



**STERLING**  
CAPITAL

**2<sup>nd</sup> Quarter 2020 Market Review:  
Global Leaders SMA**

WHAT MATTERS MOST TO YOU MATTERS MOST TO US.



- *This webcast is being recorded.*
- *The material presented in this presentation is as of 06.30.2020, 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.*



## WebEx Agenda:

- Sterling Capital Overview
- Performance Update
- Portfolio Positioning and Activity
- Q&A



**Charles (Chip) J. Wittmann, CFA®**  
Executive Director  
PM Global Leaders SMA



**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.*



## THE FIRM

- Institutional investment advisor based in Charlotte, NC; offices in Raleigh, NC; Washington, DC; Richmond, VA; Virginia Beach, VA; Jupiter, FL; Philadelphia, PA; and San Francisco, CA
- \$71 Billion in Assets Under Management and Assets Under Advisement
- Founded in 1970
- Independently-managed firm backed by BB&T Corporation now Truist Financial Corporation

## THE PEOPLE

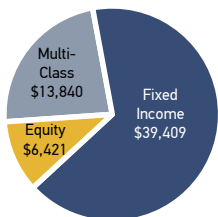
- 169 seasoned investment professionals, client service and administrative associates
- Highly motivated personnel with varied experience to act as subject matter experts:
  - 51 CFA® designees in the firm
  - Independent fundamental equity and credit research
  - Quantitative proprietary risk modeling

Experience	Average Yrs
Portfolio Managers	24
Investment Analysts	15
Traders	19
Client Strategists	19

43 Portfolio Managers	24 Investment Analysts	8 Traders	24 Client Strategists	7 Client Analysts	40 Operations	7 Compliance	16 Staff
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## DIVERSIFIED INVESTMENT STRATEGIES

Assets Under Management (Millions)



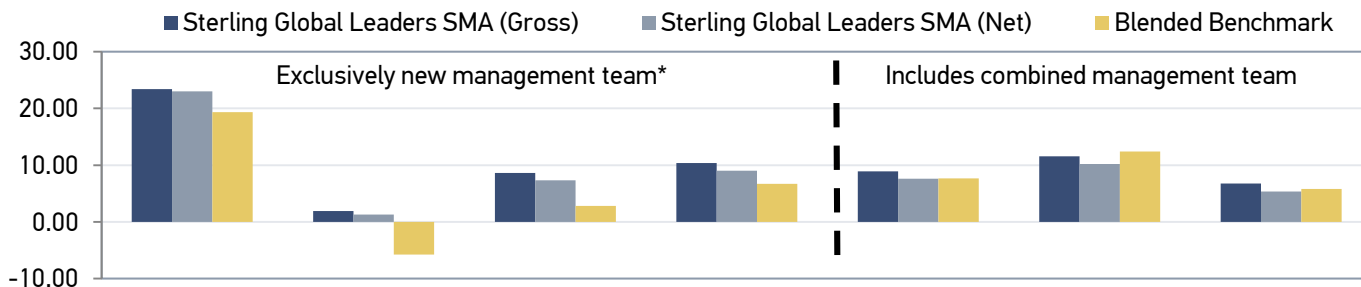
Equity		Fixed Income		Yield-Focused
Large Cap	Mid Cap	Treasuries	Municipals	Preferreds
Small Cap	All Cap	Government Related	Investment Grade Multi-Sector	High Yield Corporate
Opportunistic	International	High Yield Corporate	Securitized	Securitized
Active/Factor	Real Estate	Inflation Protected	Floating Rate	Unconstrained
Dividend Equity		Multi-Sector		

Sterling personnel and office location data as of 08.03.2020. Sterling Assets Under Management and Assets Under Advisement data as of 06.30.2020. 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. Important Information - Designation: 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.

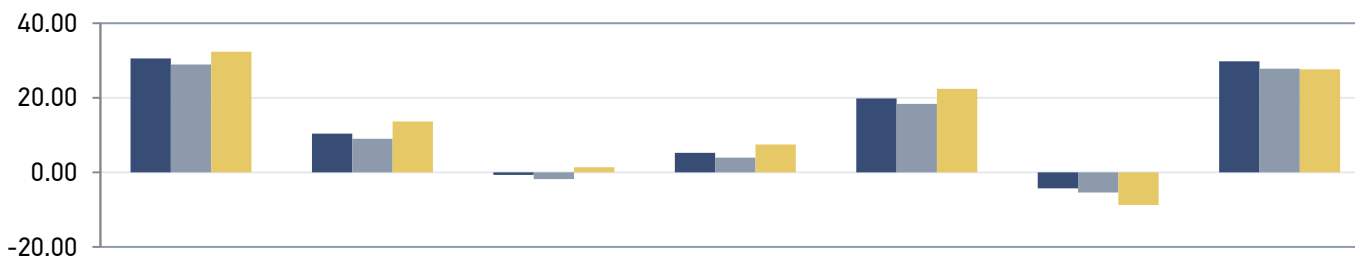


NAME & TITLE	INVESTMENT RESPONSIBILITIES	YEARS OF INVESTMENT EXPERIENCE	YEARS WITH STERLING
<b>Charles J. “Chip” Wittmann, CFA®</b> Executive Director	Portfolio Manager	25	6
<b>George F. Shipp, CFA®</b> Managing Director	Senior Equity Analyst	38	20
<b>Adam B. Bergman, CFA®</b> Executive Director	Senior Equity Analyst	19	13
<b>Joshua L. Haggerty, CFA®</b> Executive Director	Senior Equity Analyst	22	15
<b>Colin R. Ducharme, CFA®</b> Executive Director	Senior Equity Analyst	16	9
<b>Jeremy M. Lopez, CFA®</b> Executive Director	Senior Equity Analyst	22	4
<b>Daniel A. Morrall</b> Executive Director	Senior Equity Analyst	20	6
<b>R. Griffith “Griff” Jones</b> Executive Director	Senior Equity Trader	21	20
<b>Timothy B. Reyes</b> Director	Equity Trader	16	11
<b>Rebecca A. Dorfman</b> Director	Equity Trader/Portfolio Implementation Specialist	12	10
<b>Whitney L. Stewart, CFA®</b> Executive Director	Client Portfolio Manager	15	2

As of 08.19.2020. The **Chartered Financial Analyst® (CFA)** charter is a graduate-level investment credential awarded by CFA Institute — the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.



Performance	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception*
Sterling (Gross)	23.39%	1.90%	8.61%	10.38%	8.92%	11.55%	6.78%
Sterling (Net)	23.02%	1.30%	7.31%	9.04%	7.61%	10.19%	5.37%
Blended Benchmark	19.36%	-5.77%	2.84%	6.70%	7.68%	12.41%	5.81%
MSCI World (Net)	19.36%	-5.77%	2.84%	6.70%	6.90%	9.95%	5.06%

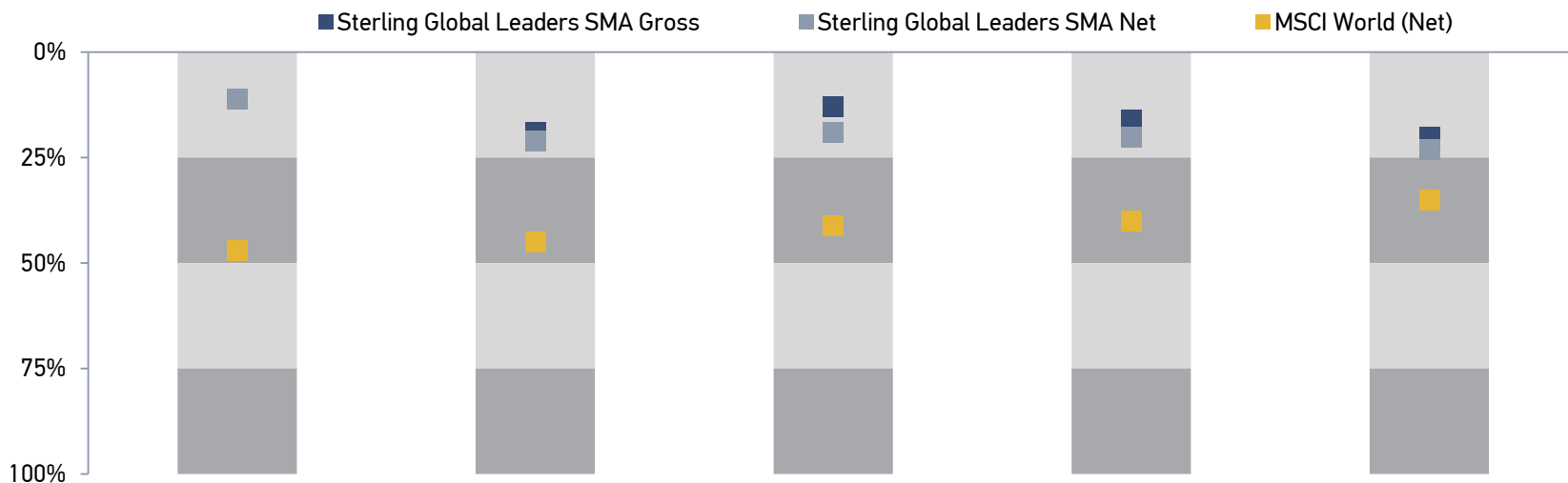


Year-End Returns	2013	2014	2015	2016	2017	2018	2019
Sterling (Gross)	30.51%	10.40%	-0.63%	5.25%	19.80%	-4.23%	29.39%
Sterling (Net)	28.94%	9.06%	-1.81%	3.99%	18.34%	-5.41%	27.85%
Blended Benchmark	32.39%	13.69%	1.38%	7.51%	22.40%	-8.71%	27.67%
MSCI World (Net)	26.68%	4.94%	-0.87%	7.51%	22.40%	-8.71%	27.67%

\*Inception date is 12.31.2000. 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. Data as of 06.30.2020. Blended benchmark: As of 12.31.2015 the benchmark is the MSCI World Net Index. Prior to 12.31.2015 the benchmark was the S&P 500 Index. 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. Source: MSCI, S&P, Sterling Capital Management Analytics.



**Sterling Global Leaders SMA**  
*Quarterly Returns (Gross and Net of Fees) Since Inception (12.31.2000)*



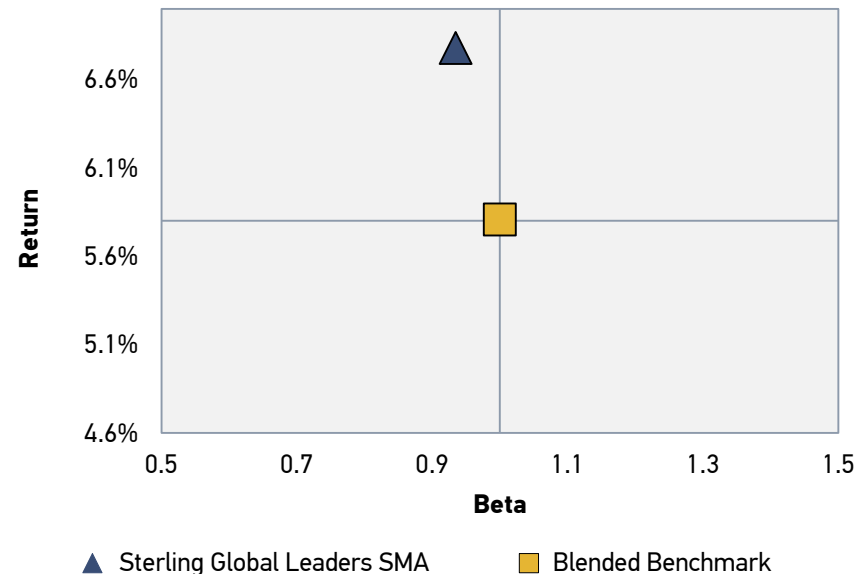
	YTD Return	YTD Rank	1-Year Return	1-Year Rank	3-Year Return	3-Year Rank	5-Year Return	5-Year Rank	10-Year Return	10-Year Rank
Median Gross	-6.16%		1.37%		4.94%		6.40%		8.73%	
Median Net	-7.58%		-0.53%		4.69%		5.26%		8.36%	
Sterling Global Leaders SMA Gross	1.90%	11	8.61%	19	10.38%	13	8.92%	16	11.54%	20
Sterling Global Leaders SMA Net	1.30%	11	7.31%	21	9.08%	19	7.61%	20	10.19%	23
MSCI World (Net)	-5.77%	47	2.84%	45	6.70%	41	6.90%	40	9.95%	35

*Data as of 06.30.2020. The Global Leaders SMA universe is the eVestment SMA/Wrap – Global Equity universe. All information has been obtained from sources considered to be reliable, but accuracy and completeness cannot be guaranteed. Neither the information presented nor any opinion expressed constitutes a representation by eVestment Analytics or a solicitation of the purchase or sale of any securities. The inclusion or omission of any firm or service herein shall not be deemed a recommendation by eVestment Analytics for or against the use thereof. 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 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 and unrealized capital gains and losses. 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. Source: Russell Investments, eVestment Analytics, Sterling Capital Management Analytics.*



## Sterling Global Leaders SMA Gross of Fees, Since Inception (12.31.2000)

Summary Statistics vs. Blended Benchmark (of Quarterly Returns)	
Alpha	1.32
Beta	0.93
R Squared	0.91
Tracking Error	5.08
Standard Deviation	16.66
Information Ratio	0.19
Up Market Capture Ratio	94.64%
Down Market Capture Ratio	86.42%

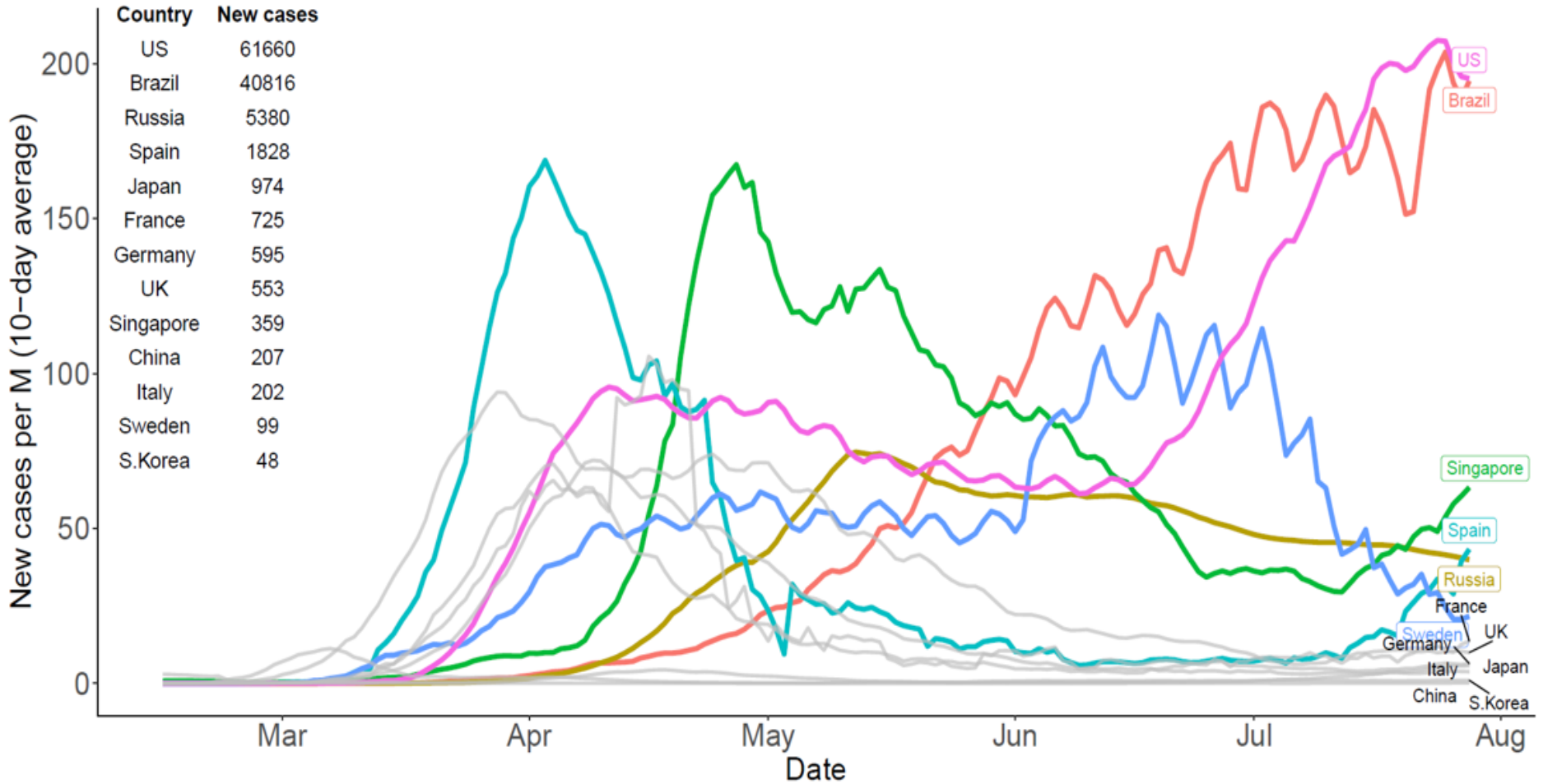


*Data as of 06.30.2020. Blended Benchmark: as of 12.31.2015, the benchmark is the MSCI World Net Index. Prior to 12.31.2015, the benchmark was the S&P 500 Index. Performance is preliminary and is annualized for periods longer than one year. "Pure" Gross of fees performance returns do not reflect the 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. The Performance is considered Supplemental Information to the Composite Disclosure Presentation located in the APPENDIX. Source: MSCI, S&P, eVestment Analytics, FactSet, Sterling Capital Management Analytics.*





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

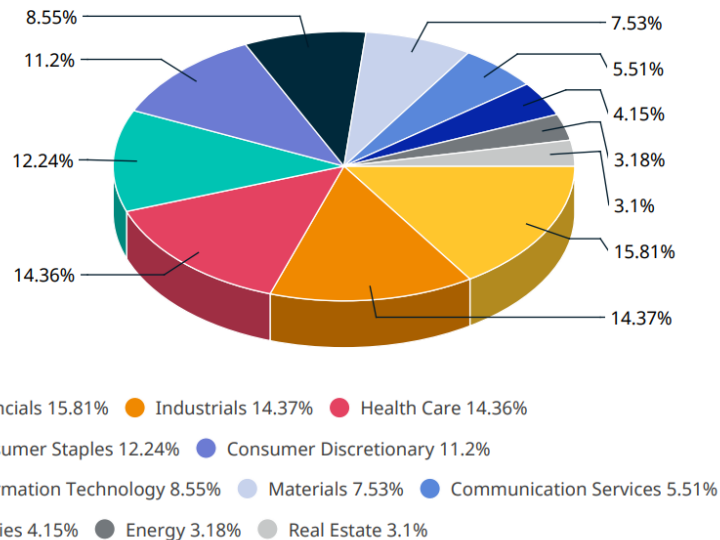


Source: Johns Hopkins.



## MSCI EAFE Index (USD)

### SECTOR WEIGHTS



## Global Leaders Holdings Based in Europe and Japan

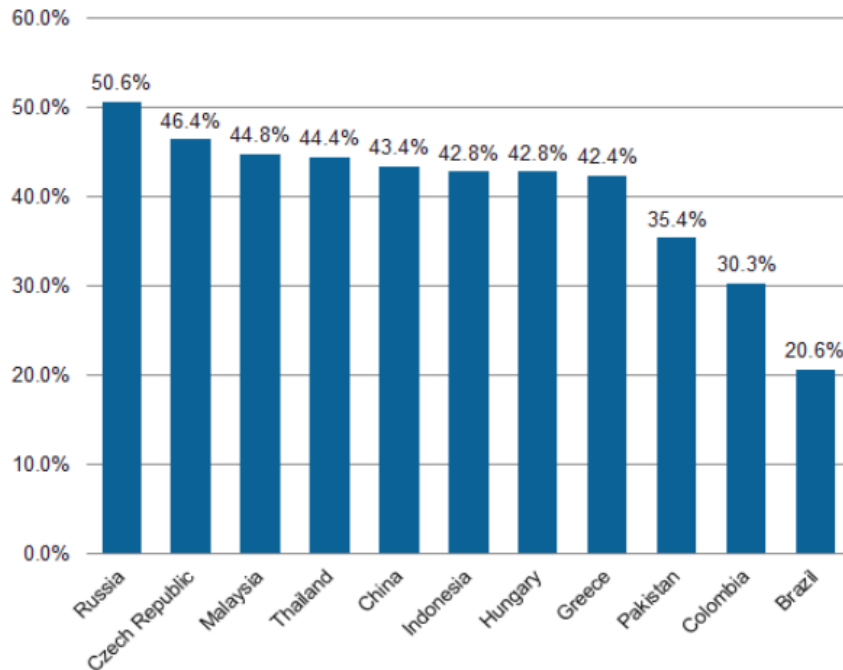
### Revenues from Europe and Japan

Charles Hansen	44%
Experian	23%
Ferrari	23%
Markit	11%
Sage Group	52%

Source: MSCI, Bloomberg, Company Reports. 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.



SOEs as Percent of Market Capitalization for Major Countries in the MSCI EM Index



Source: MSCI; Data as of Dec. 31, 2018

## Global Leaders Holdings Based in China and Hong Kong

**Alibaba** – “The China cloud market is going to be somewhere in the \$15 billion to \$20 billion total size range and the US market is about 8x.”

**Tencent** – “For the 2<sup>nd</sup> quarter 2020, our total revenue grew 29% year over year.”

**AIA Group** – “The rapid middle class expansion in Asia will see our target customer base 2x in ten years, 7x faster than the rest of the world.”

All quotes listed are sourced from Q2.2020 company earnings call transcripts.

Source: (left chart) MSCI, Callan. 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.

Past performance is not indicative of future results.



Source: Bloomberg. Total return as of 07.31.2020.



## Dollar on Course for Worst Month in Almost a Decade

Investors bet that the Fed will be forced to keep rates lower for longer, lowering real yields in U.S.

ICE U.S. Dollar Index



Source: FactSet

Source: Wall Street Journal.

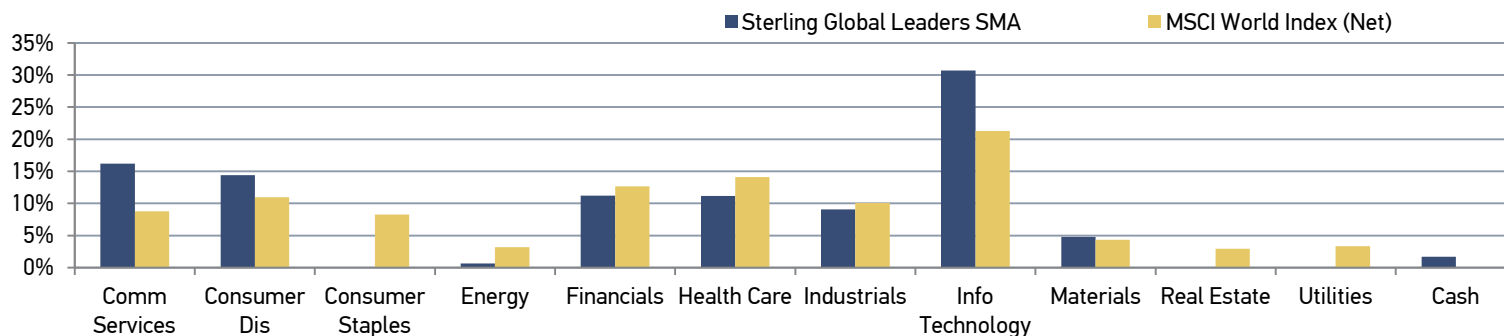
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# Global Leaders SMA Positioning Over Weight Quality, Growth and Technology

Portfolio Characteristics	Sterling		Index		Top Ten Equity Holdings	
Wtd. Average Market Cap	\$282.8B	\$262.3B	1.	Tencent Holdings Ltd. Unsponsored ADR	6.0%	
Wtd. Median Market Cap	\$79.4B	\$72.3B	2.	PayPal Holdings Inc	5.9%	
Wtd. Harmonic Median P/E Ratio (FY1)	32.5x	25.6x	3.	Facebook, Inc. Class A	5.6%	
Median Historical 3-Year EPS Growth	21.6%	8.3%	4.	Mastercard Incorporated Class A	5.4%	
Median Est. 3-5 Year EPS Growth	11.6%	6.4%	5.	Alibaba Group Holding Ltd. Sponsored ADR	5.3%	
Median Net Debt/EBITDA	0.7	1.8	6.	Constellation Software Inc.	5.1%	
Median Return on Equity	25.0%	11.3%	7.	IHS Markit Ltd.	5.1%	
Number of Holdings	26	1,603	8.	Chr. Hansen Holding A/S Sponsored ADR	4.8%	
Active Share	90.7%	---	9.	Microsoft Corporation	4.4%	
Turnover	43.0%	---	10.	S&P Global, Inc.	4.4%	
			<i>Total % of Portfolio</i>		<i>51.9%</i>	

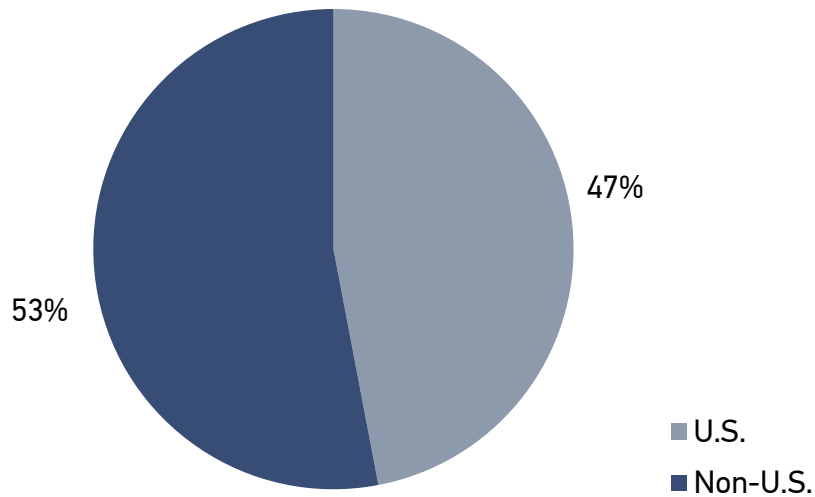
## Sector Allocation



Data as of 06.30.2020. Blended benchmark: As of 12.31.2015 the benchmark is the MSCI World Net Index. Prior to 12.31.2015 the benchmark was the S&P 500. Turnover is for the last 12 months. 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 Characteristics, Top Ten Holdings and Portfolio Diversification are considered Supplemental Information to the Composite Disclosure Presentation located in the APPENDIX. Source: MSCI, FactSet, Sterling Capital Management Analytics.

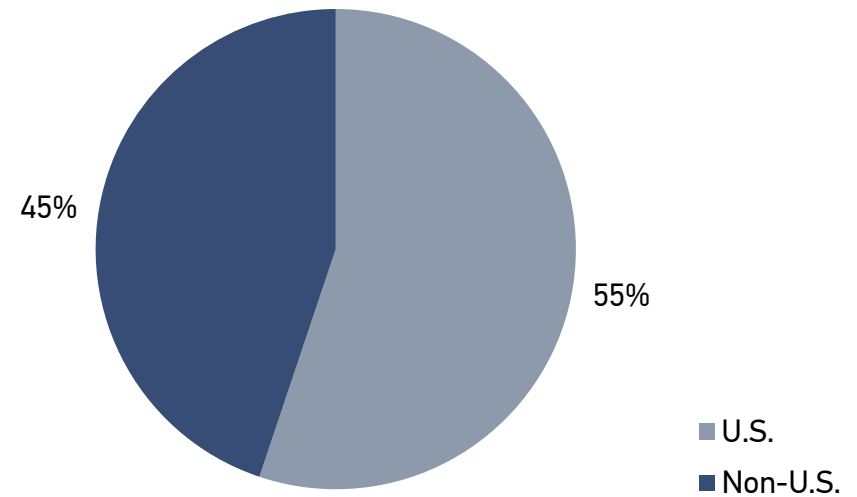


## Geographic Allocation – Revenues



Source: Bloomberg, position weighted equity holdings as of 06.30.2020.

## Geographic Allocation – Domicile



Source: Factset and Bloomberg, equity holdings as of 06.30.2020.

Any type of investing involves risk and there are no guarantees that these methods will be successful.

Past performance is not indicative of future results.



### Top 5 Performers:

- Paypal Holdings
- Facebook
- Tencent Holdings
- Charles Hansen
- S&P Global

### Bottom 5 Performers:

- Markel Corporation
- Intercontinental Hotels
- HDFC Bank
- Amadeus IT Group
- Stryker

*Data as of 06.30.2020. The top/bottom performers are based on quarterly contribution 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.*





## New Purchases:

- **Ferrari (RACE).** We view RACE as a luxury brand misunderstood as a car company. 60% of customers are repeat purchasers and 36% own more than one Ferrari providing embedded demand and pricing power where new offerings command 10%+ premiums to their predecessors. How does a car company generate a 49% return on equity, have modest leverage, and grow earnings at a 20% pace? RACE has a unique focus on fixed costs. Mass producers of automobiles have a ratio of fixed costs to variable costs that are approximately 40:1. At RACE, that ratio is closer to 4:1 by doing things such as hyper optimizing research and development to run three tests on one prototype versus separately.
- **Stryker (SYK).** Stryker Corp. is a global manufacturer and provider of medical devices and equipment for the treatment of musculoskeletal and spinal disorders, trauma, neurosurgery, endoscopy, general surgery and patient care.

## Sells:

- **Waters Corporation.** While the company has repurchased 15% of the shares during our holding period, a retrenchment in growth plans with COVID-19 overhangs will most likely push growth targets further into the future.
- **Markel Corporation.** We trimmed the position on strength over time and with a relatively small position in the strategy we sold our remaining shares on reservations that COVID-19's longer term impact may weigh on the insurance and Markel Ventures operations.
- **Amadeus IT Group.** While Amadeus remains the market leader, we now expect lower travel volumes to persist as the global economy slowly recovers from COVID-19 and has longer term impacts on business and leisure travel volumes. After thorough analysis, we have concluded that these altered dynamics have impacted our initial investment thesis and, consistent with our investment process, we decided to sell our position.
- **Intercontinental Hotels Group.** We sold our small position in IHG, the leader in the mainstream hotel segment, as it appeared their royalty stream from franchising hotels may experience growth challenges over the intermediate term.
- **HDB Bank.** While we were attracted to HDB's dominant retail banking franchise in India, we concluded that uncertain government response to COVID-19 and the potential impact on credit costs and future growth offset our original investment thesis.



## Pillar friendly:

- Valuation: RACE was trading at a historic discount to peers on a cash flow basis at time of purchase
- Balance sheet: Net debt/EBITDA of 1.5x
- Returns: 38% return on equity (ROE) as of last quarter
- Growth: Bloomberg consensus growth of +44% in 2021

## Shareholder friendly:

- Sizable family ownership at over 10%
- No short term management compensation, only long term total shareholder return

## Mission critical:

- 1-2 year waiting list for new cars
- 60% of customers are repeat purchasers and 36% own more than one Ferrari



Sports and GT Range, Special Series and Icona: Ferrari Line-Up Strategic Pillars



Source: Ferrari



## Pillar friendly:

- Valuation: At 1.3x its growth rate, valuation offered a great company at a good price
- Balance sheet: Interest coverage of 9.5x
- Returns: ROE of 17% as of year end
- Growth: Earnings growth of 12-13% pre-COVID-19

## Shareholder friendly:

- Shares outstanding have been reduced by 8% since 2007
- Consistent double digit dividend increases over the past five years

## Mission critical:

- Mako robotic surgery platform has taken 600 basis points or market share in the knee market since 2014
- The CEO noted on the most recent earnings call that, "One of the silver linings is understanding just how profitable our procedures are to hospitals."

# stryker



Source: Stryker



**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.*

**MSCI World (net):** *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.*

*Sterling Capital personnel are not permitted to give legal or tax advice. Sterling does not provide tax advice, therefore clients should consult with their tax advisor with any questions related to tax implications.*

*The opinions contained in the preceding presentation reflect those of Sterling Capital Management LLC, and not those of BB&T Corporation now Truist Financial Corporation or its executives. The stated opinions are for general information only and 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. 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 BB&T Corporation now 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 BB&T Corporation now Truist Financial Corporation, Branch Banking and Trust Company now Truist Bank or any affiliate, are not guaranteed by Branch Banking and Trust Company now 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 Management – Global Leaders SMA Composite

December 31, 2000 – December 31, 2019

*Description:* Consists of all discretionary separately managed wrap Global Leaders portfolios. Sterling's 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"		No. of Portfolios	Composite Assets End of Period		Total Firm Assets (\$MM)	Composite Dispersion (%)	Benchmark	MSCI World (Net) Index	Composite 3-yr St Dev (%)	Benchmark 3-yr St Dev (%)
	Gross of Fees	Net of Fees		Percent of Firm Assets	(\$MM)						
2019	29.39	27.85	51	29	0.0	58,191	0.87	27.67	27.67	10.44	11.14
2018	-4.23	-5.41	57	26	0.0	56,889	0.50	-8.71	-8.71	9.90	10.38
2017	19.80	18.34	63	29	0.1	55,908	0.51	22.40	22.40	9.54	10.07
2016	5.25	3.99	88	37	0.1	51,603	0.30	7.51	7.51	10.07	10.80
2015	-0.63	-1.81	80	38	0.1	51,155	0.37	1.38	-0.87	10.05	10.47
2014	10.40	9.06	89	41	0.1	47,540	0.40	13.69	4.94	9.31	8.97
2013	30.51	28.94	96	43	0.1	45,638	0.48	32.39	26.68	12.38	12.11
2012	11.28	9.88	105	37	0.8	4,422	0.40	16.00	15.83	14.59	15.30
2011	-2.81	-4.03	133	43	1.1	3,932	0.49	2.11	-5.54	16.98	18.97
2010	14.77	13.32	137	46	1.3	3,548	0.32	15.06	11.76	22.25	22.16
2009	44.06	42.13	141	43	1.5	2,839	1.59	26.46	29.99	20.88	19.91
2008	-38.43	-39.26	165	33	1.7	1,907	1.19	-37.00	-40.71	17.86	15.29
2007	16.61	15.06	151	52	2.5	2,059	0.76	5.49	9.04	7.50	7.79
2006	17.79	16.18	141	41	3.1	1,314	0.38	15.80	20.07	7.02	6.92
2005	8.18	6.67	105	28	3.1	904	0.39	4.91	9.49	8.85	9.17
2004	15.61	13.90	62	16	3.1	522	0.98	10.88	14.72	13.80	15.07
2003	21.32	19.34	41	10	6.3	158	2.10	28.68	33.11	17.96	18.47
2002	-19.50	-20.80	39	7	13.7	51	0.40	-22.10	-19.89		
2001	-14.71	-15.94	12	4	16.7	24	0.10	-11.89	-16.82		
Annualized Since Inception	6.86	5.44						6.30	5.52		

**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. 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.