"Flexibility is the key to stability." - John Wooden

The Sterling Capital Special Opportunities strategy is designed to be a "core" or "all-seasons" portfolio, with a primary goal of generating long-term capital appreciation. Noting that our industry often classifies investments with either a "growth" or "value" label, we argue instead that value without growth represents a wasting asset, and growth without regard to the price is merely speculation. We strongly believe in building a well-diversified portfolio with constituents that boast both growth and value characteristics. We seek above-average growth of capital, but endeavor to mitigate downside risks by using time-tested valuation tools and profitability ("quality") parameters.

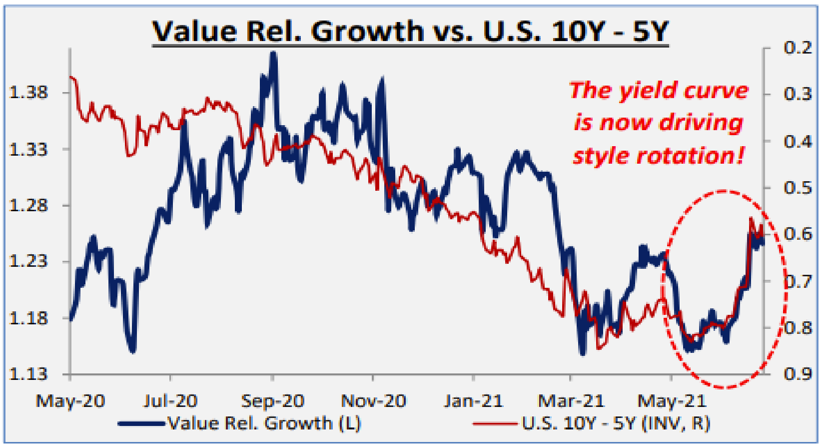
Both academic literature and our own experience suggest that the so-called growth and value styles, as well as small- and large-capitalization companies, move into and out of investment favor, much as our underlying economy moves through various phases of expansion and retrenchment. Sustained periods of out- or under-performance can lead to unproductive investor outcomes via switching. By blending the characteristics, we hope to offer our clients a more consistent return profile, while also allowing us the flexibility to take advantage of occasional perceived extremes in sentiment.

Consistent with our endeavor to generate above-average returns with below-average risk compared to the overall equity market, we must "dare to be different" from our benchmark. In industry parlance, our portfolio demonstrates high "active share," meaning our philosophy offers the statistical opportunity to outperform popular averages. By constructing portfolios with approximately 30-35 carefully selected securities, we believe we can achieve 95% of the diversification of a 500-stock portfolio while eliminating expensive, poorly-financed, or strategically vulnerable companies from our holdings.

Performance Summary and Review

Year-to-date, the Special Opportunities portfolio increased 17.5% (gross of fees) and 16.9% (net of fees), well ahead of the Russell 3000® Index's 15.1%. The portfolio gained 6.9% (gross of fees) and 6.7% (net of fees) in the second quarter, trailing the Russell 3000® Index's 8.2% return. The portfolio has generated double-digit annualized returns for the past one, two, three, five, ten and 20 year periods.

The S&P 500 ended June at an all-time high and recorded its fifth consecutive quarterly gain of 5%+. Despite mounting signs of inflation, the ten-year U.S. Treasury yield fell in the second quarter. The move may seem counterintuitive, with investors anticipating the Fed raising rates sooner to thwart rising prices, which could crimp future growth. Meanwhile, rates at the shorter end of the curve rose, resulting in what economists refer to as a "bear flattener." Inflation hedges were mixed, with gold gaining 3.3%, while bitcoin suffered a 40%+ decline, upended by a crackdown in China and by Tesla halting its acceptance of the digital coin. Ironically, Tesla still holds a sizeable bitcoin position on its balance sheet.* The "recovery trade" continued, with Technology (+13.7%), Energy (+11.6%) and Real Estate (11.0%) leading the way with double-digit gains, while Utilities (-0.3%) was the only sector not to power higher. Large caps (Russell 1000® Index +8.5%) nearly doubled the gains in small caps (Russell 2000® Index +4.3%). Lower long-term rates contributed to growth stocks (Russell 3000® Growth Index +11.4%) beating value stocks (Russell 3000® Value Index +5.2%).



Perversely, a deteriorating long-term outlook is dragging down long-term yields, which benefits Growth over Value

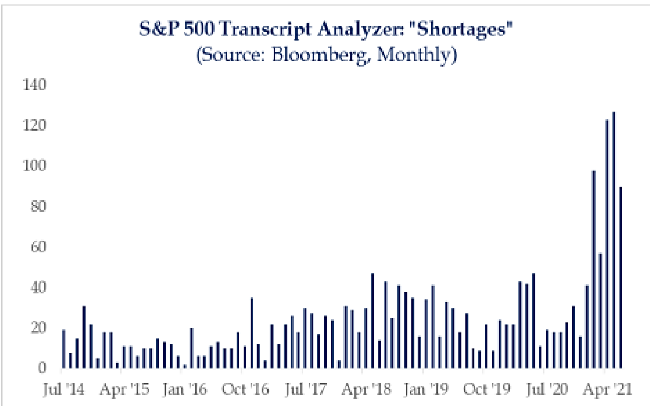
Source: Wolfe Research

*Sterling Capital Management in no way recommends Bitcoin or other cryptocurrencies.

Please refer to the Performance Disclosure found on page 7.

While forecasts for future growth may edge down slightly due to sooner-than-expected interest rate hikes, the outlook for this year remains robust. In May, the Organization for Economic Cooperation and Development (OECD) raised its 2021 global economic growth forecast to 5.8%, which would be the fastest since 1973, albeit emerging from pandemic-dampened 2020. Much of this growth is driven by the booming U.S. economy. In June, the Federal Reserve raised its 2021 U.S. GDP forecast to 7.0%, up from its previous outlook of 6.5%, and well above its year-end 2020 projection of 4.2%. Nearly $6 trillion of fiscal and monetary stimulus achieved the desired result of a rapid V-shaped recovery – a 10% increase in consumer spending is expected this year, the highest rate since 1946, according to Oxford Economics. Stimulus is sparking a new wave of investors, with more than ten million new brokerage accounts opened to date in 2021, according to JMP Securities, approaching the total for all of 2020. Portfolio holding **Schwab** added 3.2 million accounts through mid-April, already exceeding its 2020 total, ex-acquisitions.

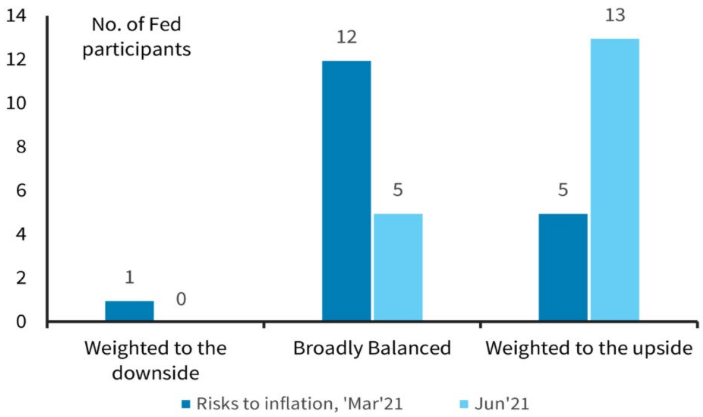
Concerns of economic collapse receded, replaced by fears of inflation. Supply chain bottlenecks reduced manufacturing output across a wide variety of industries. There are seven million fewer workers today than there were pre-pandemic. Workers' willingness to return to the labor force was impacted by disincentives, leaving businesses scrambling to find help, with many offering signing bonuses for entry-level and minimum-wage workers. At the same time, pent-up consumer demand is creating acute shortages, e.g., the auto inventories to sales ratio is the lowest in more than four decades. The shortage of products and rising input prices drove the June ISM Services price gauge to its highest level since data began in 1979.



Source: Strategas

Source: Capital Economics

Investors are wrestling with an important question: Are inflationary forces sustainable or temporary? Analyzing year-over-year data offers few insights, given pandemic-driven anomalies. Despite Chairman Powell's protestations that inflation is "transitory," the Federal Open Market Committee (FOMC) now anticipate raising rates beginning in 2023 (rather than 2024 as previously believed), and the number of participants who believe inflation is skewed to the upside nearly tripled to 13 (see chart below). However, the mid-June press release didn't suggest near-term tapering, with the Fed committed to monthly purchases of at least $80 billion of U.S. Treasuries and $40 billion of mortgage-backed securities. The latter contributed to low mortgage rates and median home prices soaring 24% year-over-year in May, the fastest pace in decades. Making investment decisions based on recent economic data is the equivalent of using the rearview mirror to guide you while driving on the highway. However, the investing windshield isn't quite as clear we'd like. As we head into 2022, we're likely to face a sizeable fiscal cliff in the absence of further (unwarranted, in our opinion) stimulus, and earnings growth is expected to decelerate as comparisons become more difficult.



Source: Barclays

2Q21 Contributors and Detractors

Top Contributors	GICS Sector	Contrib. to Return
Alphabet	Comm Services	1.02
Intuit	Info. Technology	0.97
Danaher	Health Care	0.74
Capital One	Financials	0.66
TransUnion	Industrials	0.55

Top Detractors	GICS Sector	Contrib. to Return
Fiserv	Info. Technology	-0.38
F5 Networks	Info. Technology	-0.38
Hologic	Health Care	-0.35
Rackspace Technology	Info. Technology	-0.35
Ball	Materials	-0.09

Source: FactSet, Sterling Capital

Top Contributors:

- **Alphabet's** first quarter revenues grew 34%, as its operating income doubled and earnings per share (EPS) tripled. Trailing free cash flow (FCF) topped $50 billion, which is the exact dollar amount added to the buyback authorization. YouTube ad revenues reached $6 billion, growing 49%, driven by advertising budgets shifting from linear TV to digital channels, where YouTube boasts two billion monthly users. Google Cloud revenues rose 46%, reaching $4 billion. Management noted that Maps will be adding 100+ AI-powered improvements in 2021, including an indoor live view, utilizing augmented reality to help users navigate airports and transit stations, and to inform users how crowded a local restaurant is. Applying machine learning to more than one billion kilometers of daily driving data, Maps will identify routes with the lowest probability of incident.
- **Intuit** raised fiscal 2021 guidance, projecting a 22% revenue increase (up from 15-17%) and an increase of $9.32-9.37 in EPS (up from $8.20-8.40). TurboTax continues to take share of tax returns and the higher-priced TurboTax Live is driving a positive mix shift. CEO Sasan Goodarzi commented, "One of the biggest things we've learned in the last year is just how resilient the platform is and how much customers need it in very tough times. And so, we're seeing usage of our services across the board up and to the right and better than pre-pandemic levels."
- **Danaher** guided to high-teens core revenue growth in 2021, including a $2 billion contribution from Cytiva and Pall revenues associated with vaccines and therapeutics. Late in the quarter, the company announced its $9.6 billion acquisition of Adleveron, which provides "ingredients" for gene and cell therapies, such as the new mRNA vaccines. Adleveron has grown 20%+, has mid-40's operating margins and is expected to be $0.20 accretive to EPS in year one.
- **Capital One** won a competitive takeaway of the Williams Sonoma private label and co-brand credit card program, a $500 million portfolio. In addition, the company's stress capital buffer was lowered by more than half following the Fed's Comprehensive Capital Analysis and Review (CCAR), which we expect will lead to accelerated capital returns to shareholders. Credit Suisse's analyst expects $6 billion of buybacks in the next 12 months, or 8%+ of current shares outstanding.
- **TransUnion** management said, "We have seen improvement in most of our end markets and we are well positioned to see an outsized benefit from this recovery...we experienced a rapid recovery in many markets throughout February and March." As such, full-year revenue growth guidance was raised to 9-10%, doubling consensus expectations, including 8% organic growth. EPS is forecast to increase 15-19%.

Top Detractors:

- **Fiserv's** first quarter results were slightly ahead of consensus, but not enough to alter negative sentiment, and full-year guidance was only raised by the amount of the first quarter beat. Over time, we believe the 18% 1Q EPS growth and the expected 21-24% EPS growth for the full year could help re-rate the stock. Misconstrued as a legacy, stodgy merchant acquirer, Fiserv's modern acquiring platform, Clover, grew payment volumes 36%, to a $141 billion annualized rate. Management announced a new payment option for enterprise e-commerce providers Clover and Carat, allowing point-of-sale transactions via QR code for customer paying by PayPal or Venmo – such technology is on display at many local restaurants in our hometown. We had a chance to catch up with CEO Frank Bisignano, who highlighted the recent purchase of Ondot, which integrates card and banking applications on mobile devices.
- **F5 Networks** software sales grew 20%, below Street expectations. Fiscal 2021 software growth of 35% was reiterated, implying a steeper acceleration in the second half of the year. Whether or not that bogey is met, F5's increasing mix of software and subscription revenues, tied to the secular growth in modern application delivery and security, provides more confidence in the long-term outlook. As such, we believe the stock's discounted valuation versus the market and peers is short-sighted.

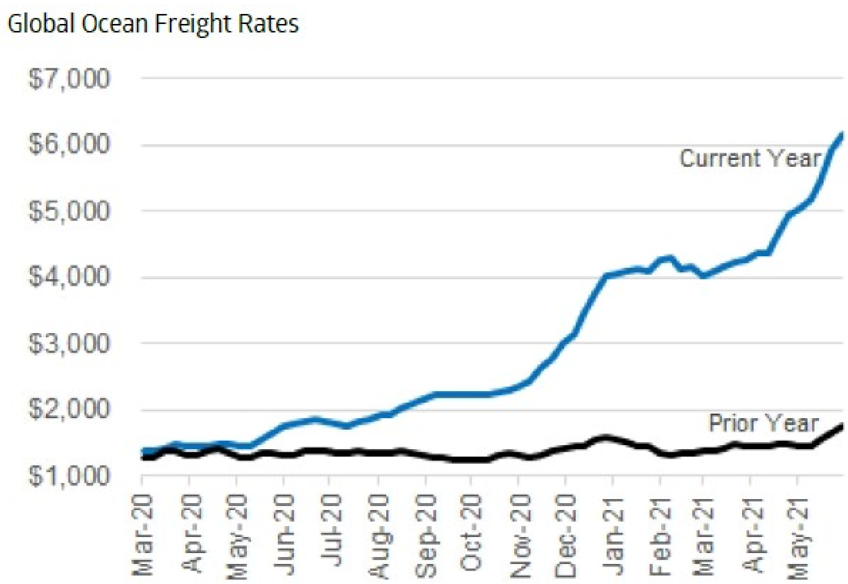
- **Hologic** lowered its COVID-19 testing revenue outlook – second quarter-related revenues are expected to be $200-$250 million, down from more than $700 million in the first quarter. We anticipated a decline in testing volumes, but the timeline was accelerated a bit by the rapid deployment of vaccines. Still, we believe investors are missing the forest for the trees. There were more than 700 Panther diagnostic testing equipment placements over the past year compared to the pre-COVID-19 run-rate of 225. Recurring revenues from the larger installed base provide greater visibility into future revenue and earnings. Plus, CEO Stephen MacMillan redeployed more than $1 billion of COVID-19 testing cash flows into adjacent businesses to broaden and strengthen product and service offerings. As a result, Hologic's organic growth rate is expected to be north of 5% exiting the pandemic, up from 3-4% in prior years. Despite greater visibility and faster growth, the stock ended the quarter trading at 13.3x forward earnings estimates, well below its 17.2x five-year average.
- **Rackspace** slipped, as decelerating bookings growth (+6%) surprised the Street. CFO Amar Maletira joined the company last November and began shaping the company's approach towards more-profitable growth, contributing to the slower quarterly bookings. Amar's tag line is, "revenue is vanity, profit is sanity, cash is reality."
- **Ball Corporation**, the global leading manufacturer of beverage cans, is viewed as a stay-at-home beneficiary due to the pandemic-driven increase in beverages consumed at home. However, demand far exceeded supply, particularly in the U.S., where cans were imported from Europe to meet demand. Meanwhile, customers are signing longer-duration contracts at more favorable terms for Ball due to the desire to secure supply in a rapidly-growing market. In response, Ball is adding capacity and appears to be gaining share of new volumes, despite its already industry-leading position. FCF will be depressed over the next few years due to "growth" capex, but EPS is expected to exceed management's target of 10-15%, and we see prodigious FCF in the coming years.

Notable Items

Industrial automation company **PTC** was added to the S&P 500.

Regeneron partner Intellia announced potentially groundbreaking data from an early-stage trial evaluating its gene-editing therapy in humans to treat ATTR Amyloidosis, a rare and fatal disease resulting from malformed clumps of liver proteins. Intellia's program reduced these proteins by an impressive 87%, on average.

FedEx raised its dividend 15%. Express margins doubled and should be headed higher from here, aided by limited belly capacity in commercial aircraft (another shortage). In addition, backups at ports led to elevated ocean freight rates, diverting shipments to air to avoid high costs and delays. Management suggested these factors won't normalize until 2023 or 2024, later than the Street expects. However, the stock remains at a steep discount to the market and its historical average.



Source: Freightos, Cowen and Company

Portfolio Changes

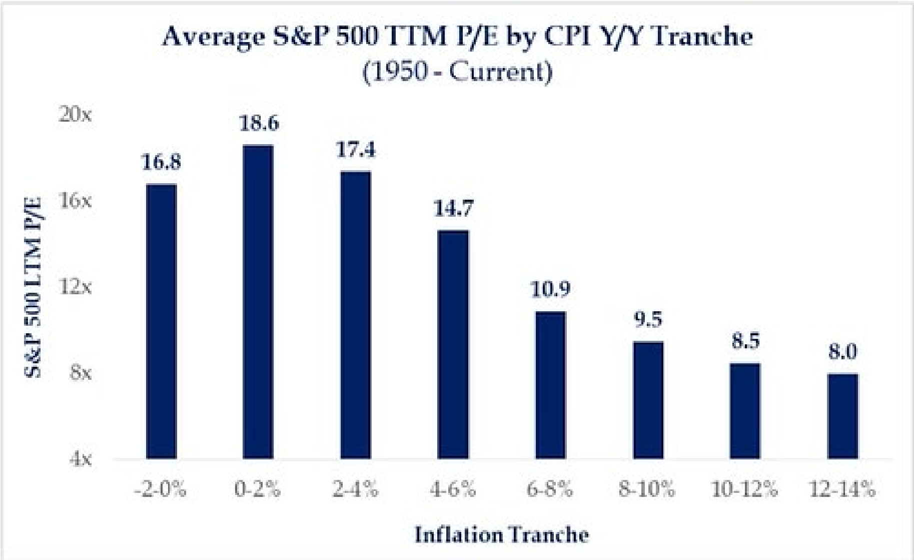
There were no new additions or exits this quarter.

Conclusion

We endeavor to provide clients with higher returns and lower risk than can be achieved by owning the Russell 3000®, irrespective of whether inflation is sustained or fleeting. We understand that higher rates could lower valuations of long duration assets, such as growth stocks, while lower rates could cause cyclical and rate-sensitive stocks to take a breather. Internally, we have differing views on a wide variety of subjects, which promotes discussion and learning. However, we're unified in our desire to construct a balanced portfolio with holdings that can perform well in up or down markets, during periods of high or low inflation, and through economic cycles.

We believe the middle two-thirds of equities appear most attractive, which is to say neither extreme growth nor deep value. Over the past year, we've added durable growth companies trading at valuations we've assessed to be fair or discounted, such as Visa, TransUnion, S&P Global, Ball Corp, Regeneron and Rackspace. We believe secular forces related to e-commerce, data and analytics, cloud, Environmental, Social, and Governance (ESG), aging populations and healthcare offer a wider margin for error than predicting economic data. These large and growing markets that our companies address provide opportunities for growth and reinvestment, irrespective of the direction the wind blows.

If inflation runs hot, north of 4%, through the end of 2022, history suggests equities may succumb to multiple contraction. This would seem particularly concerning for stocks trading at elevated valuations and businesses lacking pricing power. Our focus on consistent growers that provide mission-critical services and products, and that we believe trade at reasonable valuations, should provide greater resiliency.



Source: Strategas

We are unwavering in our investment discipline of deploying capital to companies that meet our pillars. The table below illustrates our efforts. Relative to the median Russell 3000 constituent, the median portfolio holding in Special Opportunities trades at a discount, is more profitable, has a more conservative balance sheet, and is expected to continue delivering faster and more consistent earnings growth.

Pillar Metrics: Growth, Valuation, Profitability & Balance Sheet Strength

	Growth/Stablity					Valuation			Profitability		Balance Sheet	
	20y EPS Growth	21y EPS Growth	22y EPS Growth	'17-'22 EPS CAGR	22 EPS vs '19 EPS	22y P/E	22y EV/ EBITDA	22y EV FCF Yld	ROE	EBITDA Mgn	Interest Coverage	Leverage
SO Median*	7%	25%	11%	16%	40%	19.2	13.2	4.4%	16.3	29.5	8.9	1.3
R3000 Median	-10%	15%	9%	8%	20%	22.4	14.5	3.5%	7.9	13.6	1.7	2.1
vs Benchmark	16%	11%	2%	8%	20%	-14%	-9%	24%	107%	117%	420%	-39%

*Representative account. Source: Bloomberg

Post Script

After more than 20 years at the helm, and an investment career spanning four decades, Senior Portfolio Manager George Shipp has announced his planned retirement in January 2022. Effective July 12, 2021, we're pleased to share that we've added more eyeballs devoted to managing the Special Opportunities portfolio. Specifically, Dan Morrall, who has been a significant asset to the team since joining us in 2014, has been added as an Associate Portfolio Manager. Meanwhile, Josh Haggerty, who joined the team in 2005 and has served as Associate PM since 2016, has been promoted to Co-Manager. We believe that the more pairs of eyes, the better, as we examine companies for potential investment consideration. To be sure, the firepower of the entire Equity Opportunities Group remains focused on the portfolio, both in terms of existing holdings and new idea generation. In addition, the firm will be investing in another generation of incoming talent over the next 12-24 months, building even more analytical depth and client service capabilities.

The team's disciplined investment philosophy will remain consistent with the approach that delivered mid-teens annualized returns since inception (12.31.2000) and a first percentile peer ranking, according to eVestment (as of 03.31.2021).

As always, we thank you for your interest in Sterling Capital's portfolios.

George Shipp, CFA®
Co-Portfolio Manager

Josh Haggerty, CFA®
Co-Portfolio Manager

Dan Morrall
Associate 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. “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 GIPS Composite Report which is attached.

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 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 2000® Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000® is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

The Russell 3000® Growth Index measures the performance of the broad growth segment of the U.S. equity universe. It includes those Russell 3000® companies with higher price-to-book ratios and higher forecasted growth values. The Russell 3000® Growth Index is constructed to provide a comprehensive, unbiased and stable barometer of the broad growth market. 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 3000® Value Index measures the performance of the broad value segment of the U.S. equity value universe. It includes those Russell 3000® companies with lower price-to-book ratios and lower forecasted growth values. The Russell 3000® Value Index is constructed to provide a comprehensive, unbiased and stable barometer of the broad value market. 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 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.

Technical Terms: **Free Cash Flow (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. **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. **Price Earnings Ratio (P/E)**: 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). **ESG**: ESG is the acronym for Environmental, Social, and (Corporate) Governance, the three broad categories, or areas, of interest for what is termed “socially responsible investors.” They are investors who consider it important to incorporate their values and concerns (such as environmental concerns) into their selection of investments – as opposed to simply considering the potential profitability and/or risk presented by an investment opportunity.(Technical definitions are sourced from Corporate Finance Institute.)

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.

Specific securities identified and described do not represent all of the securities purchased, sold or recommended to clients. There are no assurances that securities identified will be profitable investments. The securities described are neither a recommendation nor a solicitation. Security information is being obtained from resources the firm believes to be accurate, but no warrant is made as to the accuracy or completeness of the information.

Past performance is not indicative of future results. Any type of investing involves risk and there are no guarantees.

The opinions contained in the preceding commentary reflect those of Sterling Capital Management LLC, and not those of Truist Financial Corporation or its executives. The stated opinions are for general information only and are educational in nature. These opinions are not meant to be predictions or an offer of individual or personalized investment advice. They are not intended as an offer or solicitation with respect to the purchase or sale of any security. This information and these opinions are subject to change without notice. All opinions and information herein have been obtained or derived from sources believed to be reliable. Any type of investing involves risk and there are no guarantees. Sterling Capital Management LLC does not assume liability for any loss which may result from the reliance by any person upon such information or opinions.

Investment advisory services are available through Sterling Capital Management LLC, a separate subsidiary of Truist Financial Corporation. Sterling Capital Management LLC manages customized investment portfolios, provides asset allocation analysis and offers other investment-related services to affluent individuals and businesses. Securities and other investments held in investment management or investment advisory accounts at Sterling Capital Management LLC are not deposits or other obligations of Truist Financial Corporation, Truist Bank or any affiliate, are not guaranteed by Truist Bank or any other bank, are not insured by the FDIC or any other federal government agency, and are subject to investment risk, including possible loss of principal invested.

Sterling Capital does not provide tax or legal advice. You should consult with your individual tax or legal professional before taking any action that may have tax or legal implications.

Sterling Capital Management – Special Opportunities SMA Composite

December 31, 2000 – December 31, 2020

Description: Consists of all discretionary separately managed wrap Special Opportunities portfolios. Sterling's Special Opportunities equity portfolios invest primarily in companies with the best perceived combination of underlying growth potential and attractive valuation in a concentrated portfolio that has the flexibility to shift among styles.

Year	Total Return "Pure" Gross of Fees	Total Return Net of Fees	No. of Portfolios	Composite Assets End of Period ($MM)	Total Firm Assets ($MM)	Composite Dispersion (%)	Russell 3000	Composite 3-yr St Dev (%)	Benchmark 3-yr St Dev (%)
2020	15.23	13.92	3	419	70,108	Not Meaningful	20.89	20.36	19.41
2019	27.22	25.74	4	525	58,191	Not Meaningful	31.02	12.31	12.21
2018	-3.32	-4.46	4	453	56,889	Not Meaningful	-5.24	10.99	11.18
2017	20.55	19.08	4	493	55,908	Not Meaningful	21.13	9.85	10.09
2016	5.72	4.31	4	721	51,603	Not Meaningful	12.74	10.35	10.88
2015	9.59	8.00	4	901	51,155	Not Meaningful	0.48	9.67	10.58
2014	15.93	14.23	4	927	47,540	Not Meaningful	12.56	9.33	9.29
2013	26.61	24.72	4	850	45,638	Not Meaningful	33.55	13.49	12.71
2012	15.45	13.68	4	718	4,422	Not Meaningful	16.42	15.75	15.95
2011	-2.72	-4.18	3	776	3,932	Not Meaningful	1.03	17.35	19.62
2010	12.79	11.08	3	868	3,548	Not Meaningful	16.93	22.62	22.94
2009	39.65	37.53	2	752	2,839	Not Meaningful	28.34	21.26	20.61
2008	-32.07	-33.08	2	507	1,907	Not Meaningful	-37.31	19.08	16.02
2007	16.24	14.60	1	552	2,059	Not Meaningful	5.14	8.80	8.25
2006	23.07	21.29	1	346	1,314	Not Meaningful	15.72	8.62	7.62
2005	4.67	3.11	1	261	904	Not Meaningful	6.12	10.45	9.63
2004	29.90	27.85	1	155	522	Not Meaningful	11.95	14.87	15.05
2003	45.35	42.97	1	55	158	Not Meaningful	31.06	17.20	18.37
2002	-16.17	-17.58	1	27	51	Not Meaningful	-21.54		
2001	10.65	9.18	1	15	24	Not Meaningful	-11.46		

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. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of the CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

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. 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 index is the Russell 3000 Index which measures the performance of the largest 3,000 US companies, representing approximately 98% of the investable US market. It represents the universe of stocks from which all-cap managers typically select. 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 SCM's broad distribution pooled funds and their descriptions is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS Composite Reports 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. "Pure" gross of fees returns are presented as supplemental information and do not reflect the deduction of any fees including trading costs. 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. The maximum SMA or bundled external platform fee is 2.82% annually and includes Sterling's actual management fee of 0.32%. Sterling's actual management fees are 50 basis points annually or less. Since inception, the composite is comprised 100% of wrap fee portfolios.
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, and is calculated using gross of fee returns. It is not meaningful when there have been less than six portfolios in composite for entire calendar year. The three year annualized standard deviation measures the variability of the composite and benchmark returns over the preceding 36 month period. The composite 3-year standard deviation is calculated using gross of fee returns. 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.