STERLING CAPITAL

COMMENTARY
Insight SMA | 1st Quarter 2021

The philosophy behind the Sterling Capital Insight portfolio is that few investors should possess better insight into the future prospects of a company than its executives and board members. Just as lower valuations generally tilt the odds of investing success in investors' favor, so too does insider buying. That thesis is validated by academic studies from researchers at Harvard, Yale, Stanford, and the University of Michigan, which independently found that, over time, corporate insiders achieve superior risk-adjusted returns. A peer-reviewed article published in the November 2011 edition of the International Review of Economics and Finance further validated those findings, concluding that "Insider actions have positive predictive power for future returns. Managers know more about their companies than any outsider, including Wall Street analysts, and as such investors could benefit from observing the behavior of insiders. Results are statistically significant."

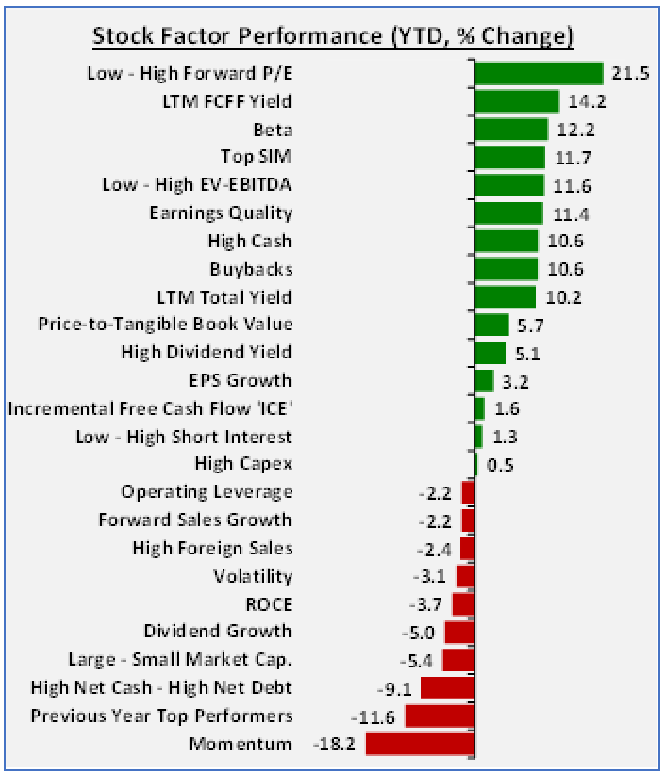
The majority of the Insight portfolio is invested in companies with recent insider buying activity. We also retain the flexibility to own companies in which insiders own a substantial (at least 5%) stake of the company, whereby their incentives already are well-aligned with ours as shareholders, but where it would be less likely to expect insiders to take a further stake via additional purchases. Such flexibility also enables the portfolio to invest in overseas companies that trade on U.S. exchanges, where insider buying is not reported in real time.

Performance

In the first quarter of 2021, the Insight portfolio generated a 10.8% gross return and 10.5% net return, compared to 5.9% for the Russell 1000® Index, 6.2% for the S&P 500® Index, and 13.5% for the S&P Midcap 400 Index.

"The road to success and the road to failure are almost exactly the same," according to English conductor Colin Davis. Those words resonate, insofar as the Insight portfolio outperformed in the first quarter of 2021, a reversal of its second half 2020 showing, despite the despite consistent portfolio composition across both periods.

What changed? We'd point toward investor preferences, which this time last year favored growth-at-any-price concept companies, irrespective of track record or profitability. By contrast, in the first quarter of 2021, low valuation proved to be the top-performing factor, while momentum was the worst-performing.

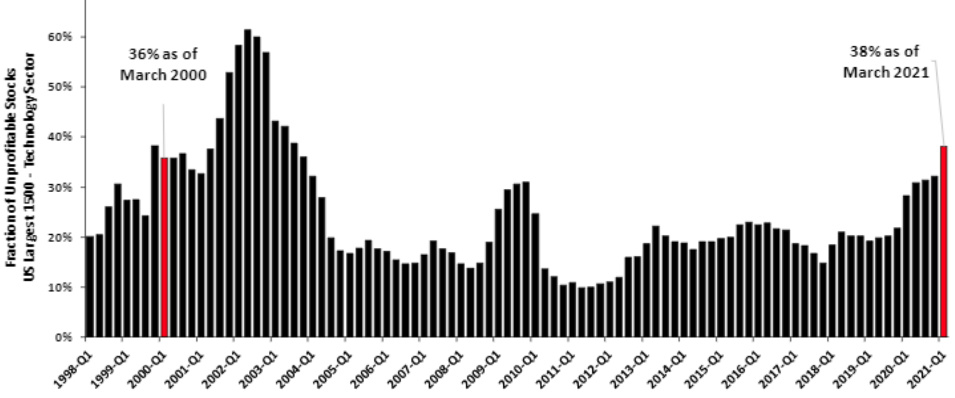


Source: Wolfe Research.

Said another way, trees do not grow to the sky and shrubs do not always wilt. Entering the year, the valuation gap between the Russell 1000® Growth and the Russell 1000® Value indices approached two standard deviations, i.e., a phenomenon that occurs only about 5% of the time. That set up a scenario where the operative question seemed to be more a matter of *when*, rather than *if*, that gap would eventually narrow.

Somewhat remarkably, the percentage of technology companies that are unprofitable today exceeds March 2000 levels, at the height of the dot-com bubble.

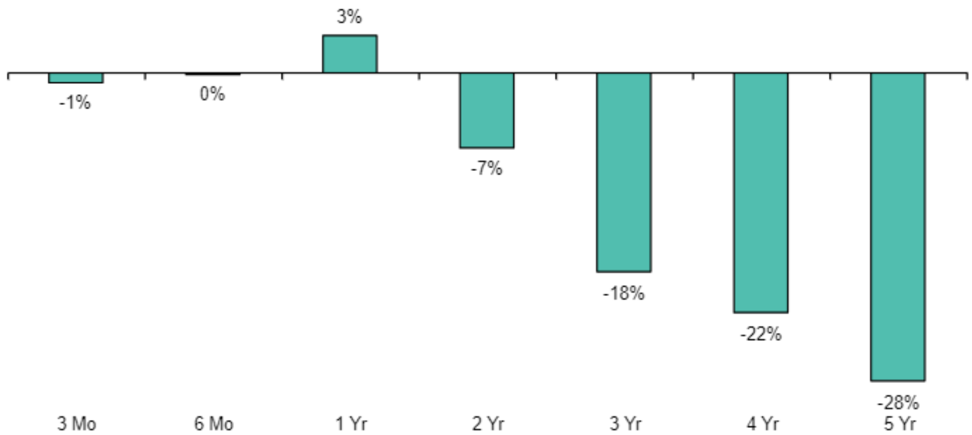
% Unprofitable Technology Stocks, 1998-2021 YTD



Sources: Factset, MSCI, CRSP and Bernstein analysis.

According to a March 2021 *Barron's* article, "Technology stocks have underperformed the market by about four percentage points this year, [while] the most expensive names are running about ten points behind." Bernstein Research shows in the chart below that stocks with stratospheric valuations historically underperform over most periods – a front-and-center reminder that the price one pays really does matter. As *Barron's* said: "Going back to 1970, stocks with price-to-sales multiples above 15 times have had terrible returns." We seek to avoid making such low-probability bets in the portfolio for precisely that reason.

Average Relative Returns of Tech Stocks with Greater than 15x Price to Sales, 1970-2021 YTD (Equal Weight)



Sources: Factset, MSCI, CRSP and Bernstein analysis.

Winners and Losers

For the quarter, 33 of our holdings rose in value, while only three declined. Among the gainers, 13 advanced by a double-digit percentage, while none of the decliners fell more than -3%.

Our top-performing stock for the quarter was used car retailer **CarMax** (+40%), as investors increasingly credited the company for its omni-channel initiatives. CarMax now offers consumers the opportunity to complete the entire car buying transaction online, significantly increasing its addressable market opportunity. **Hartford** (+39%) was our second-best performer, with strong quarterly results being only a part of the story: competitor Chubb's acquisition offer sent Hartford shares surging, even as Hartford rebuffed the overture.

Crop protection chemicals maker **FMC** slid -3%, reflecting soft quarterly results impacted by weather and currency volatility. **Visa** edged lower by -3%, partly a function of highly profitable cross-border transactions pushed to the right by ongoing COVID-19-related travel restrictions.

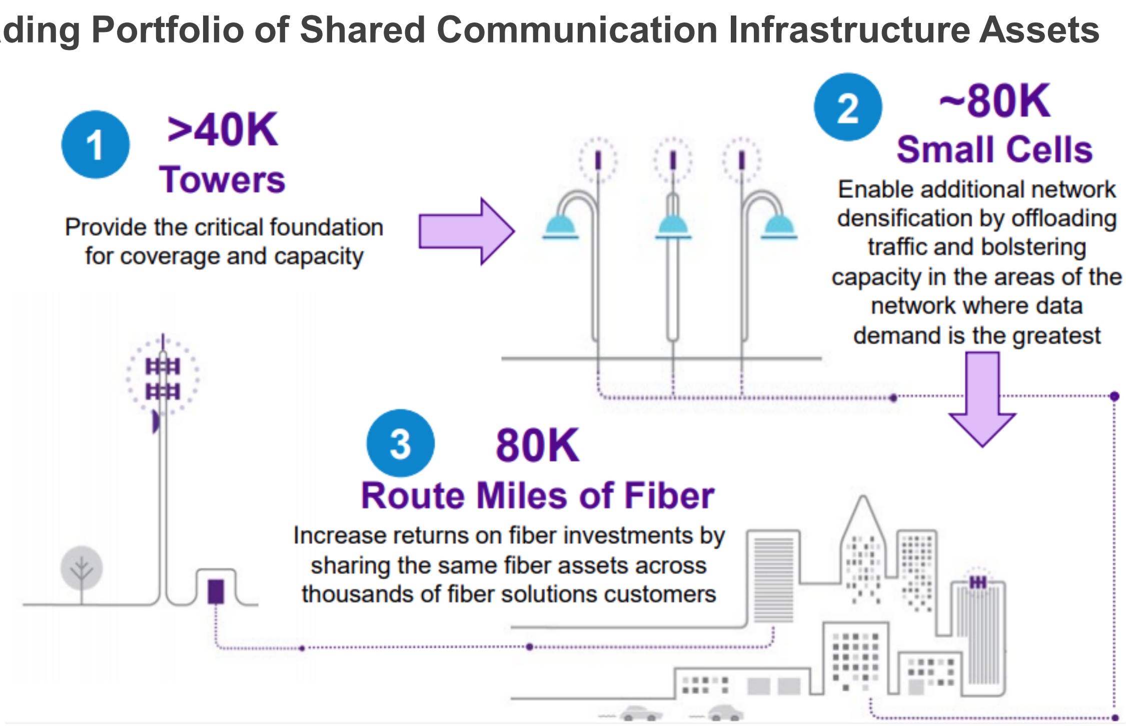
Purchases and Sales

We made four new purchases and three sales in the quarter. On the exit side of the ledger, we sold **Hartford**, the insurance provider that received a takeover proposal from fellow Insight constituent Chubb. With Hartford shares shooting up from a 20% discount to book value at the time of our purchase to nearly a 30% premium to book at the time of our sale, we viewed valuation as no longer compelling. Hartford subsequently rejected Chubb's offer, and Chubb said it would remain price-disciplined. After our sale, we noticed CEO Christopher Swift sold nearly $10 million of Hartford stock above $65/share, reversing his purchase last September below $36/share. We shared his enthusiasm last year for the opportunity at $36/share, and we appear to share a similar view of the stock's merits near $65 as well.

We also sold defense contractor **Huntington Ingalls**. While the stock remained inexpensive, we were frustrated by the lack of additional insider buying as the stock edged lower throughout 2020. In fact, we saw the company's newly promoted CFO, as well as the Chief Legal Officer and Treasurer, all sell stock in February 2021. Given our ownership of fellow defense contractor General Dynamics, our portfolio maintains ample exposure to the attractive backlog of Navy shipbuilding.

Early in the quarter, we exited our remaining position in health insurer **Humana**, which rose from 15 times earnings at the time of our purchase to 20 times earnings at the time of our sale. We observed significant insider selling at the company, and since we also own CIGNA and United Health in the portfolio, we elected to cash in our policy with Humana.

In March, we linked up with wireless tower operator **Crown Castle.** The company is one of the three large U.S. companies that builds and maintains cellular towers.

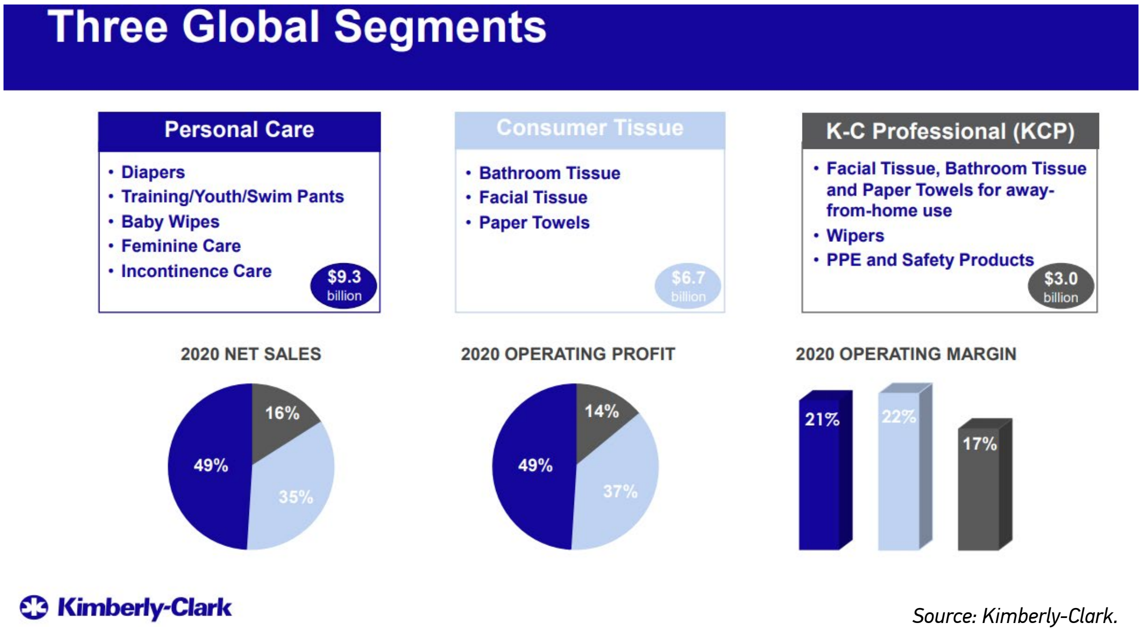


Source: Crown Castle.

The buildout of a fourth national mobile network, by DISH, should enhance near-term growth, as Crown and DISH signed a long-term agreement covering up to 20,000 of Crown's towers. Crown did not embed this into its 2021 financial guidance, but Citi estimates it could bolster 2022 growth by two full percentage points.

In a one-month period spanning February and March 2021, three company insiders purchased shares. InsiderScore observed that Chairman Landis Martin has a "good track record," and that along with the other board members, a "cluster buy sends an undervalued message. Chairman Martin has shown a knack for picking good entry points since his first purchase in November 2014. All of his six purchases have preceded upside that has averaged 8.5% after three months, 11% after six, and 19% after 12." Their transactions, and ours, followed a correction of nearly 20% for the stock, seemingly driven by a rise in interest rates as much as anything else.

Back in January, we added personal products maker **Kimberly-Clark.**



Source: Kimberly-Clark.

We bought the stock at a historically inexpensive valuation (its lowest relative price to earnings (P/E) in 20 years), which in part reflected concerns that the company would be negatively impacted by pulp and plastic inflation. On the last day of the quarter, the company announced plans to implement high-single-digit price increases to offset raw material inflation. Meanwhile, as businesses re-open and more employees return to their offices, Kimberly's away-from-home tissue business should rebound. Furthermore, we believe demand for antibacterial products, such as wipes and masks, is likely to prove durable, even following wide-scale COVID-19 vaccinations.

Prodigious cash flow generation is Kimberly's calling card, and the company returns the lion's share of that cash to investors. At the time of our purchase, shares yielded 3.3%, and one week after our purchase, the company increased its dividend (+7% year-over-year) for the 49th consecutive year.

Robert Decherd has served on the company's Board for a quarter century, and already owned 92,478 shares of Kimberly's stock, prior to making an open-market purchase valued at nearly $400,000. The last insider purchase at Kimberly came in April 2018, also by Mr. Dechard, which preceded a 40% one-year run for the stock. InsiderScore called out an "unusual pause in sales" by insiders, which aligned with Dechard's purchase – sending "a strong undervalued message."

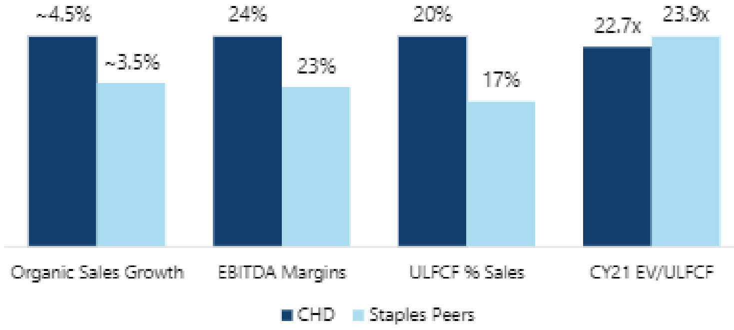
We view the stock as a way to invest in wireless data, which is growing 30-40% annually. We believe the nascent shift to fifth-generation (5G) technology provides an accelerant for wireless tower access – one which could last for the better part of a decade as 5G services and devices roll out. KeyBanc Capital Markets opines that "tower growth only goes in one direction: up."

Elsewhere in Consumer Staples, we returned **Church & Dwight** to the portfolio. The company's broad portfolio ranges from Oxiclean laundry detergent to Lil' Critters vitamins. Thirteen so-called "power brands" comprise more than 80% of revenue. We believe the company is an excellent acquirer over time, and its recent purchase of Zicam® cold and allergy remedies appears consistent with prior Church & Dwight transactions.

The company possesses a strong credit profile, and its exposure to generally stable end markets enables it to deliver steady revenue, earnings, and cash flow over time. Combined, those elements provide the foundation for an attractive dividend profile – the company has paid dividends for 120 consecutive years and counting! At the time of our purchase, shares yielded about 1.3%.

We returned the stock to our portfolio for two main reasons: one, its relative valuation had returned to the same level it did when we purchased the stock back in 2017; and two, insiders are sending a strong signal, in our view, with no insider selling since August, and a near-$500,000 purchase this February by Board member James Craigie. Barely a week later, Mr. Craigie made a second purchase of nearly $400,000. InsiderScore observed Mr. Craigie had "exclusively been a seller since 2013, so [his] change in behavior now is interesting. His last purchase came in 2012, [and] his recent buy was by far his largest ever." The company also announced a $300 million accelerated share repurchase, supplying another signal about the stock's attractiveness. The following chart shows that Church & Dwight's sales growth, profitability, and unlevered free cash flow (ULFCF) exceed those of category peers, while its valuation traded at a discount to peers.

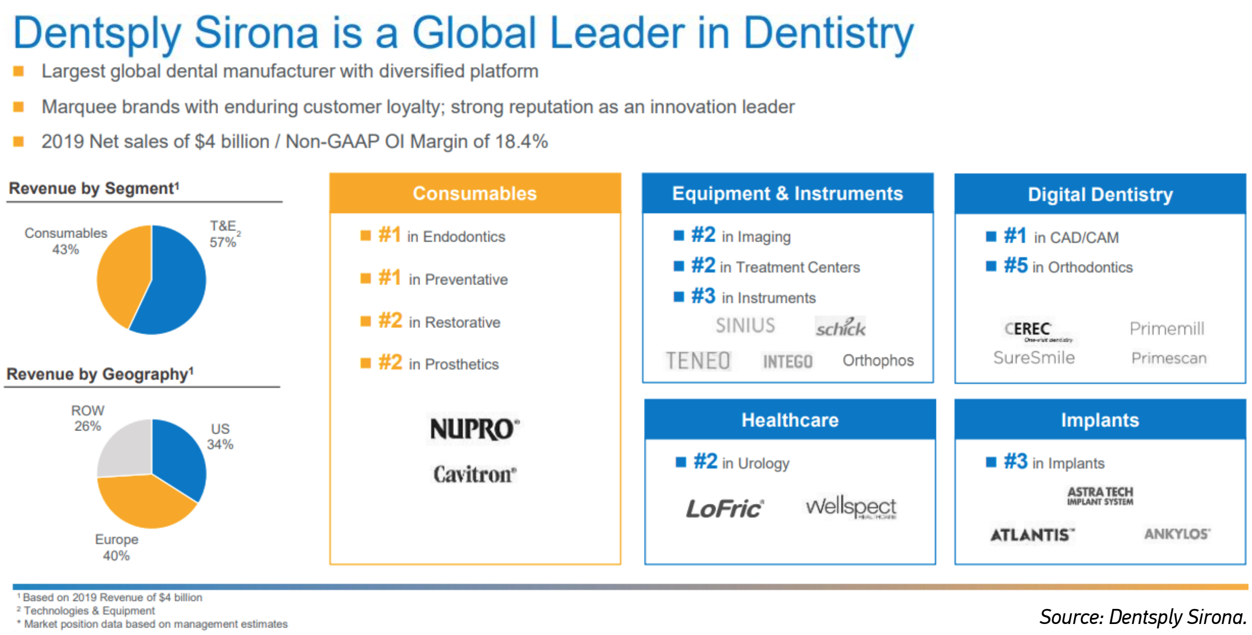
CHD's valuation is attractive given strong org sales growth, better EPS visibility, and superior M&A optionality: CHD vs. Peer Metrics



Sources: FactSet, Jefferies. Note: ULFCF excludes growth capex.

Two Consumer Staples additions made in the same quarter: coincidence? Maybe not. As Deutsche Bank opined in a March 2021 research report, "Investor enthusiasm appears at a low point. Subjectively, we can scarcely recall a time in our ~15 years covering [the consumer products group] where investor sentiment towards the sector has been so universally subdued/fatigued – a dynamic that is evidenced by exceptionally low relative valuations, and absolute valuations below 5-year averages in many cases." More discussion on this topic follows in the Conclusion of this report.

Finally, toward the tail-end of the quarter, we added dental equipment manufacturer **Sirona Dentsply.** The company is the world's largest maker of dental products and technologies, ranging from digital X-ray equipment to consumable products.



Source: Dentsply Sirona.

We believe demand for such products is likely to rebound, as dental offices continue to re-open in a post-pandemic environment. Wolfe Research's March 2021 survey of dental practices revealed that respondents "expect volumes to continue higher. Digital equipment looks to be recovering. Indicators for CAD/CAM purchasing are positive for [Dentsply]. Equipment recovery looks like a coming tailwind."

The company's recent acquisition of Byte, a digitally native provider of clear orthodontic aligners, augments Dentsply's home-grown SureSmile product line. The former targets the direct-to-consumer market, while the latter serves more challenging cases that require a dentist or orthodontist's care. Clear aligners represent the fastest-growing sub-category in dental, and these two products should enable Dentsply to sustainably accelerate its sales growth into the mid-single digits.

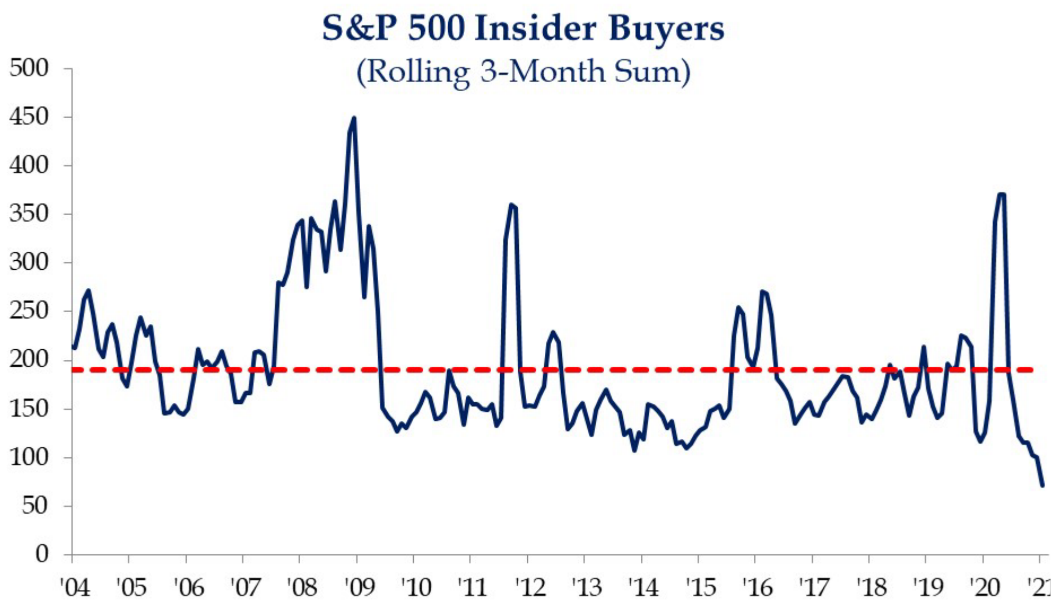
Board member Greg Lucier recently purchased more than $500,000 of Dentsply stock. InsiderScore called out that Mr. Lucier "is the former CEO and current Chairman of Nuvasive, where he established an excellent track record for timely buying and selling since he joined the firm in 2013." At the time of our purchase, Dentsply shares traded at a slight discount to the S&P 500 versus an average premium of nearly 20% over the past decade.

Company Updates

Activist investor Starboard Value agreed to take three Board seats at **Corteva**. **Fidelity National Information** authorized a $12 billion buyback, while **Visa** tacked $8 billion onto its buyback plan, and **Kimberly-Clark** added $5 billion to its program. The FDA approved **Johnson & Johnson's** *Velys* surgical robot for digital knee surgeries, and granted emergency use authorization for its COVID-19 vaccine. **Cooper** inked a joint venture with EssilorLuxottica for SightGlass, a maker of spectacle lenses that reduce myopia progression in children. **Thomson Reuters** completed its divestiture of Refinitiv to the London Stock Exchange, and issued new medium-term guidance that exceeded Street views. The company also raised its dividend for a 28th consecutive year (this year's dividend increase being its largest since 2008). **CIGNA** initiated a dividend and said it would repurchase at least $2 billion of stock in the quarter, making good on its pledge to return the majority of its free cash flow to shareholders.

Conclusion

Perhaps it should not be surprising that insider buying was sparse in the first part of 2021, reflecting robust markets in which many stocks traded near their all-time highs.



Source: Strategas.

Meanwhile, InsiderScore observed that, in March, "Market-wide weekly insider sell volume [was] at a four-year high. Consumer Discretionary and Industrial Goods [insider selling] reached an all-time high."

We are more inclined to consider insider behavior, as opposed to that of the herd. Consensus could not have been more wrong a year ago, when it favored defensive holdings. Might current consensus be overestimating the opportunity in cyclical holdings? Could that help explain why we saw more insider buying at steadier Consumer Staples companies in the most-recent quarter?

Cooper is rolling out its MiSight pediatric contact lens program to the United Kingdom, Russia, Spain, Portugal, Taiwan, and South Korea, following success in Canada and the United States. The company possesses a "multi-year lead in the U.S. for a [pediatric] soft contact lens," according to Raymond James, and "with more screen time for children, we are optimistic that there will be increasing momentum in the market over the coming years." Stifel Research provides the analogy that "MiSight is to a subset of Optometrist practices what Invisalign was to General Dentistry 15 years ago."

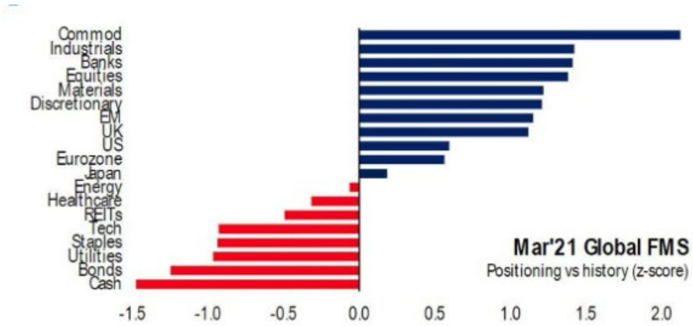
Visa *rang the register* for a 7% year-over-year dividend increase, while **FMC** *fertilized* a 9% bump, **Huntington Ingalls** *floated* an 11% increase, and **Eli Lilly** *injected* a 15% boost to its quarterly payout.

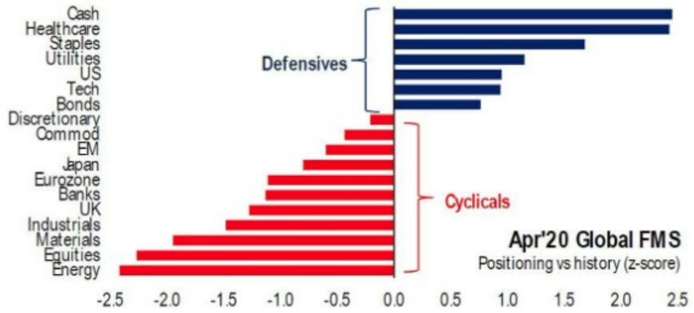
Lilly's late-stage clinical trial for *tirzepatide* succeeded in achieving diabetes and weight-loss reduction goals, paving the way for a likely multi-billion dollar blockbuster product. The company also announced that the federal government ordered 300,000 vials of its COVID-19 antibody *bamlanivimab* for $375 million, with an option to purchase up to an additional 650,000 vials through June 2021 at comparable financial terms. The company's initial guidance for 2021 came in significantly better than prevailing Street expectations.

FMS shows cyclical consensus is "cyclical…"
BofA FMS positioning vs. history z-scores

…compared to "defensive" in April '20
BofA FMS positioning vs. history z-scores

And here's a look at the way we were – a year ago when the pandemic was unfolding and investors were playing defense:





Sources: Marketwatch, BofA Global Fund Manager Survey, BofA Global Research.

We often hear questions about the role insider *selling* plays in our decision-making. Insiders can sell company shares for a variety of benign reasons – expiring stock options, diversification, or large financial obligations to pay. So we tend to pay greater heed to deviations from past behavior, such as outsized insider selling, either in magnitude and/or in number of insiders. Two new studies suggest such attention to insider selling is warranted. In an academic paper entitled "Gaming the System," evidence arose that, "As you'd expect, [insider] sales made before the next earnings report tend to precede bad news. It's almost as if the seller knew something of which the counterparty was unaware," according to *Grant's Interest Rate Observer*. In a separate academic study, the authors analyzed charitable gifts of company stock by insiders. "From 1986 to 2020, they found that the average gift was almost perfectly timed," according to a Marketwatch article. So yes, in the mosaic of information that can help inform investment decisions, it increasingly appears insider selling is worth monitoring – consistent with the approach we've taken for nearly a decade.

As always, we greatly appreciate your interest in our thoughts and support of our services. Stay well.

Adam Bergman, CFA®
Portfolio Manager

Performance Disclosure: *Performance is preliminary and is annualized for periods longer than one year. Net of fees performance returns are presented net of the investment management fees and trading expenses. Gross of fees performance returns reflect the deduction of trading costs; a client's return will be reduced by the management fees and other expenses it may incur. Investment management fees are described in Sterling's Form ADV 2A. Performance reflects the reinvestment of interest income and dividends and realized capital gains. The performance presented represents past performance and is no guarantee of future results. Performance is compared to an index, however, the volatility of an index varies greatly and investments cannot be made directly in an index. Market conditions vary from year to year and can result in a decline in market value due to material market or economic conditions. The Performance is considered Supplemental Information to the Composite Disclosure Presentation which is attached.*

The Russell 1000® Growth Index *measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000® companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect growth characteristics.*

The Russell 1000® Index *measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000® represents approximately 92% of the U.S. market. The Russell 1000® Index is constructed to provide a comprehensive and unbiased barometer for the large-cap segment and is completely reconstituted annually to ensure new and growing equities are included.*

The Russell 1000® Value Index *measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000® companies with lower price-to-book ratios and lower expected growth values. The Russell 1000® Value Index is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics.*

The Russell 3000® Index *measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market. The Russell 3000® Index is constructed to provide a comprehensive, unbiased and stable barometer of the broad market and is completely reconstituted annually to ensure new and growing equities are included.*

The S&P 500® Index *is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P 500 Composite includes 500 of the largest stocks (in terms of stock market value) in the United States and covers approximately 80% of available market capitalization.*

The S&P Midcap 400 Index *provides investors with a benchmark for mid-sized companies. The index, which is distinct from the large-cap S&P 500®, is designed to measure the performance of 400 mid-sized companies, reflecting the distinctive risk and return characteristics of this market segment.*

Technical Terms: ***Earnings Per Share (EPS)****: a key metric used to determine the common shareholder's portion of the company's profit. EPS measures each common share's profit allocation in relation to the company's total profit.* ***EBITDA:*** *EBITDA stands for Earnings Before Interest, Taxes, Depreciation, and Amortization and is a metric used to evaluate a company's operating performance. It can be seen as a proxy for cash flow from the entire company's operations.* ***Free cash flow (FCF)****: FCF measures a company's financial performance. It shows the cash that a company can produce after deducting the purchase of assets such as property, equipment, and other major investments from its operating cash flow. In other words, FCF measures a company's ability to produce what investors care most about: cash that's available to be distributed in a discretionary way.* ***Net Debt-to-EBITDA:*** *The net debt-to-EBITDA ratio measures a company's ability to pay off its liabilities. It shows how much time the company needs to operate at the current debt and EBITDA levels to pay all of its debt.* ***Price to Earnings (P/E)****: The Price to Earnings ratio is the relationship between a company's stock price and earnings per share (EPS). The P/E ratio shows the expectations of the market and is the price you must pay per unit of current earnings (or future earnings, as the case may be).* ***Price to Sales (P/S):*** *The Price to Sales ratio is a formula used to measure the total value that investors place on the company in comparison to the total revenue generated by the business. It is calculated by dividing the share price by the sales per share.* ***Unlevered Free Cash Flow****: Unlevered Free Cash Flow (also known as Free Cash Flow to the Firm or FCFF for short) is a theoretical cash flow figure for a business. It is the cash flow available to all equity holders and debtholders after all operating expenses, capital expenditures, and investments in working capital have been made.(Technical definitions are sourced from Corporate Finance Institute.)*

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Sterling Capital Management – Insight SMA Composite

August 31, 2011 – December 31, 2019

Description: *Consists of all discretionary separately managed wrap Insight portfolios. Sterling's Insight equity portfolios invest primarily in companies where there has been recent insider buying activity; we also retain the flexibility to own companies in which insiders own a substantial stake.*

Year	Total Return "Pure" Gross of Fees	Total Return Net of Fees	No. of Portfolios	Composite Assets End of Period ($MM)	Percent of Firm Assets	Total Firm Assets ($MM)	Composite Dispersion (%)	Russell 1000 Index	Composite 3-yr St Dev (%)	Benchmark 3-yr St Dev (%)
2019	34.77	33.19	49	21	0.0	58,191	0.71	31.43	11.28	12.05
2018	-4.10	-5.26	51	16	0.0	56,889	0.38	-4.78	10.79	10.95
2017	25.37	23.78	57	18	0.0	55,908	0.35	21.69	9.18	9.97
2016	10.39	8.88	146	33	0.1	51,603	0.30	12.05	9.92	10.69
2015	5.14	3.69	116	29	0.1	51,155	0.25	0.92	9.35	10.48
2014	7.41	5.88	134	29	0.1	47,540	0.24	13.24	9.42	9.12
2013	28.48	26.64	121	27	0.1	45,638	0.24	33.11		
2012	17.74	16.17	74	14	0.3	4,422	0.08	16.42		
2011 (Inception 8/31/11)	4.86	4.62	2	0	0.0	3,932		3.50		
Annualized Since Inception	15.00	13.50						14.66		

Sterling Capital Management LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Sterling Capital Management LLC has been independently verified for the periods 01/01/01 to 12/31/19. The verification report(s) is/are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Notes:

1. Sterling Capital Management LLC (SCM) is a registered investment advisor with the SEC. Registration does not imply a certain level of skill or training. Sterling manages a variety of equity, fixed income and balanced assets. Prior to January 2001, Sterling was a wholly owned subsidiary of United Asset Management (UAM). In January 2001, Sterling Capital Management LLC purchased all the assets and business of Sterling Capital Management Company from UAM to become an employee owned firm. In April 2005, BB&T Corporation purchased a majority equity ownership stake in Sterling Capital Management LLC. In October 2010, the management group of Sterling Capital entered into an agreement with BB&T Corporation that reduced and restructured management's interest in Sterling Capital Management. Additionally, BB&T Asset Management merged into Sterling Capital Management. In January 2013, CHOICE Asset Management firm merged into Sterling Capital Management. "Percent of Firm Assets" and "Total Firm Assets" prior to 2013 are for CHOICE Asset Management. In August 2015, eight new employees joined Sterling Capital management via Stratton Management Company following the close of BB&T's purchase of Susquehanna Bancshares. In December 2019, BB&T Corporation and SunTrust Banks, Inc. Holding Company merged as equals to form Truist Financial Corporation. Sterling Capital Management LLC is a wholly owned subsidiary of Truist Financial Corporation. In August 2020, new employees joined Sterling Capital Management via the Investment Advisory Group of SunTrust Advisory Services. This reorganization aligns all of the discretionary fixed income asset management activities within Truist under Sterling.
2. Adam B. Bergman, CFA, has managed the portfolio since inception. No alterations of composites, as presented herein, have occurred due to changes in personnel or other reasons at any time.
3. Inception date of composite: August 31, 2011. Creation date: August 31, 2011. The appropriate index is the Russell 1000 Index which measures the performance of the largest 1,000 US companies, representing over 90% of the investable US market. The index is reconstituted annually. Total return includes price appreciation/depreciation and income as a percent of the original investment. A complete list of all of SCM's composites and their descriptions is available upon request. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.
4. Performance reflects reinvested interest income and dividends and realized and unrealized capital gains and losses. All portfolios are valued monthly as of calendar month-end and utilize trade-date and accrued income accounting. Valuations and performance are reported in US dollars. Portfolio returns are calculated monthly using the Modified Dietz method. Portfolios are revalued for cash flows greater than 10%. Composite returns are calculated by weighting the individual portfolio returns using beginning of period market value plus weighted cash flows. Periodic time weighted returns are geometrically linked. Returns are not calculated net of non-reclaimable withholding taxes due to immaterial dollar amounts.
5. "Pure" gross of fees returns do not reflect the deduction of any fees including trading costs. The net of fee return reflects the actual SMA fee of the individual account. The SMA fee includes all charges for trading costs, portfolio management, custody and other administrative fees. Sterling's actual management fees are 32 basis points annually.
6. The annual composite dispersion presented is measured by an asset-weighted standard deviation calculation method of all portfolios in the composite for the entire year. It is not meaningful when there are less than six portfolios in the composite for the entire year. The three year annualized standard deviation measures the variability of the composite and benchmark returns over the preceding 36 month period. It is not required to be presented for annual periods prior to 2011 or when a full three years of composite performance is not yet available.
7. The performance presented represents past performance and is no guarantee of future results. Stock market conditions vary from year to year and can result in a decline in market value due to material market or economic conditions.