



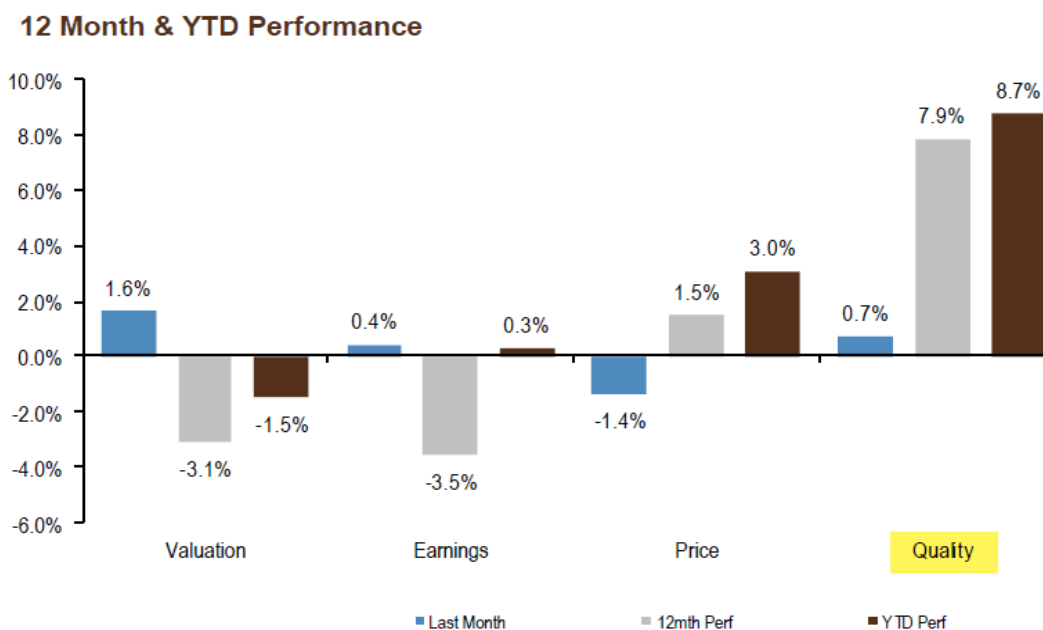
Simply stated, the philosophy behind the Sterling Capital Global Leaders portfolio is that global companies that have established themselves as #1 in their respective markets, tend to stay #1 in their markets. Size usually translates to cost advantages in production, marketing and R&D expenditures that can be re-invested in the business, making such advantages sustainable. Not insignificantly, industry leaders tend to be well-managed, since it is highly unlikely a company becomes its industry's best via pure luck.

We expect most of the holdings will be global household names, so-called "blue-chip" companies. While numerous factors are considered, we believe a company's historical track record is the single best indicator of future financial success, so almost by definition our qualitative criteria should identify companies that have already enjoyed great success. Depending upon market conditions and specific situations, we retain the flexibility to sprinkle in medium-sized companies that we believe fit a common-sense definition of industry leadership. In doing so, we believe we distinguish our portfolio from other large-capitalization investment alternatives, ideally with the result of boosting long-term after tax returns, without taking on commensurate risk.

Annual Review

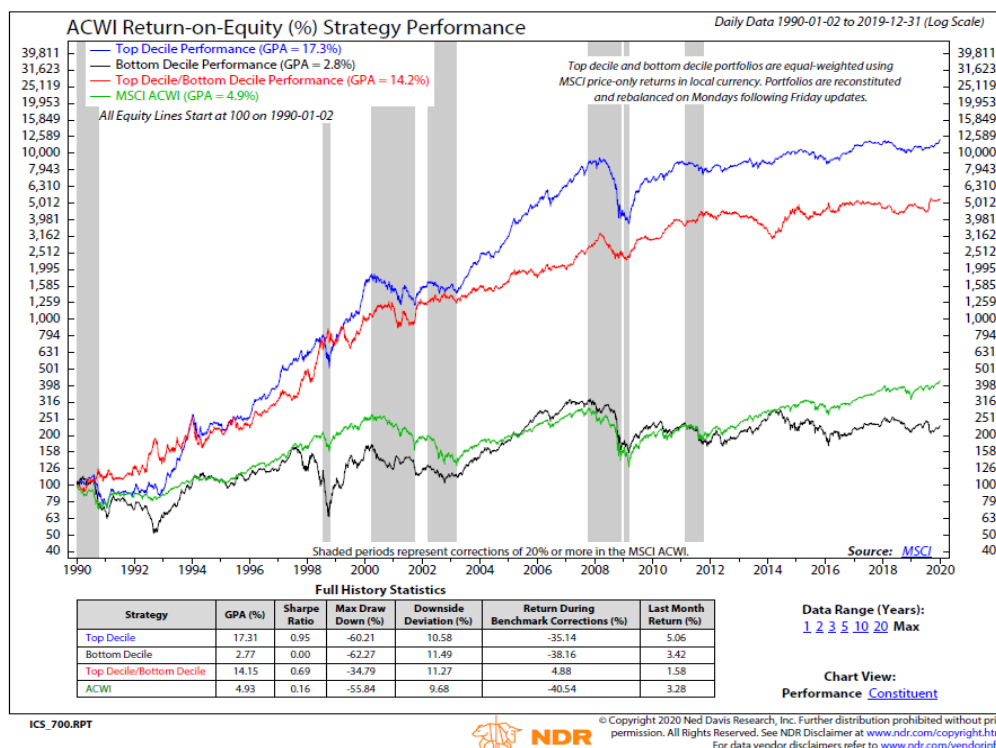
For the year, the Global Leaders strategy outperformed the MSCI World (net) by 1.7% gross of fees, with a return of 29.4% versus 27.7% for the benchmark. On a net of fee basis, the strategy reported a return for the year of 27.9% relative to the 27.7% return for the benchmark. For the quarter, the strategy returned 7.9% on a gross basis and return of 7.6% on a net of fee basis versus the 8.6% return for the MSCI World (net). In terms of our three year performance, the strategy currently ranks in the top 10% of global equity SMA/Wrap managers as of 11.30.2019.

The strategy has demonstrated attractive "all weather" performance recently, outperforming in 2019 with the benchmark up almost 28%, while also outperforming last year when the benchmark declined over (8%). Stylistically, the strategy maintains its "quality" focus with performance consistent with this characteristic. J.P. Morgan noted that through November, "quality" provided the biggest tailwind for global stock performance and the Global Leaders 2019 performance was consistent with this observation.



Source: MSCI, FactSet, Reuters, J.P. Morgan Macro QDS.

In the fourth quarter, lower-quality stocks defined by unprofitable companies outperformed and our strategy modestly underperformed. Quality has demonstrated the ability to provide an alpha engine to global stock portfolios over the long term, and we retain our long-term focus on searching and finding "unique companies and unique prices" in the Global Leaders strategy. The following chart from Ned Davis Research provides a long-term look at the performance of the top 10% of "quality" stocks (in blue) defined as those with the highest returns on equity and how they've performed versus a global index (green) since 1990.



Source: Ned Davis Research

As a whole, the strategy focuses on companies that have strong exposure to our four investment pillars: below-benchmark valuations, above-benchmark growth, above-benchmark profitability, and stronger-than-benchmark financial strength. Empirical evidence that the four pillars increase the probability of outperformance is supported by additional data from Ned Davis research as the top decile of companies ranked by the following factors (equally weighted) outperformed the MSCI ACWI Index over the previous 29 years as of 11.21.2019, shown below:

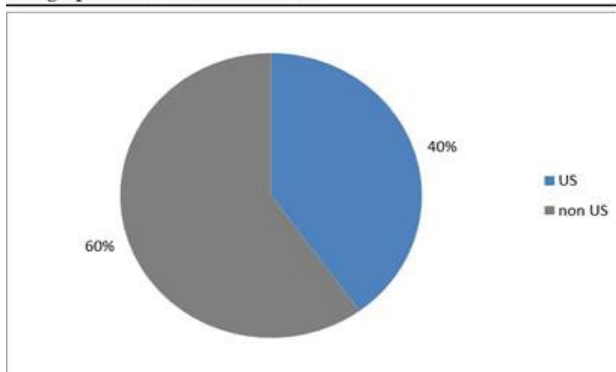
- Earnings Yield: 20.11% annualized return
- Earnings Per Share Growth: 6.57% annualized return
- Return on Equity: 17.16% annualized return
- Interest Coverage Ratio: 9.08% annualized return

Over the same time period, the MSCI ACWI Index has generated a 4.82% annualized return. Note that the Interest Coverage Ratio is comprised of available NDR ACWI components on a weighted-average basis.

Portfolio Highlights for 2019

- Global Leaders was the recommended global equity manager on its largest platform on June 21, 2019.
- New positions added in 2019 resulted in a strategy with faster sales growth and higher quality in terms of returns on capital by the end of the year.
- Revenues derived from regions outside the U.S. increased to 60% of the portfolio on a weighted basis per Bloomberg, up from 55% last year through incremental changes made in 2019.

Geographic Allocation - Revenues

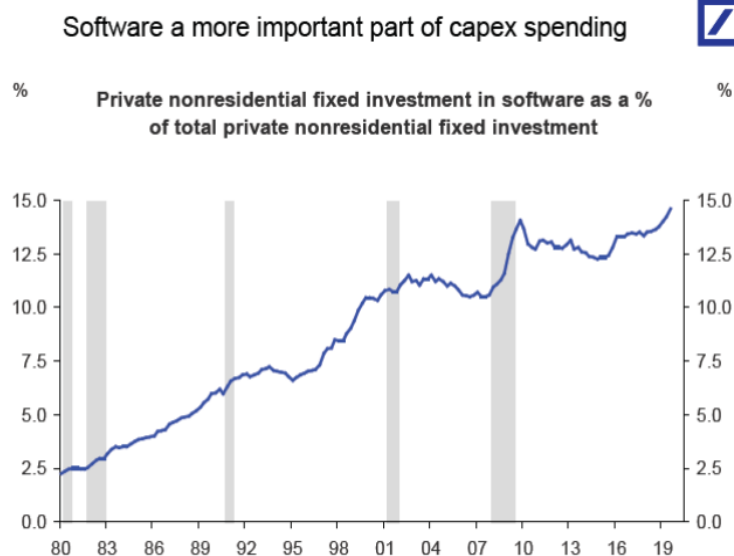


Source: Bloomberg, position weighted equity holdings as of 12.31.2019.



2019 Winners & Losers

The top performing stocks in the strategy for the year benefitted from the secular demand for software solutions in various forms. The products can drive better efficiencies and leverage the potential of the new economy's most valuable commodity – data. As seen in the following graphic, investments in software solutions continue to gain share of corporate spending.



Source: BEA, Haver Analytics, DB Global Research

Microsoft (+58%) is the leader not only in the corporate software space but also now in government investment, having won the \$10 billion Pentagon JEDI cloud contract in the fourth quarter. With marquee wins such as these, we expect Microsoft to continue to advance its leadership position in 2020. **Constellation Software** (+57%) is another software company added roughly one year ago to the portfolio, becoming an immediate contributor, its business model involving purchasing smaller software companies and running them efficiently. In 2018, growth concerns provided us with an opportunity to enter the stock at an attractive price in the fourth quarter 2018 and were put to rest through solid execution throughout the year. **IHS Markit** (+57%) provides software and data analytic solutions in the energy and financial services sectors. Its solid integration of Ipreo Holdings, purchased in 2018, helped to fuel bottom-line growth and investor optimism through 2019. Detractors included **CHR Hansen** (-5%), that warned of slow growth in its natural color and flavor business in China due to trade concerns; we look for these challenges to abate now that Phase I of the trade deal is set to be signed by the U.S. and China in January 2020. **Everest Re** (-2%) reported another year of losses in its property and casualty business and we exited the position in the first quarter. We also sold **Hormel Foods** (-1%) in the first quarter. Hormel has been one of the best-performing stocks in the portfolio in recent years and we sold on valuation.

Fourth Quarter Winners and Losers

The top performers during the quarter were healthcare-related stocks that benefitted from less saber rattling on the presidential campaign trail regarding single-payer options in the U.S. **United Health** (+36%) rebounded off its lowest valuation in three years in October. **HCA** (+23%) also bounced off the low end of its valuation range and reported a better-than-expected earnings report in October, where its 2020 guidance was better than anticipated. **Domino's Pizza** (+21%) benefitted from investors gaining greater confidence that Domino's will win in the delivery space versus delivery companies such as Grubhub, which admitted to investors that their model is not sustainable. **Restaurant Brands** (-10%) declined after subpar results at its largest brand, Tim Hortons during the quarter. We continue to believe the reformulation of the offering, especially the coffee options that have not been refreshed in 40 years, has the potential to get the concept back on track in 2020. **Yum China** (-7%) was sold in the quarter after stating higher commodity prices and additional investments would take place through 2020. Finally, **CHR Hansen** (-6%) declined on the previously stated concerns around growth in China that looks to change with the trade clouds lifting between the U.S. and China as we enter 2020.



Fourth Quarter Purchases

Automatic Data Processing – ADP is the global leader in providing outsourced payroll processing services and other transaction processing services. The core of ADP's franchise is its Employer Services unit (70% of revenues), which provides payroll processing, tax administration and other outsourced HR services to a wide range of business in the U.S. and abroad. ADP generates a significant portion of its income by investing approximately \$21 billion of its clients' payroll and tax funds before remittance to the appropriate third parties. The company's Professional Employer Organization (PEO) unit (30%) provides a similar suite of services as Employer through a co-employment relationship. The company completed the spin-off of its Dealer Services business in late 2014.



Source: Company Reports

ADP is at the epicenter of number of favorable themes:

- ADP is focused on human resource solutions, integrating technology and related services across the globe enabling more efficient operations, securing regulatory compliance, and benchmarking analytics.
- The company is transforming to a higher return, higher margin business model. ADP is morphing from a business services company to a software company by moving its systems to the cloud. The company has a rich treasure trove of perhaps the most important information on the planet, what people are paid, especially in the U.S where it pays one out of every six people. In 2019, ADP enhanced the classification of this information, enabling companies to benchmark their employees across geographies, industries, and job titles.
- ADP is a market leader. As seen in the following graphic, ADP is #1 in virtually all markets in which it competes.

WE CONTINUE TO BE STRONGLY POSITIONED IN HIGHLY ATTRACTIVE MARKETS



Source: Company Reports

ADP appears to offer a great company at a good price at current price levels. With the potential to reap the benefits of its years of research and development investments into cloud computing and optionality of its balance sheet, we believe the future looks bright for ADP.

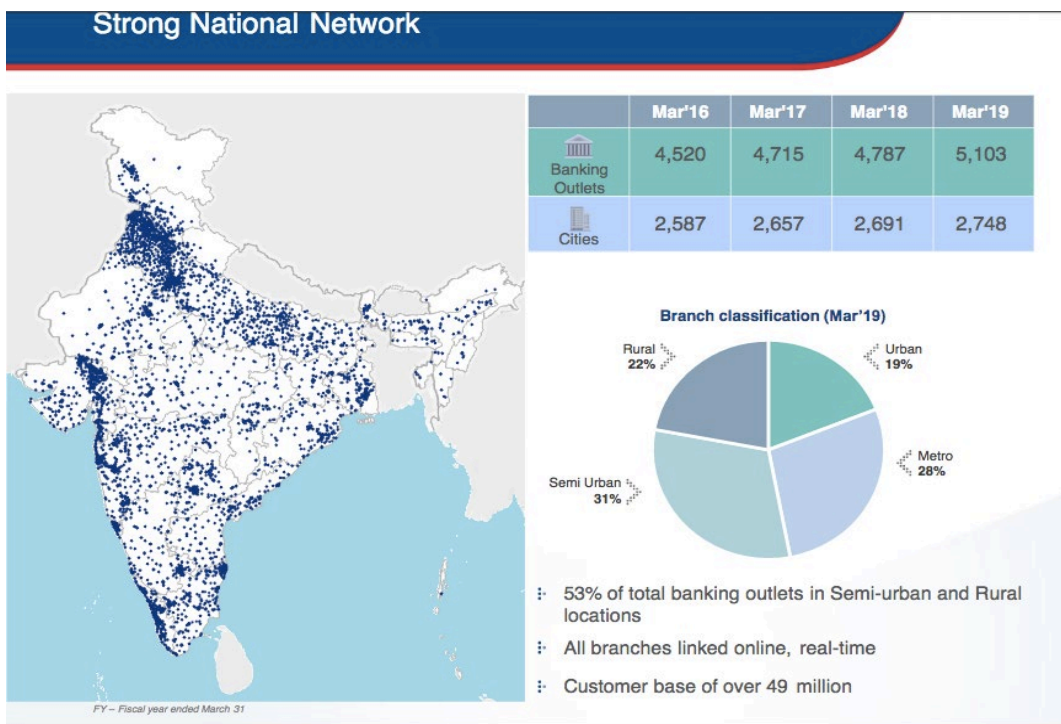
HDFC Bank. HDB is one of the largest consumer lender in the world's largest democracy and is well positioned to benefit from the rise of India's emerging middle class. HDB is also poised to benefit from the government's move to convert the payment system from cash to digital across the country, as well as to reduce the regulatory burden for corporations as seen by the recent cut in corporate tax rates to stimulate investment. Finally, HDB is the most recognized brand in India as seen in the following graphic.



HDFC Bank is India's top brand

Source: WPP/Kantar Millward Brown

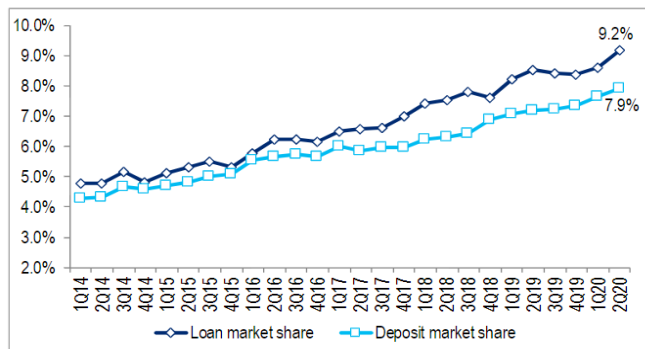
HDB has a formidable position as the #1 private sector lender in India. Its position in the retail sector with roughly 4,800 branches and its comprehensive product range should enable it to continue to gain share in the world's fifth largest economy. HDB's extensive retail branch system provides it with among the lowest funding costs in the nation, which translates to a competitive advantage.



Source: Company Reports

In September, India delivered a massive corporate tax cut to stimulate the economy and foreign investment. Corporate tax rates were reduced to 22% from 30%, and also allowed corporations making new investments in manufacturing, that began production by March 31, 2023, to start paying a tax rate of 15%. Tax changes were also put in place to reduce capital gains and corporate buyback taxes. This catalyst should lead to improved economic growth and benefit the highest quality bank in the country, HDB.

Figure 3. Loan and deposit market share

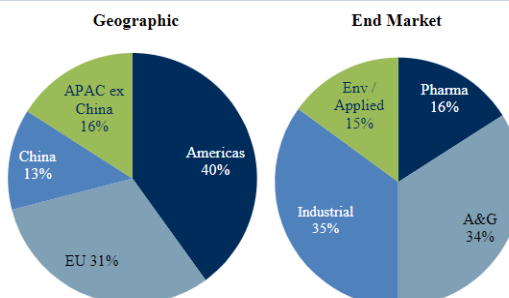


Source: RBI, Company Data, Citi Research

HDB provides quality exposure to a great growth region through the leader in that locale. Consistent with our investment philosophy of creating a portfolio of companies which have established themselves as #1 in their respective markets, HDB should stay #1 in a consumer market that is the among the most attractive in the world due to its growth prospects. With a pro-business backdrop, as evidenced by the recent tax cuts, HDB provides another avenue for the portfolio to drive returns for clients.

Mettler Toledo. Mettler Toldo (MTD) makes precision instruments for labs, industrial production, and food retailing. Evercore ISI calls MTD a “global leader in precision analytical instrumentation.” Its advantage is its leadership relative to competitors in the industries where they compete. Its strength is its sales and marketing units that comprise over half the employee base in 40 countries and its sales newsletters that drive sales worldwide. In 2018, 31% of sales were in Europe, 38% from the Americas, and 31% from Asia.

BRIC (notably China) remains key growth market



Source: Evercore ISI

Barclays research notes MTD demonstrates “an uncanny ability to drive growth with a seemingly endless number of levers in its toolkit to consistently gain share, capture net pricing, better monetize its installed base, and squeeze more juice from its commercial field sales and service teams.” In the healthcare and industrial space where MTD competes, it has a unique business model generating high and improving returns on capital from margin expansion from software and service revenues. Moreover, it is taking advantage of compliance and regulatory requirements to help customer compliance. Finally, as it is a market leader, Barclays also notes “the company is the market share leader in 75% of its product lines. The superior quality of MTD’s products is specifically important for its customers.”



Source: Company Reports

MTD shares appears to offer a great company at a good price. Returns on capital this past quarter were 33%, net debt/EBITDA remains contained at 1.4x with a target of 1.5x in 2020. Earnings per share grew 16% in 2018, but have decelerated to 11% in 2019. With easier comparisons headed into 2020, the shares have a lower hurdle as we enter the new year.

MTD's one final differentiating quality is its focus on organic growth, rather than acquisitions, that many of its competitors employ to drive sales. When discussing the balanced approach to growth, the annual report highlights its commitment to its internal sales force to generate organic growth. This benefits shareholders in that our capital generates returns roughly twice that of the peer group. At a recent conference, the chief financial officer stated he viewed MTD had penetrated only 25% of its market potential. With a long runway for growth, MTD appears poised to deliver quality returns for clients into the foreseeable future.

Fourth Quarter Sales

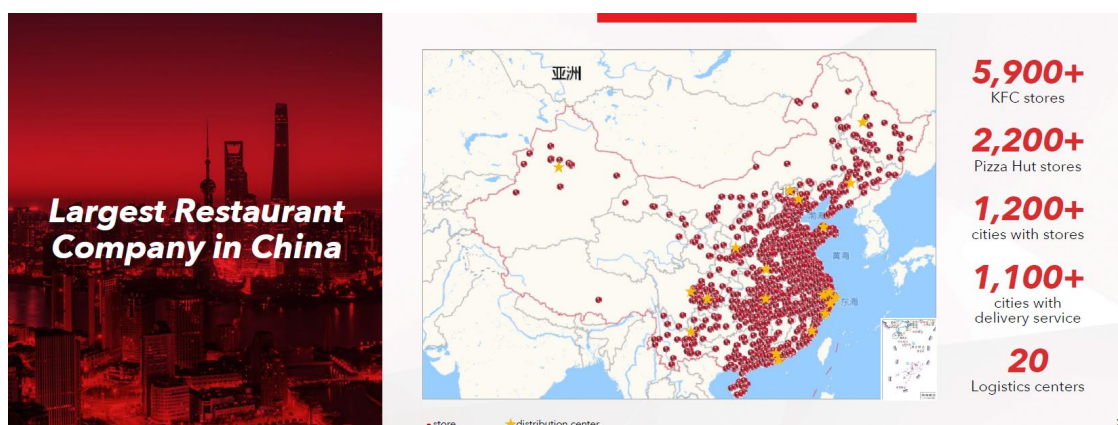
Nestle. We sold our position in Nestle during the fourth quarter.



Source: Company Reports

We purchased Nestle shares in 2016 due to the company's impressive breadth of product and geographic reach. At purchase, its full potential was not being realized as it reported inconsistent results in its operating divisions. As a result, the global franchise was trading at an attractive valuation relative to history. Like many companies, a new CEO that came in during 2017 took a fresh look at the operations and breathed new life into the growth story. By selling select assets, improving organic growth, and restarting the share repurchase plan, this combination proved to be a recipe for success for stock price appreciation. With the valuation reflecting these improvements and few new ingredients in the cupboard that we see to drive further share price appreciation, we decided to redeploy our client's capital into more attractive opportunities.

Yum China. We sold shares of Yum China in November 2019.



Source: Company Reports



Our original purchase of Yum China was predicated on our attraction to its leading consumer brands in China, KFC and Pizza Hut, as well as its unique control over its supply chain throughout the country. This dominant market position protected cash flows and earnings through the pessimism surrounding operations at Pizza Hut and U.S./China trade concerns. The new CEO, Joey Wat, continued to grow new stores on pace while extending Yum China's leadership position in digital ordering. Pizza Hut operations have turned around, but clouds have appeared on the horizon to source chicken at a fair price. Management has leveraged its buying power in 2019, but 2020 should see material increases in terms of the cost of goods sold. Rising costs, coupled with more aggressive spending plans on new concepts, resulted in the decision to redeploy our capital into better perceived opportunities.

Reckitt Benckiser. We purchased the shares of this branded consumer company in 2017. With leading global brands such as Mucinex, Airwick, Lysol and a history of innovation, the shares looked poised to continue their history of generating increasingly higher returns on capital for shareholders. However, with the retirement of the CEO, who was the architect of innovation powerhouse, we were less confident that new management would be able to generate similar returns going forward. With the management change and signals of upcoming reinvestment in the business to generate growth in the distant future, we changed our view as the facts changed, and sold our position.

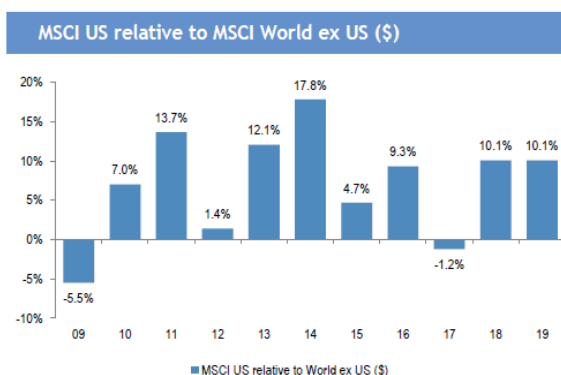
Tax Efficiency

A byproduct of the Global Leaders strategy is boosting after-tax returns; and, while not all clients are taxable, we do carefully monitor holding periods for our stocks. We seek to invest in #1 companies that can be owned for the long term. Microsoft, our best performing stock in 2019, was a stock purchased in 2008. We'd also note that the last short-term capital gain taken by the overall strategy, outside realizing the proceeds of an acquisition, was in 2012. Finally, our approach has been consistent, and we believe long-term investors in the strategy will find that their tax cost (a measurement of interest and capital gains tax paid divided by asset value similar to a management fee) has been lower into the past five years than the previous five, in the year ending 2019.*

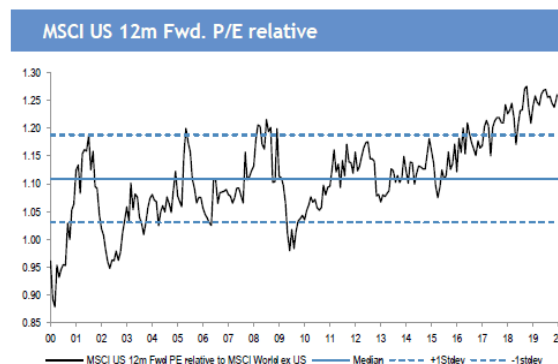
Outlook

We have found relative value and growth in regions outside of the U.S., hence our increased weighting to international stocks through 2019. As we approached the end of the year, market strategists highlighted the relative performance of international stocks. In client meetings we have noted that as we enter 2020, not only do valuations look compelling, but relative earnings growth versus the U.S. has as well – a key component to performance that could provide room for upside for international stocks, as noted by J.P. Morgan in the following graphic.

- We are still positive on US equities in absolute terms, expecting them to keep making fresh record highs in 1H of 2020, but believe that International markets might provide even better opportunities.
- The region continued to strongly outperform the rest of the world in 2019. Consequently, US equity multiples relative to the other markets are trading at a premium.



Source: Datastream

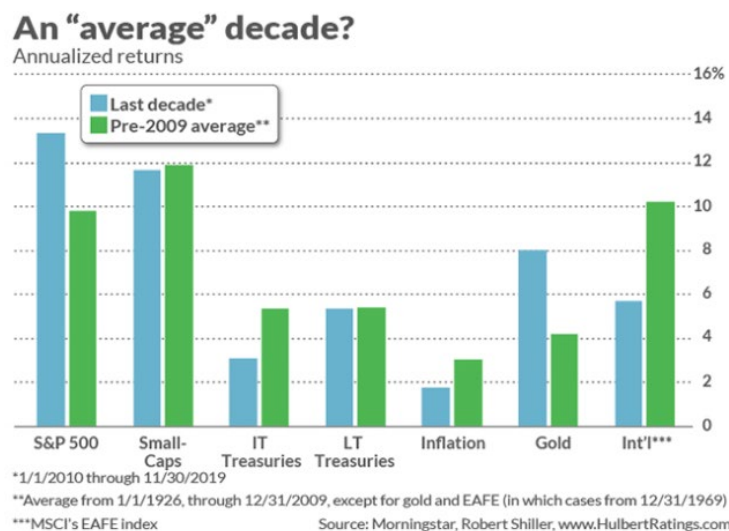


Source: IBES

*Sterling does not provide tax advice, therefore clients should consult with their tax advisor with any questions related to tax implications.



This past decade has been an impressive one for U.S.-based markets as they have returned above their historical rate of returns due to aggressive central bank policies and most recently, corporate tax cuts that have fueled relative earnings growth. As seen in the following chart, U.S. and international markets have generated similar long-term rates of return, with international having the most potential to revert back to long-term averages as we enter the new decade.



Source: Morningstar, Robert Shiller, www.HulbertRatings.com

In terms of the strategy, we continue to maintain our focus on quality. Per Bloomberg, the strategy has meaningfully higher returns on capital than the benchmark and the companies we own boast impressive profit margins that enable them to reinvest in their business and gain market share as can be demonstrated through their higher sales growth relative to the benchmark.

	Global Leaders	MSCI World
Return on Equity	68.0%	23.0%
Gross Margin	58.1%	47.7%
Operating Margin	20.0%	11.5%
Sales Growth/Share	14.8%	11.9%

Source: Bloomberg 12.31.2019, sales growth last 12 months.

As we enter the new decade, we are excited about the stocks in the portfolio and their potential to add value. We noted our exposure to software stocks that had a banner year in 2019, but other stocks have great potential as we enter the new year. One of our largest positions, Facebook, is following the learnings of another portfolio holding, Tencent, and is moving to become the leader in “social commerce” in the West, where seamless integration of social networks and payments converge. We’re also invested in Paypal, the first payment company from the West to enter China, providing the company with over a billion new customers to win with its proven payment platform. These companies provide examples of the untapped earnings power, each residing with the ability to take proven business models into new markets and extend market leadership into new geographies. We look forward to 2020 and the new decade before us.

Thank you for your investment and confidence in us.

Chip Wittmann, CFA®
Portfolio Manager



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. Gross of fees performance returns reflect the deduction of 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.

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 – Global Leaders SMA Composite

December 31, 2000 – December 31, 2018

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 "Pure"		Total Return Net of Fees	No. of Portfolios	Composite Assets		Percent of Firm Assets	Total Firm Assets (\$MM)	Composite Dispersion (%)	Benchmark	MSCI World (Net)	Composite 3-yr St Dev (%)	Benchmark 3-yr St Dev (%)
	Gross of Fees				End of Period (\$MM)	Firm Assets							
2018	-4.23	-5.41	57	26	0.0	56,889	-8.71	0.50	-8.71	-8.71	9.90	10.38	
2017	19.80	18.34	63	29	0.1	55,908	22.40	0.51	22.40	22.40	9.54	10.07	
2016	5.25	3.99	88	37	0.1	51,603	7.51	0.30	7.51	7.51	10.07	10.80	
2015	-0.63	-1.81	80	38	0.1	51,155	1.38	0.37	1.38	-0.87	10.05	10.47	
2014	10.40	9.06	89	41	0.1	47,540	13.69	0.40	13.69	4.94	9.31	8.97	
2013	30.51	28.94	96	43	0.1	45,638	32.39	0.48	32.39	26.68	12.38	12.11	
2012	11.28	9.88	105	37	0.8	4,422	16.00	0.40	16.00	15.83	14.59	15.30	
2011	-2.81	-4.03	133	43	1.1	3,932	2.11	0.49	2.11	-5.54	16.98	18.97	
2010	14.77	13.32	137	46	1.3	3,548	15.06	0.32	15.06	11.76	22.25	22.16	
2009	44.06	42.13	141	43	1.5	2,839	26.46	1.59	26.46	29.99	20.88	19.91	
2008	-38.43	-39.26	165	33	1.7	1,907	-37.00	1.19	-37.00	-40.71	17.86	15.29	
2007	16.61	15.06	151	52	2.5	2,059	5.49	0.76	5.49	9.04	7.50	7.79	
2006	17.79	16.18	141	41	3.1	1,314	15.80	0.38	15.80	20.07	7.02	6.92	
2005	8.18	6.67	105	28	3.1	904	4.91	0.39	4.91	9.49	8.85	9.17	
2004	15.61	13.90	62	16	3.1	522	10.88	0.98	10.88	14.72	13.80	15.07	
2003	21.32	19.34	41	10	6.3	158	28.68	2.10	28.68	33.11	17.96	18.47	
2002	-19.50	-20.80	39	7	13.7	51	-22.10	0.40	-22.10	-19.89			
2001	-14.71	-15.94	12	4	16.7	24	-11.89	0.10	-11.89	-16.82			
Annualized Since Inception	5.72	4.32					5.22			4.41			

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 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. Wittmann, 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. Sterling's actual management fees are 32 basis points annually.
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.