



STERLING
CAPITAL

**2nd Quarter 2020 Market Review:
Equity Income SMA**

WHAT MATTERS MOST TO YOU MATTERS MOST TO US.



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- *Any type of investment involves risk and there are no guarantees. Past performance is not indicative of future results.*
- *The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index.*



WebEx Agenda:

- Equity Market and Macro Environment Review
- Equity Income SMA Review of Q2.2020 Performance, Activity and Positioning
- Equity Market Outlook
- Q&A



George F. Shipp, CFA®
Senior Managing Director
Lead PM Equity Income &
Special Opportunities



Adam B. Bergman, CFA®
Executive Director
APM Equity Income



Charles J. Wittmann, CFA®
Executive Director
Senior Analyst



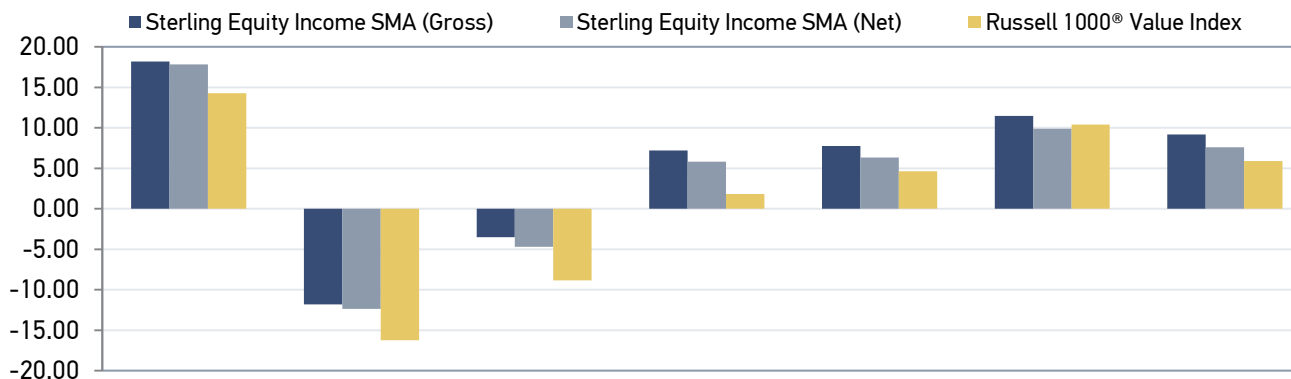
Whitney L. Stewart, CFA®
Executive Director
Client Portfolio Manager

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A Strong Quarter for Risk Assets

Equity Income Outperformed Russell 1000® Value Index



Performance	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception*
Sterling (Gross)	18.19%	-11.80%	-3.53%	7.18%	7.74%	11.47%	9.17%
Sterling (Net)	17.83%	-12.35%	-4.72%	5.82%	6.32%	9.87%	7.58%
Russell 1000® Value	14.29%	-16.26%	-8.84%	1.82%	4.64%	10.41%	5.88%

*Inception date is 12.31.2000. Data as of 06.30.2020. Source: Russell Investments, Sterling Capital Management Analytics.

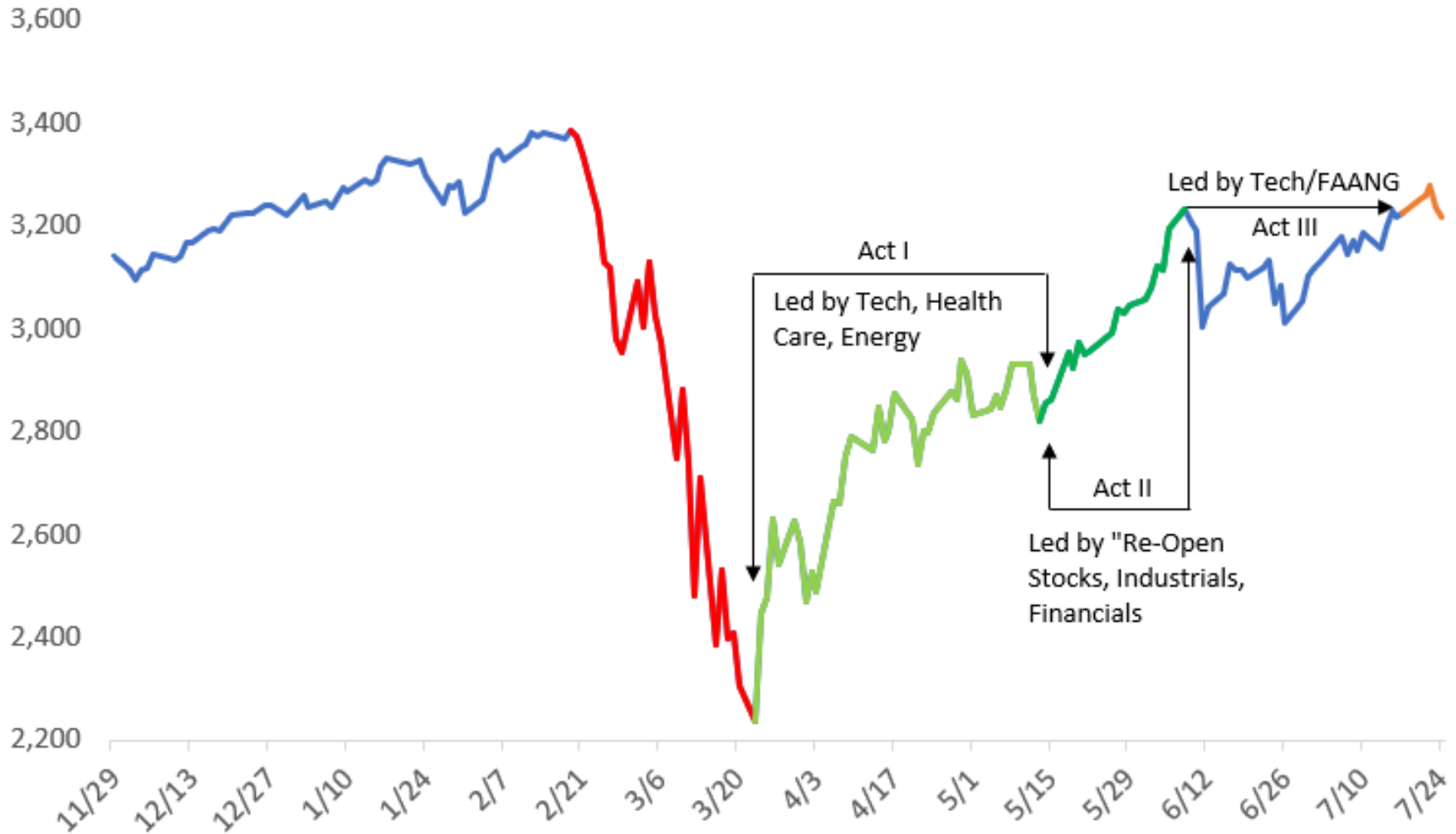
Performance is preliminary and is annualized for periods longer than one year. Net of fees performance returns are presented net of the investment management fees and trading expenses. "Pure" Gross of fees performance returns do not reflect the deduction of any fees including trading costs; a client's return will be reduced by the management fees and other expenses it may incur. Investment management fees are described in Sterling's Form ADV 2A. Performance reflects the reinvestment of interest income and dividends and realized capital gains. The performance presented represents past performance and is no guarantee of future results. Performance is compared to an index, however, the volatility of an index varies greatly and investments cannot be made directly in an index. Market conditions vary from year to year and can result in a decline in market value due to material market or economic conditions. The Performance is considered Supplemental Information to the Composite Disclosure Presentation located in the APPENDIX.

Past performance is not indicative of future results.



“Fastest Ever” Bear and Bull Cycles With Shifting Leadership

S&P 500: Since December 2019

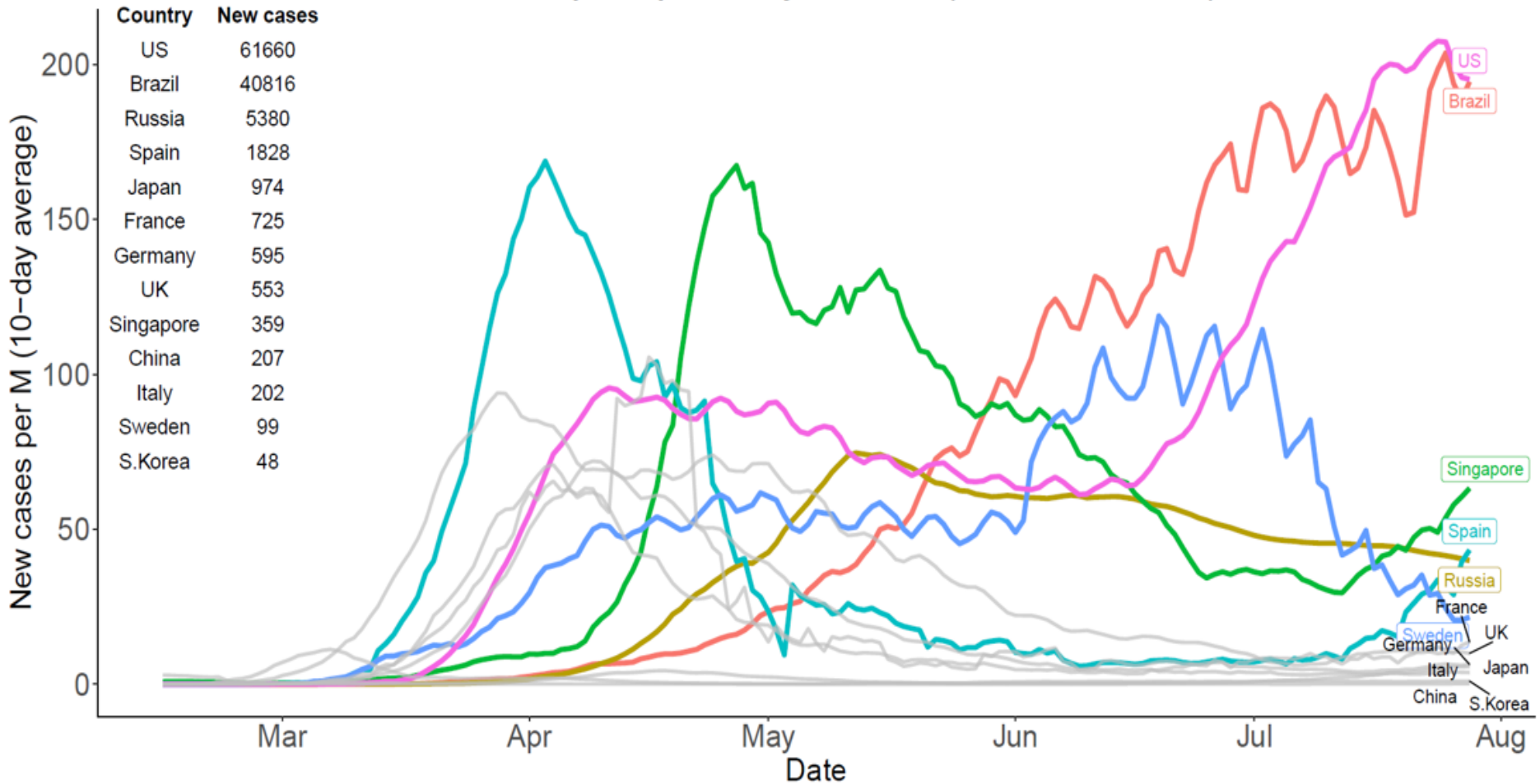


Source: Bespoke Investment Group. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index.

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New cases per capita in key countries (cutoff 2020-07-28)

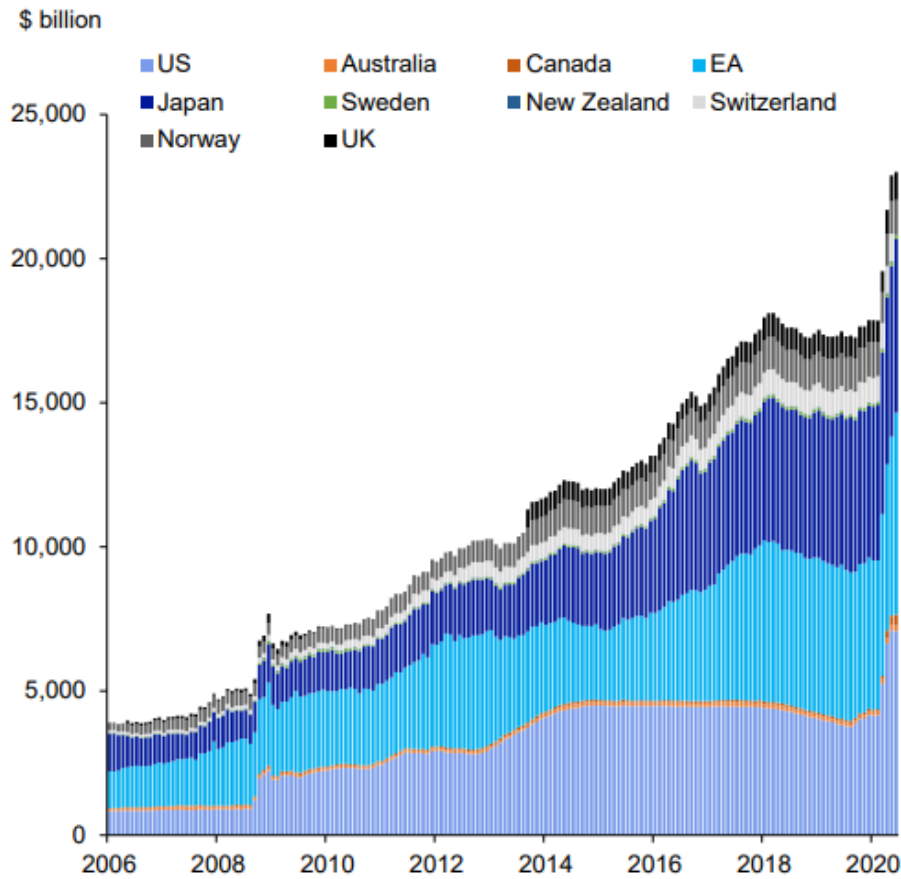


Source: Johns Hopkins.

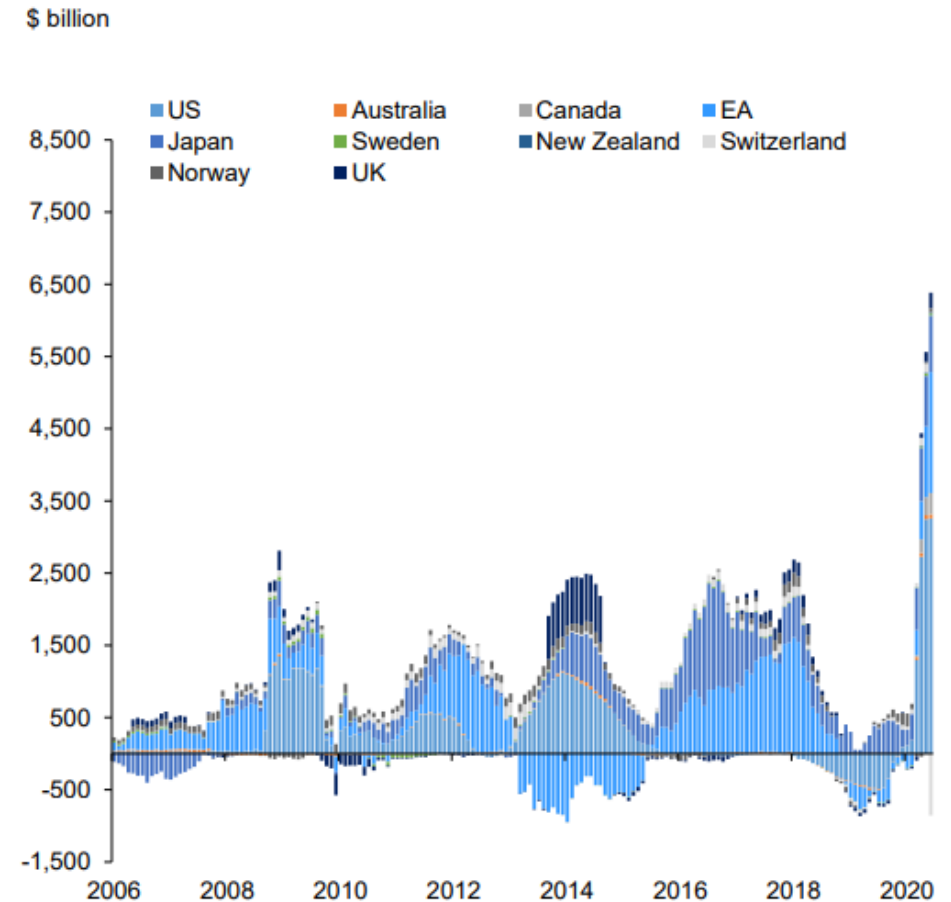


“Whatever It Takes” (MD, 07.26.2012)
“For As Long As It Takes” (JP, 07.29.2020)

Total size of G-10 Central Banks



Total size of G-10 Central Banks: 12 month change

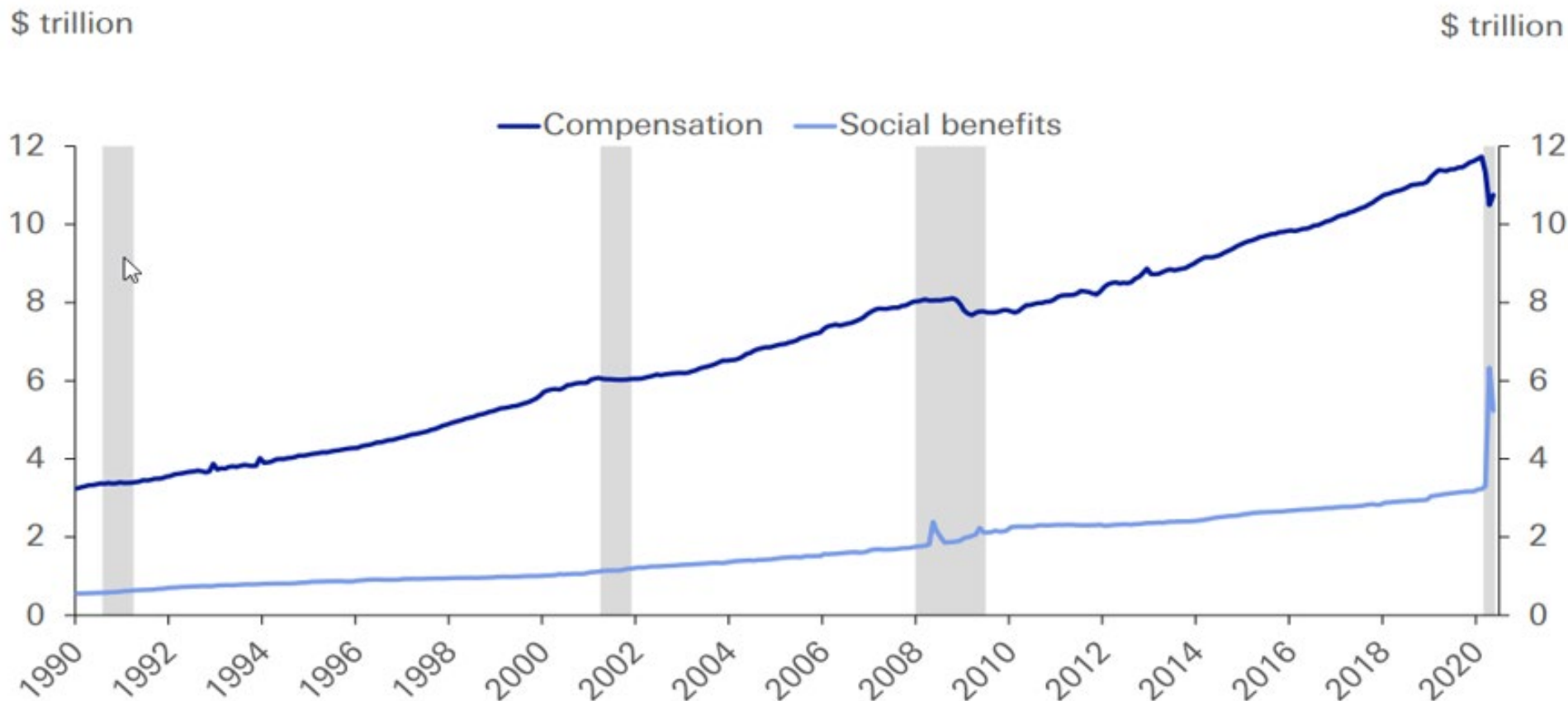


Source: Deutsche Bank, National Central Banks, Haver Analytics, Bloomberg Finance LP, DB Global Research.



Equally Historic Fiscal Efforts Have (for Now?) Plugged the Hole of Lost Incomes

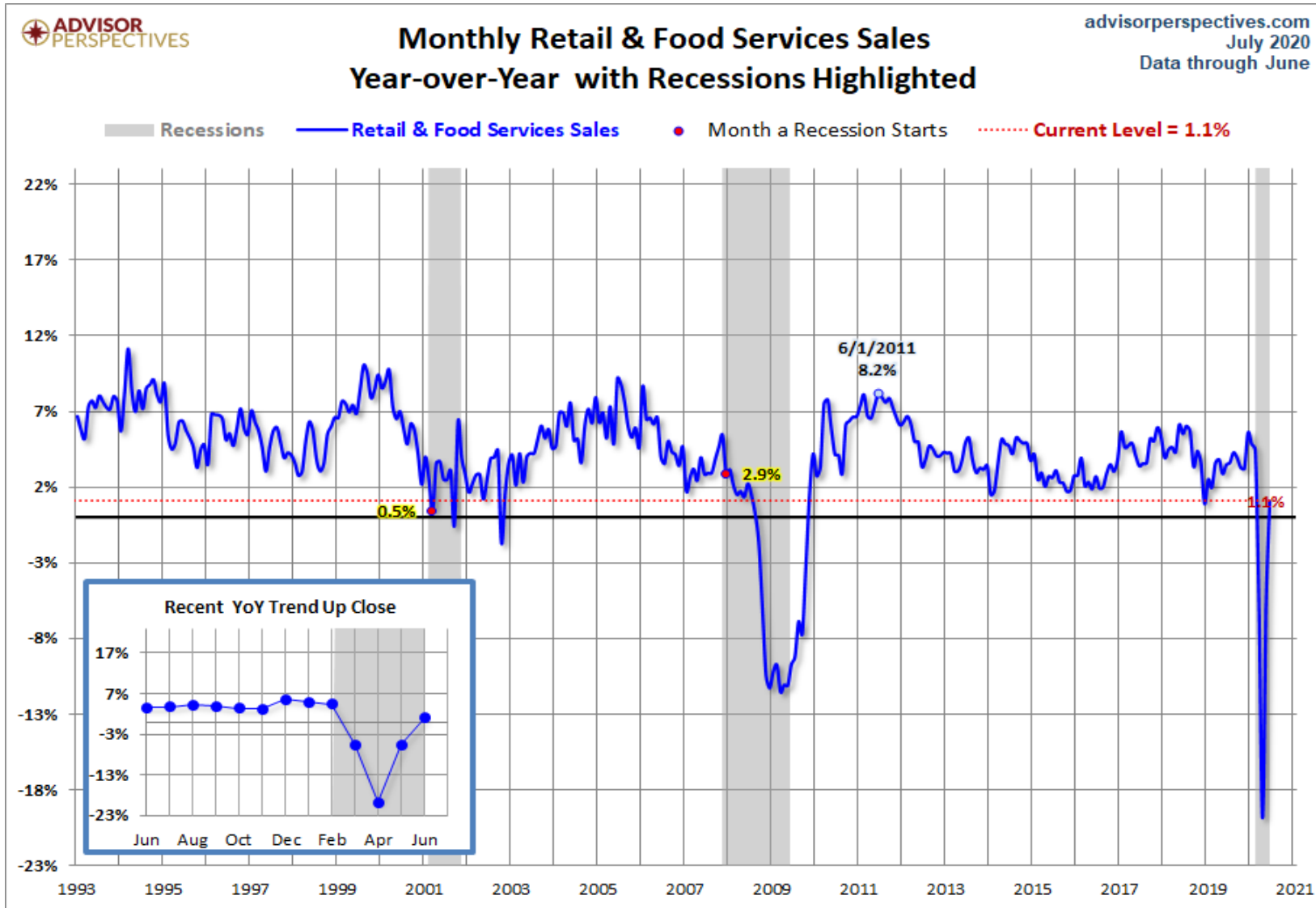
United States: Employee compensation and government benefits



Source: BEA, Haver Analytics, Deutsche Bank Asset Allocation, DB Global Research.



Did You Think in March That Retail Sales Would “V-Shape” Almost All the Way Back to Trend?



Source: Advisor Perspectives.



We Are Pretty Sure You Have Noticed: Large Cap Growth Again Outperformed in Q2.2020

Russell Cap-Weighted Total-Return Indices % Gain 3/31/2020 - 6/30/2020			
	Value	Blend	Growth
Large	11.71	20.91	27.22
Mid	19.95	24.61	30.26
Small	18.91	25.42	30.58

Source: Russell. Data Total-Return.
Large-cap = Russell Top 200 indices.
Mid-cap = Russell MidCap indices.
Small-cap = Russell 2000 indices.
Blend = broad index at all market-cap levels.

Ned Davis Research

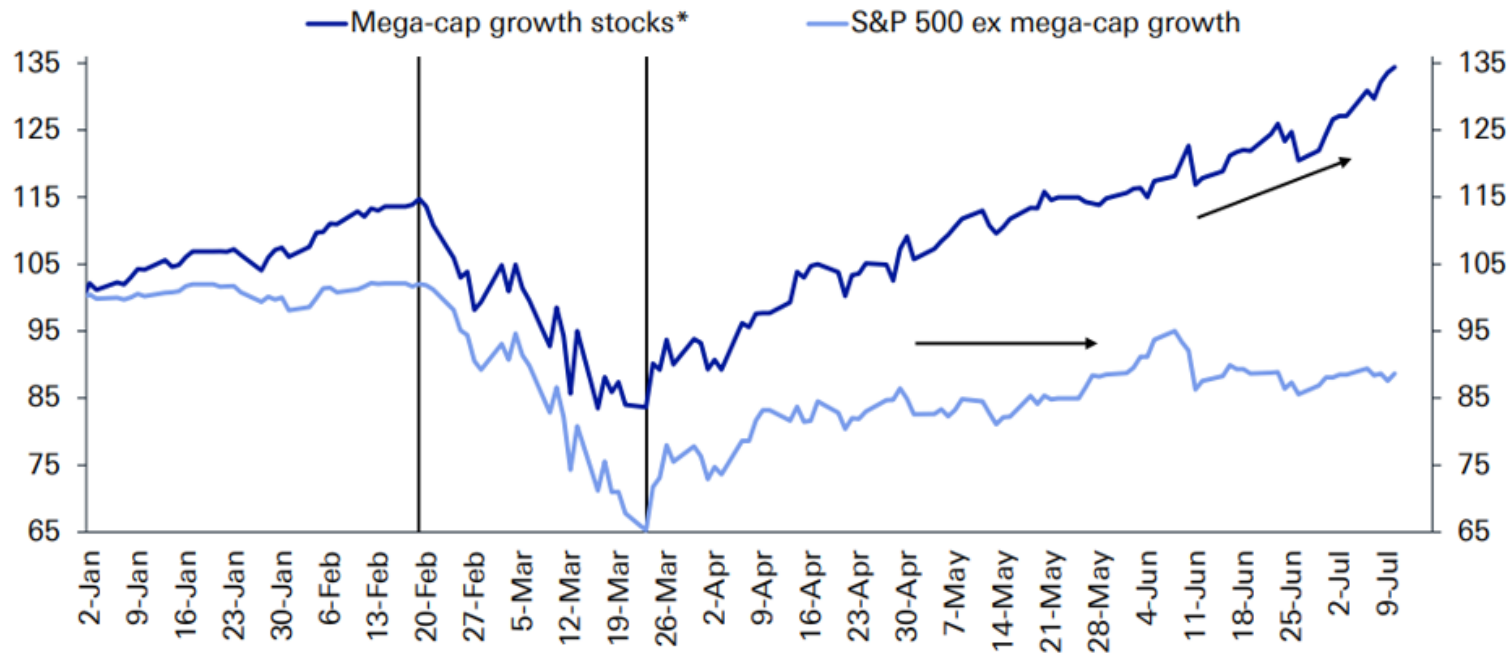
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Source: Ned Davis Research. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index.



Mega-Cap digital economy stocks (27% of the S&P 500[®] Index) gained nearly 35% YTD as “beneficiaries” of the COVID-19 crisis, while the rest of the S&P 500[®] Index fell nearly 13% YTD, through 07.14.2020

S&P 500 mega-cap growth vs others (re-indexed, Dec 31 2019=100)



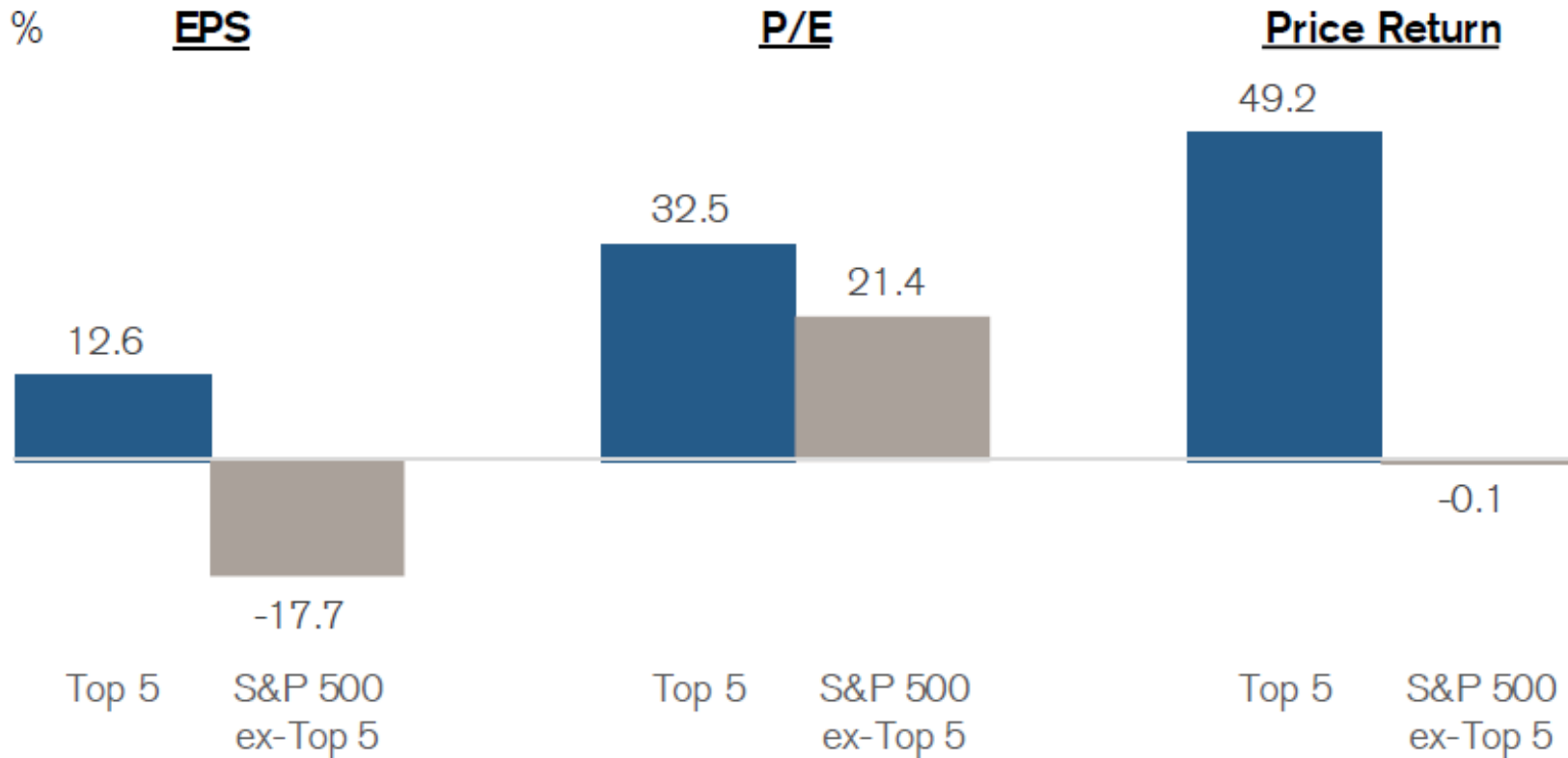
*MSFT, AAPL, AMZN, GOOGL, GOOG, FB, V, MA, NVDA, NFLX, ADBE

Source: Bloomberg Finance LP, DB Asset Allocation, DB Global Research. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index.

Past performance is not indicative of future results.



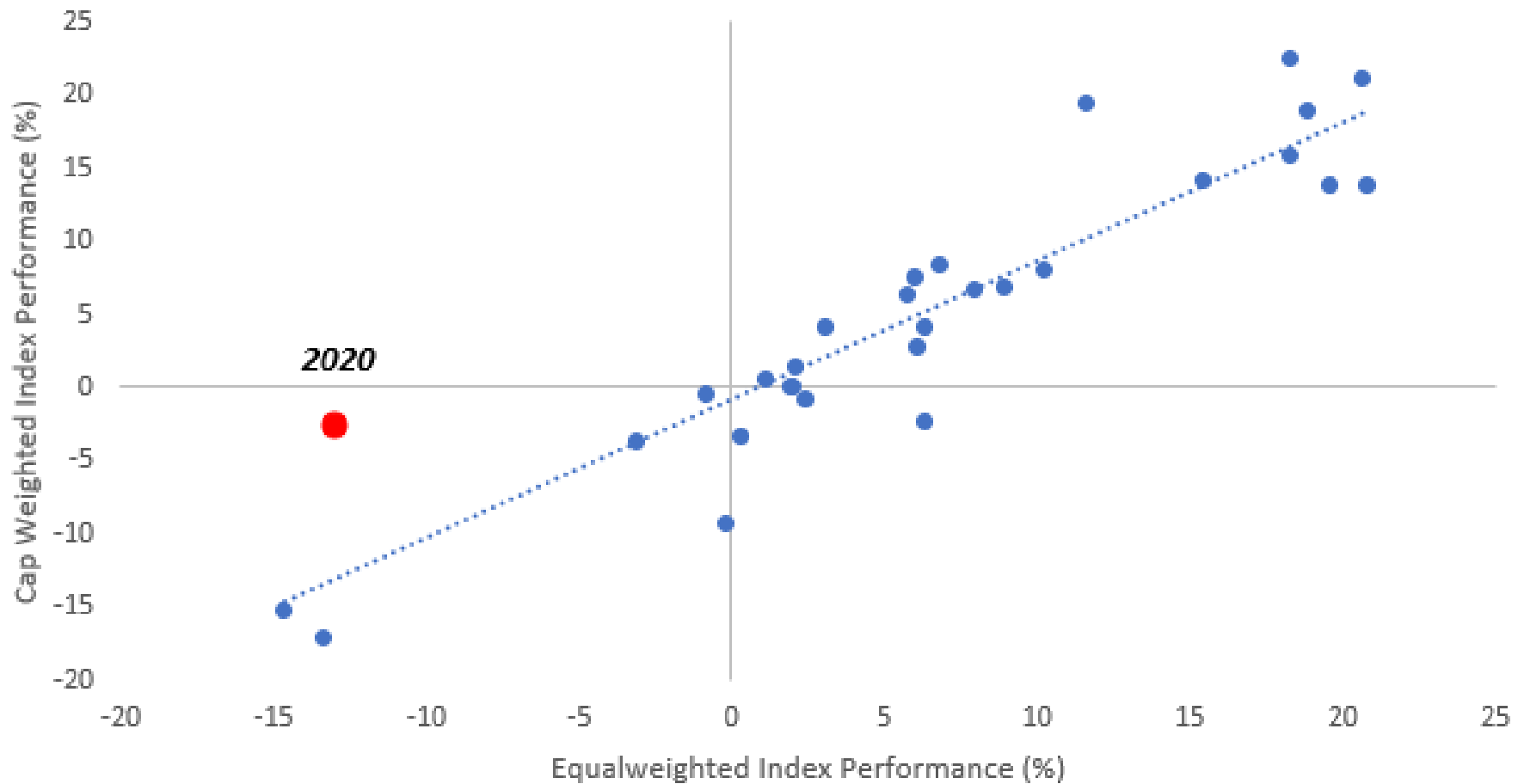
Figure 1: YoY Contribution of EPS and P/E to Returns



Source: Standard & Poor's, Thomson Financial, FactSet, Credit Suisse. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index.



Performance of Cap Weighted vs Equalweighted S&P 500 (YTD Through 7/9)

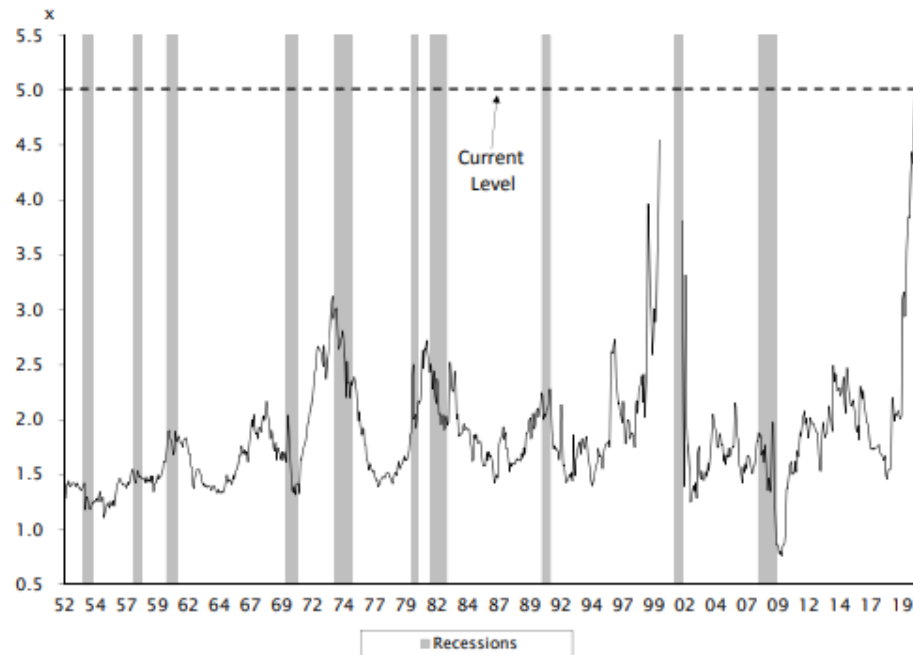


Source: Bespoke Investment Group. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index.

Past performance is not indicative of future results.



Exhibit 5: The Big Growers
Relative Trailing-P/E Ratios¹
1952 Through Late-July 2020



Source: Empirical Research Partners Analysis.


¹ Equally-weighted data; excludes negative earnings during the New Economy era.

Source: Empirical Research Partners Analysis. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index.

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Percent Of Non-Earning Companies

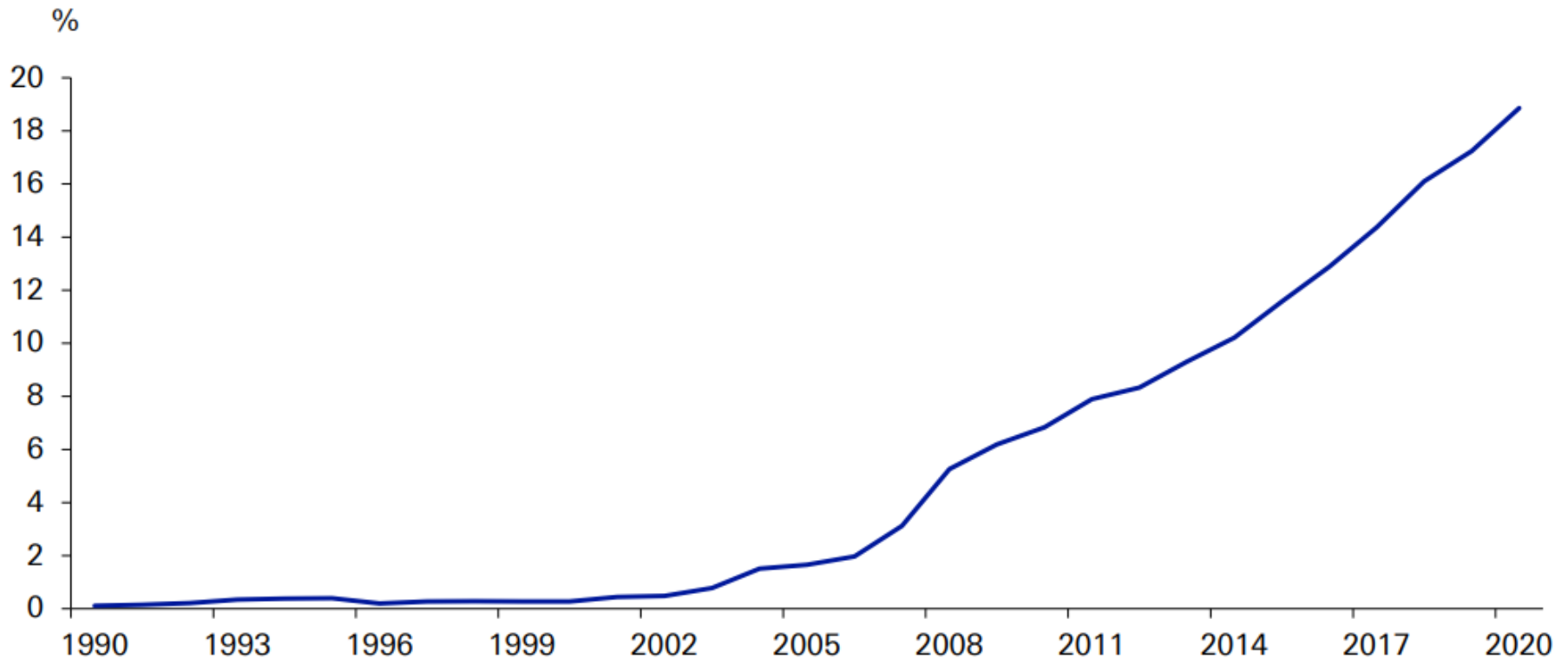
	Current Reading	Long-Term Average	Highest Reading Since 1990
Russell 1000 Growth	21.5%	10.0%	33.5%
Russell 1000	19.0%	11.1%	28.4%
Russell 1000 Value	16.3%	12.3%	37.0%
Russell 2000 Growth 	52.3%	27.8%	52.3%
Russell 2000	44.0%	26.2%	44.0%
Russell 2000 Value	38.4%	23.8%	46.2%

Source: Strategas Research. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index.

Past performance is not indicative of future results.



US: Share of “zombie” firms



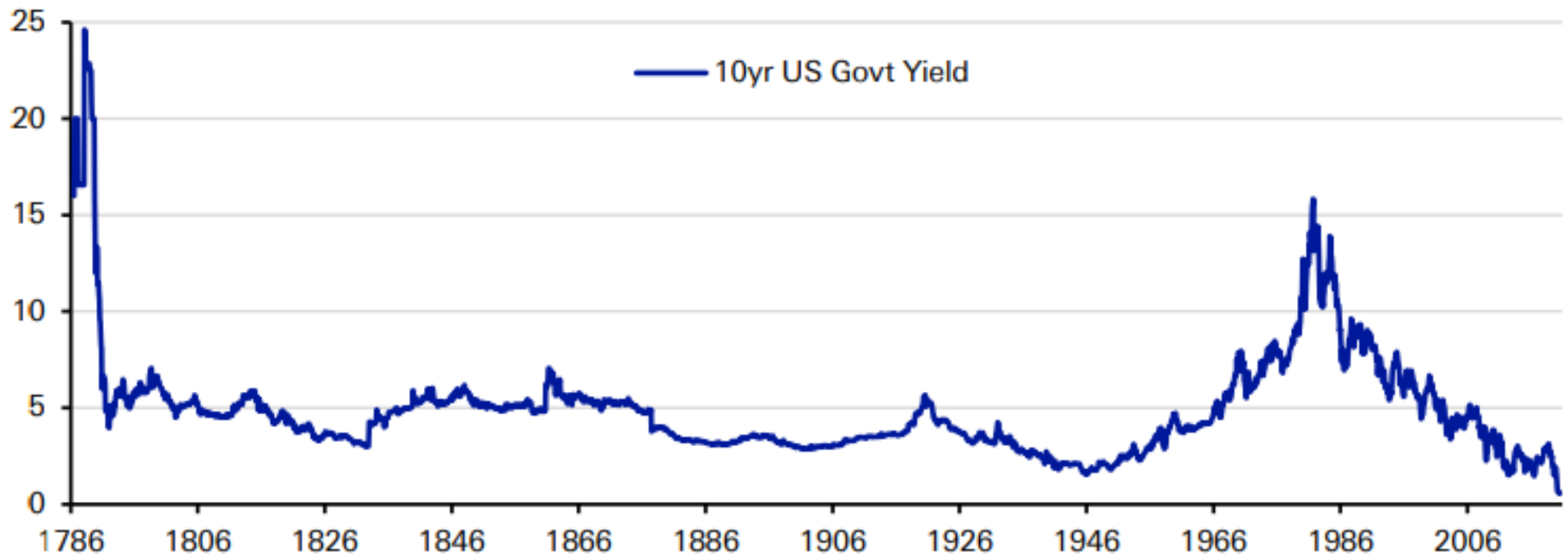
Note: Firm-level data is used to calculate the share of listed firms that are more than ten years old with an interest coverage ratio less than one for three years in a row.

Source: DataStream, Worldscope, DB Global Research.

Past performance is not indicative of future results.



10 year US government yields hit fresh all-time multi-century lows overnight



Source : GFD, Deutsche Bank

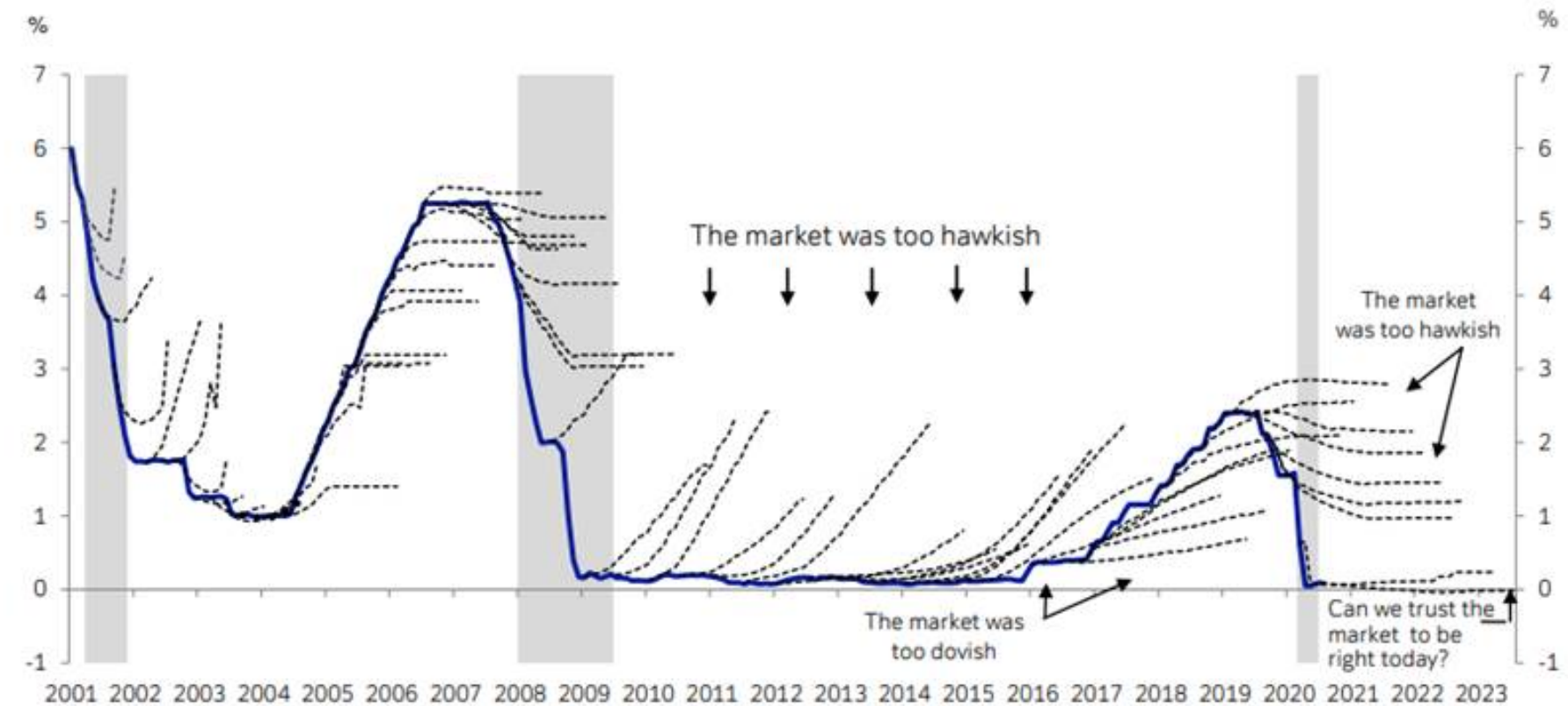
Yields are spliced together from various govt. borrowings through history before the Treasury market was established.

Yield as of 08.04.2020. Source: GFD, Deutsche Bank.

Past performance is not indicative of future results.



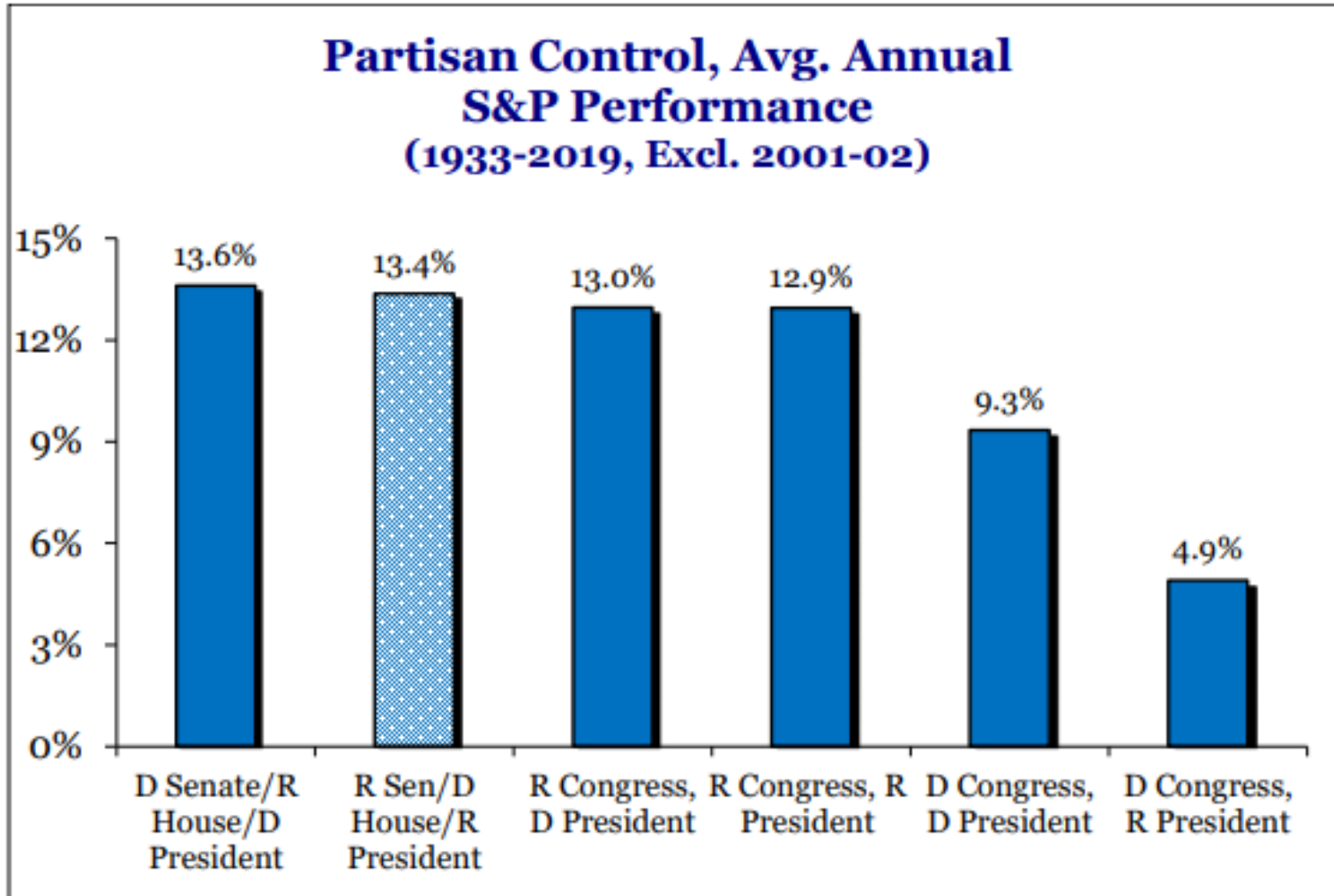
Fed fund futures over the past two decades. The market is rarely right..



Source : FRB, Bloomberg Finance LP, Deutsche Bank

Source: FRB, Bloomberg Finance LP, Deutsche Bank.

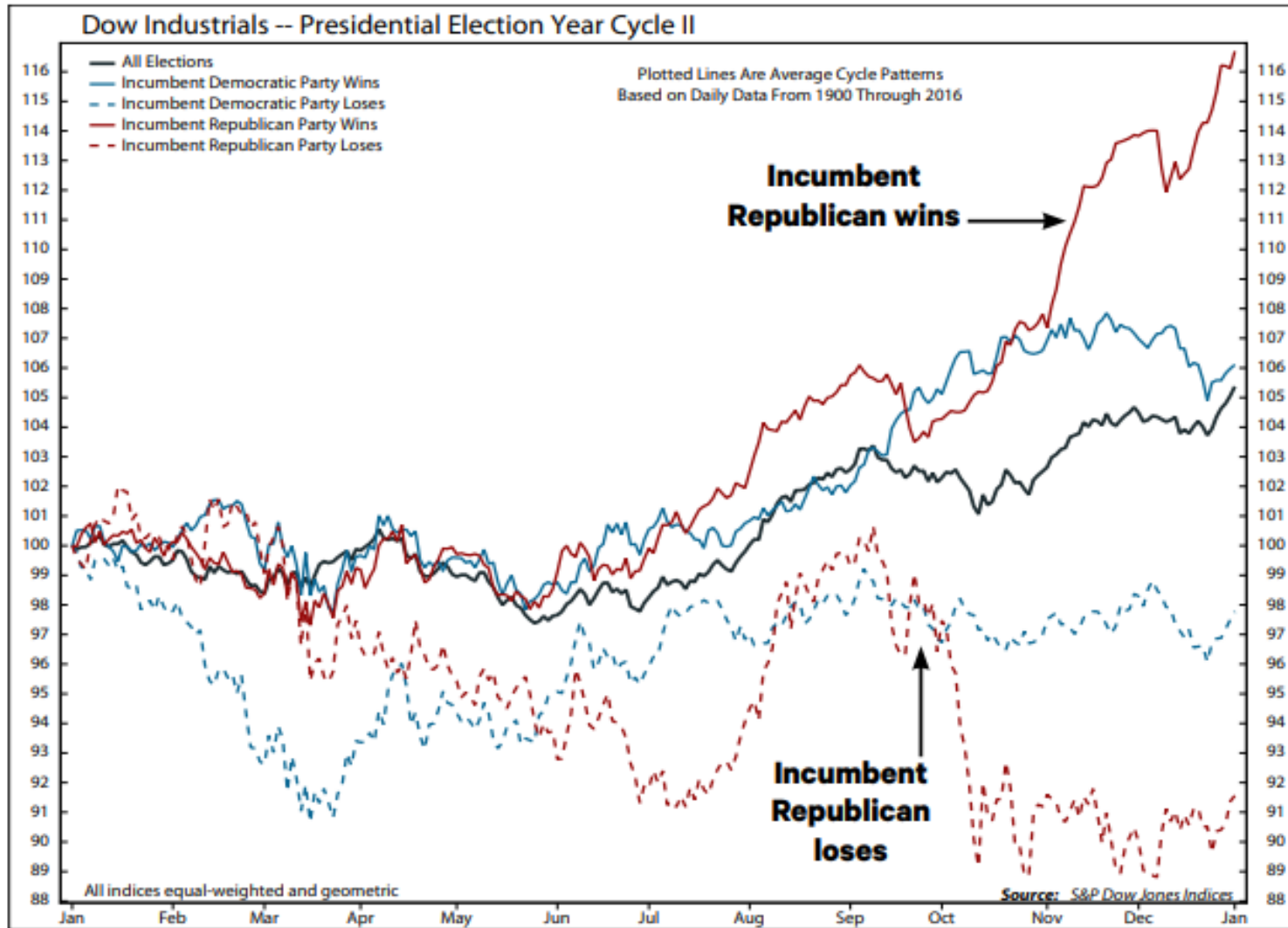
Past performance is not indicative of future results.



Source: Strategas Research.



Stock Market Rallies in Months Prior to Elections Tend to Favor Incumbents



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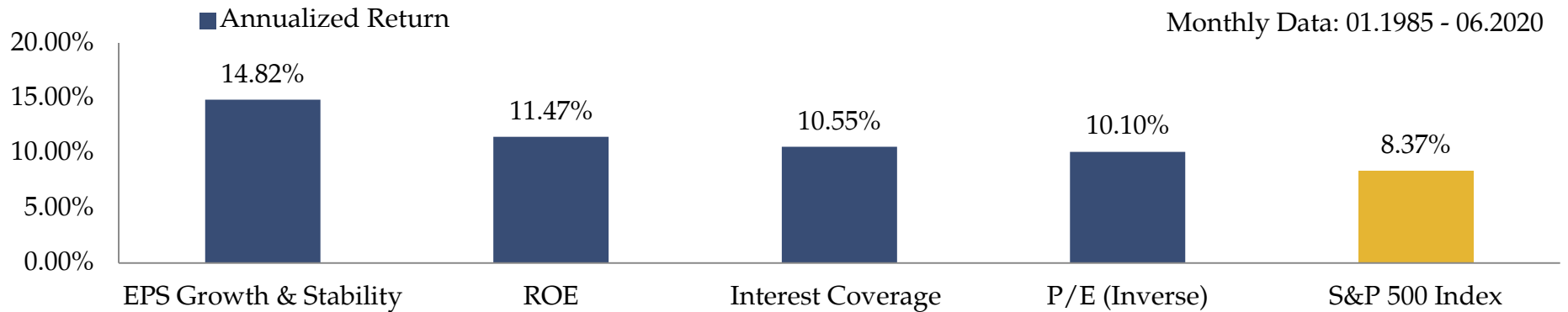


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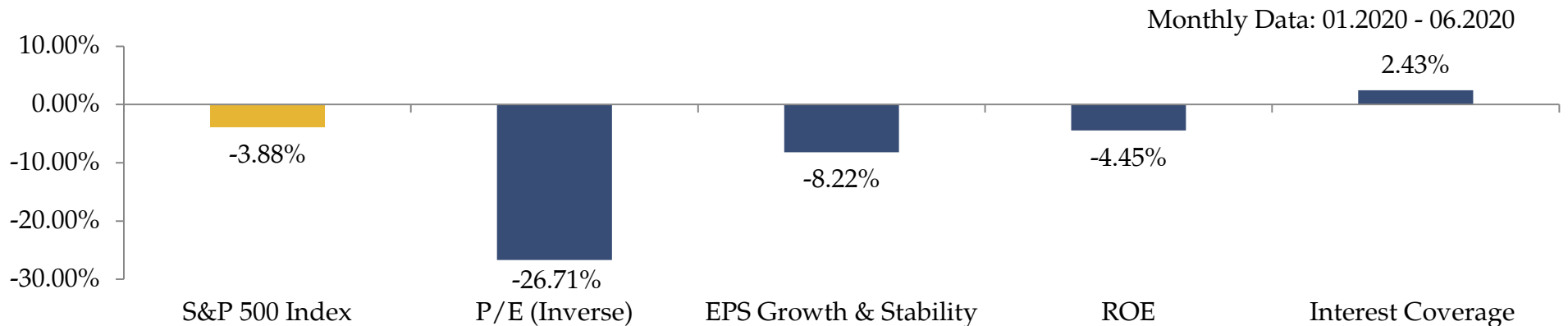


The Investment Team Defines High Quality Stocks as Equities with Attractive Valuations (P/E), Robust Operating Growth (EPS Growth/Stability), High Profitability (ROE), & Strong Balance Sheets (Interest Coverage)

Annualized Return of Top Decile of S&P 500® Index by Factor



Annualized Return of Top Decile of S&P 500® Index by Factor YTD 06.30.2020

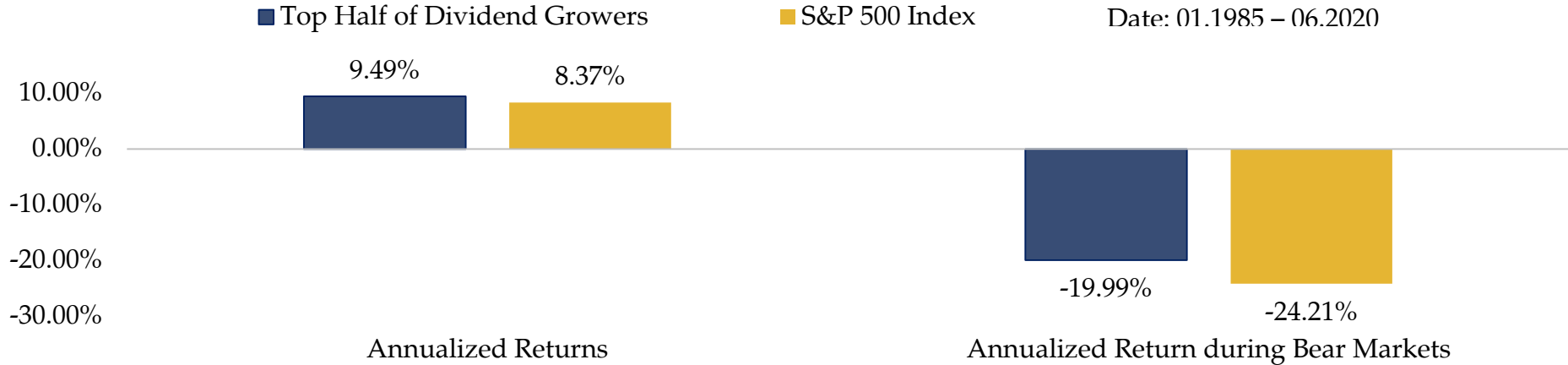


As of 06.30.2020. Source: Ned Davis Research, S&P Dow Jones Indices. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index. Annualized returns are returns over a period scaled down to a 12-month period. This scaling process allows investors to objectively compare the returns of any assets over any period.

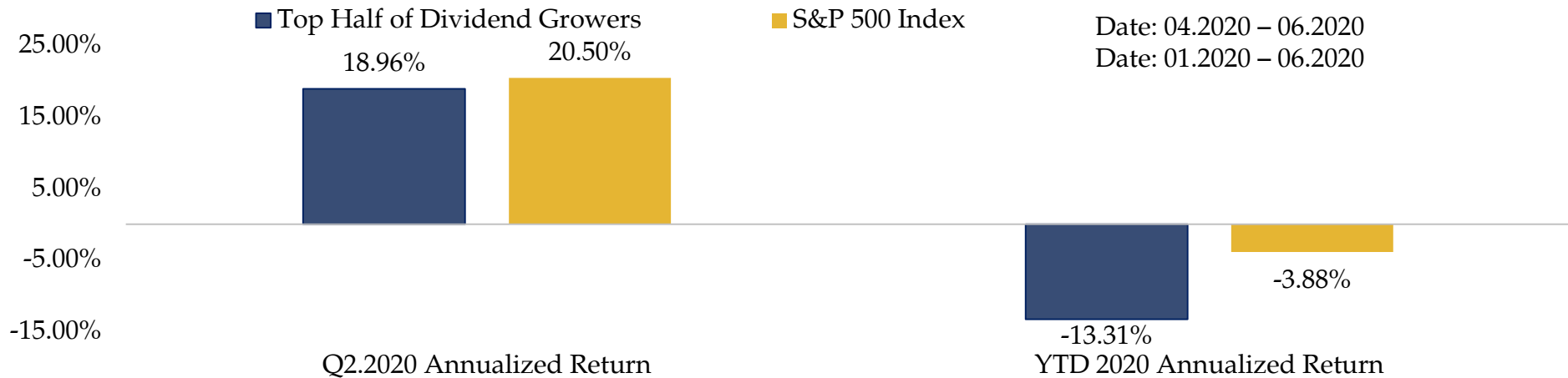


Historically, Dividend Growers Have Outperformed Over the Long-Term, but Out of Favor in 2020

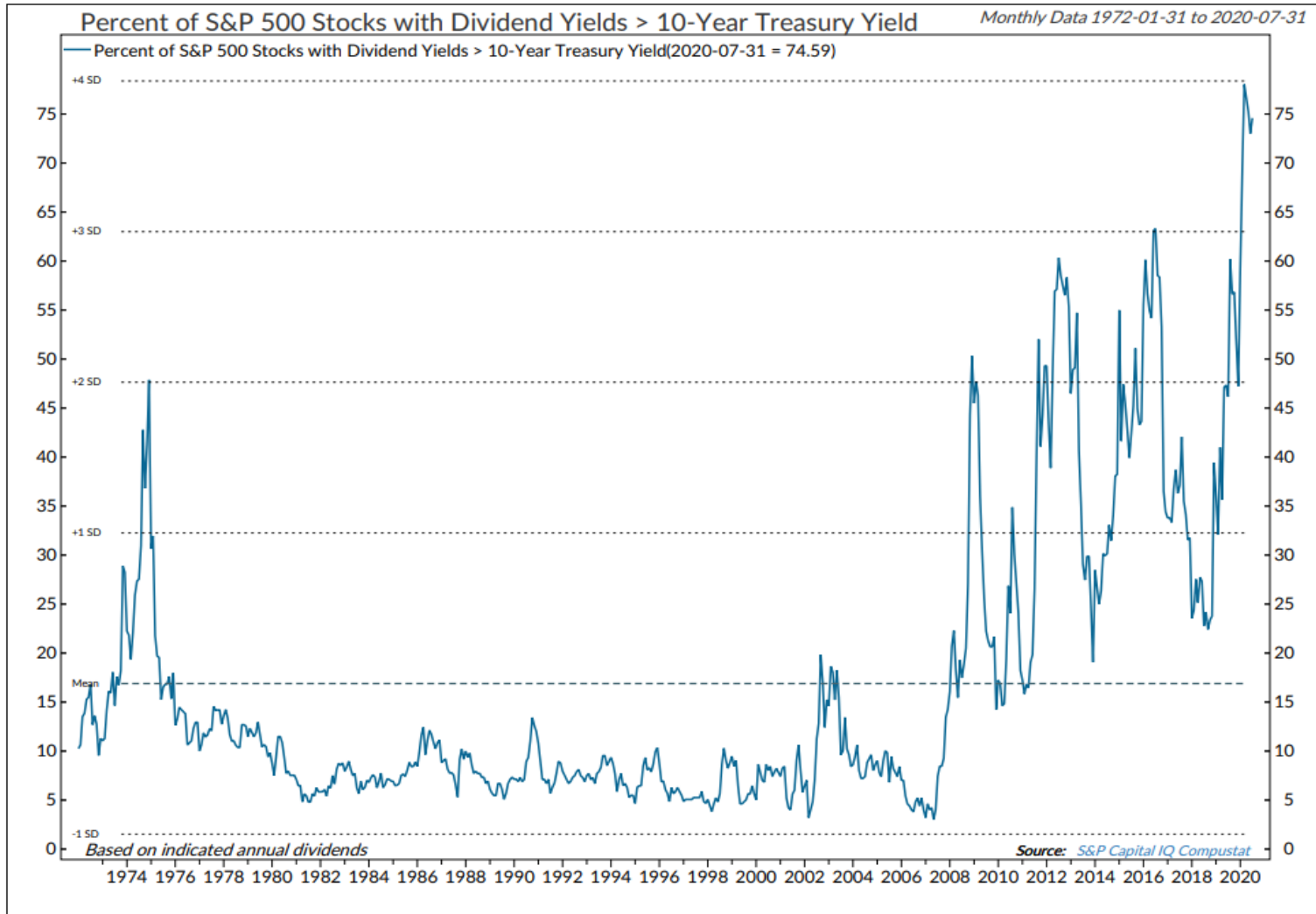
Annualized Returns and Bear Market Returns



Q2.2020 & YTD 2020 Annualized Returns



As of 06.30.2020. Source: Ned Davis Research, S&P Dow Jones Indices. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index. Annualized returns are returns over a period scaled down to a 12-month period. This scaling process allows investors to objectively compare the returns of any assets over any period.



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Source: Ned Davis Research, S&P Dow Jones Indices. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index.

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Exhibit 1: S&P 500 Yearly Earnings Integers/Earnings Growth Forecasts

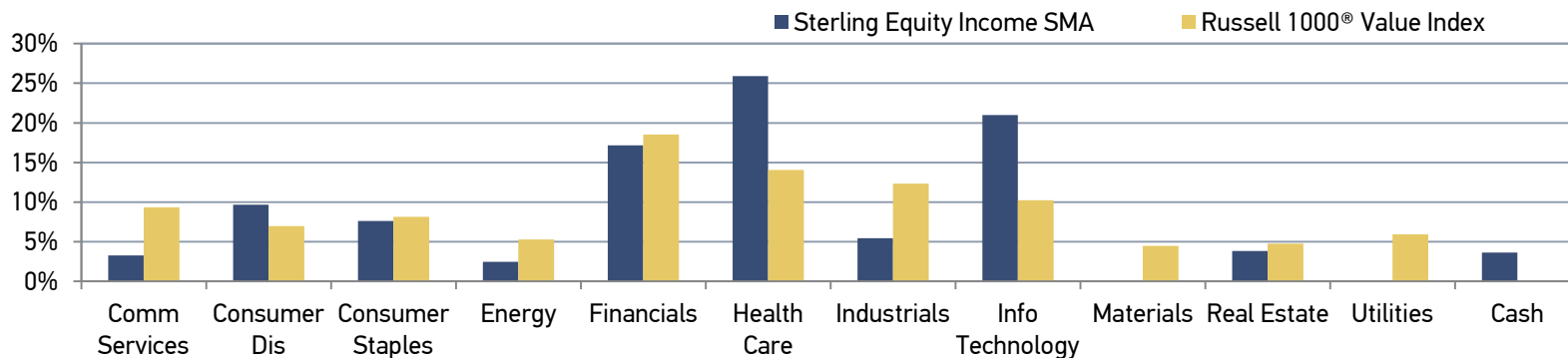
	2019	2019	2020	2020	2021	2021	2019	2020	2021
	Earnings Integer	% y-y	Earnings Integer	% y-y	Earnings Integer	% y-y	P/E	P/E	P/E
S&P 500	159.7	0.5	126.8	(20.6)	162.9	28.5	18.3	25.5	19.8
Communication Services	8.9	6.3	7.6	(14.3)	9.4	24.3	19.7	26.1	21.0
Consumer Discretionary	37.8	0.2	16.4	(56.7)	35.9	118.7	23.9	70.1	32.1
Consumer Staples	29.8	0.0	29.5	(1.3)	31.8	8.0	19.7	21.8	20.2
Energy	20.3	(30.9)	-0.4	(101.9)	9.2	2556.8	16.7	-747.4	30.4
Financials	35.6	3.3	23.2	(34.7)	30.9	33.0	11.9	16.6	12.5
Health Care	66.5	10.2	68.2	2.6	77.9	14.2	16.1	18.2	15.9
Industrials	34.6	(4.5)	16.5	(52.4)	31.2	89.5	17.8	36.3	19.2
Information Technology	67.5	1.6	69.4	2.9	79.8	14.9	22.6	26.4	22.9
Materials	16.5	(25.1)	12.9	(21.4)	16.7	28.9	17.8	26.3	20.4
Real Estate	11.8	4.7	11.0	(6.6)	11.9	8.5	19.9	20.5	18.9
Utilities	16.4	9.2	16.4	(0.1)	17.3	5.7	19.5	19.2	18.2

Source: FactSet, Jefferies. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index.

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Sector Allocation



Top Ten Equity Holdings

1. Microsoft Corporation	5.0%
2. Home Depot, Inc.	5.0%
3. Abbott Laboratories	4.6%
4. Accenture Plc Class A	4.5%
5. Merck & Co., Inc.	4.1%
6. Analog Devices, Inc.	4.0%
7. PepsiCo, Inc.	3.7%
8. Nasdaq, Inc.	3.7%
9. CVS Health Corporation	3.6%
10. Anthem, Inc.	3.6%
<i>Total % of Portfolio</i>	<i>41.7%</i>

Data as of 06.30.2020. Index is Russell 1000® Value. 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. 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. The Sector Allocation and Top Ten Holdings are considered Supplemental Information to the Composite Disclosure Presentation located in the APPENDIX. Source: Russell Investments, FactSet, S&P, Sterling Capital Management Analytics.



Equity Income Follows the Pillars “Faster, Higher, and Stronger”

Portfolio Characteristics		
	Sterling	Index
Wtd. Average Market Cap	\$185.3B	\$113.6B
Wtd. Median Market Cap	\$95.7B	\$57.5B
Wtd. Average Dividend Yield	2.8%	2.8%
Median Historical 5-Year DPS Growth	12.5%	7.9%
Wtd. Harmonic Median P/E Ratio (FY1)	24.3x	20.7x
Median Historical 3-Year EPS Growth	16.0%	11.9%
Median Est. 3-5 Year EPS Growth	7.6%	6.1%
Median Net Debt/EBITDA	2.0	2.5
Median Return on Equity	14.7%	12.3%
Number of Holdings	32	839
Active Share	87.4%	---
Turnover	27.5%	---

Data as of 06.30.2020. Index is Russell 1000® Value. Turnover is for the last 12 months. 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. The Characteristics are considered Supplemental Information to the Composite Disclosure Presentation located in the APPENDIX. Source: Russell Investments, FactSet, Sterling Capital Management Analytics.



Top 5 Performers:

- Home Depot
- Microsoft Corporation
- Analog Devices
- Accenture Plc
- Discover Financial Services

Bottom 5 Performers:

- Cabot Oil & Gas Corp.
- Amdocs Limited
- Enbridge Inc.
- Coca-Cola Co.
- Morgan Stanley

Data as of 06.30.2020. The top/bottom performers are based on quarterly attribution to return. 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.



Pillar Friendly:

- Valuation: 13x 2021E earnings, 6.3% free cash flow yield, steepest discount to the S&P 500 since the Global Financial Crisis
- Balance sheet: Net cash of \$762M
- Returns: 14% return on equity, achieved without leverage
- Growth: Steady high-single-digit grower, with vast majority of revenue highly recurring



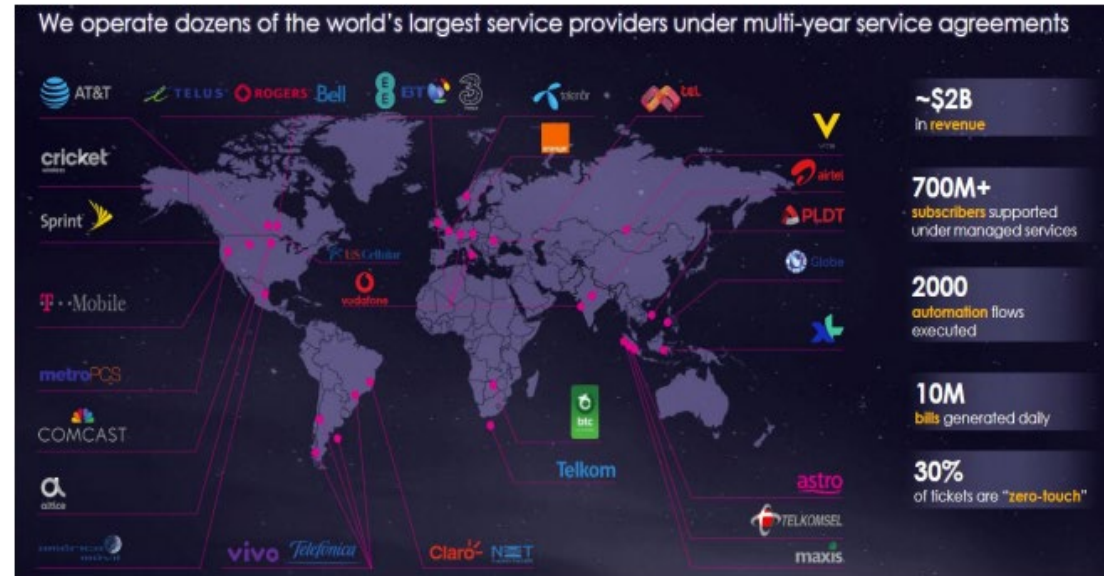
Source: Amdocs

Shareholder friendly:

- Shares outstanding -2.6% year-over-year
- Dividend yield 2.2%
- Most-recent dividend increase +15% year-over-year
- Seven consecutive years of dividend growth

Mission critical:

- Products and services are essential for telecom and wireless companies, enabling dynamic billing, monetization of premium services (over-the-top, 5G), and customer service
- 350 customers across 80+ countries, including AT&T, America Movil, Vodafone, Charter, Comcast, DISH



Source: Amdocs



Pillar Friendly:

- Valuation: 6% free cash flow yield, lowest valuation in ~8 years
- Balance sheet: Investment grade credit rating, no debt maturing in 2020 or 2021
- Returns: 30% return on invested capital
- Growth: Mid-teens EPS grower

Shareholder Friendly:

- Dividend yield 2%
- Most-recent dividend increase +12% year-over-year
- Five consecutive years of dividend growth
- Has retired 50% of its shares outstanding since 2011

Mission Critical:

- Products and services are essential for first responders, national security, utilities, and a variety of commercial businesses
- Video security, body cameras, smart radios that must have near-100% reliability
- Expectation that services continue to work if/when the power goes out, when cellular networks are unavailable, during national disasters, etc.
- Limited competition



Motorola Solutions has created the **mission critical ecosystem** built for Public Safety & Enterprise. Its four platforms create the lifeline your safety and mission depend on. Our mission is to never stop advancing that lifeline.

Source: Motorola Solutions





Pillar Friendly:

- Valuation: The stock currently trades at a 40% discount to book value
- Balance sheet: Common Equity Tier 1 Capital Ratio of 11.5% and investment grade credit rating
- Returns: Yields on earning assets across North America, Latin America, and Asia are a robust 10%+
- Growth: Net revenue before loan loss provisions grew 13% year-over-year

Shareholder Friendly:

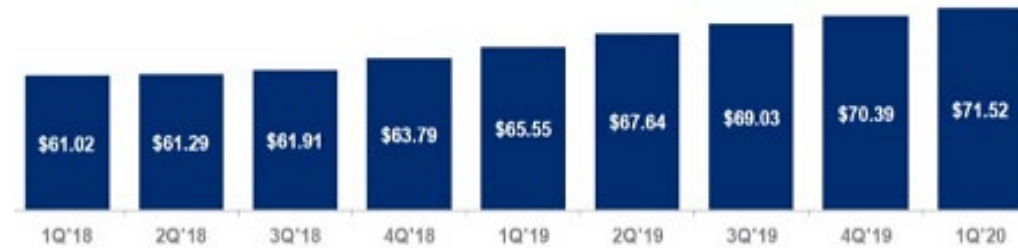
- Dividend yield 4.0%
- Dividends have grown 36% over the past three years
- Outstanding shares have been reduced by more than 30% over the past seven years

Mission Critical:

- Citi's mobile banking application ranked #1 among large banks, experienced a 24% increase in volumes in 2019
- Citi is #3 in global debt underwriting
- The investment bank is #4 globally in terms of fees generated
- The company is also #5 in global equity underwritings



Citigroup Tangible Book Value Per Share



Source: Company Reports

Retail Deposits Per Branch (\$m)



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

Source: Wells Fargo/Michael Mayo



Pillar Friendly:

- Valuation: Cheapest relative valuation on a price-to-earnings basis since dot com era
- Balance sheet: Investment grade credit rating, interest coverage of 7x
- Returns: 51% return on equity
- Growth: Earnings growth forecast to accelerate into low double digits over next two years per Bloomberg

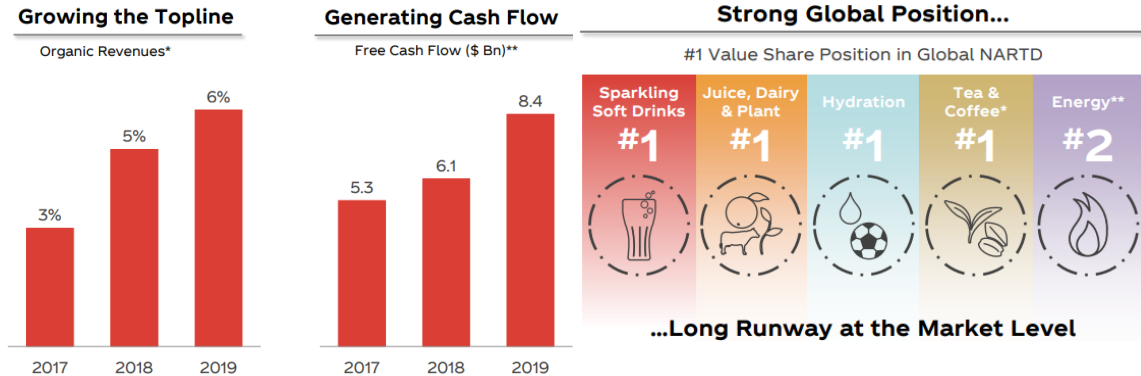
Shareholder Friendly:

- Dividend yield 3.5%
- 58 consecutive years of dividend increases
- Has consistently reduced shares outstanding through share repurchases since 2008

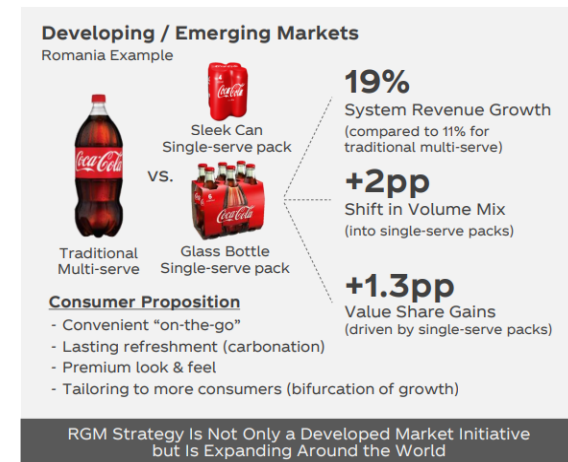
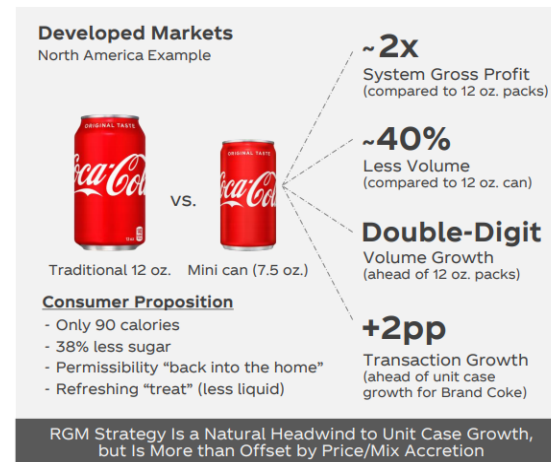
Mission Critical:

- The world's largest non-alcoholic beverage company
- Coke's products are consumed 2 billion times per day across the globe
- Coca-Cola bottlers service 30 million retail outlets per week worldwide, enabling retailers to deploy distribution assets to other product categories

The Coca-Cola Company



Source: Coca-Cola Company



Source: Coca-Cola Company

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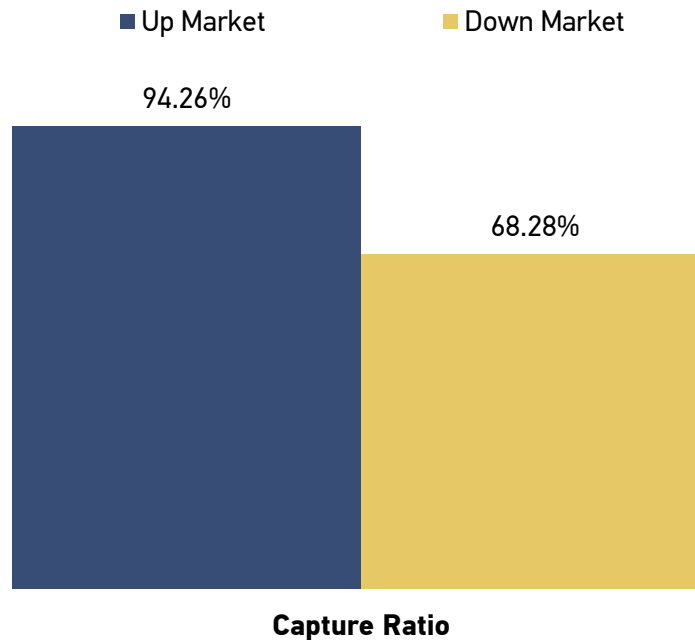


Companies Have Taken Some Hits, But We Continue to Believe the Strategy is Resilient

Up Market/Down Market Capture Ratio

Sterling Equity Income SMA vs. Russell 1000® Value Index

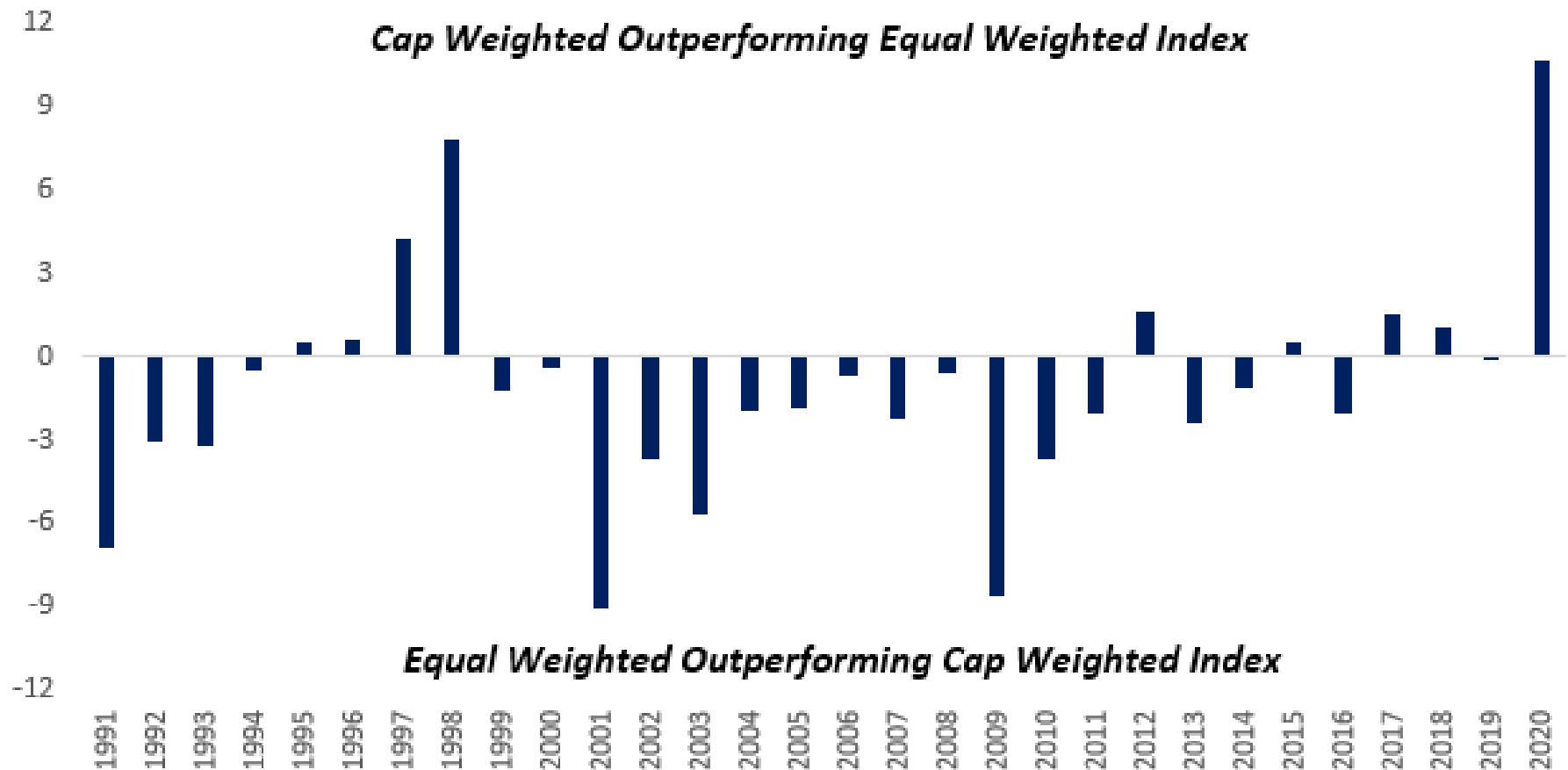
Gross of Fees, Since Inception (12.31.2000)



Data as of 06.30.2020. 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. Performance is preliminary and annualized for periods longer than one year. "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/Down Market Capture Ratio is considered Supplemental Information to the Composite Disclosure Presentation which is located in the APPENDIX. Source: eVestment Analytics, Sterling Capital Management Analytics.



Spread Between Cap and Equal Weighted S&P 500 (YTD Through 7/9)

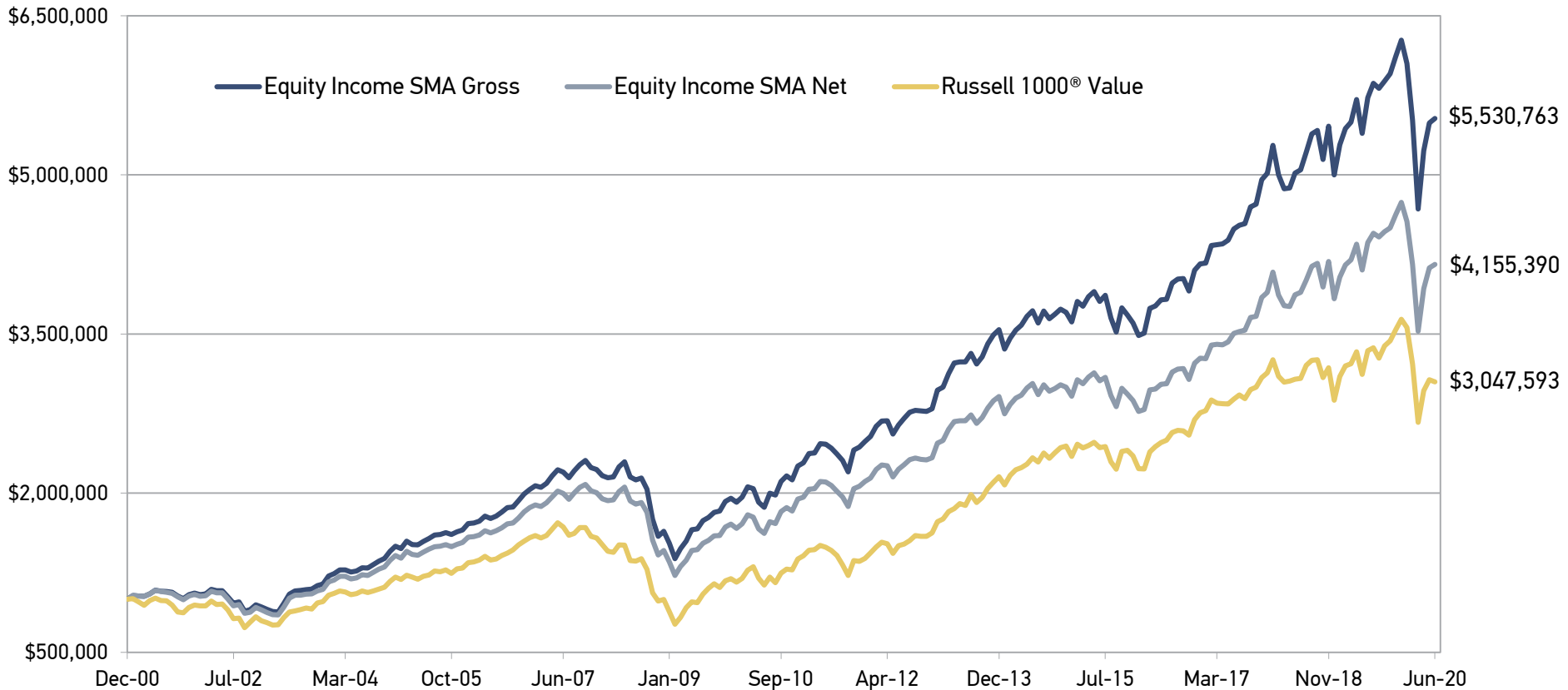


Source: Bespoke Investment Group. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index.

Past performance is not indicative of future results.



Sterling Equity Income SMA Gross and Net of Fees, Since Inception (12.31.2000)



As of 06.30.2020. The Growth of \$1 Million chart is hypothetical based upon the composite net of fees performance since inception. Net of fees performance returns are preliminary and are presented net of the investment management fees and trading expenses. "Pure" 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 Growth of \$1 Million is considered Supplemental Information to the Composite Disclosure Presentation located in the APPENDIX. Source: Russell Investments, eVestment Analytics.

Past performance is not indicative of future results.



Please click the “raise your hand” icon for questions



Performance is compared to an index, however, the volatility of an index varies greatly. Indices are unmanaged and investments cannot be made directly in an index.

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

Russell 1000®: *The Russell 1000® Index, a subset of the Russell 3000 Index, measures the performance of the largest 1,000 U.S. companies, representing over 90% of the investable U.S. market.*

Russell 1000® Growth: *The Russell 1000® Growth Index measures the performance of growth style of investing in Large Cap U.S. stocks. The Growth Index contains those securities with greater-than-average growth orientation.*

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

Russell 2000®: *The Russell 2000® index is an index measuring the performance of approximately 2,000 smallest-cap American companies in the Russell 3000 Index, which is made up of 3,000 of the largest U.S. stocks. It is a market-cap weighted index.*

Russell 2000® Growth: *Russell 2000® Growth Index measures the performance of growth style of investing in small cap U.S. stocks. The Growth Index contains those Russell 2000 securities with greater-than-average growth orientation.*

Russell 2000® Value: *Russell 2000® Value Index measures the performance of value style of investing in small cap U.S. stocks. The Value Index contains those Russell 2000 securities with less-than-average growth orientation. Securities in the Value Index generally have lower price-to-book and price-to-earnings ratios than those in the Growth Index.*

Russell 3000®: *The Russell 3000® Index measures the performance of the largest 3,000 US companies representing approximately 98% of the investable US equity market.*

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Sterling Capital Management – Equity Income SMA Composite

December 31, 2000 – December 31, 2019

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

Year	Total Return "Pure" Gross of Fees	Total Return Net of Fees	No. of Portfolios	Composite Assets End of Period (\$MM)	Percent of Firm Assets	Total Firm Assets (\$MM)	Composite Dispersion (%)	Russell 1000 Value Index	Composite 3-yr St Dev (%)	Benchmark 3-yr St Dev (%)
2019	25.30	23.73	5	739	1.3	58,191	Not Meaningful	26.54	11.32	11.85
2018	-0.26	-1.53	5	619	1.1	56,889	Not Meaningful	-8.27	11.01	10.82
2017	20.54	18.94	4	643	1.2	55,908	Not Meaningful	13.66	9.78	10.20
2016	15.43	13.84	3	989	1.9	51,603	Not Meaningful	17.34	10.40	10.77
2015	-2.70	-4.15	3	1,100	2.2	51,155	Not Meaningful	-3.83	10.20	10.68
2014	4.61	2.98	3	1,501	3.2	47,540	Not Meaningful	13.45	8.33	9.20
2013	26.70	24.74	3	1,574	3.4	45,638	Not Meaningful	32.53	9.72	12.88
2012	12.39	10.63	3	1,272	28.8	4,422	Not Meaningful	17.51	11.83	15.73
2011	10.24	8.54	2	1,159	29.5	3,932	Not Meaningful	0.39	14.88	20.98
2010	15.64	13.87	2	992	28.0	3,548	Not Meaningful	15.51	17.82	23.51
2009	18.92	17.05	2	811	28.6	2,839	Not Meaningful	19.69	16.17	21.40
2008	-26.17	-27.26	2	620	32.5	1,907	Not Meaningful	-36.85	13.18	15.58
2007	9.20	7.66	1	668	32.4	2,059	Not Meaningful	-0.17	6.52	8.17
2006	23.09	21.35	1	442	33.6	1,314	Not Meaningful	22.25	6.00	6.78
2005	10.19	8.63	1	263	29.1	904	Not Meaningful	7.05	9.51	9.59
2004	23.23	21.39	1	128	24.5	522	Not Meaningful	16.49	12.76	14.97
2003	31.36	29.24	1	31	19.6	158	Not Meaningful	30.03	12.94	16.22
2002	-12.34	-13.78	1	15	29.4	51	Not Meaningful	-15.52		
2001	5.76	4.46	1	4	16.7	24	Not Meaningful	-5.59		
Annualized Since Inception	10.14	8.54						7.04		

Sterling Capital Management LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Sterling Capital Management LLC has been independently verified for the periods 01/01/01 to 12/31/18. The verification report(s) is/are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Notes:

1. Sterling Capital Management LLC (SCM) is a registered investment advisor with the SEC. Registration does not imply a certain level of skill or training. Sterling manages a variety of equity, fixed income and balanced assets. Prior to January 2001, Sterling was a wholly owned subsidiary of United Asset Management (UAM). In January 2001, Sterling Capital Management LLC purchased all the assets and business of Sterling Capital Management Company from UAM to become an employee owned firm. In April 2005, BB&T Corporation purchased a majority equity ownership stake in Sterling Capital Management LLC. In October 2010, the management group of Sterling Capital entered into an agreement with BB&T Corporation that reduced and restructured management’s interest in Sterling Capital Management. Additionally, BB&T Asset Management merged into Sterling Capital Management. In January 2013, CHOICE Asset Management firm merged into Sterling Capital Management. “Percent of Firm Assets” and “Total Firm Assets” prior to 2013 are for CHOICE Asset Management. In August 2015, eight new employees joined Sterling Capital management via Stratton Management Company following the close of BB&T’s purchase of Susquehanna Bancshares. In December 2019, BB&T Corporation and SunTrust Banks, Inc. Holding Company merged as equals to form Truist Financial Corporation. Sterling Capital Management LLC is a wholly owned subsidiary of Truist Financial Corporation.
2. George F. Shipp, CFA, has managed the portfolio since inception. No alterations of composites, as presented herein, have occurred due to changes in personnel or other reasons at any time.
3. Inception date of composite: December 31, 2000. Creation date: December 31, 2000. The appropriate benchmark for this composite is the Russell 1000 Value Index. The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values. The index is reconstituted annually. Total return includes price appreciation/depreciation and income as a percent of original investment. A complete list of all of SCM’s composites and their descriptions is available upon request. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.
4. Performance reflects reinvested interest income and dividends and realized and unrealized capital gains and losses. Portfolios utilize trade-date accounting. Valuations and performance are reported in US dollars. Composite returns are calculated monthly by weighting the aggregate SMA/Wrap sponsor returns using beginning of period market values. Periodic time weighted returns are geometrically linked. Returns are not calculated net of non-reclaimable withholding taxes due to immaterial dollar amounts.
5. The net of fee return reflects the actual SMA fee of the individual portfolios in each platform except for one platform where the maximum fee is deducted from the gross return. The SMA fee includes all charges for trading costs, portfolio management, custody and other administrative fees. The actual fee may vary by size and type of portfolio. Sterling’s actual management fees are 50 basis points annually or less.
6. The annual composite dispersion presented is measured by an asset-weighted standard deviation calculation method of all portfolios in the composite for the entire year. The dispersion is not meaningful because less than six portfolios are in the composite. The three year annualized standard deviation measures the variability of the composite and benchmark returns over the preceding 36 month period. It is not required to be presented for annual periods prior to 2011 or when a full three years of composite performance is not yet available.
7. The performance presented represents past performance and is no guarantee of future results. Stock market conditions vary from year to year and can result in a decline in market value due to material market or economic conditions.