

Sterling Capital Management – Focus Composite

January 1, 2016 – December 31, 2019

Description: Consists of all discretionary separately managed Focus portfolios. Sterling’s Focus portfolio investments are flexible and may span growth and value, large- and small-capitalization companies, and various capital forms including equity, debt, and derivatives. The strategy seeks positions featuring sustainable, multi-year return profiles underpinned by businesses perceived to possess attractive financial returns, visible reinvestment opportunities, and talented management.

<u>Year</u>	<u>Total Return Gross of Fees</u>	<u>Total Return Net of Fees</u>	<u>No. of Portfolios</u>	<u>Total Assets End of Period (\$MM)</u>	<u>Percent of Firm Assets</u>	<u>Total Firm Assets (\$MM)</u>	<u>Composite Dispersion (%)</u>	<u>Russell 1000 Growth Index</u>	<u>Composite 3-yr St Dev (%)</u>	<u>Benchmark 3-yr St Dev (%)</u>
2019	43.24	42.98	4	2.000	0.0	58,191	not meaningful	36.39	13.74	13.07
2018	4.15	3.95	4	0.756	0.0	56,889	not meaningful	-1.51	13.78	12.13
2017	29.89	29.68	5	0.877	0.0	55,908	not meaningful	30.21	N/A	N/A
2016	12.23	12.06	4	0.452	0.0	51,603	not meaningful	7.08	N/A	N/A
Annualized Since Inception	21.44	21.23						16.98		

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 12/31/18. 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.
2. Colin Ducharme, 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: December 31, 2015. Creation date: October 31, 2018. Portfolios with an allowance to fixed income securities were permitted in the composite from inception until October 31, 2018. Beginning November 1, 2018, portfolios included in the composite are not permitted to own fixed income securities. Effective 3/31/20, the appropriate benchmark for this composite was changed retroactively to inception from the Russell 3000 Index to the Russell 1000 Growth Index. The Russell 1000® Growth Index measures the performance of the large cap growth segment of the US equity universe. It includes those Russell 1000® companies with higher price-to-book ratios and higher forecasted growth values. The index is reconstituted annually. Total return includes price appreciation/depreciation and income as a percent of 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 U.S. dollars. Composite returns are asset weighted using the average capital base method that reflects both beginning market value and cash flows and uses the aggregate method. This method aggregates market values and cash flows for all the accounts and treats the composite as if it were one account. Composites are revalued for cash flows greater than 5%. Periodic time weighted returns are geometrically linked. Returns are not calculated net of non-reclaimable withholding taxes due to immaterial dollar amounts.
5. Gross of fees returns reflect the deduction of trading costs. Net of fee performance returns are presented after actual management fees and trading expense. The stated fee schedule is: 0.70% on the first \$25 million; 0.60% on the next \$25 million; 0.50% on the next \$25 million; and 0.40% on all amounts exceeding \$75 million on an annual basis as described in Sterling Capital Management’s Form ADV, Part 2A.
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.