



STERLING
CAPITAL

SHORT TERM MUNICIPAL SMA | 09.30.2019

Delivering Institutional Quality Bond Management to the Mainstream Investor

Sterling Capital

- \$58 Billion in Total Firm Assets Under Management
- Specialize in Fixed Income Management
- Strong Partnership with BB&T

Philosophy

- Multi-faceted Process Adds Value
- Conservative Approach to Fixed Income Management
- Bond Market Inefficiencies Offer Opportunities for Selective Investors
- Fundamental Research Drives Security Selection

Process

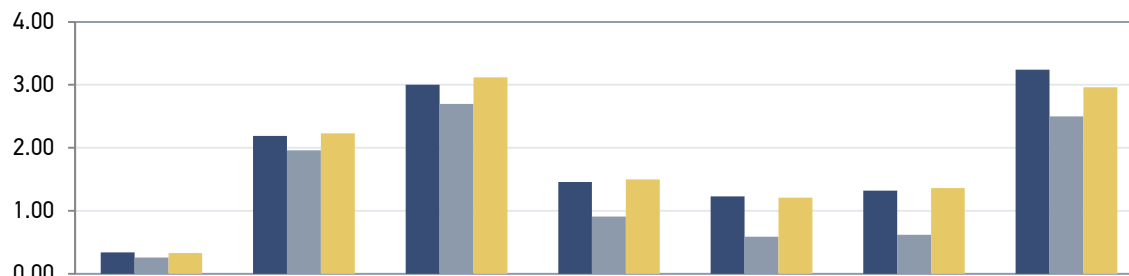
Top Down

- Duration Management
- Yield Curve Analysis
- Sector Analysis

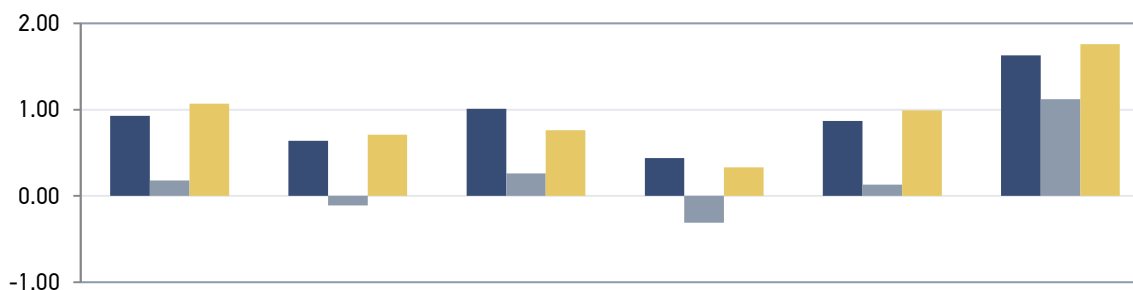
Bottom Up

- Proprietary Analysis
- Fundamental Research
- Security Selection

■ Sterling Short Term Muni SMA (Gross) ■ Sterling Short Term Muni SMA (Net) ■ ICE BofAML 1-3 Yr. Muni Index



| Performance | QTR | YTD | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception* |
|------------------|-------|-------|--------|---------|---------|----------|------------------|
| Sterling (Gross) | 0.34% | 2.19% | 3.00% | 1.46% | 1.23% | 1.32% | 3.24% |
| Sterling (Net) | 0.26% | 1.96% | 2.70% | 0.91% | 0.59% | 0.62% | 2.50% |
| Index | 0.33% | 2.23% | 3.12% | 1.50% | 1.21% | 1.36% | 2.96% |



| Year-End Returns | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|------------------|-------|--------|-------|--------|-------|-------|
| Sterling (Gross) | 0.93% | 0.64% | 1.01% | 0.44% | 0.87% | 1.63% |
| Sterling (Net) | 0.18% | -0.11% | 0.26% | -0.31% | 0.13% | 1.12% |
| Index | 1.07% | 0.71% | 0.76% | 0.33% | 0.99% | 1.76% |

*Inception date is 01.01.1993.

Data as of 09.30.2019. Index is ICE BofA Merrill Lynch 1-3 Year Municipal. 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, trading expenses, custody and other administrative fees. Gross of fees performance returns are presented before investment management fees and custodial fees but after all trading expenses; 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. Source: ICE BofA Merrill Lynch, Sterling Capital Management Analytics.



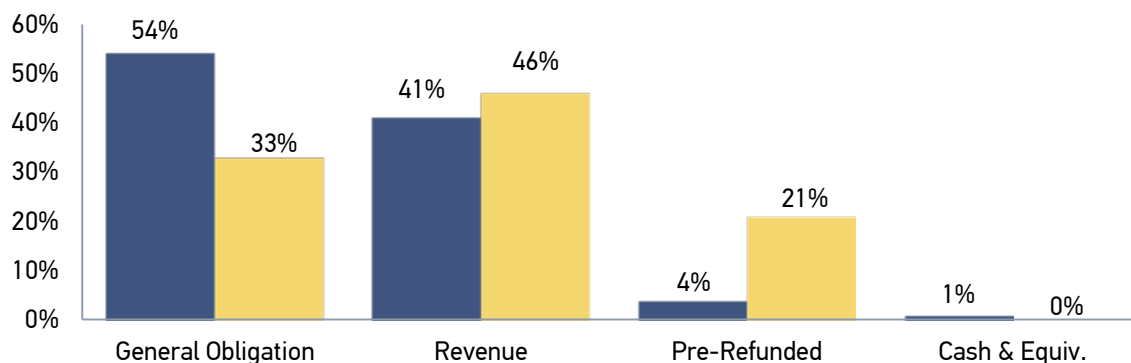
Portfolio Characteristics

| | Sterling | Index |
|--------------------|------------|------------|
| Effective Duration | 1.78 years | 1.76 years |
| Average Quality | AA | AA- |
| Average Life | 1.90 years | 1.87 years |
| Average Coupon | 4.79% | 4.80% |
| Yield to Worst | 1.32% | 1.32% |

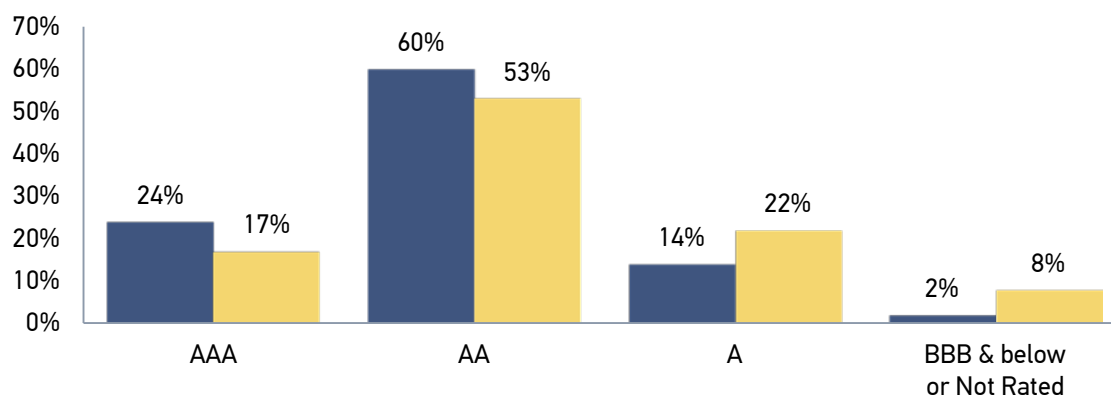
Duration Distribution

| | Sterling | Index |
|--------------|-------------|-------------|
| 0-1 Year | 24% | 9% |
| 1-2 Years | 28% | 57% |
| 2-3 Years | 38% | 34% |
| 3+ Years | 10% | 0% |
| Total | 100% | 100% |

Sector Composition



Credit Quality



■ Sterling Short Term Municipal SMA ■ ICE BofA ML 1-3 Year Municipal Index

Sterling Capital Management – Short-Term Municipal SMA Composite

January 1, 2008 – December 31, 2018

Description: Consists of all bundled fee-paying, discretionary SMA Short-Term Municipal SMA fixed income accounts that meet the following objective: targeted duration range of 1.76 to 2.50 years. The securities in these portfolios are investment grade municipal bonds and could include other government related securities, investment grade and securitized instruments. Beginning August 31, 2013 all portfolios are measured against the ICE BofA Merrill Lynch 1-3 Year Municipal or similar index.

| <u>Year</u> | <u>Total Return</u> <u>Gross of Fees</u> | <u>Total Return</u> <u>Net of Fees</u> | <u>No. of</u> <u>Portfolios</u> | <u>Total Assets</u> <u>End of Period</u> <u>(\$MM)</u> | <u>Percent of</u> <u>Firm Assets</u> | <u>Total</u> <u>Firm Assets</u> <u>(\$MM)</u> | <u>Composite</u> <u>Dispersion (%)</u> | <u>Benchmark</u> <u>Index</u> | <u>Composite</u> <u>3-yr St Dev</u> <u>(%)</u> | <u>Benchmark</u> <u>3-yr St Dev</u> <u>(%)</u> |
|----------------------------|---|---|------------------------------------|--|---|---|---|----------------------------------|--|--|
| 2018 | 1.63 | 1.12 | 18 | 38 | 0.1 | 56,889 | 0.05 | 1.76 | 0.82 | 0.97 |
| 2017 | 0.87 | 0.13 | 14 | 33 | 0.1 | 55,908 | 0.10 | 0.99 | 0.75 | 0.87 |
| 2016 | 0.44 | -0.31 | 16 | 33 | 0.1 | 51,603 | 0.19 | 0.33 | 0.54 | 0.68 |
| 2015 | 1.01 | 0.26 | 18 | 30 | 0.1 | 51,155 | 0.24 | 0.76 | 0.42 | 0.43 |
| 2014 | 0.64 | -0.11 | 21 | 46 | 0.1 | 47,540 | 0.12 | 0.72 | 0.46 | 0.41 |
| 2013 | 0.93 | 0.18 | 7 | 20 | 0.0 | 45,638 | Not meaningful | 1.07 | 0.53 | 0.51 |
| 2012 | 1.13 | 0.36 | 2 | 10 | 0.0 | 38,676 | Not meaningful | 1.25 | 0.66 | 0.59 |
| 2011 | 2.18 | 1.42 | 6 | 878 | 2.6 | 34,131 | 0.00 | 2.41 | 1.07 | 0.96 |
| 2010 | 1.65 | 0.89 | 7 | 916 | 2.8 | 32,736 | 0.22 | 1.45 | | |
| 2009 | 3.74 | 2.96 | 5 | 49 | 0.4 | 13,271 | 0.15 | 4.53 | | |
| Annualized Since Inception | 3.25 | 2.49 | | | | | | 2.96 | | |

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 12/31/17. 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. There were no changes in personnel. In April 2005, BB&T Corporation purchased a majority equity ownership stake in Sterling Capital Management LLC. There were no changes in personnel. 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. There were no material changes in personnel. In January 2013, CHOICE Asset Management merged into Sterling Capital Management. There were no changes in personnel. In August 2015, 8 new employees joined Sterling Capital Management via Stratton Management Company following the close of BB&T's purchase of Susquehanna Bancshares. There were no changes to personnel.
2. Inception date of composite: January 1, 1993. Creation date July 31, 2013. The appropriate benchmark for this composite is the ICE Bank Of America Merrill Lynch 1-3 Year Municipal Index. The ICE BofA Merrill Lynch 1-3 Year Municipal Index is an unmanaged index that tracks the performance of investment grade US tax exempt bonds with remaining terms to final maturities of at least one year and less than three years. Performance results from December 31, 1992 to August 31, 2012 are those of the institutional Short-Term Fixed Income Municipal Composite net of the highest applicable SMA Fee. Prior to August 31, 2012, the benchmark for this composite was the 2-Year benchmark represented by a 55%/45% blend of the Bloomberg Barclays 1-Year and Bloomberg Barclays 3-Year Municipal Indices. From inception to December 31, 2002 the benchmark was a 50%/50% blend of the Bond Buyer 2-Year and Bond Buyer 3-Year AA GO Municipal Index. The data is supplied by Municipal Market Data. From January 1, 2003 to November 30, 2005, the 2.5-Year benchmark represents a 35%/65% blend of the Bloomberg Barclays 1-Year and Bloomberg Barclays 3-Year Municipal Indices. Prior to 01/01/10, the description included the following: The securities in these portfolios could consist of US Governments, investment grade municipals and investment grade corporations. Beginning 12/1/05 the targeted duration range for portfolios included in the composite changed to 1.76 to 2.50 years. Formerly, the average maturity could range from 1.7 to 3.0 years. Additionally, the maximum maturity increased from 5 years to 7 years. From September 1, 2012 to December 31, 2013, the minimum initial portfolio size for inclusion in the composite is \$1,000,000. Beginning January 1, 2014, the minimal initial portfolio size was removed. Until 12/31/13, portfolios were excluded from the composite when the asset value falls below the minimum for a period of 3 consecutive months. 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.
3. 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. Dividend accrual began as of 12/31/98. Valuations and performance are reported in US dollars. Beginning 12/31/98 composite returns are adjusted for daily weighted external cash flows. Beginning 4/30/99, composites are revalued for cash flows greater than 5%. Prior to 1999, composite returns were calculated by asset weighting the individual portfolio returns using beginning of period values. Periodic time weighted returns are geometrically linked. Returns are not calculated net of non-reclaimable withholding taxes due to immaterial dollar amounts.
4. From December 31, 1992 to August 31, 2013 gross of fee performance is presented before management and custodial fees but after all trading expenses. The SMA fee includes all charges for trading costs, portfolio management, custody, and other administrative fees. From 1992 net returns are calculated by subtracting the highest applicable SMA fee (inception through 6/30/18 = 0.75% on an annual basis and beginning 7/1/18 = 0.30% on an annual basis) on a monthly basis from the gross monthly return.
5. 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 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. 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.
6. The performance presented represents past performance and is no guarantee of future results. Fixed income market conditions vary from year to year and can result in a decline in market value due to material market or economic conditions.