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**1<sup>st</sup> Quarter 2021 Market Review:**  
**Focus Equity**

WHAT MATTERS MOST TO YOU MATTERS MOST TO US.



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- *The material presented in this presentation is as of 03.31.2021, unless otherwise stated.*
- *The opinions contained in this presentation reflect those of Sterling Capital Management LLC and are for general information only and are not meant to be predictions or an offer of individual or personalized investment advice.*
- *Specific securities identified and described do not represent all of the securities purchased, sold or recommended to clients.*
- *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.*



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## Meet Your Speakers & Agenda

### WebEx Agenda:

- Equity Market and Macro Environment
- Focus Equity Philosophy and Process
- Focus Equity Q1 2021 Performance, Activity and Positioning
- Q&A



**Colin R. Ducharme, CFA®**  
Executive Director  
Lead PM Focus Equity

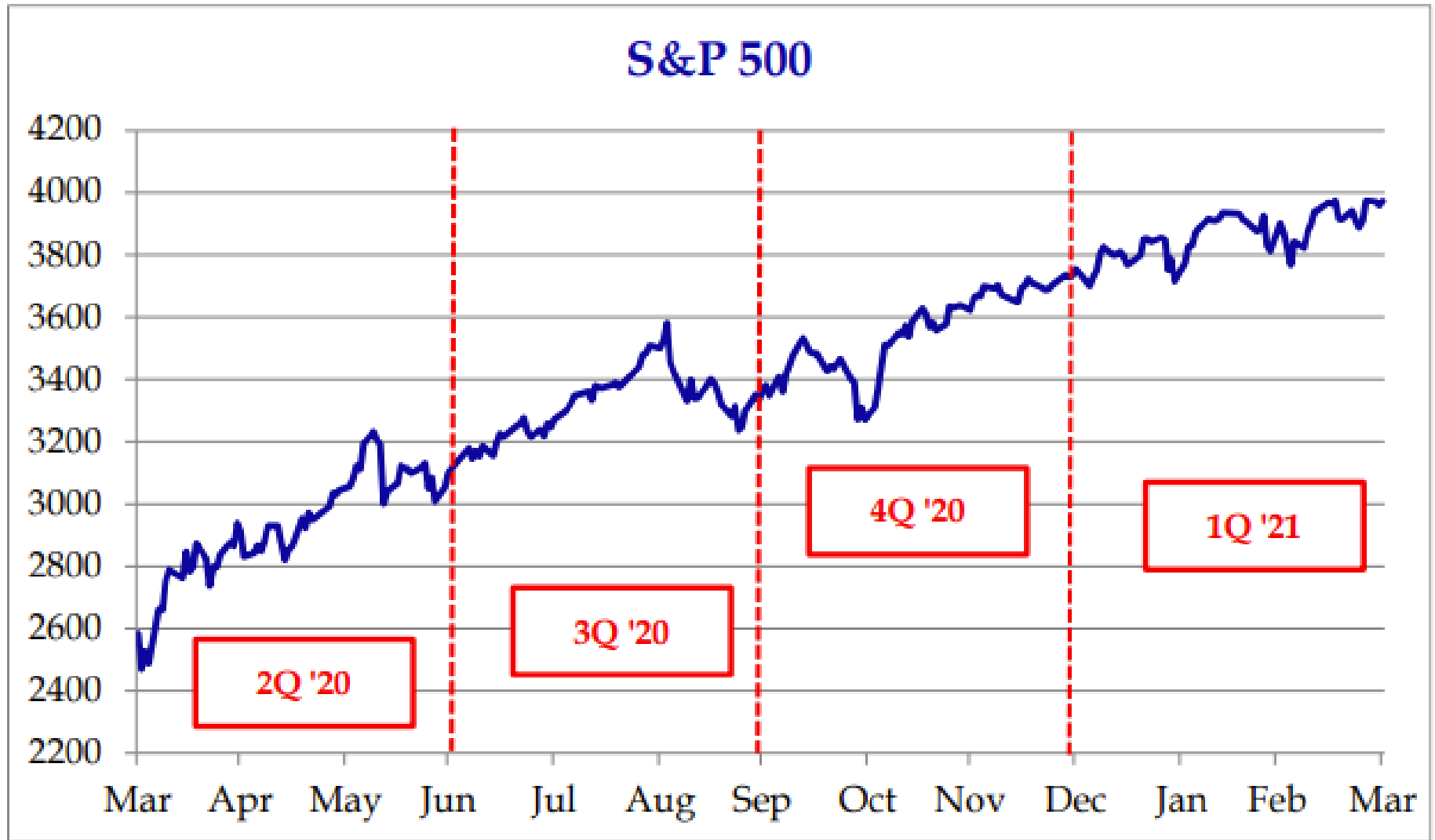


**Jeremy M. Lopez, CFA®**  
Director  
APM Focus Equity



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

*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.*



Source: Strategas Research. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index. The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods will be successful.



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## Value Outperformed Growth in Q1 2021, Which Was a Reversal of 2020

### Q1.2021 Total Return of US Market by Style & Mkt. Cap

	Value	Blend	Growth
Large-Cap	11.3%	6.2%	0.9%
Mid-Cap	13.1%	8.1%	-0.6%
Small-Cap	21.2%	12.7%	4.9%

Source: Russell Investment Group, FactSet

### FY 2020 Total Return of US Market by Style & Mkt. Cap

	Value	Blend	Growth
Large-Cap	2.8%	18.4%	38.5%
Mid-Cap	5.0%	17.1%	35.6%
Small-Cap	4.6%	20.0%	34.6%

Source: Russell Investment Group, FactSet

Source: JPMorgan Asset Management

Past performance is not indicative of future results.



## Style and Sector Update Through April 30, 2021

The chart below provides total return for each index, equity sector, and/or fixed income category. The coloring suggests that green is outperforming, yellow is performing in-line, and red is underperforming.

ETF	Description	April	YTD	Last Year
SPY	S&P 500	5.29	11.98	45.98
DIA	Dow 30	2.69	11.36	42.10
QQQ	Nasdaq 100	5.91	7.86	55.36
IJH	S&P Midcap 400	4.41	18.55	67.84
IJR	S&P Smallcap 600	1.85	20.58	76.77
IWB	Russell 1000	5.34	11.66	49.37
IWM	Russell 2000	1.79	14.92	74.69
IWV	Russell 3000	5.27	12.05	51.06

IVW	S&P 500 Growth	6.83	9.16	48.83
IJK	Midcap 400 Growth	3.97	12.96	61.36
IJT	Smallcap 600 Growth	1.83	14.51	69.89
IVE	S&P 500 Value	3.65	14.91	40.82
IJJ	Midcap 400 Value	4.71	24.13	73.09
IJS	Smallcap 600 Value	1.69	26.42	82.28
DVY	DJ Dividend	3.66	24.02	52.46
RSP	S&P 500 Equalweight	4.67	16.80	56.86

ETF	Description	April	YTD	Last Year
XLY	Cons Disc	6.46	11.46	54.67
XLP	Cons Stap	1.86	3.71	22.76
XLE	Energy	0.67	31.71	37.15
XLF	Financials	6.49	23.55	62.61
XLV	Health Care	3.93	7.32	23.61
XLI	Industrials	3.53	15.46	61.25
XLB	Materials	5.38	15.20	63.22
XLK	Technology	5.19	7.67	54.25
XLC	Comm Services	6.45	15.87	56.40
XLU	Utilities	4.18	7.21	20.41

SHY	1-3 Yr Treasuries	0.06	-0.03	0.00
IEF	7-10 Yr Treasuries	1.00	-4.79	-5.47
TLT	20+ Yr Treasuries	2.49	-11.78	-15.69
AGG	Aggregate Bond	0.73	-2.67	-0.25
BND	Total Bond Market	0.87	-2.80	-0.31
TIP	T.I.P.S.	1.43	-0.28	5.94

Source: Bespoke Investment Group. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index. The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods will be successful.



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# Why Focus Equity?

## History of Attractive Risk Adjusted Returns

- Over five-year history of above benchmark cumulative performance and below average risk resulting in attractive upside and downside participation.\*

## Performance-Focused, Active and Flexible

- We believe high active share and strong conviction provides significant alpha potential with unconstrained idea generation across market capitalization, benchmark, and style spectrums.

## Consistent Team, Philosophy, and Process

- Seasoned and stable investment framework and platform with committed portfolio management since inception.

## Long-Term Focus and Tax Efficiency

- Enables time horizon arbitrage when other investors may be focused on short-term results, while low turnover (historically <25%) reduces transaction costs and tax impact.

## Align Interests with Clients

- Portfolio managers invest a portion of their personal capital in the strategy they manage, thus aligning our interests with those of our clients.

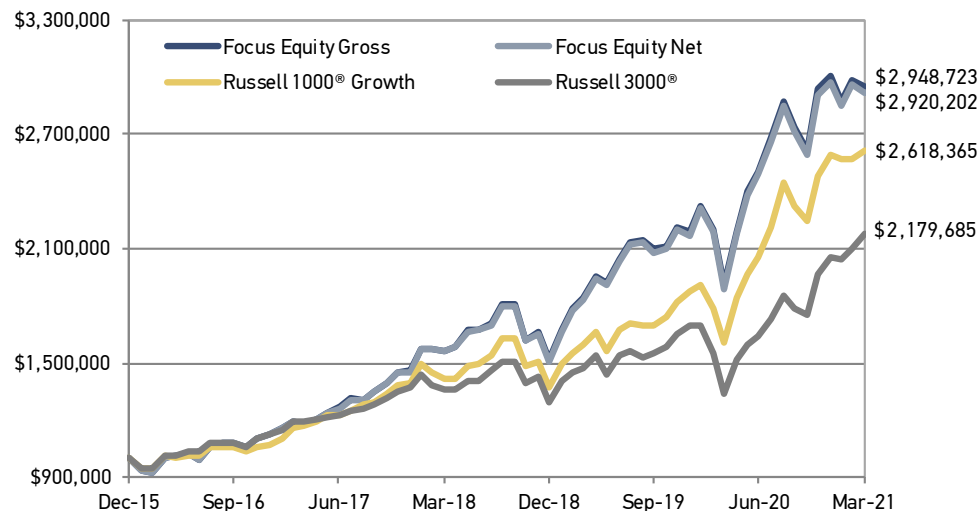
\*See Up/Down Market Capture slide.

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### Growth of \$1 Million

Gross and Net of Fees, Since Inception (12.31.2015)



As of 03.31.2021. 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. 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 GIPS Composite Report located in the APPENDIX. Source: Russell Investments, Morningstar.



We Target Companies We Believe Can Generate Double Digit Returns With:

- *Markets* that are large and growing – where companies can visibly reinvest.
- Business *Models* that exhibit pillars of growth, financial stability, strong margins, and reasonable valuations.
- *Management* teams who generate results, and have ownership incentives aligned with our own, whether as a founder or significant stockholder.
- *Momentum* where the business is positioned for performance success.



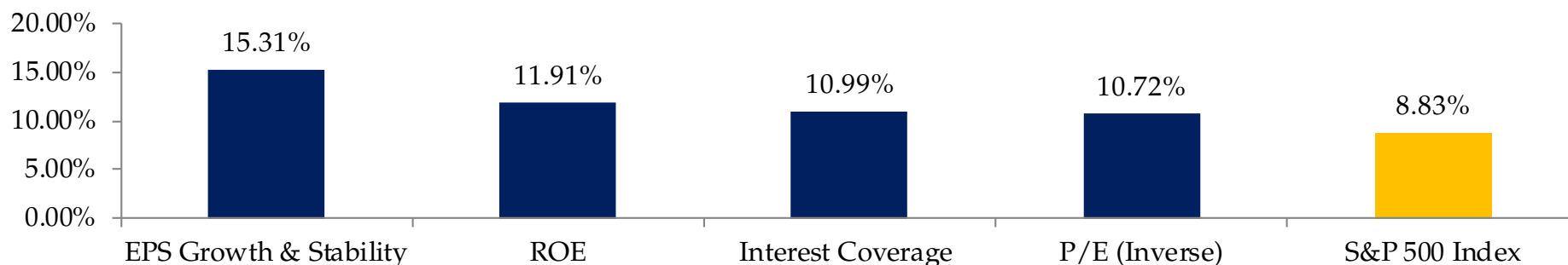


## History Suggests the Four Pillars Increase Probabilities of Generating Excess Return

The Equity Opportunities Group seeks capital appreciation and risk reduction by constructing portfolios with attractive valuations, operating growth, high profitability and strong balance sheets.

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

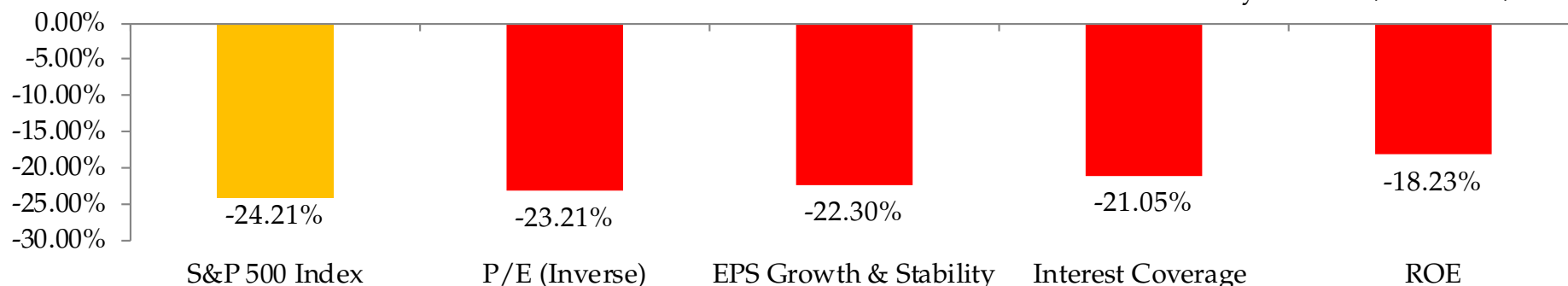
Monthly Data: 01/1985 - 12/2020



Source: Ned Davis Research, S&P Dow Jones Indices

### Annualized Return in Bear Markets for Top Decile of S&P 500 Index by Factor

Monthly Data: 01/1985 - 12/2020



Source: Ned Davis Research, S&P Dow Jones Indices



# Old Dominion (ODFL)

## Focus Equity 4M Framework and 4 Pillars

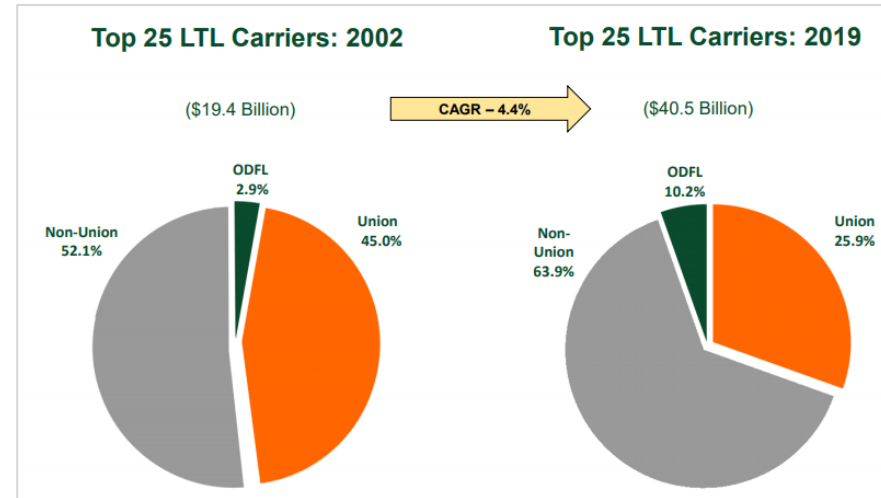
### Focus Equity 4M Framework

- **Market:** According to AT Kearney, the U.S. transportation market is sized at over \$1T annually across all modes- trucking, rail, air, et al. Trucking is approx. \$700 billion of this, the majority of which is full truckload and/or private carriers. OD operates in the “Less-Than-Truckload” (LTL) niche – a \$70-\$80B market, roughly half of which is concentrated across the top 25 carriers. With low-double digit share within LTL (second only to Knight-Swift), OD still has substantial room for future growth in our view.
- **Model:** OD’s strategic focus is on providing excellent service within the higher value-added segments within the trucking market. This focus has yielded LTL revenue per shipment rates that have approached \$375, up more than \$100 since 2011, all in the context of an intensely competitive trucking market. Enabling this has been above average relative to peers on time rates at roughly 99% and cargo claims rates well under 0.5%.
- **Management:** OD was founded in 1934 by Earl and Lillian Cogdon; their son David succeeded them in the late 1990s; he remains Chairman today. Insiders including the Cogdons own more than 10% of shares. We believe OD’s culture has helped enable superior results, including emphases on safety and education (30% of drivers complete OD’s career development program), resulting in driver turnover well below the industry average.
- **Momentum:** LTL market share has risen to more than 10% in 2019, up from 3% in 2002. This has not come at the expense of profitability and efficiency as OD’s Operating Ratio has trended below 80%.

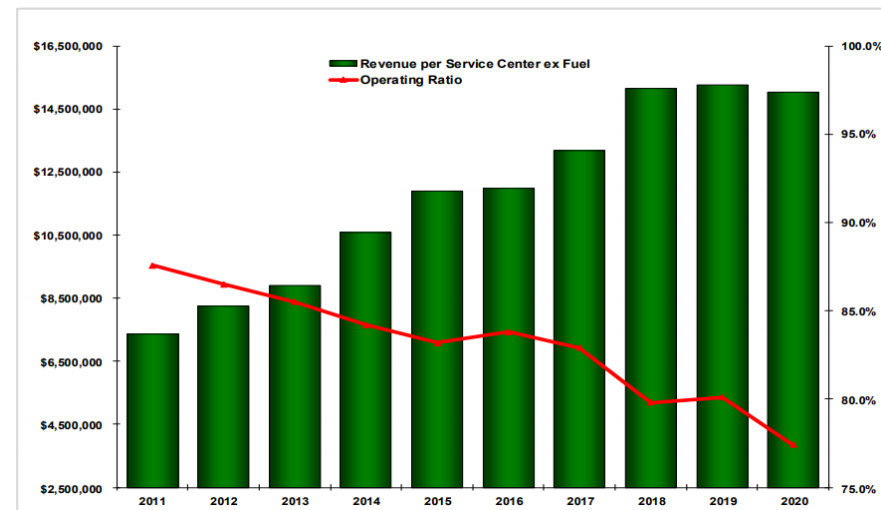
### Equity Opportunity Group 4 Pillars

- **Growth:** OD’s 11.5% revenue growth rate is well above the industry rate
- **Profitability:** ROE was 21% in 2020 vs. 10% average for OD’s public peers
- **Balance Sheet:** OD has net cash on balance sheet; most peers are net debtors
- **Valuation:** OD’s superior growth/ROE translates to premium NTM PE of 33x

### Differentiated Growth & Profitability



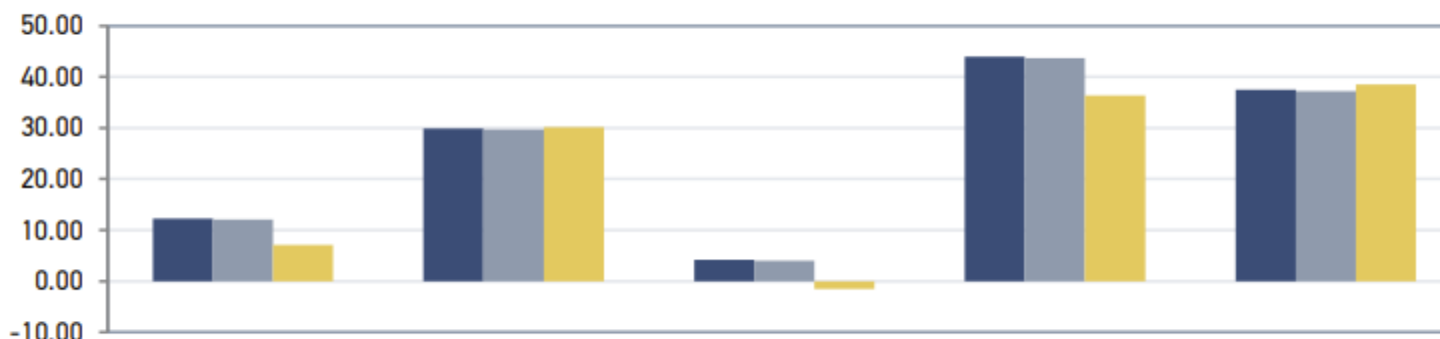
Source: Company Reports



Source: Company Reports



Performance	QTR	YTD	1 Year	3 Year	5 Year	Since Inception*
Sterling (Gross)	-1.88%	-1.88%	54.70%	23.46%	23.98%	22.89%
Sterling (Net)	-1.97%	-1.97%	54.32%	23.21%	23.74%	22.66%
Russell 1000® Growth	0.94%	0.94%	62.74%	22.80%	21.05%	20.14%
Russell 3000®	6.35%	6.35%	62.53%	17.12%	16.64%	16.00%



Year-End Returns	2016	2017	2018	2019	2020
Sterling (Gross)	12.23%	29.89%	4.15%	43.95%	37.50%
Sterling (Net)	12.06%	29.68%	3.96%	43.68%	37.23%
Russell 1000® Growth	7.08%	30.21%	-1.51%	36.39%	38.49%
Russell 3000®	12.74%	21.13%	-5.24%	31.02%	20.89%

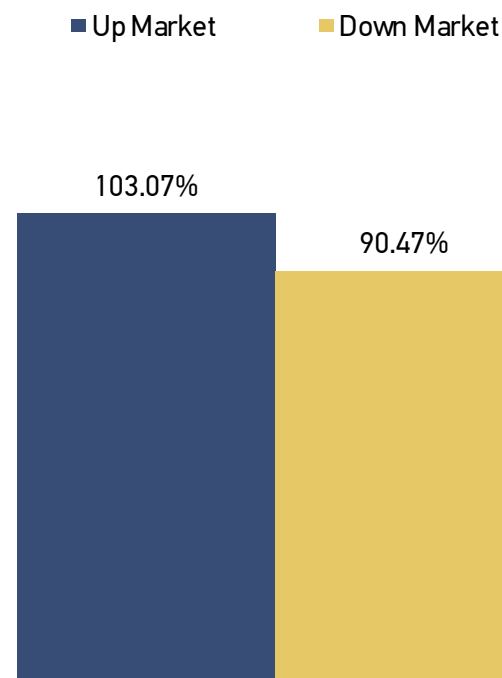
\*Inception date is 12.31.2015.

Data as of 03.31.2021. 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 GIPS Composite Report located in the APPENDIX. Sources: Russell Investments, Sterling Capital Management Analytics.



## Sterling Focus Equity vs. Russell 1000® Growth Index *Gross of Fees, Since Inception (12.31.2015)*

Summary Statistics (of Monthly Returns)	
Alpha	2.28
Beta	1.02
R Squared	0.84
Tracking Error	6.97
Standard Deviation	17.66
Information Ratio	0.39
Up Market Capture Ratio	103.07%
Down Market Capture Ratio	90.47%



Data as of 03.31.2021. 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. 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. Up Market/Down Market Capture Ratio is considered Supplemental Information to the GIPS Composite Report which is located in the APPENDIX. Source: Russell Investments, Morningstar, Sterling Capital Management Analytics.



## Q4 Top 5 Contributors/Bottom 5 Detractors

Performance	QTR	YTD	1 Year	3 Year	5 Year	Since Inception*
Sterling (Gross)	-1.88%	-1.88%	54.70%	23.46%	23.98%	22.89%
Sterling (Net)	-1.97%	-1.97%	54.32%	23.21%	23.74%	22.66%
Russell 1000® Growth	0.94%	0.94%	62.74%	22.80%	21.05%	20.14%
Russell 3000®	6.35%	6.35%	62.53%	17.12%	16.64%	16.00%

### Q1 Top 5 Contributors:

- Alphabet (+18%)
- Old Dominion Freight Line (+23%)
- S&P Global (+6%)
- Microsoft (+6%)
- Brookfield Asset Management (+8%)

### Q1 Bottom 5 Detractors:

- Coupa Software (-25%)
- Verisk Analytics (-20%)
- Kinsale Capital (-17%)
- Okta (-13%)
- CoStar (-11%)

*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.*

*\*Inception date is 12.31.2015. Data as of 03.31.2021. 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 GIPS Composite Report located in the APPENDIX. Sources: Russell Investments, Sterling Capital Management Analytics.*



Portfolio Characteristics		
	Sterling	Index
Wtd. Average Market Cap	\$369.9B	\$696.5B
Wtd. Median Market Cap	\$60.4B	\$231.0B
Wtd. Harmonic Median P/E Ratio (FY1)	45.2x	31.8x
Median Historical 3-Year EPS Growth	25.5%	16.5%
Median Est. 3-5 Year EPS Growth	18.7%	12.8%
Median Net Debt/EBITDA	-0.1	1.2
Median Return on Equity	5.2%	16.4%
Number of Holdings	24	464
Active Share	77.9%	---
Turnover	24.4%	---

Top Ten Equity Holdings	
1. Mastercard Incorporated Class A	9.4%
2. Microsoft Corporation	8.7%
3. S&P Global, Inc.	8.5%
4. CoStar Group, Inc.	7.1%
5. IDEXX Laboratories, Inc.	6.5%
6. HEICO Corporation Class A	5.6%
7. Moody's Corporation	5.3%
8. Old Dominion Freight Line, Inc.	4.8%
9. Alphabet Inc. Class C	4.7%
10. Visa Inc. Class A	4.3%
Total % of Portfolio	65.0%

Data as of 03.31.2021. Index is Russell 1000® Growth. 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 and Top Ten Holdings are considered Supplemental Information to the GIPS Composite Report located in the APPENDIX. Source: Russell Investments, FactSet, Sterling Capital Management Analytics.

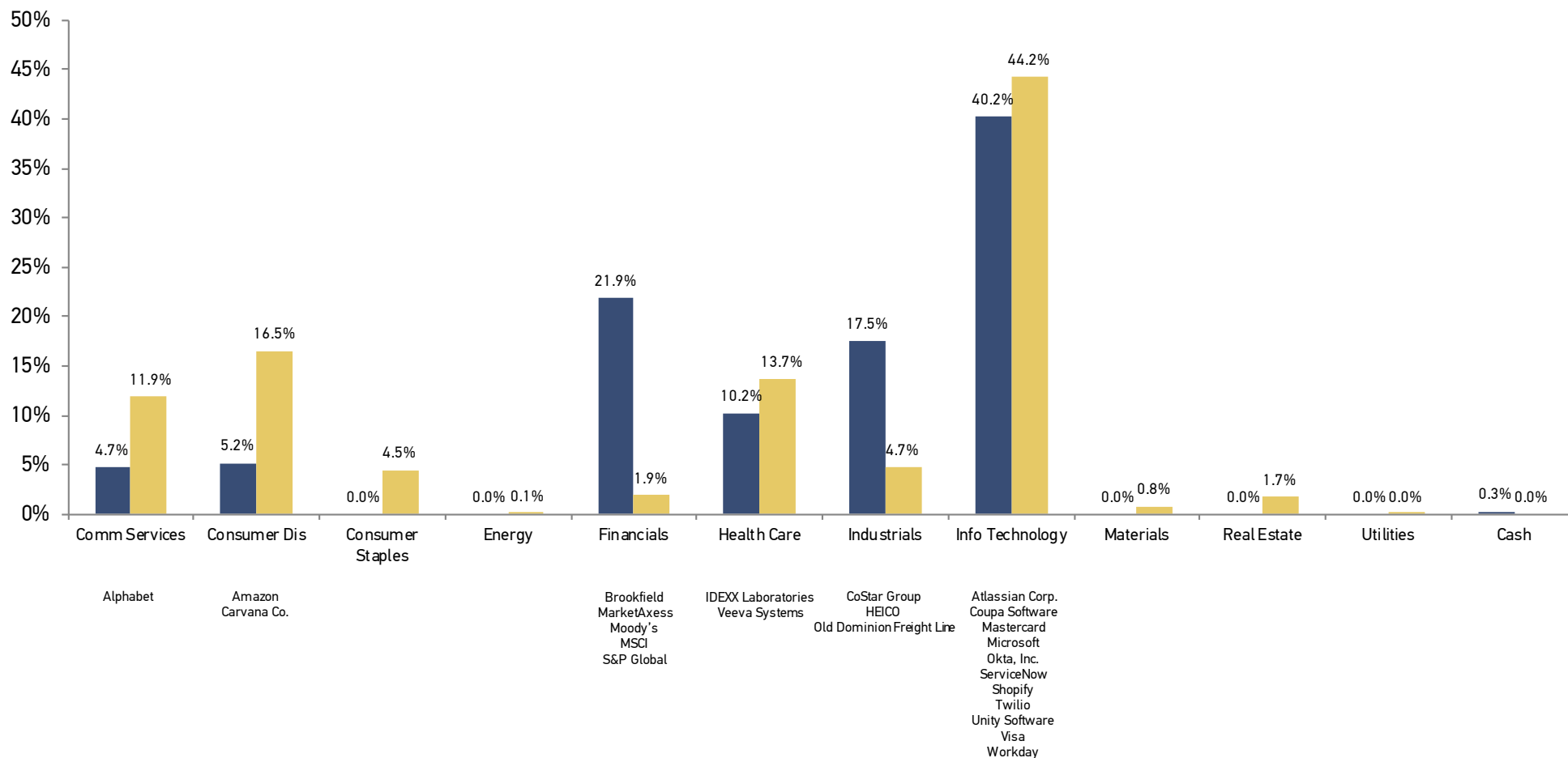


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# Focus Equity is Built to Differ from the Benchmark

## Sterling Focus Equity

■ Sterling Focus Equity ■ Russell 1000® Growth Index



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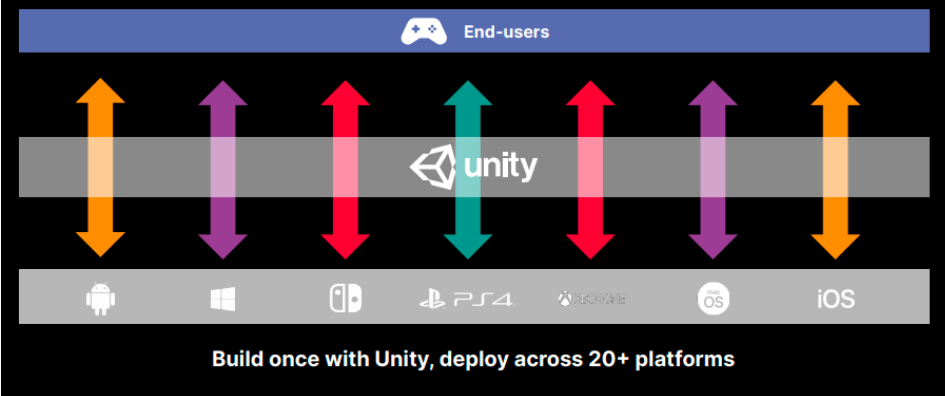


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1Q21 New Positions: Atlassian, Carvana,  
MarketAxess, ServiceNow, Shopify, Unity

## Platforming Real-Time 3D Innovation

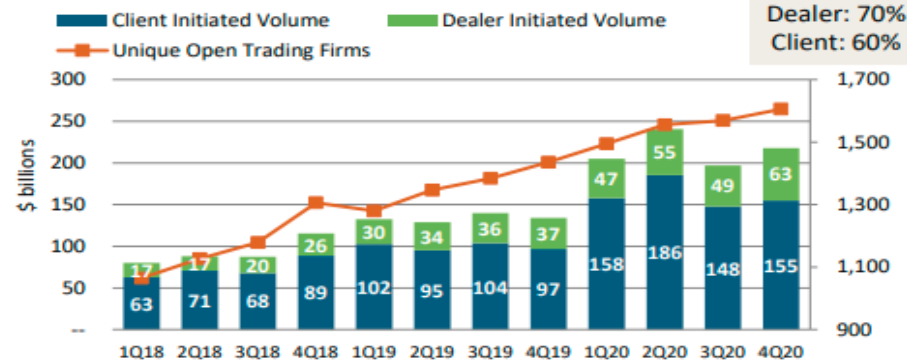
**We benefit from our neutrality**



Source: Unity

## Digitizing Workflows

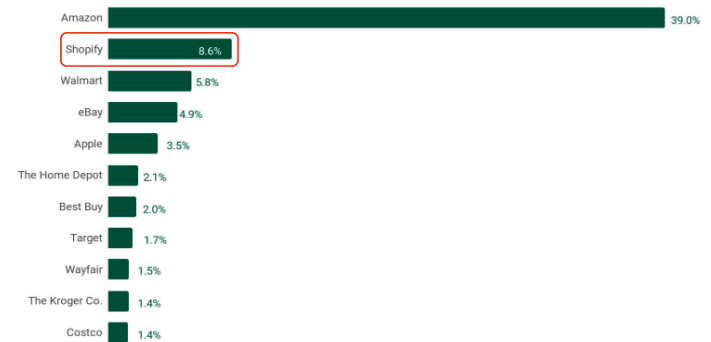
### DEALER VS. CLIENT INITIATED OPEN TRADING VOLUME



Source: MarketAxess

## Enabling SMB E-Commerce

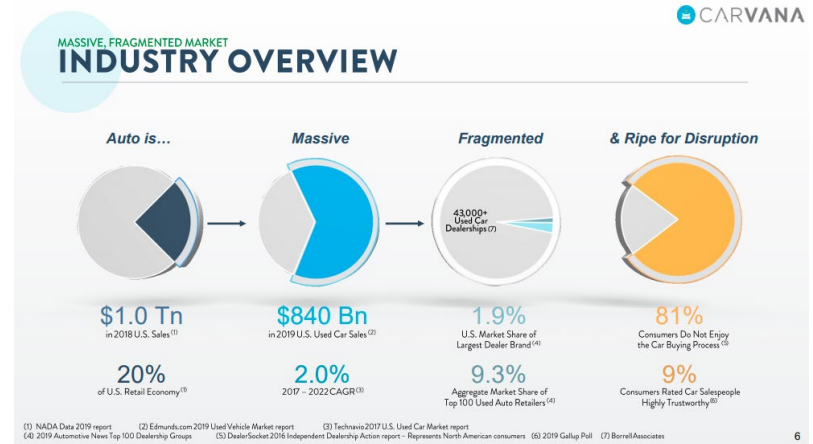
**Strong & Competitive Market Position**  
Share of U.S. Retail Ecommerce Sales 2020



Source: eMarketer, October 2020. Shopify  
\* Market share based on Shopify's 2020 US GMV (excluding merchant sales made through POS)

Source: Shopify

## Disrupting Large Fragmented Markets



Source: Carvana

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## Recent Research Observations: Let's Dig Deeper into SaaS Performance

- “Our broader sales environment continues to improve. We've seen increased activity and closure rates with some of our larger sales opportunities. I want to highlight that [industry analyst] IDC recently published six reports covering areas of business spend management and Coupa was once again the leader in every one of them. There are currently 28 analyst reports across virtually every aspect of business management and we're a leader in all these reports.” - Coupa Chairman and CEO Rob Bernshteyn
- “Revenue in the first quarter increased...above the high end of our guidance range. Going forward, we expect organic revenue growth to improve to approximately 12% to 13% for the second quarter and for the remainder of the year. So this is certainly very encouraging and is a much faster recovery than what occurred in the last recession for CoStar Suite.” – CoStar CFO Scott Wheeler
- “We're expanding into [new markets], which add another \$15 billion of market opportunity, for a total workforce TAM of \$50 billion. Looking at customer identity, we had previously estimated this market at \$25 billion. However, due to increased utilization driven by customers' digital transformations, we estimate that the market opportunity is now \$30 billion. Of course, we're also excited about the prospect of accelerating our penetration into this market.” – Okta CFO Mike Kourey
- “All of [our key performance] metrics hit record levels, with our market share of the top 1,000 [games], reaching 71%. [Application] downloads averaged 5 billion times per month and [monthly active users] reached an average of 2.7 billion per month in Q4 2020. These record results...are indicative of the strength of our franchise and the ecosystem we support.” – Unity CEO John Riccitiello
- “We're excited about the early momentum we're seeing around cloud migrations, which...doubled compared to the same quarter last year. This is a big increase and we have more hard yakka ahead of us.” – Atlassian Co-CEO Scott Farquhar

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“It's incredibly rare for a business with a revenue run rate over \$54 billion to be growing at more than 30% a year. It just doesn't happen very often.” – Amazon CEO Jeff Bezos

**Table 1. Worldwide Public Cloud Services End-User Spending Forecast (Millions of U.S. Dollars)**

	2020	2021	2022
Cloud Business Process Services (BPaaS)	46,131	50,165	53,121
Cloud Application Infrastructure Services (PaaS)	46,335	59,451	71,525
Cloud Application Services (SaaS)	102,798	122,633	145,377
Cloud Management and Security Services	14,323	16,029	18,006
Cloud System Infrastructure Services (IaaS)	59,225	82,023	106,800
Desktop as a Service (DaaS)	1,220	2,046	2,667
<b>Total Market</b>	<b>270,033</b>	<b>332,349</b>	<b>397,496</b>

BPaaS = business process as a service; IaaS = infrastructure as a service; PaaS = platform as a service; SaaS = software as a service

Note: Totals may not add up due to rounding.

Source: Gartner (April 2021)

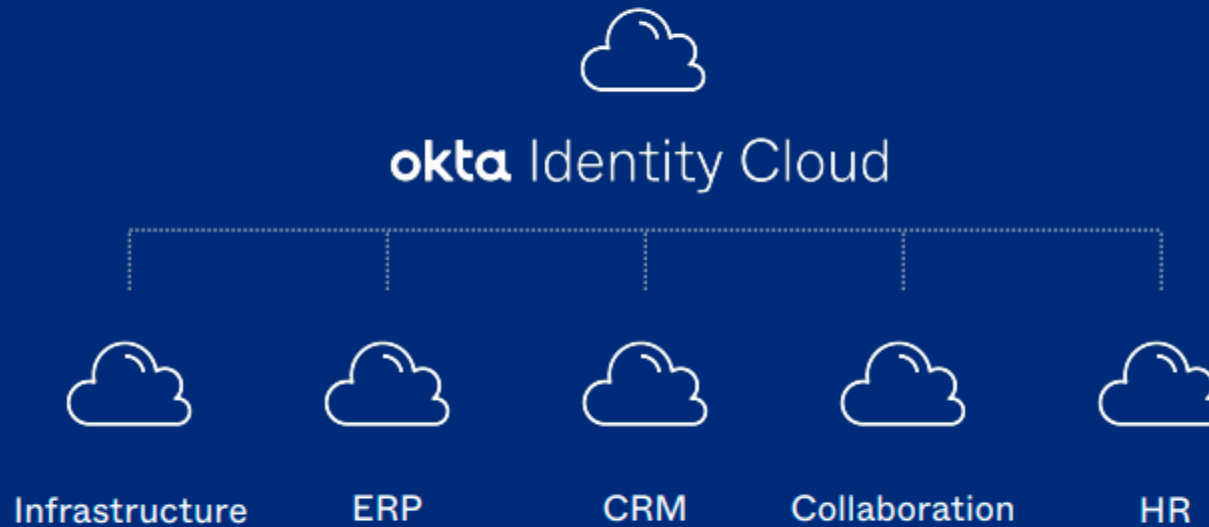
“Emerging technologies such as containerization, virtualization and edge computing are becoming more mainstream and driving additional cloud spending. **Simply put, the pandemic served as a multiplier for CIOs’ interest in the cloud.**” – Gartner Research Vice President Sid Nag



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## “Primary Cloud” Systems of Record Are Emerging Amid Technology Migration

### The new primary cloud



Source: Okta.

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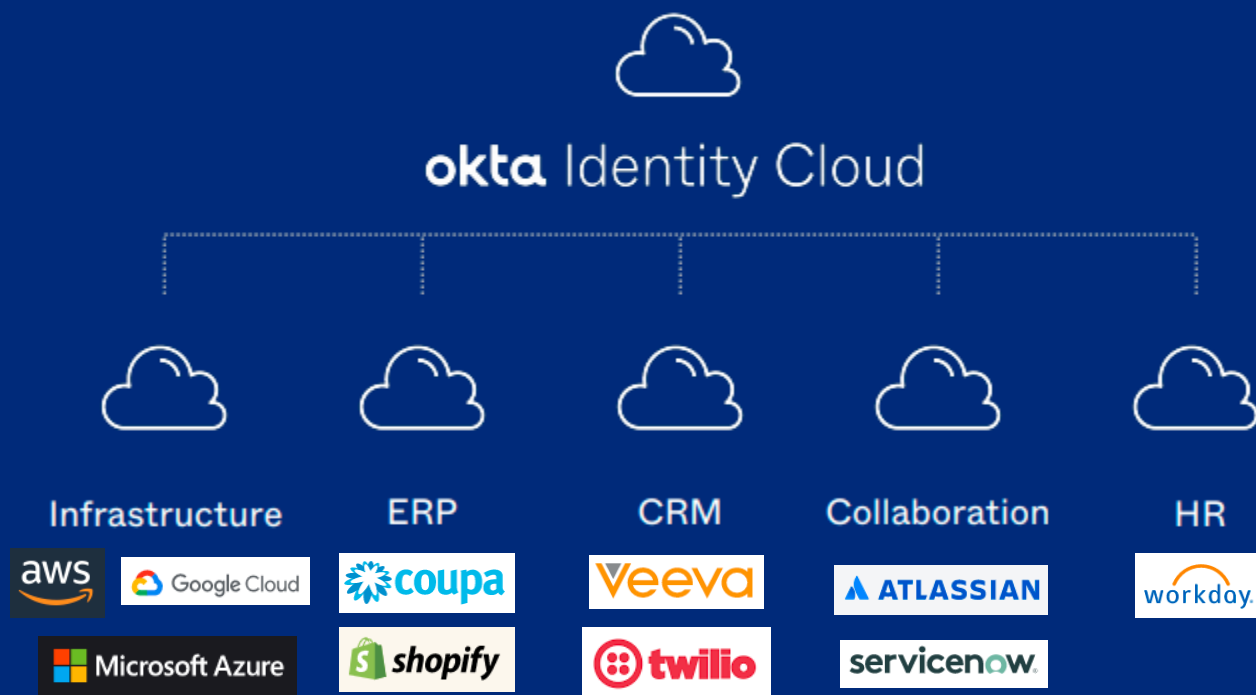
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## Focus Equity Has Leading App Exposure Across All Primary Clouds

### The new primary cloud



Source: Okta.

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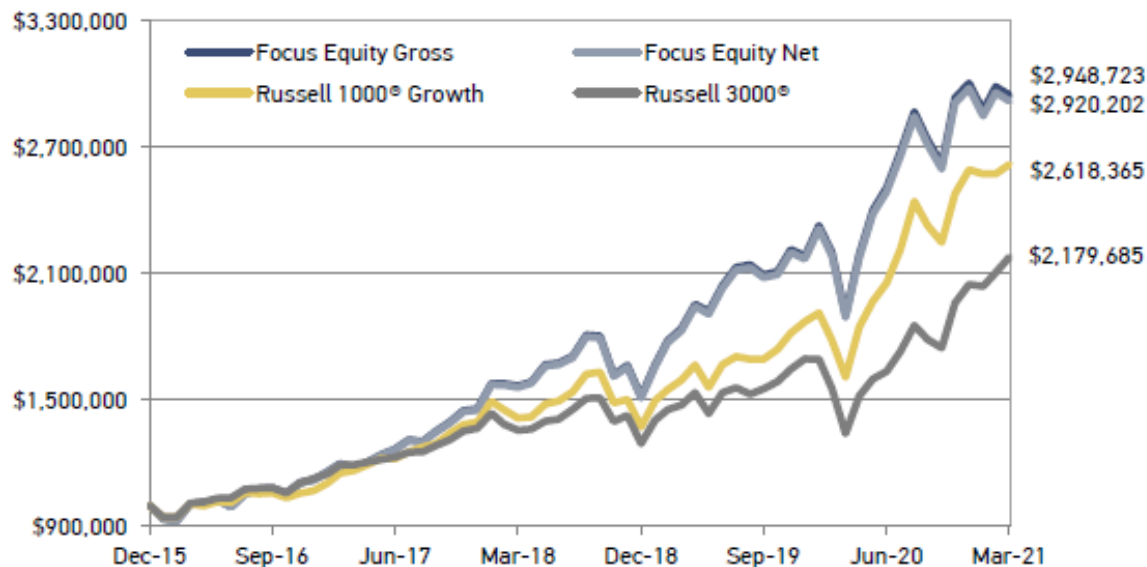
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- History of Attractive Risk-Adjusted Returns Through a Variety of Market Environments
- Diligent Portfolio Management that is Active, Flexible, and Tax-Efficient
- Institutional Investment Platform features Consistent Team and Long-Term Focus

### Growth of \$1 Million

Gross and Net of Fees, Since Inception (12.31.2015)



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Q&A

**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.*

**The S&P 500® Index** is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P 500 Composite includes 500 of the largest stocks (in terms of stock market value) in the United States and covers approximately 80% of available market capitalization.

**The Russell 1000® Growth Index** measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000® companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect growth characteristics.

**The Russell 3000® Index** measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market. The Russell 3000® Index is constructed to provide a comprehensive, unbiased and stable barometer of the broad market and is completely reconstituted annually to ensure new and growing equities are included.

**Technical Terms:** **Earnings Per Share (EPS):** a key metric used to determine the common shareholder's portion of the company's profit. EPS measures each common share's profit allocation in relation to the company's total profit. **Price Earnings Ratio (P/E):** the relationship between a company's stock price and earnings per share (EPS). The P/E ratio shows the expectations of the market and is the price you must pay per unit of current earnings (or future earnings, as the case may be). **Free Cash Flow (FCF):** measures a company's financial performance. It shows the cash that a company can produce after deducting the purchase of assets such as property, equipment, and other major investments from its operating cash flow. **Return on Equity (ROE):** the measure of a company's annual return (net income) divided by the value of its total shareholders' equity, expressed as a percentage. **EBITDA:** Earnings Before Interest, Taxes, Depreciation, and Amortization is a metric used to evaluate a company's operating performance. It can be seen as a proxy for cash flow from the entire company's operations. **Net Debt-to-EBITDA:** the net debt-to-EBITDA ratio measures a company's ability to pay off its liabilities. It shows how much time the company needs to operate at the current debt and EBITDA levels to pay all of its debt. **Compound Annual Growth Rate (CAGR):** the measure of an investment's annual growth rate over time, with the effect of compounding taken into account. It is often used to measure and compare the past performance of investments, or to project their expected future returns. **Enterprise value-to-sales (EV/Sales):** a financial ratio that measures a company's total value (in enterprise value terms) to its total sales revenue. **Generally Accepted Accounting Principles (GAAP):** a commonly recognized set of rules and procedures designed to govern corporate accounting and financial reporting in the United States (US). The US GAAP is a comprehensive set of accounting practices that were developed jointly by the Financial Accounting Standards Board (FASB) and the Governmental Accounting Standards Board (GASB), so they are applied to governmental and non-profit accounting as well. (Technical definitions are sourced from Corporate Finance Institute.)

Sterling's preliminary Assets Under Advisement ("AUA") differs from our regulatory Assets Under Management ("AUM") for which we provide continuous and regular investment management services as disclosed in our ADV. AUA generally refers to non-discretionary assets for which Sterling provides advice or consultation for which Sterling does not have authority to effectuate transactions. Such services include Model portfolios and assets Sterling advises as an outsourced Chief Investment Officer on a non-discretionary basis.

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

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

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

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

# Sterling Capital Management – Focus Equity Composite

January 1, 2016 – December 31, 2019

**Description:** Consists of all discretionary separately managed Focus Equity portfolios. Sterling's Focus Equity portfolio investments are flexible and may span growth and value, large- and small-capitalization companies. The strategy seeks positions featuring sustainable, multi-year return profiles underpinned by businesses perceived to possess attractive financial returns, visible reinvestment opportunities, and talented management.

<u>Year</u>	<u>Total Return Gross of Fees</u>	<u>Total Return Net of Fees</u>	<u>No. of Portfolios</u>	<u>Total Assets End of Period (\$MM)</u>	<u>Percent of Firm Assets</u>	<u>Total Firm Assets (\$MM)</u>	<u>Composite Dispersion (%)</u>	<u>Russell 1000 Growth Index</u>	<u>Composite 3-yr St Dev (%)</u>	<u>Benchmark 3-yr St Dev (%)</u>
2019	43.95	43.68	2	0.269	0.0	58,191	not meaningful	36.39	13.79	13.07
2018	4.15	3.96	2	0.187	0.0	56,889	not meaningful	-1.51	13.77	12.13
2017	29.89	29.68	5	0.877	0.0	55,908	not meaningful	30.21	N/A	N/A
2016	12.23	12.06	4	0.452	0.0	51,603	not meaningful	7.08	N/A	N/A
Annualized Since Inception	21.59	21.38						16.98		

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. Colin Ducharme, 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, 2015. Creation date: October 31, 2018. Portfolios with an allowance to fixed income securities were permitted in the composite from inception until October 31, 2018. Beginning November 1, 2018, portfolios included in the composite are not permitted to own fixed income securities. Effective 3/31/20, the appropriate benchmark for this composite was changed retroactively to inception from the Russell 3000 Index to the Russell 1000 Growth Index. The Russell 1000® Growth Index measures the performance of the large cap growth segment of the US equity universe. It includes those Russell 1000® companies with higher price-to-book ratios and higher forecasted 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. All portfolios are valued monthly as of calendar month-end and utilize trade-date and accrued income accounting. Valuations and performance are reported in U.S. dollars. Composite returns are asset weighted using the average capital base method that reflects both beginning market value and cash flows and uses the aggregate method. This method aggregates market values and cash flows for all the accounts and treats the composite as if it were one account. Composites are revalued for cash flows greater than 5%. Periodic time weighted returns are geometrically linked. Returns are not calculated net of non-reclaimable withholding taxes due to immaterial dollar amounts.
5. Gross of fees returns reflect the deduction of trading costs. Net of fee performance returns are presented after actual management fees and trading expense. The stated fee schedule is: 0.70% on the first \$25 million; 0.60% on the next \$25 million; 0.50% on the next \$25 million; and 0.40% on all amounts exceeding \$75 million on an annual basis as described in Sterling Capital Management's Form ADV, Part 2A.
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.