFS are registered with the SEC as broker-dealers and investment advisers and are FINRA members. RJA is a member of the New York, American, Chicago, Philadelphia, and Boston stock exchanges and the Chicago Board Options Exchange. Eagle Boston serves as a sub-adviser for an RJA sponsored Wrap Program - Raymond James Consulting Services. RJF and RJA may perform certain administrative services for Eagle Boston.

RJA engages in investment banking activities and may work with companies that issue securities Eagle Boston may be trading. Since Eagle Boston and RJA are affiliates, this may appear to be a conflict of interest. The potential conflict of interest is mitigated by RJA's, "Chinese Wall" policies and procedures which prevent information from being disseminated to parties outside the Investment Banking division. In addition to RJA's Chinese Wall procedures, Eagle Boston has insider trading policies and procedures which are designed to prevent and detect any misuse of non-public information.

Eagle Asset Management, Inc. ("Eagle") is 100% owner of Eagle Boston and is a wholly owned subsidiary of Raymond James Financial. Eagle is an investment adviser registered with the SEC. Eagle acts as investment adviser to individuals, corporations, foundations, pension and profit sharing plans, state and municipal government entities. Eagle also acts as sub-adviser to various investment companies and wrap programs with unaffiliated broker dealers. Eagle provides certain administrative, marketing and compliance services to Eagle Boston for a monthly fee. In addition, some Eagle employees performing functions such as portfolio trading and trading operations are also employees of Eagle Boston. Eagle is

the investment adviser and administrator to the Eagle Funds, which comprise the following trusts and series trusts:

Eagle Capital Appreciation Fund  
Eagle Growth & Income Fund

Eagle Series Trust consisting of:  
Small Cap Growth Fund  
Mid Cap Growth Fund  
International Equity Fund  
Mid Cap Stock Fund  
Smaller Company Fund  
Investment Grade Bond Fund

Eagle Fund Distributors, Inc. ("EFD") is Eagle Asset Management's wholly owned subsidiary. EFD is the Eagle Funds' principal underwriter and distributor. In addition to selling Eagle Fund shares to its clients, EFD enters into selling agreements with affiliated and unaffiliated broker-dealers and other financial intermediaries to distribute and provide other services relative to the purchase of these shares.

EB Management I, LLC, an investment adviser which acts as General Partner to Aggressive Growth Partners I, LP ("Partnership"), which was formed for investment purposes. Eagle Asset Management holds an ownership interest in EB Management I, LLC and provides administrative and investment research services for the Partnership. Certain officers and employees of Eagle Asset Management have investment interests in the Partnership.

Eagle Boston is affiliated with Raymond James Bank, FSB ("RJ Bank"), which is also a wholly-owned subsidiary of RJF. RJ Bank offers a full range of banking services.

With respect to cash reserves of accounts Eagle Boston advises, the client and/or the custodian (not Eagle Boston), will determine where cash reserves are held. Where an unaffiliated third party acts as custodian of account assets, the client and/or the custodian will determine where cash reserves are held.

In accounts for which RJA acts as custodian, RJA will determine where cash reserves are held. The custodian may offer one or multiple options to different account types (such as non-taxable and managed accounts) which may be included in a program which automatically transfers balances to a cash reserve ("Sweep Program"). The custodian may, among other things, consider terms and conditions, risks and features, conflicts of interest, current interest rates, how future interest rates will be determined, and the nature and extent of insurance coverage (such as deposit protection from the Federal Deposit Insurance Corporation ("FDIC") and the Securities Investor Protection Corporation). The custodian may add or remove an investment option at any time by providing the client with thirty (30) days advance written notice of such change, modification or amendment. Sweep Program options include the RJ Bank Deposit Program ("RJBDP"), the RJA Credit Interest Program ("CIP"), which RJA sponsors, and a proprietary class of money market funds (the "Eagle Class – J.P. Morgan Money Market Fund") of the JP Morgan Prime Money Market Fund, J.P. Morgan Government and Treasury Money Market Fund and J.P. Morgan Tax Free Money Market Fund. Eagle offers this proprietary class which J. P. Morgan Investment Management, Inc. ("JPMorgan") manages. Clients selecting the RJBDP option are responsible for monitoring the total amount of deposits held at each bank in order to determine the extent of FDIC insurance coverage available. RJ Bank/RJA is not responsible for any insured or uninsured portion of client deposits at any bank. RJ Bank's (an RJA affiliate) interest rate on its Sweep Program options may differ from the yield on the Eagle Class – J.P. Morgan Money Market Funds and CIP, but RJ Bank generally earns more than the interest it pays on such balances. Eagle offers the Eagle Class – J.P. Morgan Money Market Funds through an agreement with JPMorgan which compensates Eagle, its affiliates, and RJA for, among other things, distribution costs, shareholder record-keeping activities, Eagle Boston's ongoing oversight of the services provided, and the coordination and administration of the Eagle Class – J.P. Morgan Money Market Fund. RJ Bank generally earns a higher rate of interest on CIP



balances than the interest rate it pays on such balances. The income Eagle, its affiliates, and RJ Bank earns, is in addition to the asset based fees that RJ Bank receives from these accounts.

In RJA's Sweep Program, cash balances arising from the sale of securities, redemptions of debt securities, dividend and interest payments, and funds received from customers are invested automatically on a daily basis. When securities are sold, funds are deposited on the day after settlement date. Funds placed in a client's account by personal check usually will not be invested until the second business day following the day that the deposit is credited to the client's account. Due to these practices, RJA may obtain federal funds prior to the date that deposits are credited to client accounts and may realize some benefit because of this.

For further information please refer to the Sweep Programs disclosure statement, which is available from your financial advisor or on the Raymond James Financial public website, [www.raymondjames.com](http://www.raymondjames.com).

Certain Eagle Boston employees act as RJA registered representatives when there are mutual clients. These employees may receive additional compensation as registered representatives. Eagle Boston's policy is to ensure that its investment advisory clients' interests receive the highest priority. Such employees may recommend that a brokerage client invest in an Eagle Boston account. The employee's compensation may be based, in part, on revenues Eagle Boston earns in connection with the management of these new accounts; thus, the employee may have an incentive to recommend that a client invest in an Eagle Boston account. In such a situation, Eagle Boston will manage an account only when it is assured that the objective is suitable for the client and no conflict of interest exists upon review of the client's investor profile.

In addition to compensation arrangements discussed herein, Eagle and its affiliates make certain intercompany payments to compensate each other for performing various administrative services, which may be terminated, modified or suspended at any time.

#### **Potential Conflicts of Interest**

Eagle Boston's services to the Eagle Funds may be perceived to create potential conflicts of interest. This potential conflict is identified in Item 5, *Fees and Compensation* RJA, and other RJF subsidiaries, act as general partners of partnerships for which Eagle Boston clients may be solicited as limited partners. Eagle Boston does not invest assets of clients' accounts in such limited partnerships. Officers and employees of RJF and its subsidiaries may have investment interest in such investment partnerships.

### **Item 11 – Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading**

Eagle Boston has established a Code of Ethics and Insider Trading Policy and Procedure which details personal trading guidelines and restrictions. These guidelines and restrictions must be followed for all transactions (purchase and sale) in all Eagle Boston employee, employee family members (including the spouse, minor children and adults living in the same household as the employee) accounts, and Trusts of which they are the trustee or in which they have a beneficial interest. Eagle Boston employees, must pre-clear all personal securities transactions which includes open end mutual funds Eagle Boston performs investment advisory services as either an advisor or sub-adviser. The only exception to pre-clearing are options on a broad-based, publicly traded market basket or index of stocks (e.g. S&P 500 index); and U.S. Government Securities.

Eagle Boston employees may, on occasion, buy or sell securities for themselves that Eagle Boston recommends or buys or sells for their client portfolios. However, such transactions may not be effected when they are adverse to clients' interests. Eagle Boston employees may not buy or sell securities for their own account until transactions of securities in clients' accounts are completed. Obtaining pre-clearance for a trade does not guarantee that the trade will not be reversed later should a portfolio

manager effect a subsequent trade in the same security, even if the “access person” had no knowledge of the portfolio manager’s intent to effect that trade. All employees are prohibited from acquiring securities in any initial public offering.

Eagle Boston employees must forward copies of confirmations for their brokerage accounts and accounts of immediate family members living in the same household, to the designated Compliance Officer. Confirmations will be cross referenced against the pre-clearance log to verify approval. Employees must submit required quarterly reports of securities transactions (or furnish brokerage statements) and must certify, at least annually, of receipt of and compliance with the Code of Ethics and Insider Trading Policy and Procedure. For a copy of the Eagle Boston Code of Ethics and Insider Trading Policy and Procedure please call 1-800-237-3101 or write to: Eagle Boston Compliance, 880 Carillon Parkway, PO Box 10520, St Petersburg Florida, 33716.

### **Cross-Trading Policy**

RJA is Eagle Boston’s affiliate and as principal, buys securities for itself from or sells securities it owns to its clients. In no instance will RJA act as principal in transactions involving Eagle Boston’s managed accounts. As a broker/dealer, clients often use RJA to execute portfolio transactions. These transactions are governed by SEC regulation regarding disclosure requirements, best execution and other requirements. On occasion, Eagle Boston may effect a transaction through RJA in which RJA acts as broker for both the Eagle Boston client and the other party to the transaction, also known as a cross transaction. In such instances, Eagle Boston will obtain consent from the client, and it will disclose all material information concerning the transaction to the client, in accordance with the requirements of Rule 206(3)-2 under the Advisers Act.

On occasion, RJA recommends to its clients that they buy or sell securities which RJA has an interest in as a market maker or general partner. In no such instances will RJA act as principal in any transactions involving Eagle Boston accounts. The cash portion of an Eagle Boston account may be swept to RJ Bank in an interest bearing account. See Item 8 above.

RJA buys or sells securities on its own behalf that it recommends to its clients. Eagle Boston employees may purchase securities for their own accounts which Eagle Boston recommends or purchase for clients.

Eagle Boston has adopted a Cross-Trading Policy to address any potential conflicts which might arise from effecting trades between client accounts. This policy prohibits Eagle Boston from purchasing or selling investments from or to clients for its own account, and prohibits Eagle Boston from effecting a trade between clients if one of the clients is an Employee Retirement Income Security Act of 1974 (“ERISA”) client. The policy permits Eagle Boston to effect trades between client accounts which are not mutual funds subject to certain restrictions, including the requirements that:

- \*each trade is effected at the independently determined current market price of the investment;
- \* Eagle Boston receives no compensation for effecting the trade; and
- \*the trade is disclosed to the clients.

The policy similarly permits Eagle Boston to effect trades between its mutual fund clients subject to restrictions, including the requirements that the trade is effected at the “current market price” determined in accordance with SEC rules, and no brokerage commission is charged on the trade.

## **Item 12 – Brokerage Practices**

### **Selection of Broker-Dealers to Execute Transactions in Client Accounts**

#### **General Practices**

In exercising investment discretion over client accounts, or in responding to specific client instructions, Eagle Boston places orders with broker-dealers to execute transactions for the accounts. When trading errors occur for which Eagle Boston is responsible, Eagle Boston’s policy is to make the client whole by correcting the error, i.e., to restore the client’s account to the position it would have been in if the error

had not occurred. The process of correction may result in cash shortfalls or overages and such amounts are credited or debited to Eagle Boston's trading error account.

Institutional clients typically give Eagle Boston the authority to determine which broker/dealer will execute transactions. Eagle Boston may, from time to time, direct transactions through RJA, its broker-dealer affiliate, unless the client prohibits trading through an affiliate. Where Eagle Boston has the authority to select the broker-dealer, Eagle Boston's objective in effecting portfolio transactions is to use its best efforts to obtain the best available price and most favorable execution.

Retail clients select which brokerage firms should effect their transactions. The client designates the registered representative and brokerage firm in the investment management agreement. Registered representatives of brokerage firms, both affiliated and non-affiliated with Eagle, solicit persons to become Eagle Boston clients.

### **BROKERAGE PRACTICES - RETAIL CLIENTS AND ACCOUNTS**

Eagle Boston does not negotiate commission rates with the brokerage firm the client designates or any registered representative of such brokerage firm for retail clients and accounts. Clients may negotiate commission rates with the registered representative or other representative of the designated firm. The factors involved in a negotiation may include the size of a client's account, the brokerage firm's policy with respect to discounts, the client's relationship with the firm's representative, and other factors. Unless the client negotiates a lower rate, the client should expect that the designated brokerage firm will charge commissions based upon the firm's established, non-discounted commission schedule. Certain Eagle Boston clients negotiate and receive commission discounts in varying amounts. Eagle Boston does not negotiate volume commission discounts on aggregate or "block" transactions with the broker-dealer executing transactions for retail clients. Therefore, some clients may pay lower commissions than other clients in similar transactions or in a "block" transaction where securities are purchased or sold for more than one client in a single transaction.

Clients will not necessarily obtain commission rates or execution of transactions as favorable as those through an investment advisor which selects brokerage firms and negotiates rates for retail clients. Clients directing brokerage may also incur other transaction costs, greater spreads, or receive less favorable net prices on transactions for their accounts.

As a result of the foregoing, a potential conflict exists between the interest of Eagle Boston's clients in obtaining the lowest commission and Eagle Boston's receipt of future referrals from the client's broker-dealer. Accounts of retail clients generally do not participate in allocations of securities purchased in public offerings. (Please see the section "Public Offerings" for more information).

Broker-dealers often offer their clients more than one option of paying for the brokerage services they provide in connection with managed accounts. Such services may include execution services and custody of securities, as well as investment planning services and the selection and monitoring of various asset managers. The payment options offered are often related to the level of services provided, and they can range from all-inclusive fee arrangements to straight commissions only. Clients should contact their broker-dealer and discuss the various options and services their broker-dealer provides.

The broker-dealers affiliated with Eagle Boston offer their clients two payment options for their Eagle Boston managed accounts. The first option is a commission payment for each transaction in the account, as transactions occur, at the rate the client and the broker/dealer negotiated. The registered representative receives a portion of such commissions as compensation. The second option is an annualized, asset-based fee calculated as a fixed percentage (e.g., 1.5 % to 3 %) of assets under management in the account. The client does not pay a commission on each transaction in the account. The client and the broker-dealer or its registered representative may negotiate the asset based fee. The registered representative receives a portion of the asset-based fee as compensation. The asset-based fee is paid quarterly, in advance, and based on the account asset value on the last business day of the

previous calendar quarter. Accounts opened during a quarter are billed a pro-rata fee for the remainder of the quarter based upon the value of the assets initially contributed to the account.

When deciding on the most appropriate payment option, clients should consider that asset-based fee arrangements, when compared with the traditional commission option, generally result in lower costs during periods when trading activity is heavier, such as the year an account is established. When trading activity is lower, asset based fees may result in a higher annual costs.

The commission option a client chooses will have no effect on Eagle Boston's level of trading activity in an account. Eagle Boston's conducts portfolio management independently of how the client pays for brokerage services. Some clients favor the asset-based fee because it fixes their brokerage cost at a predetermined level; whereas this may be unsuitable for other clients because they anticipate their accounts will have low turnover. Clients are entitled to know the exact brokerage fee amount, the services provided for that fee, and anticipated turnover in the account. Section 11(a) of the Securities Exchange Act of 1934 (the "Exchange Act"), requires a client's prior consent for an adviser to use an affiliated broker/dealer to effect a transaction on an exchange of which the affiliated broker-dealer is a member. Specifically, a client consents, in the absence of contrary instructions, to an affiliated broker-dealer (in Eagle Boston's case, RJA) acting as broker for the account when permitted by applicable law. In compliance with federal securities laws, Eagle Boston sends clients an annual letter detailing Eagle Boston's obligations relating to satisfying Section 11(a) of the Exchange Act.

Eagle Boston, from time to time, may purchase and sell securities for client accounts referred by affiliated brokers through unaffiliated broker-dealers using RJA as "Prime Broker" for these client accounts. Eagle Boston will do this if it determines that it will achieve more favorable transaction execution. Eagle Boston may also utilize a procedure known as "step-out trading," under which a block (aggregated) trade for a security for both institutional accounts and retail accounts referred by a broker-dealer is effected by another broker, who then "steps-out" the retail portion of the trade to the broker-dealer, who receives compensation for the transaction with respect to the retail accounts and records the transaction for its clients' accounts. Eagle Boston uses step out trading when in its judgment; it will achieve more favorable execution for its client accounts.

#### **BROKERAGE PRACTICES - INSTITUTIONAL ACCOUNTS**

When institutional clients grant Eagle Boston brokerage discretion, Eagle Boston's general policy is to use its best efforts to obtain the best available price and most favorable execution for all portfolio transactions executed on its clients' behalf. "Best available price and most favorable execution" is defined to mean the execution of a particular transaction at the price and commission which provides the most favorable cost or proceeds reasonably obtainable under the circumstances. However as explained more fully later in this section, Eagle Boston may pay higher (i.e., more than the lowest available commission rate) commissions in return for brokerage and research services.

When selecting brokers- dealers to execute clients' portfolio transactions, Eagle Boston considers such factors as the security price, the commission rate, the size and difficulty of the order, the reliability, integrity, financial condition, general execution and operational capabilities of competing brokers and dealers, and the brokerage and research services they provide. It is not Eagle Boston's policy to seek the lowest available commission rate where it believes that a broker or dealer charging a higher commission rate would offer greater reliability or provide better price or execution. Eagle Boston also uses electronic crossing networks (ECNs), crossing networks, and algorithmic trading programs to select institutional account brokers. As a general policy, Eagle Boston and its affiliates do not receive rebates or payments for order flow with ECNs or other broker-dealers, despite the ability to receive them. If Eagle Boston receives a rebate or payment for order flow, it allocates them in the clients' best interests.

#### **Fixed Income Securities**

Eagle Boston generally purchases fixed income securities from the issuer or a primary market-maker acting as principal for the securities on a net basis. The client does not pay a brokerage commission,

although the price usually includes an undisclosed compensation. Transactions placed through dealers serving as primary market-makers reflect the spread between the bid (buying) and asked (selling) prices.

### **Evaluating Reasonableness of Brokerage Commissions**

Eagle Boston continually evaluates the reasonableness of commission rates in the marketplace for transactions executed on its client's behalf. Eagle Boston considers:

- (a) rates other institutional investors are paying, based on available public information;
- (b) rates quoted by brokers and dealers;
- (c) the size of a particular transaction, in terms of the number of shares, dollar amount, and number of clients involved;
- (d) the complexity of a particular transaction relative to execution and settlement;
- (e) the level and type of business done with a particular firm over a period of time; and
- (f) the extent to which the broker or dealer has capital at risk in the transaction.

### **Description of Research Services Received from Broker-Dealers**

Eagle Boston receives a wide range of research services from broker-dealers including its affiliate, RJA. These services may include information on the economy, industries, groups of securities, individual companies, statistical information, accounting and tax law interpretations, political developments, legal developments affecting portfolio securities, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis, and analysis of corporate responsibility issues. Eagle Boston received research services primarily as written reports, computer generated services, and personal meetings with security analysts. Research services may also take the form of meetings arranged with corporate and industry spokespersons, economists, academicians and government representatives.

The research services brokers -dealers provide are supplemental to Eagle Boston's own research effort and, when utilized, are subject to Eagle Boston's internal analysis before incorporation into its investment process. Practically, it is impossible for Eagle Boston's research staff to generate all the research and information broker-dealers presently provide. Eagle Boston pays cash for certain research services external sources generate. Eagle Boston's research expenses could materially increase if it attempted to generate the additional research brokerages provide.

### **Commissions to Brokers Who Furnish Research Services**

Eagle Boston has a brokerage allocation policy embodying the concepts of Section 28(e) of the Exchange Act ("Section 28(e)"). This section permits an investment adviser to cause an account to pay commission rates in excess of another broker-dealer's rates for effecting the same transaction, if the adviser determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services provided. Eagle Boston may use the research broker-dealers provide for the benefit of all institutional and retail accounts not just for the account that generated the commissions.

Eagle Boston sometimes uses commissions from certain institutional accounts to obtain appropriate investment decision-making assistance such as quotation equipment. These tools may assist in trade execution, or provide important market related news and developments.

Eagle Boston has arrangements whereby it obtains research products and services in addition to brokerage services from brokers in exchange for directing client trades to these brokers. These arrangements are known as "soft dollar" arrangements and are common in the investment advisory business. The research products and services these soft dollar arrangements provide assist Eagle Boston in investment decision making for its client accounts. The research products and services can either be proprietary (created and provided by the broker) or third party (created by a third party but provided to Eagle Boston by the broker) and include:

-Economic research

-Industry and Company Research

-Interest Rate and Bond Research

-Technical Research

-Portfolio Management Research

-Financial news and other publications

-Industry and Company computer screening ability

- Commodity Research

-Stock and Bond quote services

In accordance with Section 28(e), Eagle Boston ensures that all soft dollar arrangements pay for bona fide research. In some cases, the products or services Eagle Boston receives may not be used exclusively for research purposes. For example, certain computer systems Eagle Boston uses may provide "mixed use" functions, such as accounting and record keeping, in addition to investment research. In those cases, Eagle Boston will not pay for the service through soft dollar arrangements.

### **Commission Sharing Arrangements and Client Commission Arrangements**

The SEC refers to all payment structures utilizing investor commissions to fund the purchase of research services under safe harbor provisions in Section 28 (e), including proprietary (bundled) arrangements and third party independent arrangements, such as Client Commission Arrangements ("CCA"). The SEC uses this term because broker-dealers cannot share commissions with non broker-dealers, and many independent research providers are not broker-dealers. The SEC also uses the term "client commission practices" to refer to practices under Section 28(e) to avoid confusion that may arise over the usage of the phrase "soft dollars". This term is used to minimize confusion with the term Commission Sharing Arrangements ("CSA"), which refers to payments by broker dealers to research vendors who are also broker-dealers themselves.

The CSAs may be structured as traditional soft dollar arrangements obligating the broker-dealer to pay for a specific research product or they may allow Eagle Boston to designate broker-dealer payments to specific research providers based on existing commission credits with the executing broker-dealers. The latter arrangements enable Eagle Boston to separate trade execution from research.

### **Commission Rates**

Some of Eagle Boston's clients have selected a broker-dealer to act as custodian for the clients' assets and direct Eagle Boston to execute transactions through that broker-dealer. It is not Eagle Boston's practice to negotiate commission rates with these broker-dealers. For clients who grant Eagle Boston brokerage discretion, Eagle Boston will block orders and all client transactions will be done at the same standard institutional per share commission rate. This rate is typically between \$0.02 to \$0.04 per share.

### **Directed Brokerage and Commission Recapture**

Clients not subject to ERISA provisions may direct Eagle Boston in writing to execute transactions with one or more specific brokers at commission rate or rates the client and the brokers agreed upon. Clients subject to ERISA must provide Eagle Boston with written instructions directing Eagle Boston to execute transactions with one or more specific brokers. The written notice must state that the services the broker(s) provide and the commission rate or amount are consistent with ERISA provisions and in the client's best interest. Clients who direct Eagle Boston to use a particular broker-dealer may not receive commission rates or execution of transactions as favorable as clients who give Eagle Boston full discretion to select the broker-dealer for portfolio transactions. They may also incur other transaction costs or greater spreads, or receive less favorable net prices on transactions for their accounts. Some institutional clients may direct Eagle Boston to use a particular broker as long as that broker is able to obtain best price and execution for the portfolio's transactions. Eagle Boston uses its best efforts to accommodate client requests. This type of program is sometimes referred to as "commission recapture", where the client may have a consulting or other relationship with the designated broker. For retail accounts, Eagle Boston generally follows the client's specific directions in the Investment Management Agreement to direct transaction execution to the referring broker-dealer. These broker-dealers include affiliated (RJA) and unaffiliated firms. Please see the discussions in Item 12 regarding the use of prime brokerage arrangements and step-out trading procedures for retail accounts.

For institutional accounts, clients typically authorize Eagle Boston to determine which broker-dealers to use to effect transactions for their accounts. Please see the discussion in Item 12, "Brokerage Practices

- Institutional Accounts", regarding the criteria Eagle Boston uses to select broker-dealers.

### **Aggregation and Allocation Policy**

#### **Aggregation**

Eagle Boston may determine that the purchase or sale of a particular security is appropriate for more than one client account and may aggregate client orders into one order ("Block Orders") for execution purposes. Block trading can avoid the adverse effect on a security's price when simultaneous separate and competing orders placed. When aggregating orders and subsequently allocating Block Orders (purchases and sales) to individual client accounts, it is Eagle Boston's policy to treat all clients fairly and to achieve an equitable distribution of aggregated orders.

Certain Eagle Boston employees, including traders, are also Eagle Asset Management ("Eagle") employees. These traders will execute trades for both Eagle and Eagle Boston clients. However, they will not aggregate transactions between the two entities. There may be instances where an Eagle Boston trader executes a transaction on behalf of Eagle Boston clients and the same or another trader is executing a similar order for Eagle clients. In such circumstances, priority will be given to orders that were placed first.

#### **Allocation**

All non-holders of a given security are initially included to receive approximately equal percentage position sizes in block (aggregated) order allocations prior to purchase orders being placed. All holders of a given security are initially included in block sale allocations prior to the orders being placed. Price averaging is used for trades executed in a series of transactions on the same day in the same objective with the same broker.

Eagle Boston allocates aggregated orders on a pro rata basis. In the event of a partial fill of an aggregated order, accounts will receive a pro rata allocation if there are enough shares executed for each account. For example, if Eagle Boston placed an order for 50,000 shares and 25,000 shares were executed, Eagle Boston would prorate the shares so that each account would get approximately half of what was entered.

If for the same 50,000 shares order Eagle Boston only executed a *de minimus* number of shares (for example, 1,000 shares), Eagle Boston would allocate shares to accounts that had high cash (in the case of a purchase) or low cash (in the case of a sale). On the following day, Eagle Boston will repeat the order until all accounts received the appropriate allocation. Other possible criteria for allocating aggregated orders include the current concentration of holdings of the industry in question in the account, and, with respect to fixed income accounts, the mix of corporate and/or government securities in an account and the duration of such securities. Eagle Boston's institutional accounts may also participate in aggregated orders allocation, and the same criteria noted above will apply to such allocations.

Some types of purchase or sale transactions cannot be included in aggregated orders. For instance, trades resulting from the opening and closing of accounts, or from contributions to or withdrawals from existing accounts, often must be executed on an individual basis rather than aggregated with other trades. In such cases, clients may not receive as favorable executions as they might otherwise receive from aggregated orders. In particular, individual trades executed for fixed income securities may be subject to greater spreads (greater differences between bid and asked prices), and may result in trade executions that are less favorable than executions received on aggregated orders.

#### **Trade Order (Equity)**

Eagle Boston's retail accounts are referred primarily through Wrap Programs and their sponsors. In every instance, Eagle Boston is directed to route orders for its retail accounts to the broker-dealer the sponsor designates. Consequently, when a portfolio manager wishes to buy or sell a security for all accounts in

an objective, Eagle Boston must submit, or route, orders to a potentially large number of broker-dealers, including broker-dealer selected by Eagle Boston for institutional accounts in which Eagle Boston has discretion over broker-dealer selection. When submitting such orders, Eagle Boston's policy is to combine both a random order and trader discretion in an attempt to receive the best overall execution. To accomplish this, Wrap Programs are split into two groups based on amount of assets in each program in each investment objective: Group A - higher assets under management in the investment objective; and Group B - lower assets under management in the investment objective;

Eagle Boston traders will randomly execute trades with broker-dealers in both groups until the order is completed. However, the traders will intersperse the smaller orders from Group B with the larger orders from Group A based on Eagle Boston's discretion and as market conditions permit. For example, for a given trade Group A consists of sponsors and broker-dealers A-E that all have assets under management in the Eagle Boston investment objective of greater than \$50 million while Group B consists of Sponsors and brokers-dealers F-O that all have assets under management in the same Eagle Boston objective of less than \$50 million. At the time of a new order, each group will have a new random sequence assigned for the trade and that sequence will dictate the order in which those orders are entered within their respective groups. However, trader discretion based upon current market conditions will determine how the groups are brought together for execution. While executing for the first broker-dealer in Group A, an Eagle Boston trader may decide to execute order for the first several in Group B simultaneously. This process will continue until the order is completed.

Because each group generates its own random order and the two groups are interspersed, all broker-dealers have the same chance of being selected toward the beginning, in the middle, or at the end of the trade order opportunities. Eagle Boston believes that the long-term benefit of this system is that, over time, all clients will be treated equally and more efficiently in the area of trade order priority. Some clients may be consistently traded toward the end of Eagle Boston's trade rotation if Eagle Boston determines that including these clients in the normal trade rotation could adversely impact Eagle Boston's broader client group. In these cases, Eagle Boston will provide prior notice to the client outlining the reasons why his trades are not higher in the trade rotation. These clients may regularly receive less favorable prices on account transactions.

When an order involves both institutional and retail accounts, orders are randomly rotated between both types of accounts. This ensures that each type of account has an equal chance at being higher in the trade rotation. Institutional accounts with a "directed brokerage" arrangement will be randomly rotated interspersed with the institutional account block that granted Eagle Boston discretion over brokerage.

Eagle Boston accomplishes random rotation by running a random sequencing spreadsheet referred to as the randomizer. Where a security is simultaneously sold and replaced, the randomizer will run once and the rotation sequence will be applied to both the sale and purchase. This helps manage client cash positions more efficiently where client accounts purchasing a security early in one rotation and possibly selling late in the other rotation do not have a significantly lower cash holding relative to other accounts in the same investment objective or model. Client accounts will also have adequate cash for the purchase side of the transaction.

#### **Trade Order (Fixed Income)**

The majority of Eagle Boston's Fixed Income accounts allow Eagle Boston to trade with other brokers in executing portfolio transactions. Eagle Boston will search for the best possible price sometimes seeking bids or offers from many dealers. Eagle Boston Fixed Income traders use their best judgment when seeking best execution without divulging valuable information or effecting price levels that may work against Eagle Boston clients.

If a client's designated broker does not allow Eagle Boston to trade with another broker, Eagle Boston will trade with that broker-dealer but after those accounts described above. These accounts may receive



execution and prices that are inferior to accounts that grant Eagle Boston discretion to select dealers for portfolio transactions.

Eagle Boston allocates aggregated orders on a pro rata basis and in instances where Eagle Boston cannot obtain the desired amount of a particular bond; Eagle Boston allocates a reduced position size across all non-holders with so that each account receives an equal percentage.

### **Public Offerings**

Eagle Boston's portfolio managers may purchase equity or debt securities in initial or secondary public offerings once consistent with the investment objectives of eligible accounts. Subject to certain conditions and limitations, this may include offerings in which Eagle Boston's affiliated broker-dealer, RJA, is a distribution participant. Eagle Boston's purchases will be through unaffiliated participants. Because the underwriting syndicates may not include a broker-dealer retail or institutional clients have directed Eagle Boston to use these accounts will not receive allocations of securities purchased in public offerings. As a general rule, Eagle Boston will only allocate securities purchased in public offerings, to accounts Eagle Boston has discretion to select broker-dealers for transaction executions.

Some of Eagle Boston's institutional equity objectives) may purchase in initial public offerings (IPO's) as part of their investment strategy. Because the market for IPO's is uneven, a portfolio manager's ability, or inability to participate in IPO allocations can have a potentially significant effect on account performance, and the shares themselves are often subject to greater volatility.

Eagle Boston generally allocates securities purchased through an IPO on a pro rata basis for each eligible account in an objective. In situations where the securities allotment is insufficient to provide meaningful position sizes, Eagle Boston will allocate the securities on a rotating basis to as many accounts as practical. Portfolio managers will oversee allocations ensuring that over time, all eligible accounts will have an equitable opportunity to participate in public offerings. If a manager's performance in a given year receives a substantial benefit from profitable IPO allocations, the manager may not be able to duplicate that performance in the succeeding year, because the public offering market may have shrunk, or because the manager's selections prove unsuccessful. The IPO market is risky and volatile, and clients should be willing to tolerate a higher degree of risk.

For accounts it has discretion over, Eagle Boston maintains a list of approved broker-dealers it uses to place client trades for execution. Eagle Boston reevaluates these broker-dealers to confirm that they meet Eagle Boston's criteria and standards, providing trade execution services which Eagle Boston views as satisfactory. Upon reevaluation Eagle Boston may add or remove broker-dealers to or from the list.

When Eagle Boston has discretionary investment authority over client accounts, Eagle Boston seeks to obtain the best available price and most favorable execution when placing orders for transaction execution for these accounts. "Best available price and most favorable execution" means, for this purpose, "best execution," or the execution of a particular transaction at the price and commission which provides the most favorable total cost or proceeds reasonably obtainable under the circumstances. Eagle Boston pursues this objective by placing orders for the execution in accordance with its best execution policies, except if clients otherwise direct. Eagle Boston bases its selection of a broker-dealer on a variety of factors, which may include:

- ☐ commission rates;
- ☐ execution capability;
- ☐ responsiveness;
- ☐ the broker-dealer's willingness to commit capital;
- ☐ creditworthiness and financial stability;
- ☐ clearance and settlement capability; and
- ☐ the broker-dealer's provision of research and other brokerage services to Eagle.

Transactions may not always be executed at the lowest available price or commission. Eagle Boston cannot assure that best execution will be achieved for each client transaction. Perceptions of what constitutes best execution in any given instance may vary.

### **Directed Brokerage in Wrap Programs**

Eagle Boston client accounts which originate through Wrap Programs are usually directed brokerage accounts. These sponsors typically charge the program participants a fee which includes transaction execution for the participants' accounts. The sponsors usually place the transactions. Therefore, Wrap Program clients may not receive the same quality of trade execution compared to when Eagle Boston executes transactions.

A Wrap Program client should confer with the sponsor to ensure the reasonableness of the program's directed brokerage for the program in view of the benefits received, and that the trade execution the sponsor provides is in the client's best interest. Eagle Boston may not use the Wrap Program sponsor for trade execution in instances when Eagle Boston determines that another broker-dealer will provide more favorable execution for the client's account taking into consideration the price, and the potential additional cost to the client. In those instances, the Wrap Program client may pay additional commissions, fees, mark-ups or downs on security transactions placed away from the program sponsor.

### **Other Client Directed Brokerage**

Eagle Boston may accept client direction to use a particular broker-dealer. This direction should be in writing as part of the advisory agreement between the client and Eagle Boston. A client may direct Eagle Boston to use a particular broker-dealer for a variety of reasons, including:

- ☐ the client's relationship with the broker-dealer;
- ☐ the client's evaluation of the broker-dealer and the quality of its trade execution;
- ☐ discounts or other benefits the client receives from the broker-dealer;
- ☐ the existence of a commission recapture program where the client receives the benefit of rebates or other benefits separately negotiated between the client and the broker-dealer.

When a client directs Eagle Boston to use a particular broker-dealer, Eagle Boston cannot negotiate commission levels or obtain discounts and the client may not receive the same quality of execution that Eagle Boston may otherwise obtain. Moreover, when a client directs Eagle Boston to use a particular broker-dealer, Eagle Boston may not be able to aggregate the client's securities transactions with other clients', and therefore may not be able to obtain the potential efficiencies from trade aggregation, unless the directed broker-dealer accepts "step-out" transactions.

### **Additional Aspects of Directed Brokerage – Clients Subject to ERISA**

If a client account is subject to ERISA and the client directs Eagle Boston to place all transactions for the client's account with a particular broker-dealer, the following apply:

- ☐ the client retains and accepts sole responsibility for determining whether the directed brokerage arrangement is reasonable in relation to the benefits the plan receives;
- ☐ the client acknowledges and represents to Eagle Boston that the directed brokerage arrangement is used solely and exclusively for the plan's and the participants' benefit; and
- ☐ the client acknowledges and represents to Eagle Boston that the directed brokerage arrangement is permissible under the plan's governing documents.

Eagle Boston may pay, or be deemed to pay, commission rates higher than it might otherwise pay to receive research or brokerage services which Eagle Boston views as beneficial to client accounts. Research or brokerage services Eagle Boston receives for conducting transactions in a client account may benefit other accounts and a particular account may not benefit from services obtained because of transactions conducted through that account. Eagle Boston does not attempt to track or allocate the benefits of research or brokerage services it receives to the commissions associated with a particular account or group of accounts.

Eagle Boston may also participate in so-called "commission sharing arrangements" where Eagle

receives credits from a broker-dealer that executed transactions for client accounts. Eagle Boston may use these credits to purchase research services from the broker-dealer, other broker-dealers or financial services firms which provide research. Eagle Boston does not use these credits to purchase services that are not in its view fully eligible under applicable regulatory interpretations. Eagle Boston believes these arrangements facilitate best execution of client transactions, and are useful in its investment decision-making process by improving access to a wider variety of research resources.

Eagle Boston's Best Execution Committee evaluates Eagle Boston's use of client commissions to purchase research and brokerage services.

### **Trade Errors**

When Eagle Boston is responsible for trading errors, Eagle Boston's policy is to make the client whole by correcting the error, i.e., to restore the client's account to the position it would have been in if the error had not occurred. The correction process may result in cash shortfalls or overages and such amounts are credited or debited to Eagle Boston's trading error account.

## **Item 13 – Review of Accounts**

Factors that dictate the timing and nature of account reviews include the following:

contributions or withdrawals of cash from an account; a determination to change an account's cash level; the allocation of a block of a particular security purchased for, or sold from, a particular objective; a client's request for tax-loss selling; a client's direction to refrain from purchasing a particular security, or class of securities, for his or her account; a client's request for information regarding the performance or structure of an account; account performance; option maturity dates; interest rate changes; changes in the list of securities approved for purchase for a particular objective; a client's pledge of an account's assets as collateral security; and requirements imposed by court order or regulatory decree (e.g., divorce decree, tax lien).

The timing and nature of account reviews for mutual funds Eagle Boston advises are further dictated by regulatory requirements including but not limited to the 1940 Act, Internal Revenue Code, and each mutual fund's respective prospectus limitations and internal guidelines.

Eagle Boston does not typically assign reviewers a specific number of accounts to review. These reviewers ensure that all accounts in an objective receive equitable investment allocations in accordance with account guidelines or restrictions. The equity portions of Select Balanced accounts are reviewed by the selected equity manager and his/her staff, and the fixed income portions are reviewed by the selected fixed income manager and his/her staff. Further, mutual funds are reviewed by their respective chief compliance officers and staff. Eagle Boston's Compliance Department, Institutional Client Services Group, or portfolio management team, reviews each account at least monthly. This review ensures adherence to investment strategy and confirms that account performance is consistent with any model portfolio or client guidelines. Indirect reviews are also conducted at least quarterly. These reviews monitor each strategy model. Reviewers may include the Chief Compliance Officer, Compliance Associates, the Institutional Client Services Group Director, Portfolio Managers, Associate Portfolio Managers and Traders. The frequency, interval and scope of these reviews for each account are dependent upon a number of factors, including but not limited to:

- ☐ cash contributions or withdrawals from an account;
- ☐ change in the investment restrictions, investment objectives and for institutional accounts, the investment policy;
- ☐ client requests such as tax-loss harvesting;
- ☐ questions regarding performance or structure; and
- ☐ requirements that could be imposed by court order or by regulator (SEC, Department of Labor, etc.).

Eagle Boston's Compliance Department also uses an automated order management system to review each client account every business night to ensure portfolio level compliance (industry/sectors weights, adherence to investment guidelines, etc.). In addition, the Eagle Boston's Portfolio Managers and research analysts continually monitor markets, world and economic events, and securities held in Eagle Boston managed accounts. Clients should contact Eagle Boston if any changes occur in their particular financial situations which may affect Eagle Boston's portfolio management services.

## Regular Reports

Institutional Separate Accounts: Eagle Boston provides each client with a quarterly portfolio report. The details may include:

□ cash balances; □ type, name and amount of each security; □ portfolio weighting of each security; □ account performance (based upon Eagle Boston's independent valuations – separate from the client's custodian); □ current market value of the portfolio; and □ transactions during the report period.

These materials are provided in addition to the confirmations of transactions and custodial reports the client agreed to receive directly from the selected custodians.

Wrap Program: Eagle Boston generally does not provide reports to Wrap Program clients. Wrap Program clients agree to receive reports from the program sponsor the client has selected.

Eagle Boston Mutual Funds: Reports are provided to the Mutual Funds' Trustees at least four times each calendar year. Shareholder reports are issued in accordance with each Fund's Prospectus.

## Tax Considerations

Unless specifically noted, tax efficiency is not a consideration in the management of Eagle accounts. Certain investments utilized may have unique and significant tax implications. Clients should consult with a tax professional prior to investing.

*IRS Circular 230 Disclosure*: Eagle, its affiliates, agents, and employees are not in the business of providing tax, regulatory, accounting or legal advice. This brochure and any tax-related statements provided by Eagle are not intended or written to be used, and cannot be used or relied upon, by any such taxpayer for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

## Item 14 – Client Referrals and Other Compensation

### Compensation for Client Referrals

Certain registered representatives receive special management fee discounts when their individual and related accounts achieving certain asset levels. Eagle Boston also has a program for registered representatives of its affiliated broker-dealers (RJA and RJFS) who refer institutional clients to Eagle Boston. Eagle Boston will pay these representatives a fee equal to a percentage of the management fees Eagle Boston earns. Eagle Boston created this program naming it the Institutional Account Participation Program (IAPP).

Institutional clients in the IAPP should be aware that a potential conflict of interest may exist where Eagle Boston pays a portion of its management fee to the affiliated registered representative for referring the account to Eagle Boston. The registered representative receives a larger fee from Eagle Boston in the initial year than in subsequent years.

Eagle Boston will, on a very limited basis, pay a fee equal to a percentage of the management fee to a registered representative whose client(s) maintains substantial assets under management with Eagle, and negotiates an institutional type brokerage arrangement with the referring account executive's firm.

Eagle Boston's affiliated investment advisers form arrangements with certain professional individuals (such as lawyers and accountants), to pay referral fees for advisory clients for managed account programs referred to these advisers. Eagle Boston may offer managed account services to these accounts.

Eagle Boston may enter into referral fee arrangements with unaffiliated persons. These arrangements will comply with Rule 206(4)-3 requirements under the Advisers Act.

#### **Non Cash Compensation**

B-Trade Services LLC ("B-Trade"): Eagle Boston has an arrangement with B-Trade, a broker-dealer, whereby B-Trade provides Eagle Boston with Bloomberg terminals to facilitate trading. B-Trade provides these Bloomberg terminals at no cost to Eagle Boston as long as Eagle Boston maintains a certain level of trading activity through B-Trade. Eagle Boston is under no obligation to transact client trades through B-Trade and clients do not incur additional commission costs associated with portfolio transactions through B-Trade.

**Client Referrals** Eagle Boston is a party to written solicitation agreements with third party solicitors whereby solicitors may introduce prospective clients to Eagle Boston. Under these agreements, Eagle Boston agrees to pay the solicitor a portion or percentage of the investment management fee Eagle Boston receives from certain investment management clients who engage Eagle Boston during the term of the agreement. These percentages range from 10% to 30%. A solicitor may be subject to conflicts of interest arising from these arrangements, because the payments might induce the solicitor to recommend an investment manager to a client which the solicitor might not otherwise recommend if there was no payment. Eagle Boston enters into solicitation agreements, and pays fees under these agreements, in accordance with Rules 206(4)-3 and 206(4)-5 under the Advisers Act. Eagle Boston and the solicitors are not affiliated persons as defined in the Advisers Act.

**Education and Marketing Support:** Eagle Boston actively educates consultants, broker-dealers, and other financial intermediaries (collectively, "Consultants") about its advisory services. Eagle Boston sponsors educational events where its representatives meet with Consultants and sometimes their clients. Eagle Boston will use its own resources to sometimes pay for part of the costs associated with educational events. Clients should ask their Consultant for details of any Eagle Boston payments they receive.

#### **Item 15 – Custody**

Under SEC Rule 206(4)-2, Eagle Boston may be viewed for regulatory purposes as having custody of certain client assets due to (i) Eagle Boston's ability to deduct fees directly from certain client accounts.. Eagle Boston encourages each client to review the custodial reports the client receives directly from the client's broker-dealer, bank or other custodian, and to compare the reports, if any, they receive from Eagle Boston. If you have any questions on the information the custodian or Eagle Boston provides, please contact your Eagle Boston relationship manager.

#### **Item 16 – Investment Discretion**

Eagle Boston signs an investment management agreement with the client, whereby the client grants Eagle Boston sole investment authority and Eagle Boston assumes the investment duties relating to account assets. Pursuant to the Investment Management Agreement terms, Eagle Boston is generally not required to obtain specific client consent for specific securities to be bought or sold. However, the client selects an investment objective and Eagle Boston buys securities for the client's account that align with that investment objective. Eagle Boston may or may not take action as it deems appropriate. Eagle Boston may but does not have to seek further consent or authority from the client, and may exercise its discretion and deal in and with such assets as fully and freely as the client might do as owner. However, Eagle Boston is not authorized to withdraw any money, securities, or other property either in the client's name or otherwise. Eagle Boston can sell securities in the account's portfolio without regard for how long they were held, or any potential gain or loss. As a result, transactions may result in taxable gains or losses in a client's account, as well as payment of commissions and other transaction costs. Specifically,

for Wrap Programs and other accounts where a sponsor imposes fixed or minimum transaction fees, a larger number of transactions may result in higher costs to a client. Eagle Boston can make investment changes without considering the resulting rate of portfolio turnover, when in its sole discretion it determines that such changes will promote the account's investment objective.

If voting rights accompany the security or property in the account, Eagle Boston follows its Proxy Voting Policy described in Item 17 below.

Since Eagle Boston manages accounts with full investment discretion, Eagle Boston generally does not manage accounts where the client's custodial account holds both managed and non-managed assets, i.e., assets subject to Eagle Boston's investment discretion under the terms of the Investment Management Agreement, and assets for which Eagle Boston has no discretion, authority, or responsibility. Occasionally, and under limited conditions, Eagle Boston will agree to manage an account where managed assets are held in a custodial account along with non-managed assets. . The client is solely responsible for any and all losses non-managed assets sustain.

In general, the following guidelines should apply when selecting any Eagle Boston objective:

- (1) The amount allocated to any one objective should be reasonable in light of overall asset allocation and the investor's overall investment goals.
- (2) The investor's age, net worth and annual income should be compatible with his or her objective and primary goals.
- (3) The investor's tolerance for risk and volatility should be reasonable in light of his or her objective and primary goals.
- (4) The investor's time horizon should be consistent with his or her objective and goals.

Since investment goals and financial circumstances change over time, investors should review their investment programs at least annually with their account executives or financial planners.

Clients may impose certain limitations or restrictions on Eagle Boston's exercise of its discretionary authority. However, Eagle Boston reserves the right not enter into a contract with a prospective client, or to terminate an agreement with an existing client, if the proposed limitation or restriction is likely in Eagle Boston's opinion to impair its ability to provide services to a client or is administratively or practically infeasible. Historically (but not necessarily prospectively), Eagle Boston has agreed to a client's direction not to invest in a certain type of company or industry. Limitation or restriction requests must be in writing. The request will not be effective or implemented unless Eagle Boston agrees to comply.

## **Item 17 – Voting Client Securities**

### **Eagle Boston Proxy Voting Policy**

Exercising proxy voting rights is an important element of successful client investment management. Eagle Boston recognizes its fiduciary responsibility to vote proxies solely in the client's best interests with the overall goal of maximizing the growth of our clients' assets. Toward that end, Eagle Boston developed a comprehensive and detailed set of proxy voting policies and guidelines "Proxy Voting Policy", which our portfolio managers use to vote proxies in securities held in client accounts.

Eagle Boston generally votes proxies that will further the underlying securities' long-term economic value. We consider each proxy proposal on its own merits, and we make an independent determination of the advisability of supporting or opposing management's position. Management recommendations should be given substantial weight, but we will not support management proposals we believe are detrimental to the underlying value of our clients' positions.

We usually oppose proposals that dilute the economic interest of shareholders, and we also oppose those that reduce shareholders' voting rights or otherwise limit their authority. With respect to takeover offers, Eagle Boston calculates a "going concern" value for every holding. If the offer approaches or exceeds our value estimate, we will generally vote for the merger, acquisition or leveraged buy-out.

Eagle Boston's portfolio managers generally recommend votes following the Proxy Voting Policy. By following predetermined voting guidelines, Eagle Boston believes it will avoid any potential conflicts of interests. Rarely, where a manager recommends a vote contrary to the Proxy Voting Policy, Eagle Boston's Compliance Department will review the proxy issue and the recommended vote to ensure that the vote is cast in compliance with Eagle Boston's overriding mandate to vote proxies in the client's best interests avoid conflicts of interests.

Please call 800-237-3101 for a copy of Eagle Boston's Proxy Voting Policy. If you have any questions, or would like to know how your shares were voted, please contact our Compliance Department at 800-237-3101.

Eagle Boston will not be able to vote proxies in cases where Eagle Boston does not receive the proxy materials in time or without enough advance notice for Eagle Boston to evaluate the issues and cast the votes. Eagle Boston does not control the setting of record dates, shareholder meeting dates, or the timing or manner of distribution of proxy materials and ballots relating to shareholder votes. In addition, administrative matters beyond Eagle Boston's control may at times prevent Eagle Boston from voting proxies. Conflicts may potentially arise between Eagle Boston's interest and the client's interest. For example, Eagle Boston may have an investment management agreement with a company whose shares are held by client accounts, and a conflict may arise if Eagle Boston has to vote proxies on those shares for a management proposal, such as the election of directors. Eagle Boston may decline to vote in a number of situations, including where an issue is irrelevant to the Proxy Voting Policy's voting objective, or where Eagle Boston believes it is impossible to ascertain what effect a vote may have on an investment's value (e.g., social issues), or where costs are prohibitive (e.g., foreign issuers).

## **Item 18 – Financial Information**

Eagle Boston has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.



## **Privacy Policy**

Eagle Asset Management, Inc., Eagle Boston Investment Management, Inc., Eagle Fund Distributors, Inc., Eagle Fund Services, Inc., and Eagle Funds (collectively “Eagle”) are committed to protecting the confidentiality of information clients send to us. Regulation S-P adopted by the SEC requires that we provide the following information to you.

Information about you that we collect:

We collect non-public personal information about you and your transactions from the following sources: your applications or other forms or through our website; your transactions with us, our affiliates, or others.

How we use your information:

As permitted by law, we may share information about you with Eagle Boston’s affiliated companies, parties that provide other services to us, and certain financial institutions with whom we have joint marketing arrangements. These parties and financial institutions have agreed to treat your information as confidential and not to share such information with other parties. Financial advisors may change brokerage firms and your financial adviser may take your information to the new firm. Otherwise, we do not disclose your non-public personal information except as the law permits. This policy applies to present and former clients’ non-public information.

How we protect your confidential information:

Eagle Boston has policies that restrict access to your non-public personal information to employees who need the information to provide investment alternatives or services to you. We maintain physical, electronic and procedural safeguards to protect your non-public personal information.



## **Part 2B of Form ADV: Brochure Supplement**

### **Item 1- Cover Page**

#### **Part 2B of Form ADV Brochure Supplement**

Eagle Boston Investment Management, Inc.  
880 Carillon Parkway  
St Petersburg, Florida 33716

DAVID ADAMS CFA  
JACK MCPHERSON CFA

This Brochure Supplement provides information on our personnel listed above and supplements the Brochure. You should have also received a copy of the Brochure. Additionally, a Summary of Professional Designations is included with this Part 2B Brochure Supplement. The list is provided to assist you in evaluating the professional designations our investment professionals hold. If you have not received our firm's Brochure, have any questions about professional designations or about any content of this supplement, please contact us at 800 237-3101.

Additional information about our personnel is available on the SEC's website at [www.adviserinfo@sec.gov](http://www.adviserinfo@sec.gov)

## Item 2- Educational Background and Business Experience

Name: DAVID M. ADAMS Year of Birth: 1963

Designations: CFA (Chartered Financial Analyst)

### Formal Education after high school:

B.S. cum laude from Boston College 1985

M.S. in Finance from Boston College in 1989

### Business background experience for preceding five years:

Eagle Boston Investment	2006 –present	Managing Director and Portfolio Manager
Pioneer Investment Management	2002- 2006	Vice President, Portfolio Manager
	1999- 2002	Vice President, Asst Portfolio Manager
	1997- 1999	Vice President Senior Analyst
	1994- 1997	Equity Analyst

## Item 3- Disciplinary Information

Dave Adams has never had any disciplinary disclosures to be reported.

## Item 4- Other Business Activities

Dave Adams is currently not actively engaged in any other investment related business or occupation.

## Item 5- Additional Compensation

David Adams compensation includes regular salary and bonuses for providing investment management services solely from his responsibilities at Eagle Boston and from no other source.

## Item 6 - Supervision

David Adams reports directly to Cooper Abbott President Eagle Boston Investment Management. You may contact Eagle Boston at 512-327-5530.

Name: JOHN MCPHERSON Year of Birth: 1966

Designations: CFA (Chartered Financial Analyst)

### Formal Education after high school:

B.S. Northeastern University 1990

M.B.A. from Babson College 2005

### Business background experience for preceding five years:

Eagle Boston Investment	2006 –present	Managing Director and Portfolio Manager
Pioneer Investment Management	2002- 2006	Vice President, Portfolio Manager
Middleton & Company	2001- 2002	Security Analyst
Evergreen Investment Management	1997- 2001	Vice President Equity Analyst

## Item 3- Disciplinary Information

John McPherson has never had any disciplinary disclosures to be reported.

## Item 4- Other Business Activities

John McPherson is currently not actively engaged in any other investment related business or occupation.

## Item 5- Additional Compensation

John McPherson compensation includes regular salary and bonuses for providing investment management services solely from his responsibilities at Eagle Boston and from no other source.

## Item 6 - Supervision

John McPherson reports directly to Cooper Abbott President Eagle Boston Investment Management. You may contact Eagle Boston at 800-237-3101.