



## STERLING CAPITAL

- Over \$56 Billion in Total Firm Assets
- 132 Professionals Providing Investment Management and Client Service
- Strong Partnership with BB&T

## EQUITY OPPORTUNITIES TEAM

- Portfolio Manager: Charles J. Wittmann, CFA®
- Exceptional Continuity of Professionals on Team
- Average Investment Experience of 19 Years
- Based in Virginia Beach, Virginia

## PHILOSOPHY

Seeking Long-Term Appreciation and Total Return by Identifying Global Companies with:

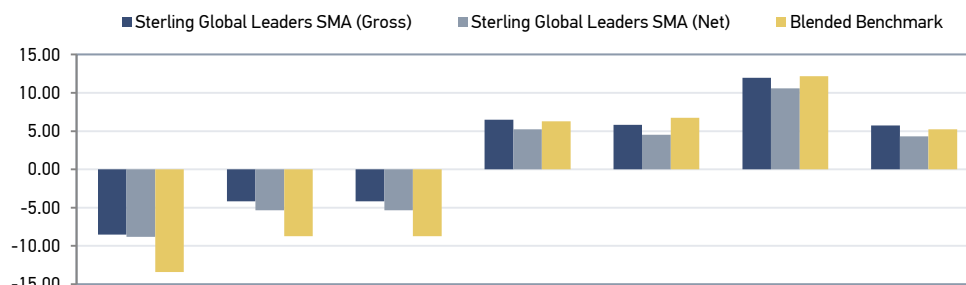
- Sustainable Competitive Advantages and Pricing Power
- Above Average Returns on Capital
- Strong Free Cash Flows and Financial Profiles
- Attractive Valuation

## PROCESS

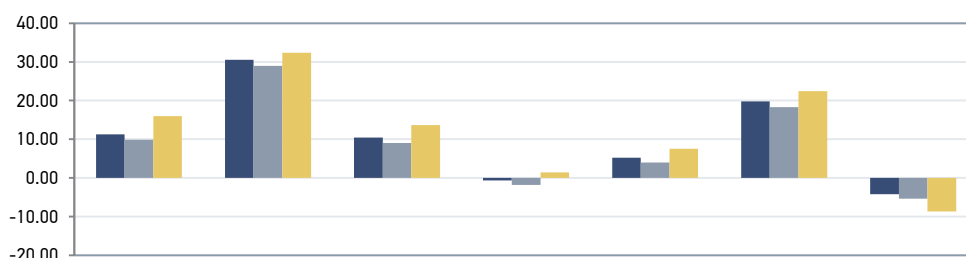
- Internal Screens and External Sources Used to Identify Investment Candidates
- Team-Based Approach to Fundamental Research
- Valuation Assessed Relative to Historical Range, Industry Peers, Growth Rate, and the Market

## STRUCTURE

- Global Large Cap Portfolio Focused on Industry Leaders
- Concentrated Portfolio of 25-30 Best Ideas
- Investment Considerations Drive Decisions but Long Term, Tax Efficient Orientation
- Typical Turnover 40% or Lower



Performance	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception*
Sterling (Gross)	-8.52%	-4.17%	-4.17%	6.51%	5.80%	11.96%	5.73%
Sterling (Net)	-8.80%	-5.34%	-5.34%	5.22%	4.52%	10.57%	4.32%
Blended Benchmark	-13.42%	-8.71%	-8.71%	6.30%	6.73%	12.19%	5.22%
MSCI World (Net)	-13.42%	-8.71%	-8.71%	6.30%	4.56%	9.67%	4.41%

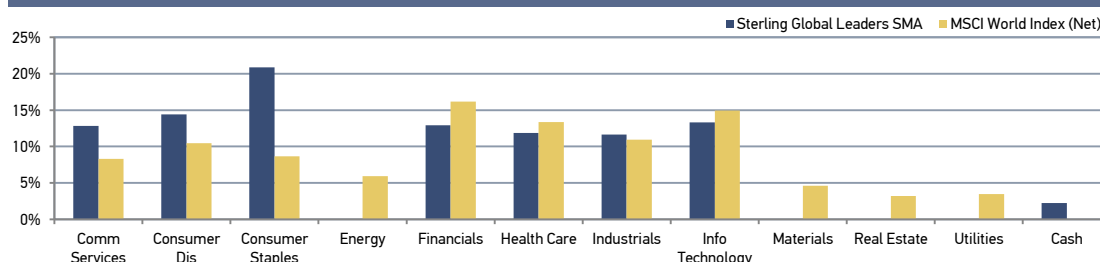


Year-End Returns	2012	2013	2014	2015	2016	2017	2018
Sterling (Gross)	11.28%	30.51%	10.40%	-0.63%	5.25%	19.80%	-4.17%
Sterling (Net)	9.88%	28.94%	9.06%	-1.81%	3.99%	18.34%	-5.34%
Blended Benchmark	16.00%	32.39%	13.69%	1.38%	7.51%	22.40%	-8.71%
MSCI World (Net)	15.83%	26.68%	4.94%	-0.87%	7.51%	22.40%	-8.71%

Portfolio Characteristics			Top Ten Equity Holdings	
	Sterling	Index		
Weighted Average Market Cap	\$134.4 B	\$138.6 B	1. O'Reilly Automotive, Inc.	7.1%
Weighted Median Market Cap	\$27.2 B	\$55.7 B	2. Hormel Foods Corporation	5.3%
Est 3-5 Year EPS Growth	12.3%	10.0%	3. UnitedHealth Group Incorporated	5.2%
P/E Ratio (FY1)	20.8x	15.8x	4. Everest Re Group, Ltd.	4.8%
Return on Equity	22.7%	13.8%	5. IHS Markit Ltd.	4.5%
Number of Holdings	36	1,633	6. Aon plc	4.3%
Active Share	93.4%	---	7. Alphabet Inc. Class A	4.1%
Turnover	61.1%	---	8. Tencent Holdings Ltd. Unsponsored ADR	4.1%
			9. Experian PLC Sponsored ADR	3.9%
			10. Nestle S.A. Sponsored ADR	3.9%
			Total % of Portfolio	47.3%

Ratios are computed using weighted median unless otherwise noted.

## Sector Allocation



Turnover is for the last 12 months. Portfolio characteristics totals may not equal 100% due to rounding. 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.

\*Performance inception date is 12.31.2000.

Data as of 12.31.2018. Blended benchmark: As of 12.31.2015 the benchmark is the MSCI World Net Index. Prior to 12.31.2015 the benchmark was the S&P 500. 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. Source: MSCI, S&P, FactSet, Sterling Capital Management Analytics. The Performance and Portfolio Characteristics are considered Supplemental Information to the Composite Disclosure Presentation which is attached.



**SUMMARY STATISTICS**  
vs. BLENDED BENCHMARK  
(of Quarterly Returns)

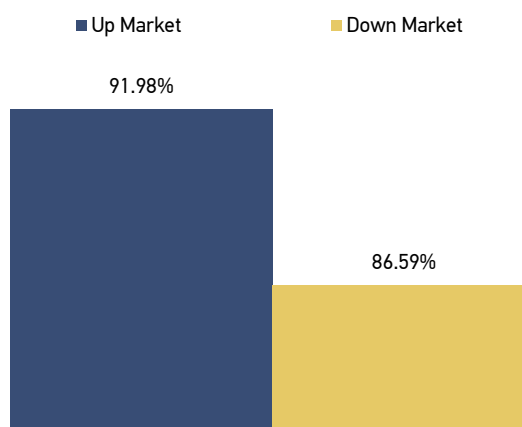
Gross of Fees, Since Inception (12.31.2000)

Portfolio Return	5.73
Benchmark Return	5.22
Standard Deviation (Portfolio)	15.51
Standard Deviation (Benchmark)	16.05
Annualized Alpha	0.94
Beta	0.92
Tracking Error	5.07
3 Year Batting Average	50.00%
5 Year Batting Average	45.00%
Outperforms in Down Periods	63.64%

**Up Market/Down Market Capture Ratio**

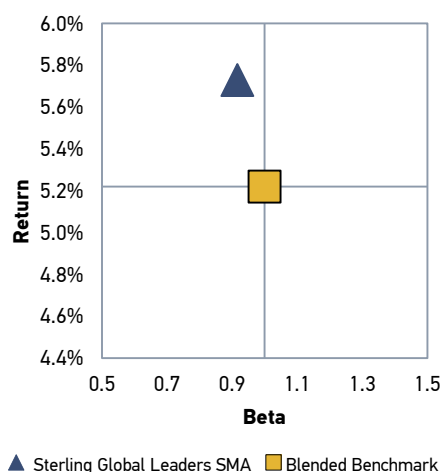
**Sterling Global Leaders SMA vs. Blended Benchmark**

Gross of Fees, Since Inception (12.31.2000)



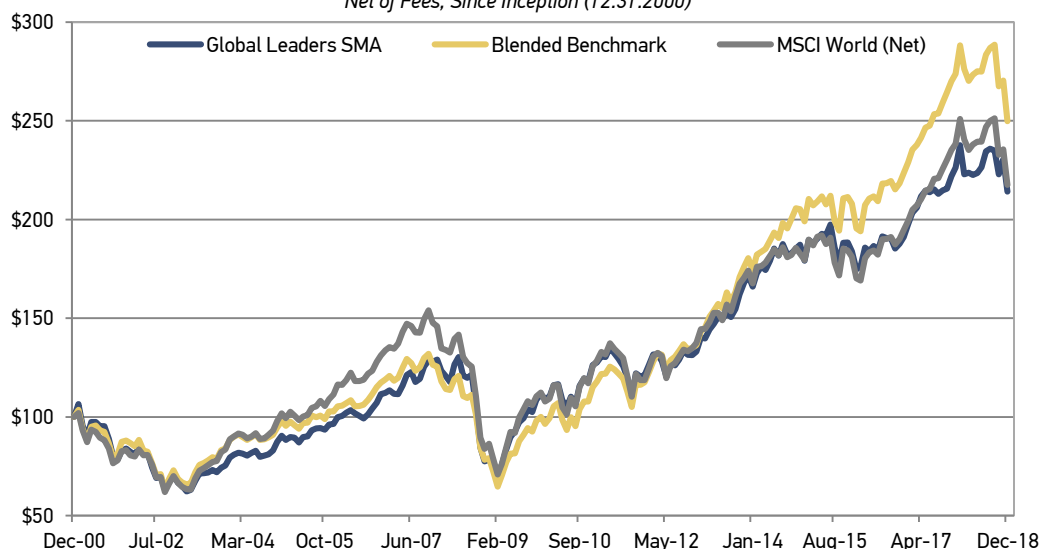
**RISK vs. REWARD**

Gross of Fees, Since Inception (12.31.2000)



**Growth of \$100**

Net of Fees, Since Inception (12.31.2000)



Blended benchmark: As of 12.31.2015 the benchmark is the MSCI World Net. Prior to 12.31.2015 the benchmark was the S&P 500.

Data as of 12.31.2018. 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. Up Market Capture is a measure of the manager's performance when the benchmark has positive returns for the period relative to the benchmark itself. Down Market Capture is a measure of the manager's performance when the benchmark has negative returns for the period relative to the benchmark itself. The Growth of \$100 chart is hypothetical based upon the composite net of fees performance since inception. Source: MSCI, S&P, eVestment Analytics, FactSet, Sterling Capital Management Analytics. The Performance, Summary Statistics, Risk vs. Reward, Up Market/Down Market Capture Ratio, and Growth of \$100 are considered Supplemental Information to the Composite Disclosure Presentation which is attached. For one-on-one presentations only.

**IMPORTANT INFORMATION – DESIGNATIONS:** The Chartered Financial Analyst® (CFA) charter is a graduate-level investment credential awarded by 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.

# Sterling Capital Management – Global Leaders SMA Composite

December 31, 2000 – December 31, 2017

*Description: Consists of all discretionary separately managed wrap Global Leaders equity portfolios invest primarily in companies which have established themselves as market leaders, exhibiting sustainable advantages in production, marketing and research and development.*

Year	Total Return		No. of Portfolios	Composite Assets		Percent of Firm Assets	Total Firm Assets (\$MM)	Composite Dispersion(%)	MSCIWorld		Composite 3-yr StDev (%)	Benchmark 3-yr StDev (%)
	Gross of Fees	Net of Fees		End of Period (\$MM)	Firm Assets				(Net)	(%)		
2017	19.80	18.34	63	29	0.1	55,908	0.51	22.40	22.40	9.54	10.07	10.07
2016	5.25	3.99	88	37	0.1	51,603	0.30	7.51	7.51	10.07	10.80	10.80
2015	-0.63	-1.81	80	38	0.1	51,155	0.37	1.38	-0.87	10.05	10.47	10.47
2014	10.40	9.06	89	41	0.1	47,540	0.40	13.69	4.94	9.31	8.97	8.97
2013	30.51	28.94	96	43	0.1	45,638	0.48	32.39	26.68	12.38	12.11	12.11
2012	11.28	9.88	105	37	0.8	4,422	0.40	16.00	15.83	14.59	15.30	15.30
2011	-2.81	-4.03	133	43	1.1	3,932	0.49	2.11	-5.54	16.98	18.97	18.97
2010	14.77	13.32	137	46	1.3	3,548	0.32	15.06	11.76	22.25	22.16	22.16
2009	44.06	42.13	141	43	1.5	2,839	1.59	26.46	29.99	20.88	19.91	19.91
2008	-38.43	-39.26	165	33	1.7	1,907	1.19	-37.00	-40.71	17.86	15.29	15.29
2007	16.61	15.06	151	52	2.5	2,059	0.76	5.49	9.04	7.50	7.79	7.79
2006	17.79	16.18	141	41	3.1	1,314	0.38	15.80	20.07	7.02	6.92	6.92
2005	8.18	6.67	105	28	3.1	904	0.39	4.91	9.49	8.85	9.17	9.17
2004	15.61	13.90	62	16	3.1	522	0.98	10.88	14.72	13.80	15.07	15.07
2003	21.32	19.34	41	10	6.3	158	2.10	28.68	33.11	17.96	18.47	18.47
2002	-19.50	-20.80	39	7	13.7	51	0.40	-22.10	-19.89			
2001	-14.71	-15.94	12	4	16.7	24	0.10	-11.89	-16.82			
Annualized Since Inception	6.34	4.92						6.10	5.24			

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 12/31/16. 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 firm merged into Sterling Capital Management. There were no changes in personnel. "Percent of Firm Assets" and "Total Firm Assets" prior to 2013 are for CHOICE Asset Management. 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. In March 2016, Charles J. Whitnam, CFA, became the portfolio manager with the retirement of Guy W. Ford, CFA. Guy W. Ford, CFA, managed the portfolio from January 2012 to March 2016, succeeding George F. Shipp, CFA, who had 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. Effective 1/1/2016, the composite was renamed from "Leaders" to "Global Leaders." The appropriate benchmark index is the S&P 500 from inception to 12/31/2015 and the MSCI World Net index from 1/1/2016 forward. The MSCI World Index is a broad global equity benchmark that is rebalanced quarterly, and represents large and mid-cap equity performance across 23 developed markets countries. The MSCI World index covers approximately 85% of the free float-adjusted market capitalization in each country, and does not offer exposure to emerging markets. The S&P 500 is an unmanaged, weighted index of 500 stocks providing a broad indicator of price movements. Total return includes price appreciation/depreciation and income as a percent of the original investment.
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.
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, administrative fees, and foreign withholding taxes.
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.