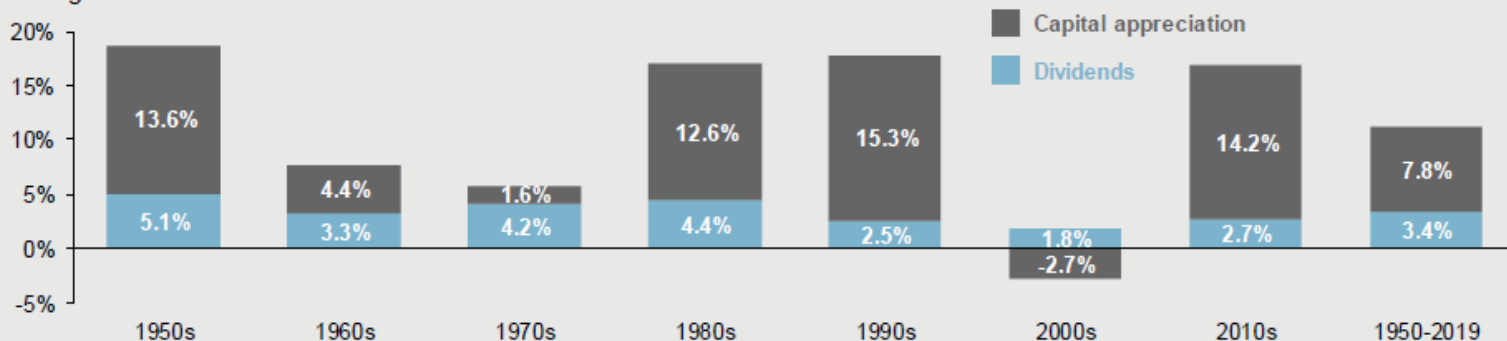




Dividends matter – that’s the simple philosophy underlying the Sterling Capital Equity Income portfolio. From 1950 through 2019, the S&P 500® appreciated (price only) at a 7.8% compound rate, while total return (including reinvested dividends) was 11.2% per year. If that 3.4% per-year difference sounds trivial, consider the beauty of compounding over those 69 years. A \$100 investment at 12.31.1950 would have grown to \$17,811 from price appreciation alone, but to \$151,786 assuming reinvestment of all cash flows. Dividends (reinvested) have provided over 30% of the stock market’s total return over time.

S&P 500 total return: Dividends vs. capital appreciation

Average annualized returns

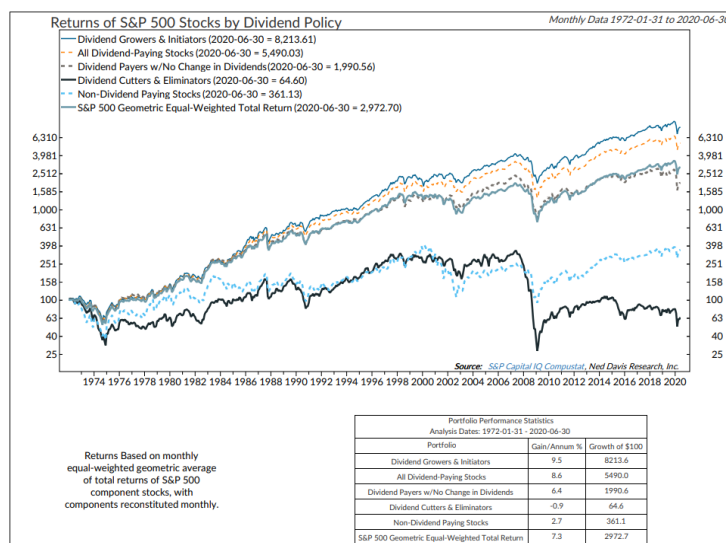


Source: J.P. Morgan

To maximize our perceived odds of investment success, we go two steps further in selecting companies for our portfolio. First, we consider only those stocks whose prevailing dividend yield is above that offered by the S&P 500®; and second, we demand that dividends have grown for at least three consecutive years or in six of the last ten. As Ned Davis Research shows at right, stocks that are able to increase their payouts over time have outperformed the overall stock market and the no-dividend stocks which often garner the most attention. Once again the difference is meaningful: dividend-growers have offered a 9.5% compound return over the last ~48 years, compared to 7.3% for the equally-weighted members of the S&P 500®, and just 2.7% for no-yield constituents.

Performance

In the second quarter of 2020, the Equity Income portfolio returned 18.2% gross of fees and 17.8% net of fees, outperforming the Russell 1000® Value’s 14.3% and relative to the S&P 500®’s 20.5% return. On a year-to-date basis, the strategy’s gross return of -11.8% and -12.4% return net of fees has outperformed the Russell 1000® Value’s -16.3% and compared to the more growth focused S&P 500®’s return of -3.1%.



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Source: Ned Davis

Our outperformance this quarter relative to the Russell 1000® Value index was driven primarily by stock selection in financials and technology. While Ned Davis noted that two of our investment pillars, return on equity and earnings per share growth, were performance headwinds in the quarter, low price-to-earnings companies did perform well, one characteristic benefitting our performance in financials. In the midst of global economic uncertainty, we find it helpful to focus on how the companies we own are faring and how confident they are about the future. Below we provide just a few observations from our portfolio companies:

- **Analog Devices** highlighted strength in their healthcare and optical cable end markets and should benefit from additional highly visible revenues in the next reported quarterly result.
- **Medtronic** is seeing significant improvement in most of its markets, with management highlighting that the recovery in business is happening “faster than we anticipated in Europe and China.”



- **Home Depot** noted in their most recent call with investors, “during the last three weeks of April and into the first two weeks of the second quarter, we have seen a significant acceleration to double-digit comp sales growth.”
- Cellular tower company **Crown Castle** noted they “feel better today about our run rate into 2021 than six months ago.”

We are fond of saying “the market” is a collection of stocks. We believe if we select a diverse collection of choice, resilient companies that can grow their earnings and dividends through various economic environments, we can generate above average returns with below average risk for our clients. In the following section, we note the specific events that contributed to performance in the quarter.

2Q20 Contributors and Detractors

Leading Contributors	Portfolio Weight	Total Return	Contribution to Return	Leading Detractors	Portfolio Weight	Total Return	Contribution to Return
Home Depot, Inc.	5.07	34.97	1.63	Cabot Oil & Gas Corporation	0.02	-2.85	-0.05
Microsoft Corporation	4.99	29.40	1.36	Amdocs Limited	0.23	-7.16	-0.04
Analog Devices, Inc.	3.94	37.56	1.36	Enbridge Inc.	0.28	6.53	0.01
Accenture Plc Class A	4.43	32.14	1.30	Coca-Cola Company	0.66	2.60	0.01
Discover Financial Services	3.33	41.93	1.15	Morgan Stanley	0.05	8.65	0.02

Source: FactSet

Winners and Losers

Of the holdings in the portfolio, all but two provided positive contribution to return this quarter and most of the detractors were small positions that represented less than 1% of the strategy. The leading contributor was **Home Depot**, where staying at home in the U.S. is translating into an acceleration in home improvement projects, initiated either at the store or through the company’s ecommerce site that now represents 17% of sales. **Microsoft** continues to extend its dominant position in cloud computing with Azure revenues up 61% in constant currency over last year. 5G and healthcare demand were star performers for **Analog Devices’** diverse analog chips, and positive management commentary surrounding continued demand for their sensors and cloud computing offerings boosted shares this quarter. **Accenture** already runs a virtual global organization and its enterprise transformation offerings have helped the 95 of its top 100 clients that have been with Accenture for over 10 years adapt to the remote working environment. In the first half of 2020, for example, Accenture helped a client install Microsoft’s team collaboration software from zero to 61,000 employees in five days. Our emphasis on valuation paid off through our **Discover Financial** holding, where at less than book value to start the quarter, the stock appeared too cheap for this unique branchless credit card and electronic payments company. Two of our detractors this quarter, **Cabot Oil** and **Enbridge**, have strong franchises in the energy sector but have been impacted by the drop in natural gas – we sold both positions this quarter. **Amdocs** is a recent position that is gaining its footing with longer term exposure to the move to 5G communication. Concerns over a recovery in Coke’s away from home business provided an opportunity to buy **Coca-Cola** in the quarter, but these concerns continued to weigh on shares through quarter providing us with opportunities to build our position. Finally, we sold shares of **Morgan Stanley** on strength at the beginning of the quarter after we reevaluated their capital allocation strategy.

Purchases and Sales

The Cola-Cola Company (KO)

The strategy is returning to an investment from 2013 to 2014 on the same premise of buying a great company at a good price. Then, as now, we could lead with a similar title: “Worries are not in short supply – not the usual premium valuation.” Our investment in Coke shares represents an example of our consistent investment process of buying great businesses in the midst of investor angst and uncertainty at an advantageous price, with subsequent growth and execution affording the shares the ability to rerate to a higher valuation. As part of our Equity Income strategy, our total return can be enhanced by a dividend that should continue to steadily march higher as it has for 58 consecutive years.



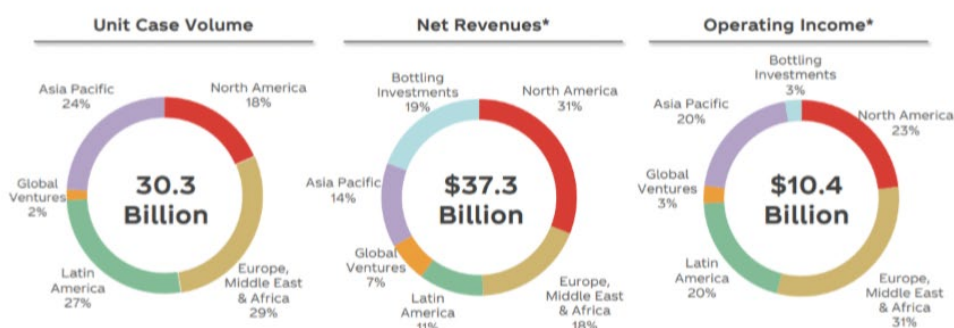
Coke is an iconic global brand founded in 1882 and has become the world's largest non-alcoholic beverage company, with more than 500 brands. Coke sells not just its namesake, but products across sparkling soft drinks, water, sports drinks, juice, dairy, plant based beverages, coffee and tea. The company leverages its distribution system that offers its products in 200 different countries. Remarkably, its products are consumed 2 billion times per day across the globe.

The Coca-Cola Company



OPERATING OVERVIEW

CONSOLIDATED GEOGRAPHIC OVERVIEW



Source: Company Reports

With a diversified portfolio of brands and the Coca-Cola bottlers that service 30 million retail outlets per week worldwide, the bottling network has provided a competitive advantage in this environment. Drink companies that have depended on grocery stores to stock their product have seen vacant shelves during the COVID-19 crisis, whereas the Coke bottlers have the ability and incentive to keep shelves stocked. Coke's strength is also through its #1 market positions in a variety of categories worldwide, and unlike sparkling sodas where it has dominant market share, there are still opportunities to expand its #1 market share in newer categories.



COMPELLING OPPORTUNITY

BUILDING ON SOLID FOUNDATIONS WITH GREAT POTENTIAL TO GROW

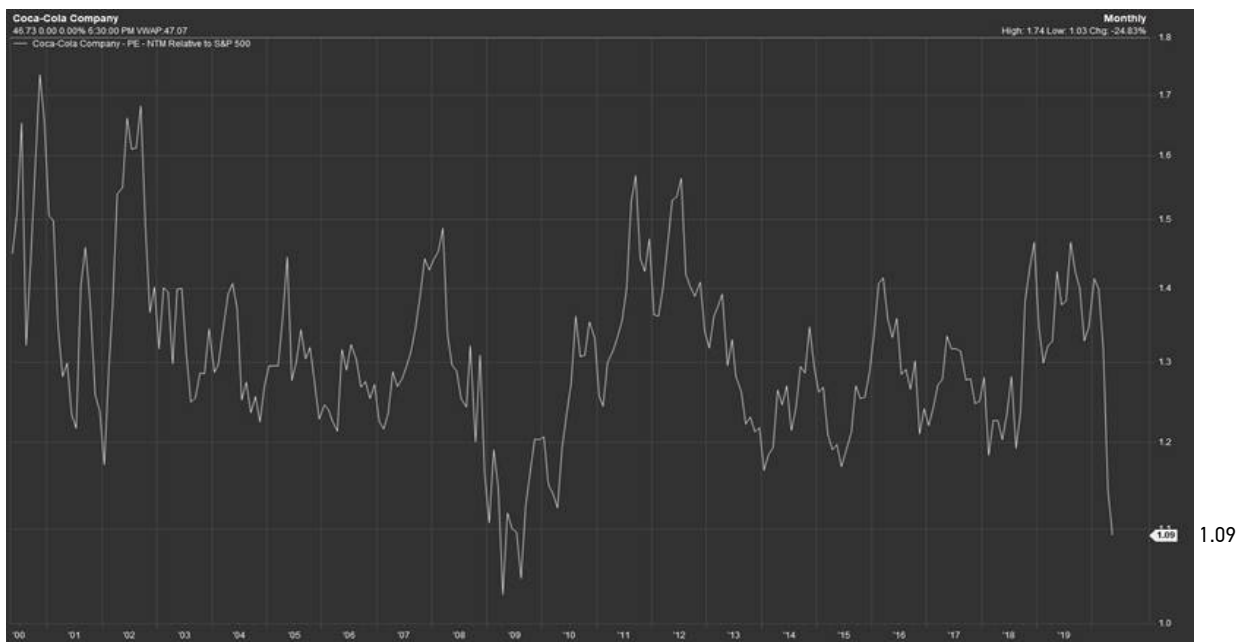


Source: Company Reports



At the time of our purchase, Coke's away from home business that represents roughly 50% of revenues and consists of restaurant and convenience store business had declined roughly (25%) year-over-year. With a return on equity of 56%, modest leverage on the balance sheet, and a relative valuation at ten-year lows, the profitability of Coke's business model and the ability for earnings to improve with a potential cyclical rebound in the away from home business provide an attractive investment opportunity, in our eyes. Moreover, the 3.7% dividend yield growing at high single digits should add to the total return equation as we work our way towards an improving global economy.

Coca-Cola Price to Earnings Valuation Ratio Relative to the S&P 500®



Source: Factset

Our investment in Coke represents an example of our investment team seeking to buy unique companies at unique prices. In the current environment, the company has a unique combination of high profitability, low leverage and attractive dividend yield that has the potential to provide a relative margin of safety, should the global economic recovery take a long period of time to unfold. With economic improvement in regions throughout the globe, Coke should begin to experience earnings growth from improved away from home volumes and a reinvigorated execution strategy that was “paying dividends” just prior to the economic crisis. Commentary from management this quarter indicates the away from home business in China is already recovering, with the prospects for the rest of the world follow suit over time. In Coke shares, we believe we have found “the real thing.”

Citigroup (C)

Our purchase of Citigroup shares is based on evidence that after a decade of investment in technology and systems, Citigroup's business model has structurally changed to capture the opportunity for nationwide banking. At our purchase price, we liked the upside from the company's various initiatives compared to what we believe were modest downside risks.



Source: Company Report



With ample capital and liquidity, Citigroup has been “moving the ball up the field.” A great example has been Citigroup’s growth in tangible book value per share, a conservative method of assessing value creation for a bank. Citigroup has steadily increased its value each quarter while at the same time materially increasing its dividend payout to shareholders.

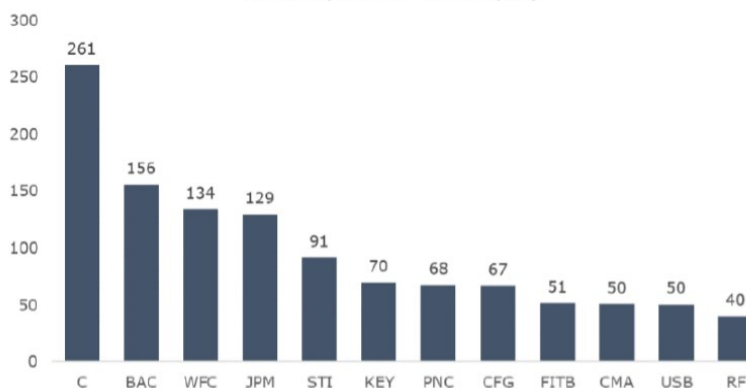
Citigroup Tangible Book Value Per Share



Source: Company Reports

Citigroup’s complex business model makes analysis more difficult and arguably hinders valuation. In simpler terms, the company operates in two lines of business (Global Consumer Banking and Institutional Client Services) in the U.S. and many international markets. With a new Chairman and CEO installed in 2012, a more focused bank is emerging. Over the past ten years, Citigroup has built on several of its competitive advantages. In consumer banking, the bank has the largest deposit base per branch in the U.S.: that translates into higher unit profitability as fixed costs get leveraged.

Retail Deposits Per Branch (\$m)



Note: branch count and deposits as of 9/30/18, except FITB, which uses retail deposits as of 6/30/18
Source: company filings, Wells Fargo Securities, LLC

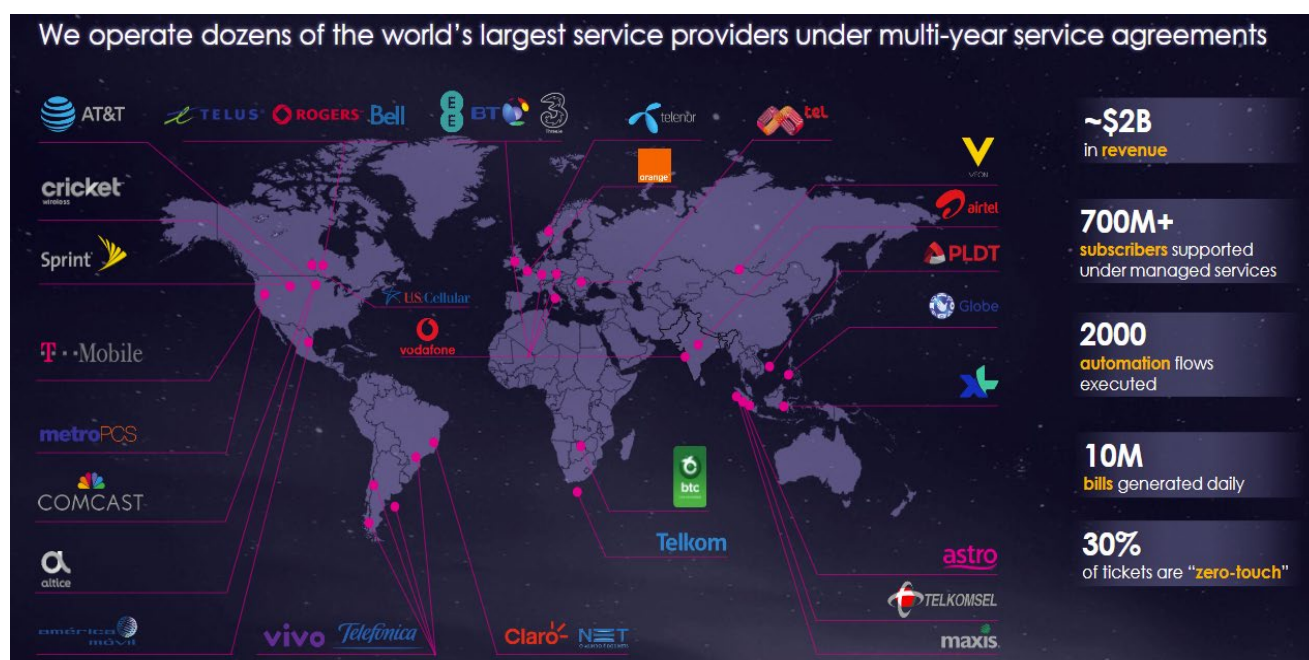
Source: Wells Fargo/Michael Mayo

Beyond consumer banking, Citi’s Institutional Securities and Banking Group focuses on large, multinational clients offering lending, trade, cash management and investment banking products. Here again, success begets success, with the power of global scale generating growing market share. For example, Citigroup services 90% of Fortune 500 firms. International Financing Review named Citigroup 2019 Bank of the Year: “Citi is a truly global – and unique – corporate bank that joins the developed and developing world.” When looking at its loan book, Citigroup has global exposure. Much of this success can be attributed to its cash management franchise that enables payments across the globe for multinational companies to move their funds to different regions efficiently.

With top notch consumer and capital markets franchises globally, coupled with capital and liquidity ratios that provide a margin of safety, Citigroup shares traded at a 60% discount to tangible book value at time of purchase, demonstrating compelling value, in our view. While credit losses from COVID-19 are expected to impact consumer loan exposure, Citigroup’s franchises have enabled it to reserve against loan losses, pay its dividend, and grow tangible book value at the same time. Buffered with high capital and liquidity levels, we appear to be protected with a margin of safety on the downside and compelling upside from a valuation perspective, if the economic environment modestly improves. If so, Citigroup should be well on its way to once again leveraging its scale advantages to win additional market share in both consumer and corporate banking that should translate into returning capital to shareholders at an increasing rate. In the meantime, we earn an attractive dividend yield of 4% that augments the total return profile.

Amdocs (DOX)

Amdocs is a leading provider of software and services to more than 350 telecommunication service providers across 85 countries. Its customers include many of the largest providers such as AT&T, America Movil, Bell Canada, Telefonica, T-Mobile and Vodafone, as well as cable and satellite providers Altice, Charter, Comcast, DISH and Rogers Communications. Amdocs' offerings are mission critical, providing back office and operational support systems under long-term contracts that enable customers to reduce time to market for new products, provision new subscriptions, provide premium customer service, better monetize offerings, etc. The resiliency of the end markets its customers serve and the importance of its services inform its willingness to provide fiscal 2020 guidance when many companies are withdrawing their outlooks; Amdocs expects to grow earnings this year, albeit modestly. Amdocs has evolved with the changing marketplace, offering end-to-end solutions for service providers wanting to transition to the cloud, introduce OTT (over-the-top) streaming platforms in multiple geographies, or deploy and monetize 5G networks.



Source: Amdocs

Amdocs fits well with our four pillars approach. Revenues, earnings and cash flows have steadily grown over time. Returns on invested capital have consistently remained in the double digits and management's conservative nature has resulted in maintaining a net cash position on the balance sheet for at least the past two decades.

The company is shareholder friendly, returning close to 100% of free cash flow to shareholders via dividends and buybacks. The dividend was raised 15% earlier this year, in-line with its five-year average, and late last year a new \$800 million repurchase program was authorized. Shares were not only purchased during the first quarter, but roughly half were executed later in the quarter during severe price volatility. Given the company's strong balance sheet, resilient business model and prodigious free cash flow, we anticipate the company repurchasing 2-4% of shares annually over the medium-term. The net result is a shareholder yield of 4-6%, providing an attractive return base before factoring in accelerating cash flows or a potential rerating.

Motorola Solutions (MSI)

As a mobile communications pioneer in the 1930s and one of Fortune's "most admired companies" in 2020, Motorola Solutions has evolved into a global leader of public safety and security. With over 100,000 customers in over 100 countries, MSI manages technology platforms in mission-critical communications, command center software, video security and analytics along with managed and support services. Motorola Solutions has almost 6,000 patents issued and 1,500 pending. One such innovation below is APX Next, "public safety's first smart radio" per Motorola Solutions' website.



Source: Motorola Solutions

We believe we are getting the opportunity to invest in MSI due to the end-market exposure of the MSI's professional commercial radio (PCR) business. Much of the sales from that business segment go to retail, hospitality, transportation and energy end-market customers. Due to the coronavirus, many businesses in these markets are undergoing considerable strain, but we believe they will return as demand rebounds and COVID-related constraints are lifted. Moreover, the core public safety Land Mobile Radio (LMR) business should prove resilient as we move beyond the shelter-in-place and work-from-home phase. The world needs public safety and MSI provides over 13,000 communications networks globally. Two-way radios can save lives and MSI is the largest supplier in that market. Meanwhile, we believe the business has remained healthy. MSI grew cash from operations by 23% in Q1 and expanded margins by 200 basis points. The software and services business also grew double digits and expanded margins by over 500 basis points in the same quarter. Though COVID-19 will elicit short-term uncertainty, we believe the business should prove resilient and end-market demand strong. We naturally have an affinity and understanding of MSI's mission and services and also believe we invested in an attractive and durable business at a rare discount.

To fund these purchases we made several sales in the strategy.

Enbridge (ENB)

We initially built our Enbridge position in 2012 by purchasing shares in Spectra Energy, one of the largest midstream energy companies in North America – which Enbridge acquired in early 2017. One of our thesis pillars at purchase was the revolution occurring in domestic hydrocarbon production, largely brought on by shale natural gas. The fracturing drilling techniques that spurred this growth had led to tremendous expansion in available resources, even as more conventional production has declined. We expected this uptrend to continue, as estimates at the time suggested the U.S. alone had more than 100 years' worth of gas reserves beneath its feet.

Today, however, the novel coronavirus pandemic has introduced challenges to all industries, energy among them. Combined with those concerns, the uncertainty of tenuous dealings between OPEC and other non-members (like Russia) has increased commodity volatility. Though Enbridge has been a solid vessel amid choppy energy waters in recent years, and the company enjoys strong relationships with high-quality counterparties, the price tides are turning against the energy complex writ large and we exited the position.

General Motors (GM)

The Company chose to eliminate its dividend, due to the massive disruption it is experiencing from the COVID-19 pandemic. We believe, but by no means can prove, that this was a board decision truly made to maximize financial flexibility rather than a desperate survival defense, but, for our income-oriented strategy, the implications are effectively the same.



We believe the Company has neatly positioned itself to participate in an electric vehicle and ultimately autonomous driving future via its majority owned Cruise subsidiary, having secured \$1+ billion investments from Honda and SoftBank, which in our opinion validated technological progress. Safety, as measured by miles driven per reportable incident, has been improving by an order of magnitude annually, i.e. by 10,000x over the last four years. While there are many positive points at GM, we must consider our dividend income criterion which is no longer valid, and as such, we re-directed proceeds into other companies in which we perceive a superior risk/reward opportunity.

Cabot Oil and Gas (COG)

Cabot has been a fast growing natural gas producer in the United States' fastest growing region, the Marcellus shale. We purchased Cabot shares earlier this year as historic lows in natural gas prices appeared to offer the opportunity to buy the low cost operator with a proven track record of generating leading returns on capital and cash flow generation. While our entry point was fortuitous, dynamics in the energy space have changed. Saudi Arabia and Russia are putting pressure on North American producers. This effort targets primarily oil producers, but our concerns surround the impact on the distribution ecosystem and second order impact on Cabot's ability to transport its low cost product to its end markets. Should production become constrained through no fault of its own, cash flows and ability to return capital to shareholders through current buybacks and dividend may be curtailed. While the dividend appears secure, other energy companies are eliminating share repurchase plans given the altered competitive landscape. A probable curtailment in the capital return prospects at Cabot represents a change to our initial investment thesis.

Morgan Stanley (MS)

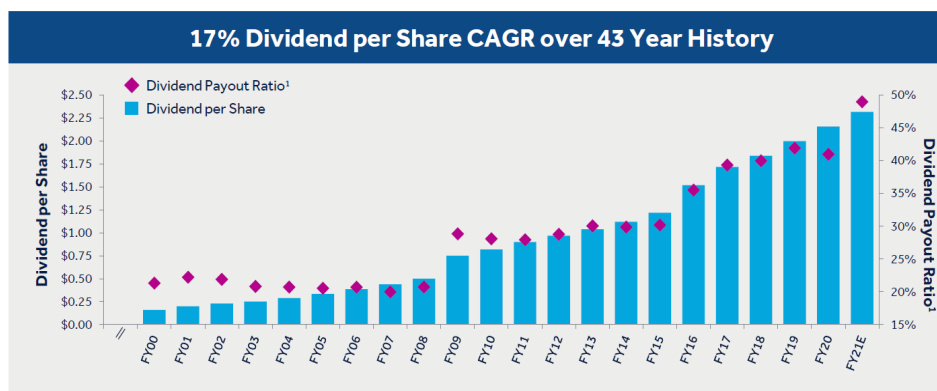
We noted when we purchased Morgan Stanley that a key component to our investment thesis was the "clear vision" of CEO James Gorman to create a steadier, less volatile business. Mr. Gorman's background leading Morgan Stanley's wealth management business that "is a fee business – generating steady, recurring revenues as assets under management grow" was an attractive proposition. By shifting the revenue mix to more annuity-like businesses, the stock could arguably receive a higher valuation as earnings streams became more predictable. After a consistent record of delivering on their stated strategy of growing recurring revenues, the announcement to acquire discount broker E-Trade this year appeared to constitute a change in strategy. E-Trade revenues are driven by net interest income and interest rates, less predictable than the wealth management business. Moreover, the \$13 billion acquisition that management stated was "a full and fair price" did appear full and caused us to question management's allocation of our precious shareholder capital. After analysis and robust team discussion, we concluded that the E-Trade acquisition was at odds with our initial investment thesis and consistent with our investment process we decided to sell our position.

Dividend Increases

This quarter we highlight Medtronic, a stock we bought in 2017. We appreciate management teams that demonstrate attention to dividend growth consistent with our strategy. The recent graphic from an investor presentation this quarter highlights the company's impressive track record of paying increasing dividends to shareholders over time.

43 YEARS OF INCREASING DIVIDEND

DIVIDEND EXPECTED TO GROW IN-LINE WITH EARNINGS GROWTH



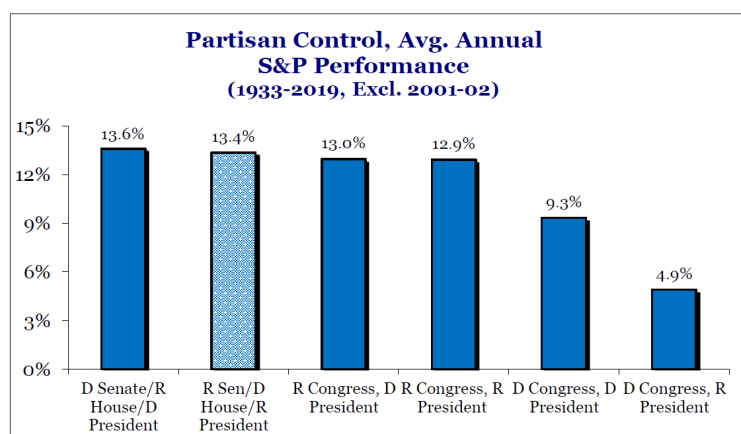
Source: Company Reports



Conclusion

2020 is an election year and news outlets and pundits are providing their prognostications and offering various scenarios. About this time of the election cycle, we tend to field questions from clients on how the election may impact the strategy. We remain vigilant and scrutinize developments as they relate to our holdings across the portfolio whether they are exposed to healthcare, financial services, or other sectors that could be impacted by a change in Washington. One chart we have found helpful, however, is the following chart that shows the return of the stock market based on various combinations of political outcomes. As can be seen, returns for investors tend to be fairly consistent and favorable for the equity investor.

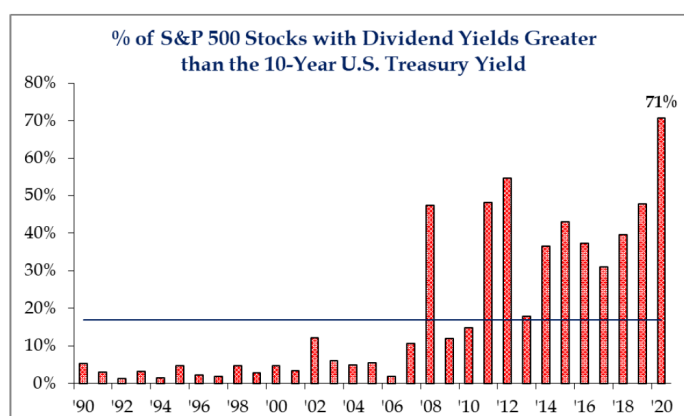
2020 ELECTION CHARTBOOK



Source: Strategas

We also believe the current environment favors stocks paying a dividend. At the end of last quarter, the number of stocks within the S&P 500[®] that paid a dividend greater than the U.S. 10 year Treasury hit a historic high. Lower global interest rates should make stocks that pay dividends, especially those that have the ability to grow dividends, more attractive in a yield starved world seeking income. In our opinion, the backdrop for stocks paying attractive and growing dividends remains bright.

OVER 70% OF S&P 500 COMPANIES HAVE DIVIDEND YIELDS GREATER THAN THE 10-YEAR TREASURY



Source: Strategas, as of 04.03.2020

While the political backdrop may provide temporary headline noise, the investment team continues to focus on implementing our investment pillars to unearth great dividend growth stocks that offer our clients above average returns with below average risk. We believe our new stock additions this quarter have the potential to help propel forward the two decade tradition of pursuing this goal.

As always, we thank you for your trust and investment in us.

Chip Wittmann, CFA[®]
Executive Director



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. "Pure" Gross of fees performance returns do not reflect the deduction of any fees including 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.

Russell 1000® Value: The Russell 1000® Value Index measures the performance of value style of investing in Large Cap U.S. stocks. The Value Index contains those Russell 1000 securities with less-than-average growth orientation. Securities in the Value Index generally have lower price-to-book and price-to-earnings ratios than those in the Growth Index.

S&P 500®: The S&P 500® Index is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P® Composite includes 500 of the largest stocks (in terms of stock market value) in the United States; prior to March 1957 it consisted of 90 of the largest stocks. The volatility of an index varies greatly; investments cannot be made directly in an index.

The Chartered Financial Analyst® (CFA) charter is a graduate-level investment credential awarded by the CFA Institute — the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

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Sterling Capital Management – Equity Income SMA Composite

December 31, 2000 – December 31, 2019

Description: Consists of all discretionary separately managed wrap Equity Income portfolios. Sterling's Equity Income portfolios invest primarily in companies with a dividend yield greater than the S&P 500 and a history of growing the dividend, either three consecutive years or six of the prior ten years.

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 Value Index	Composite 3-yr StDev (%)	Benchmark 3-yr StDev (%)
2019	25.30	23.73	5	739	1.3	58,191	Not Meaningful	26.54	11.32	11.85
2018	-0.26	-1.53	5	619	1.1	56,889	Not Meaningful	-8.27	11.01	10.82
2017	20.54	18.94	4	643	1.2	55,908	Not Meaningful	13.66	9.78	10.20
2016	15.43	13.84	3	989	1.9	51,603	Not Meaningful	17.34	10.40	10.77
2015	-2.70	-4.15	3	1,100	2.2	51,155	Not Meaningful	-3.83	10.20	10.68
2014	4.61	2.98	3	1,501	3.2	47,540	Not Meaningful	13.45	8.33	9.20
2013	26.70	24.74	3	1,574	3.4	45,638	Not Meaningful	32.53	9.72	12.88
2012	12.39	10.63	3	1,272	28.8	4,422	Not Meaningful	17.51	11.83	15.73
2011	10.24	8.54	2	1,159	29.5	3,932	Not Meaningful	0.39	14.88	20.98
2010	15.64	13.87	2	992	28.0	3,548	Not Meaningful	15.51	17.82	23.51
2009	18.92	17.05	2	811	28.6	2,839	Not Meaningful	19.69	16.17	21.40
2008	-26.17	-27.26	2	620	32.5	1,907	Not Meaningful	-36.85	13.18	15.58
2007	9.20	7.66	1	668	32.4	2,059	Not Meaningful	-0.17	6.52	8.17
2006	23.09	21.35	1	442	33.6	1,314	Not Meaningful	22.25	6.00	6.78
2005	10.19	8.63	1	263	29.1	904	Not Meaningful	7.05	9.51	9.59
2004	23.23	21.39	1	128	24.5	522	Not Meaningful	16.49	12.76	14.97
2003	31.36	29.24	1	31	19.6	158	Not Meaningful	30.03	12.94	16.22
2002	-12.34	-13.78	1	15	29.4	51	Not Meaningful	-15.52		
2001	5.76	4.46	1	4	16.7	24	Not Meaningful	-5.59		
Annualized Since Inception	10.14	8.54						7.04		

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. George F. Shipp, 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, 2000. Creation date: December 31, 2000. The appropriate benchmark for this composite is the Russell 1000 Value Index. 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 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. Portfolios utilize trade-date accounting. Valuations and performance are reported in US dollars. Composite returns are calculated monthly by weighting the aggregate SMA/ Wrap sponsor returns using beginning of period market values. Periodic time weighted returns are geometrically linked. Returns are not calculated net of non-reclaimable withholding taxes due to immaterial dollar amounts.
5. The net of fee return reflects the actual SMA fee of the individual portfolios in each platform except for one platform where the maximum fee is deducted from the gross return. The SMA fee includes all charges for trading costs, portfolio management, custody and other administrative fees. The actual fee may vary by size and type of portfolio. Sterling's actual management fees are 50 basis points annually or less.
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. The dispersion is not meaningful because less than six portfolios are in the composite. 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.