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**3rd Quarter 2020 Market Review:
Special Opportunities SMA**

WHAT MATTERS MOST TO YOU MATTERS MOST TO US.



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Sterling Capital Management LLC Risks & Disclosures

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- *The material presented in this presentation is as of 09.30.2020, 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.*



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Meet Your Speakers & Agenda

WebEx Agenda:

- Equity Market and Macro Environment Review
- Special Opportunities SMA Review of Q3.2020 Performance, Activity and Positioning
- Equity Market Outlook
- Q&A



George F. Shipp, CFA®
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Lead PM Equity Income &
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APM Special Opportunities



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The Headline Total Return Was +15%
(But Many Stocks Were Left Behind)



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.

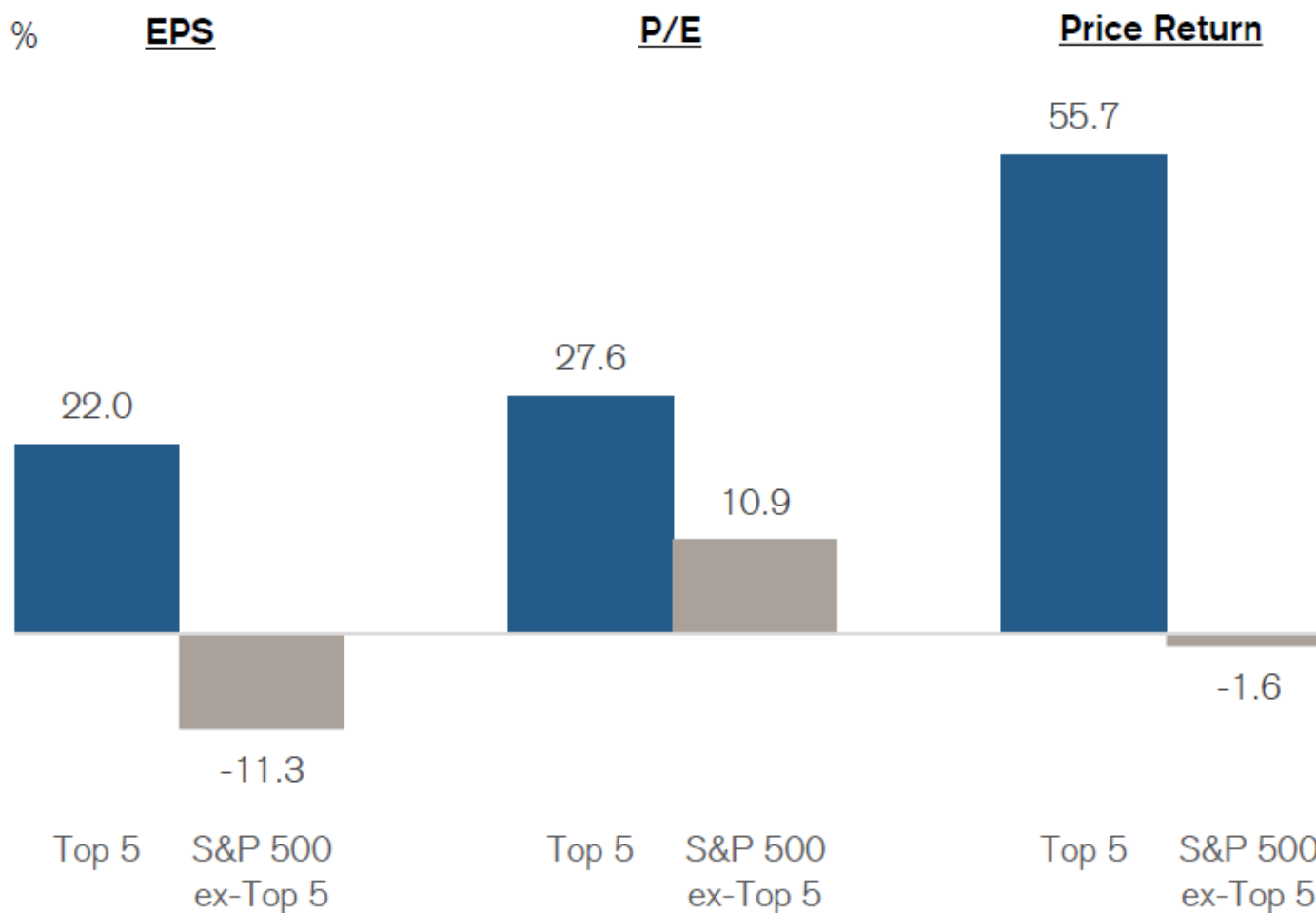
Past performance is not indicative of future results.



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“The Market” Has Been Dominated by Five Stocks
(23% of S&P 500 in October 2020 Versus 18% in March 2000)

YoY Contribution of Earnings Per Share (EPS) and Price-to-Earnings (P/E) to Returns

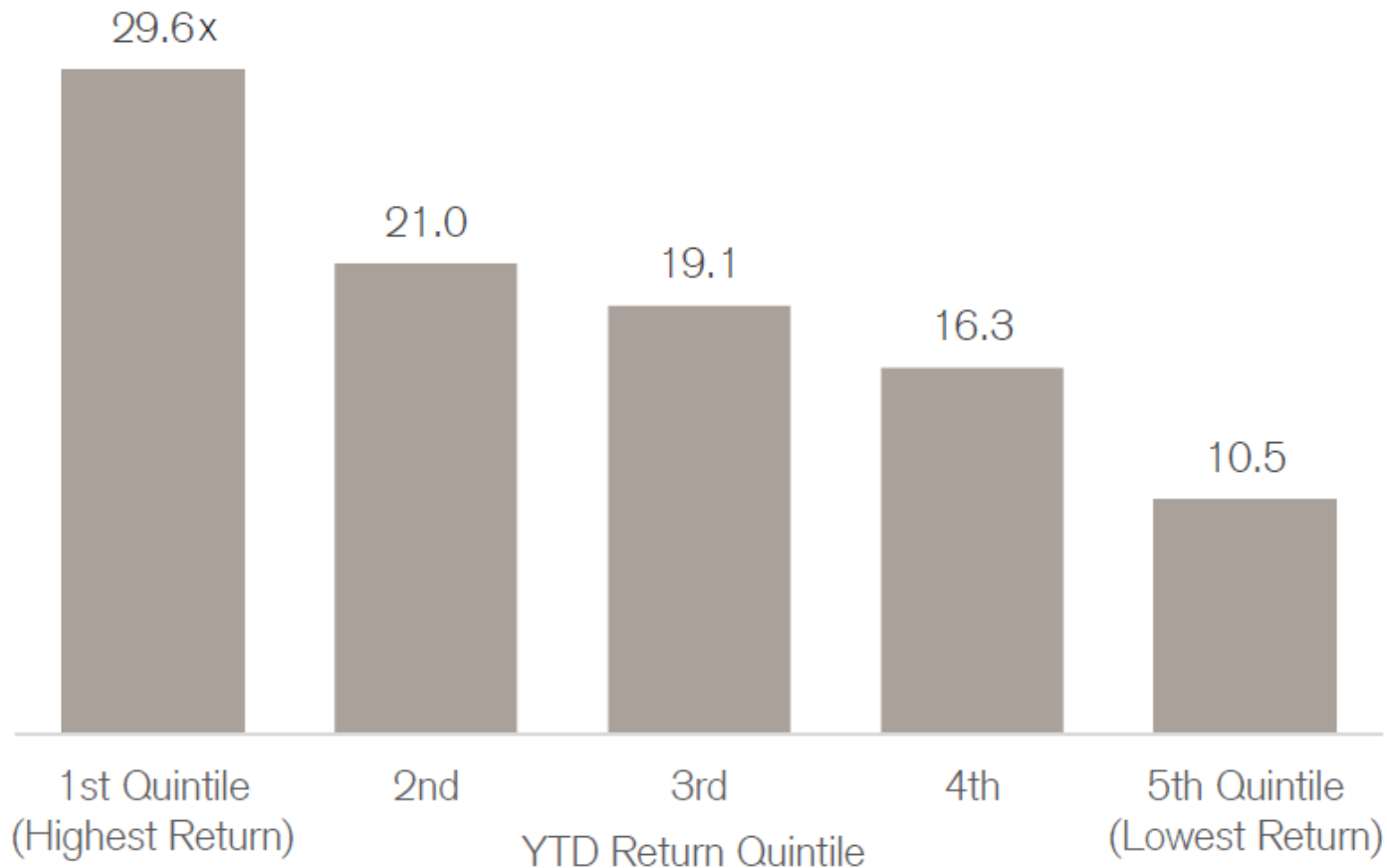


Source: Standard and Poor's, Thomson Financial, FactSet, Credit Suisse. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index. The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods will be successful.

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Next Twelve Months Price-to-Earnings (P/E) by YTD Return Bucket

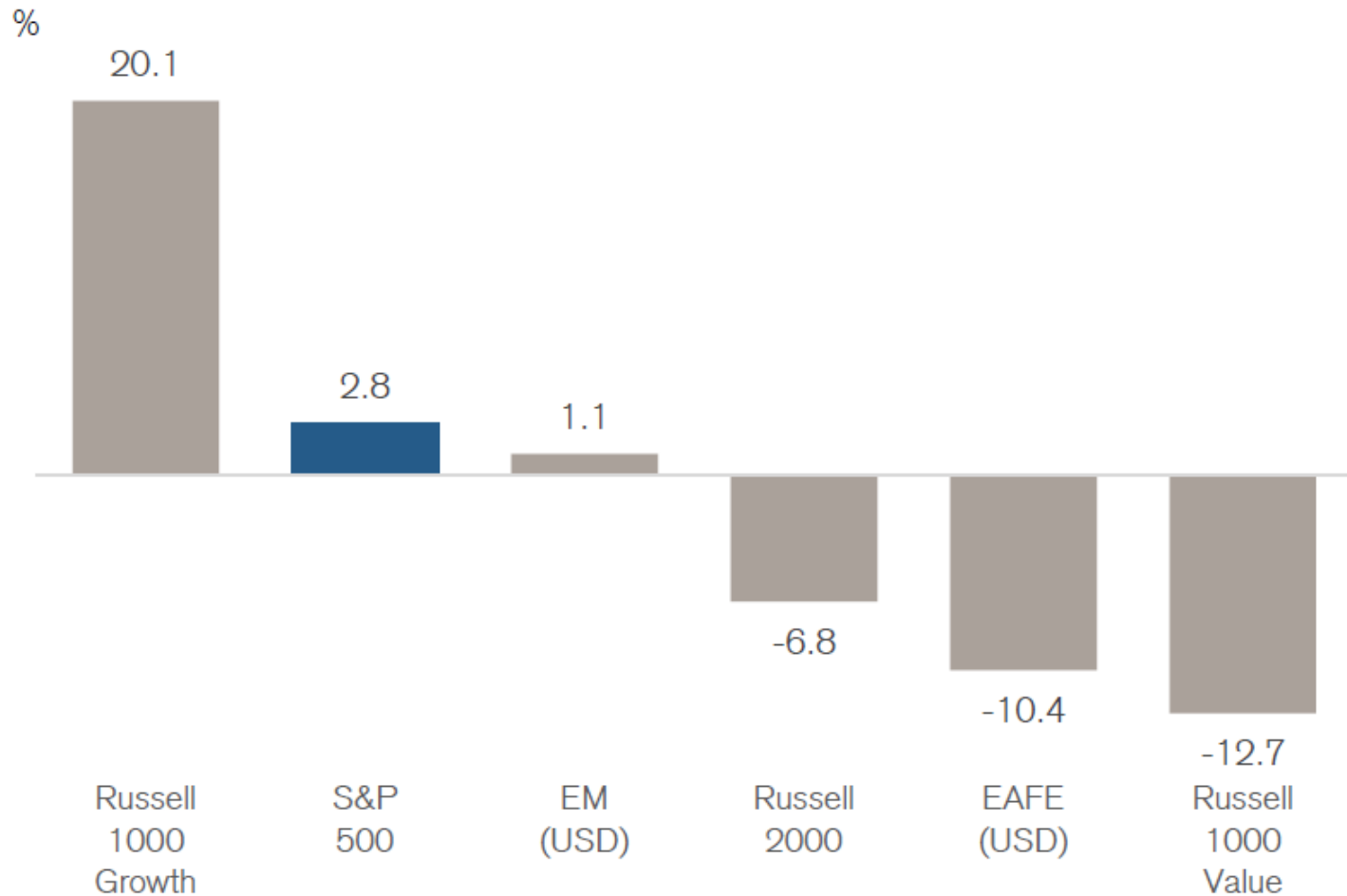


Note: Median NTM P/E by bucket. Buckets determined by YTD total return. S&P 500 ex- Fins & REITs.

Source: Standard and 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. 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.



Total Return YTD



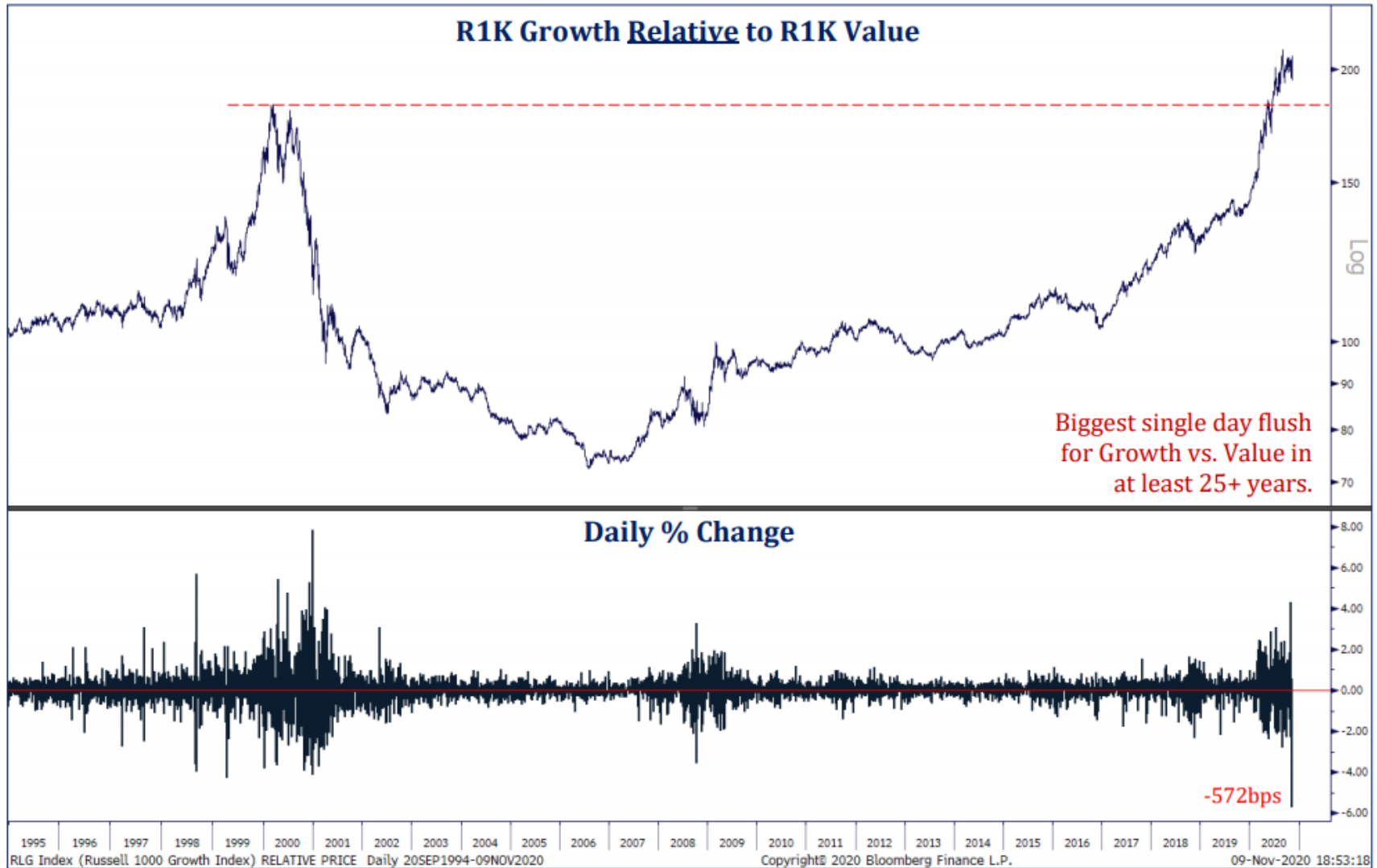
Note: MSCI EAFE and EM is USD

Ten Months ending 10.31.2020. Source: Standard and Poor's, Russell, MSCI, FactSet, Credit Suisse. 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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A Permanent or Cyclical Phenomenon?



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.

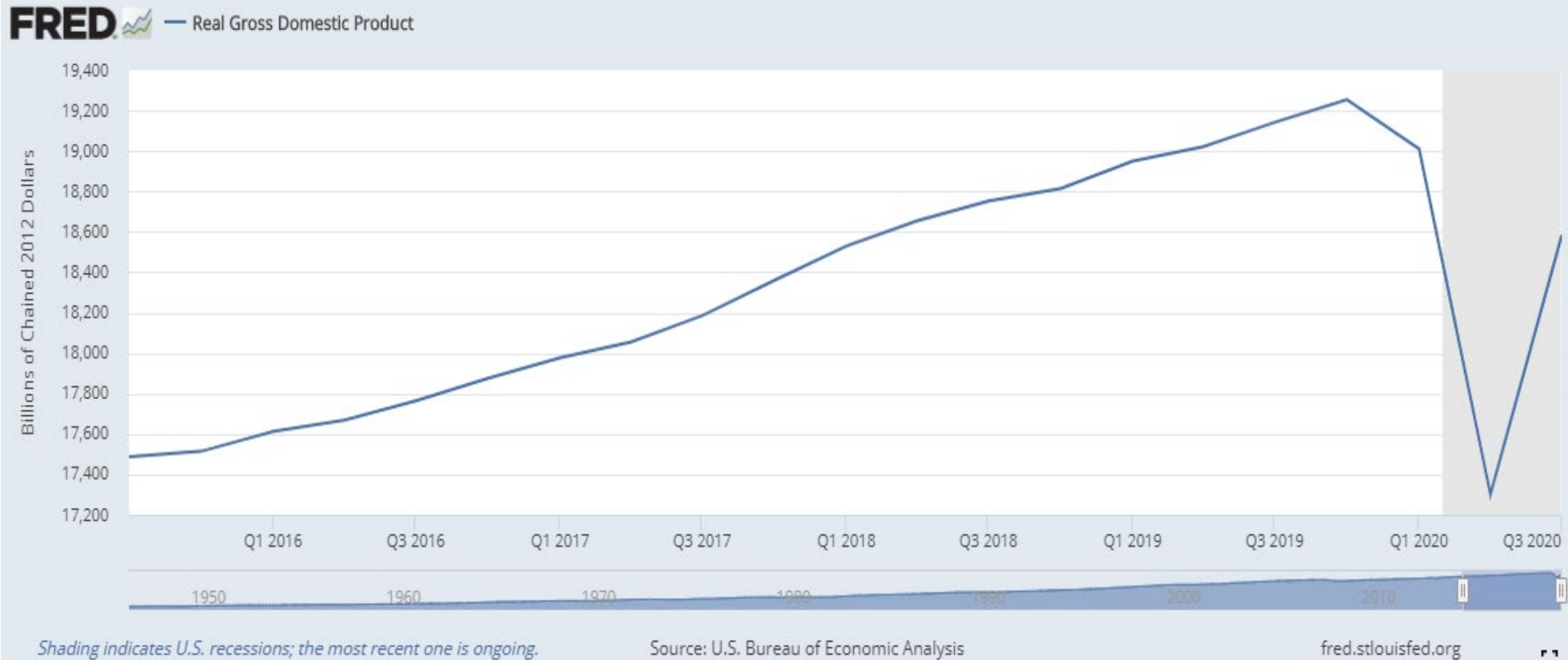
Past performance is not indicative of future results.



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The Pandemic Punished the Economy

GDP Plunged 31% in 2Q; Rebounded 33% in 3Q

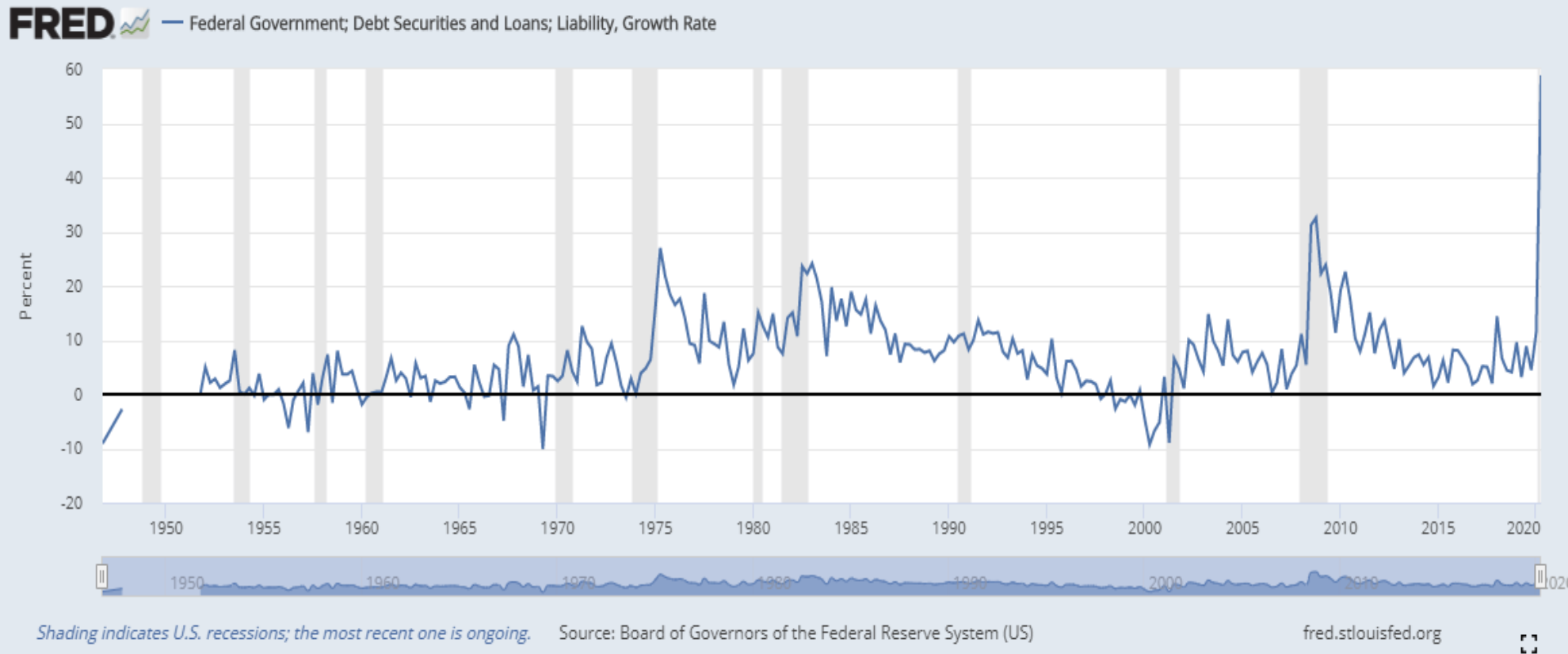


Source: U.S. Bureau of Economic Analysis. The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods will be successful.



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Chairman Powell to the Rescue “For as Long as It Takes”

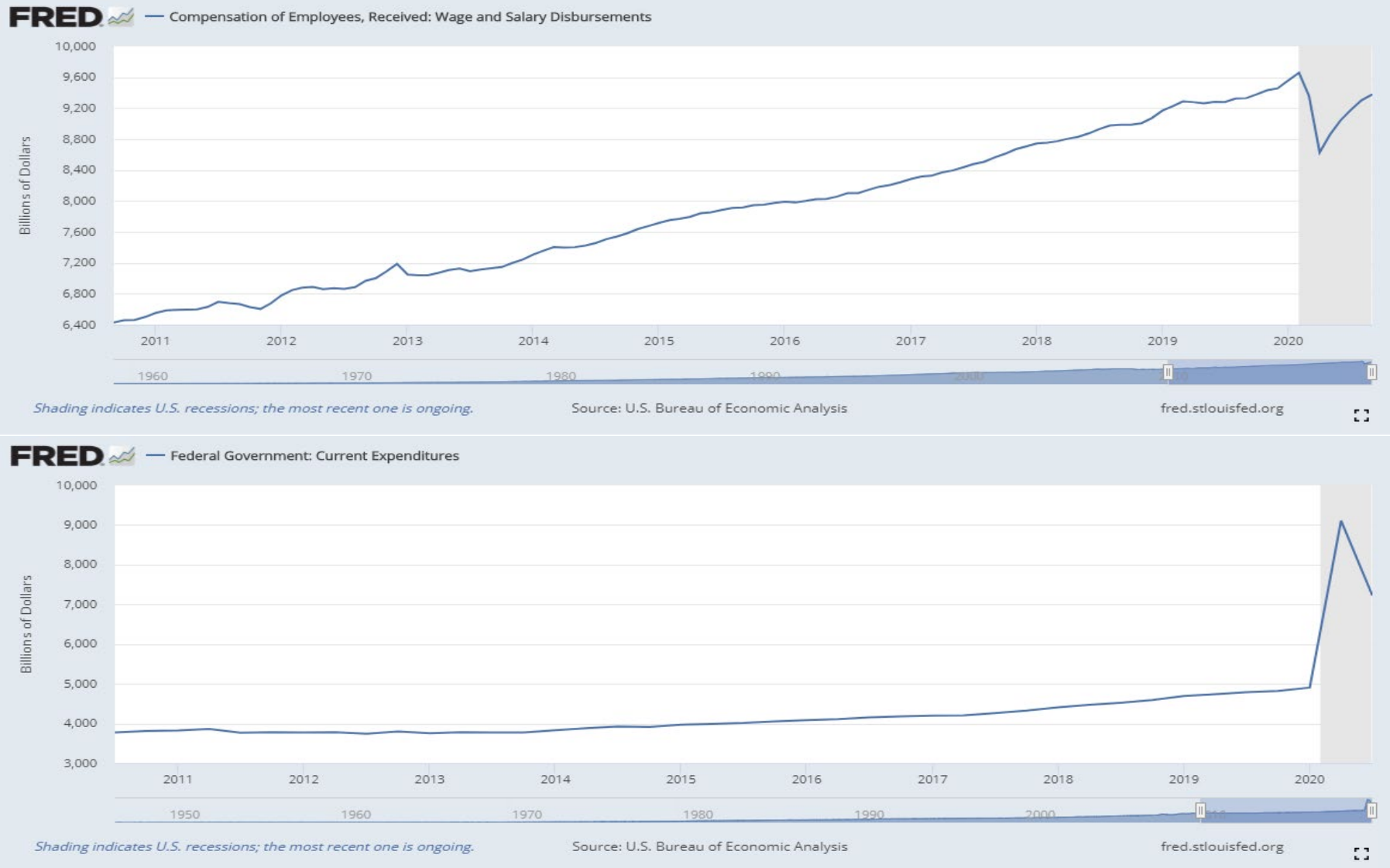


Source: Board of Governors of the Federal Reserve System (US). The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods will be successful.



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Senator McConnell and Speaker Pelosi Helped Out Too



Source: U.S. Bureau of Economic Analysis. 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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The Fractured Economy

“Things” at New Highs; “Experiences” Still Limping



Source: U.S. Bureau of Economic Analysis. 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.



A Differentiated Economy Might Create Differentiated Opportunities for ACTIVE Managers

**Roughly 50% of all stocks have NO gains
on a 1-year basis, and a 2-year basis**

	<u>% Stocks with NO gains on a 1-Year Basis</u>	<u>% Stocks with NO gains on a 2-Year Basis</u>
S&P 500 Large Cap Index	53.00%	41.00%
S&P 400 Mid Cap Index	62.25%	57.25%
S&P 600 Small Cap Index	68.33%	63.50%
Russell 2000 Index	62.57%	61.83%
NASDAQ Composite Index	55.76%	58.97%

Market Breadth Has Already Improved

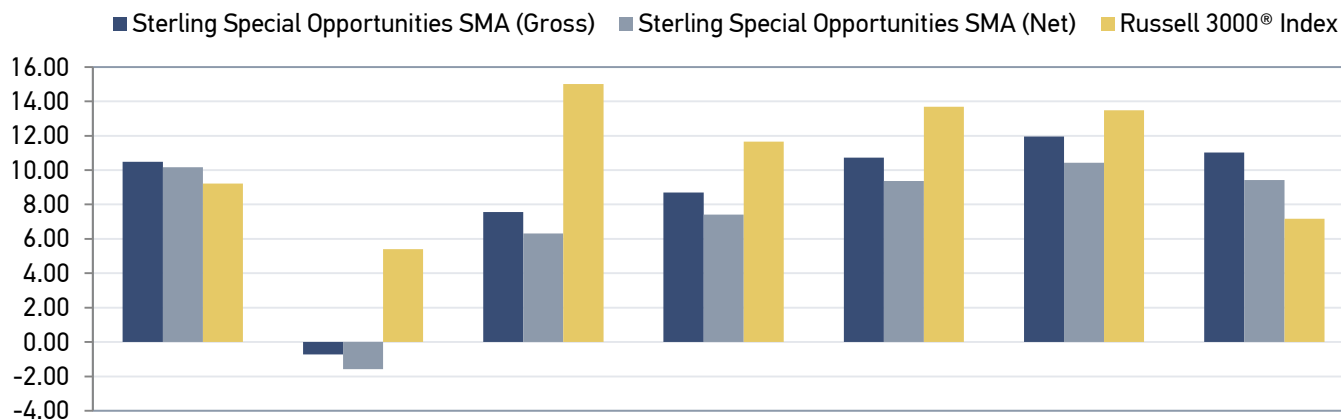
S&P 500					
U.S. Dollar					
	23-Mar-2020	30-Oct-2020	Security Name	% Change	% Return
High	2300.73	3304.93	S&P 500	46.15	46.15
Low	2191.86	3233.94	Invesco S&P 500 Equal Weight ETF	50.03	51.35
Close	2237.40	3269.96	Difference	-3.88	-5.20
Volume	4.55	3.00			

Source: Cornerstone Macro (Top Chart), FactSet (Bottom Chart). 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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Another Strong Quarter for Risk Assets Special Opportunities SMA Outperformed in Q3.2020



Performance	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception*
Sterling (Gross)	10.48%	-0.72%	7.56%	8.70%	10.72%	11.95%	11.03%
Sterling (Net)	10.17%	-1.58%	6.32%	7.42%	9.36%	10.43%	9.43%
Russell 3000®	9.21%	5.41%	15.00%	11.65%	13.69%	13.48%	7.18%
S&P 500	8.93%	5.57%	15.15%	12.28%	14.15%	13.74%	6.94%

*Inception date is 12.31.2000.

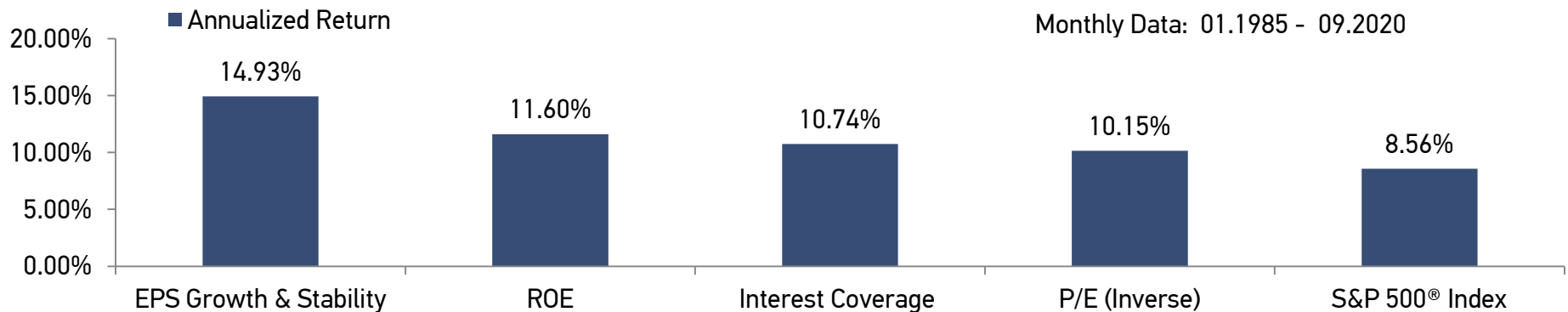
Data as of 09.30.2020. Performance is preliminary and is annualized for periods longer than one year. Net of fees performance returns are presented net of the investment management fees and trading expenses. "Pure" Gross of fees performance returns do not reflect the deduction of any fees including trading 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: Russell Investments, S&P, Sterling Capital Management Analytics.

Past performance is not indicative of future results.

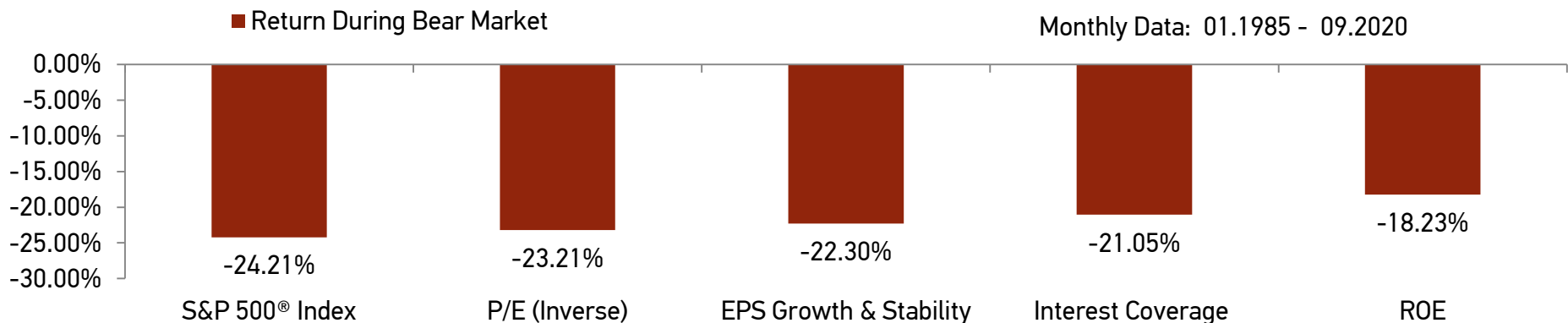


Seek Capital Appreciation and Risk Reduction by Constructing Portfolios with Attractive Valuations (P/E), Robust Operating Growth (EPS Growth/Stability), High Profitability (ROE) and Strong Balance Sheets (Interest Coverage)

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



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



As of 09.30.2020. Source: Ned Davis Research, S&P Dow Jones Indices. 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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We Are True to Our “Pillars” and Dividend Growth Philosophy and Investment Process

Special Opportunities SMA Portfolio Characteristics (10.29.2020)

	Growth/Stability				Valuation			Profitability		Balance Sheet	
	20y EPS Growth	21y EPS Growth	'16-'21 EPS CAGR	'19-'21 EPS Gr	21y P/E	21y EV/ EBITDA	21y EV FCF Yld	ROE	EBITDA Mgn	Interest Coverage	Leverage
SO Median *	3%	13%	11%	14%	17.7	12.0	4.5%	14.1	24.2	5.9	2.3
R3000 Median	-14%	8%	3%	-6%	21.7	13.2	3.6%	5.6	12.4	2.6	2.4
vs Benchmark	17%	5%	8%	20%	-18%	-9%	23%	153%	95%	121%	-4%

*Representative account. Source: Bloomberg

As of 10.29.2020. Source: Bloomberg. 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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Top 5 Performers:

- FedEx
- Danaher
- HCA Healthcare
- Lennar
- Comcast

Bottom 5 Performers:

- Cisco Systems
- F5 Networks
- Gilead Sciences
- FLIR Systems
- Ryman Hospitality Properties

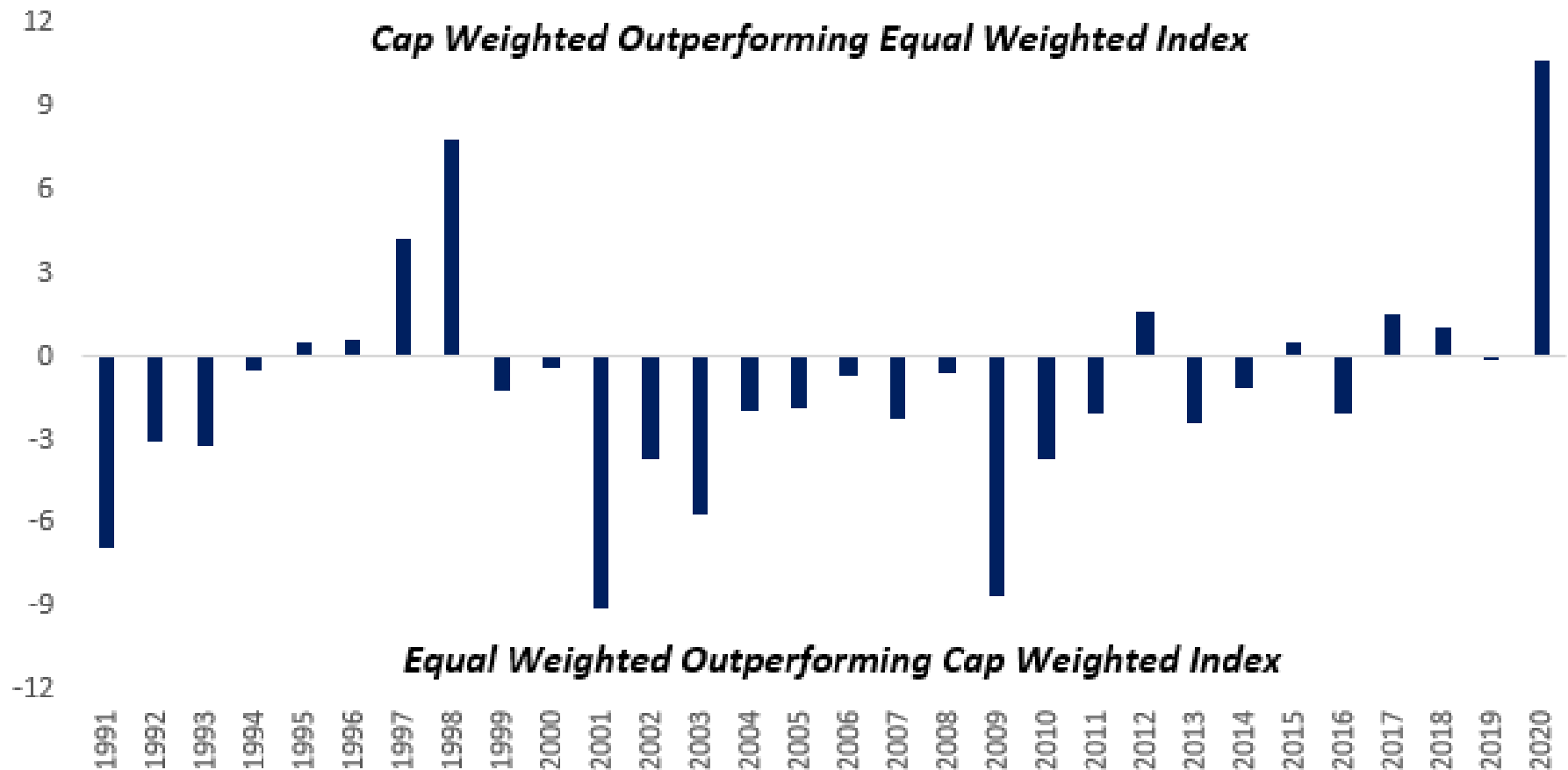
Data as of 09.30.2020. The top/bottom performers are based on quarterly contribution to return. Specific securities identified and described do not represent all of the securities purchased, sold or recommended to clients. There are no assurances that securities identified will be profitable investments. The securities described are neither a recommendation nor a solicitation.



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If You Believe We Will Come OUT of Recession
Then It Might Be Wise to Consider Broader Opportunities

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. 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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What Are Yields Trying to Tell Us? (Economy Is Improving? Stimulus Dead Ahead?)



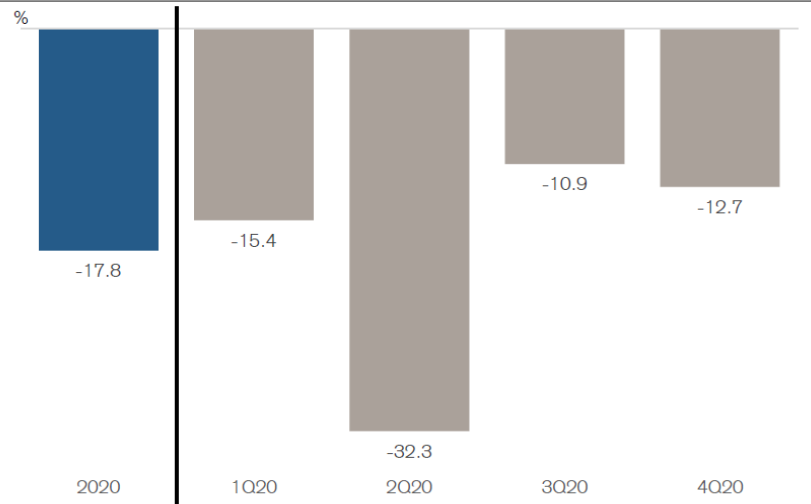
Source: Strategas Research. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index. The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods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

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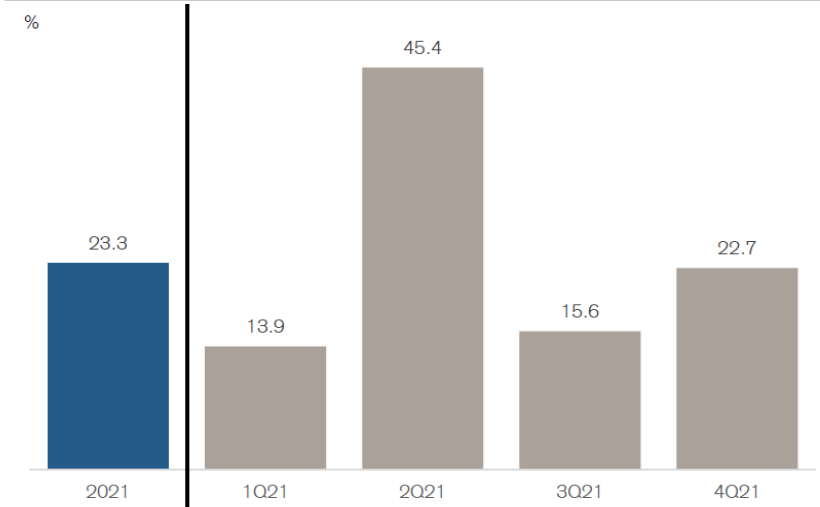


Value Could Assume Earnings Leadership in '21

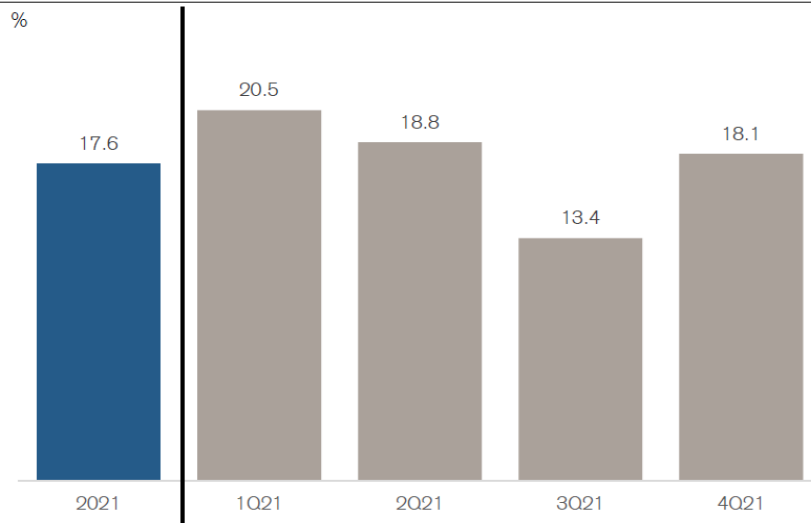
S&P 500 Consensus EPS Growth: 2020



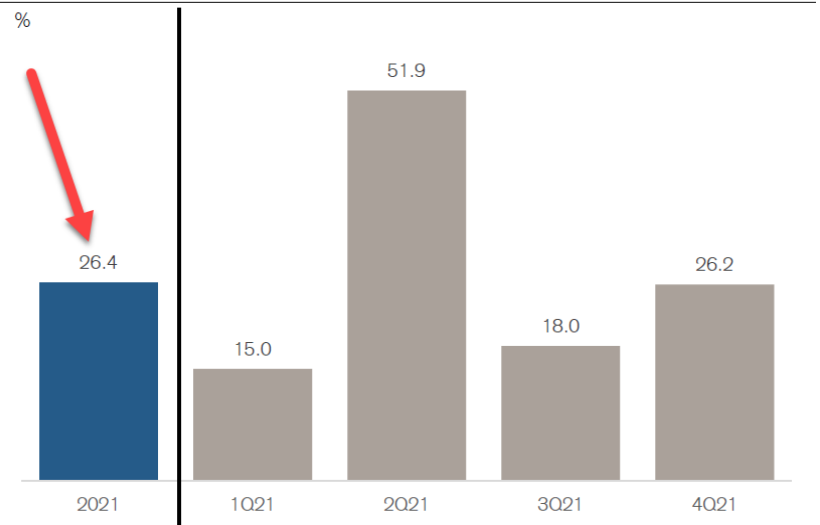
S&P 500 Consensus EPS Growth: 2021



Russell 1000 Growth Consensus EPS Growth: 2021



Russell 1000 Value Consensus EPS Growth: 2021



Source: Standard and Poor's, Russell, 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. 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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Sterling Special Opportunities SMA

Portfolio Characteristics		
	Sterling	Index
Wtd. Average Market Cap	\$118.4B	\$384.3B
Wtd. Median Market Cap	\$44.9B	\$115.5B
Wtd. Harmonic Median P/E Ratio (FY1)	23.4x	32.3x
Median Historical 3-Year EPS Growth	11.4%	13.0%
Median Est. 3-5 Year EPS Growth	10.8%	9.8%
Median Net Debt/EBITDA	1.5	2.0
Median Return on Equity	16.9%	8.8%
Number of Holdings	31	3,034
Active Share	93.7%	---
Turnover	17.9%	---

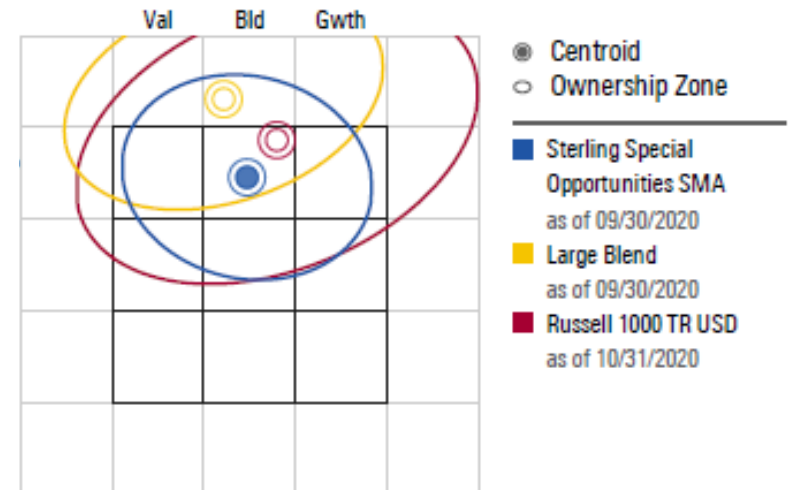
Top Ten Equity Holdings	
1. UnitedHealth Group Incorporated	4.9%
2. Alphabet Inc. Class C	4.8%
3. Danaher Corporation	4.7%
4. NXP Semiconductors NV	4.4%
5. Verisk Analytics Inc	4.3%
6. Intuit Inc.	4.2%
7. Akamai Technologies, Inc.	4.1%
8. Comcast Corporation Class A	4.1%
9. Hologic, Inc.	4.0%
10. FedEx Corporation	3.7%
Total % of Portfolio	43.3%

Data as of 09.30.2020. Index is Russell 3000®. 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 Composite Disclosure Presentation located in the APPENDIX. Source: Russell Investments, FactSet, Sterling Capital Management Analytics.



Top 20 Shared Stock Holdings (Portfolio 1)

	Sector	Style Box	Port1 %	Port2 %
UnitedHealth Group Inc	+		4.89	0.89
Alphabet Inc			4.81	2.63
Danaher Corp	+		4.73	0.41
Verisk Analytics Inc			4.34	0.09
Intuit Inc			4.15	0.25
Akamai Technologies Inc			4.11	0.05
Comcast Corp			4.08	0.63
Hologic Inc	+		4.03	0.05
FedEx Corp			3.74	0.18
Bristol-Myers Squibb Company	+		3.69	0.41
HCA Healthcare Inc	+		3.63	0.10
Cerner Corp	+		3.37	0.07
Activision Blizzard Inc			3.37	0.19
Fiserv Inc			3.12	0.17
Lennar Corp			3.01	0.07
CBRE Group Inc			2.95	0.05
Capital One Financial Corp			2.93	0.10
PTC Inc			2.88	0.03
Cisco Systems Inc			2.76	0.50
F5 Networks Inc			2.74	0.02

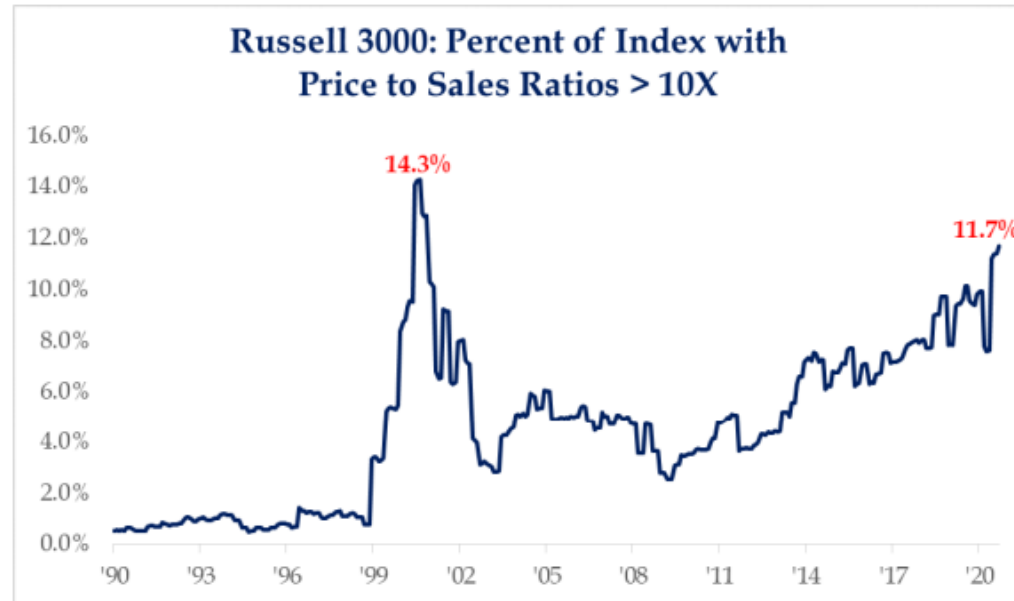


Source: Morningstar Direct. Specific securities identified and described do not represent all of the securities purchased, sold or recommended to clients. There are no assurances that securities identified will be profitable investments. The securities described are neither a recommendation nor a solicitation. 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 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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We Seek Profitable Companies



Percent Of Non-Earning Companies			
	Current Reading	Long-Term Average	Highest Reading Since 1990
Russell 1000 Growth	23.2%	10.1%	33.5%
Russell 1000	22.6%	11.2%	28.4%
Russell 1000 Value	20.9%	12.3%	37.0%
Russell 2000 Growth	54.6%	28.1%	54.8%
Russell 2000	47.6%	26.3%	47.6%
Russell 2000 Value	43.2%	24.0%	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. 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.

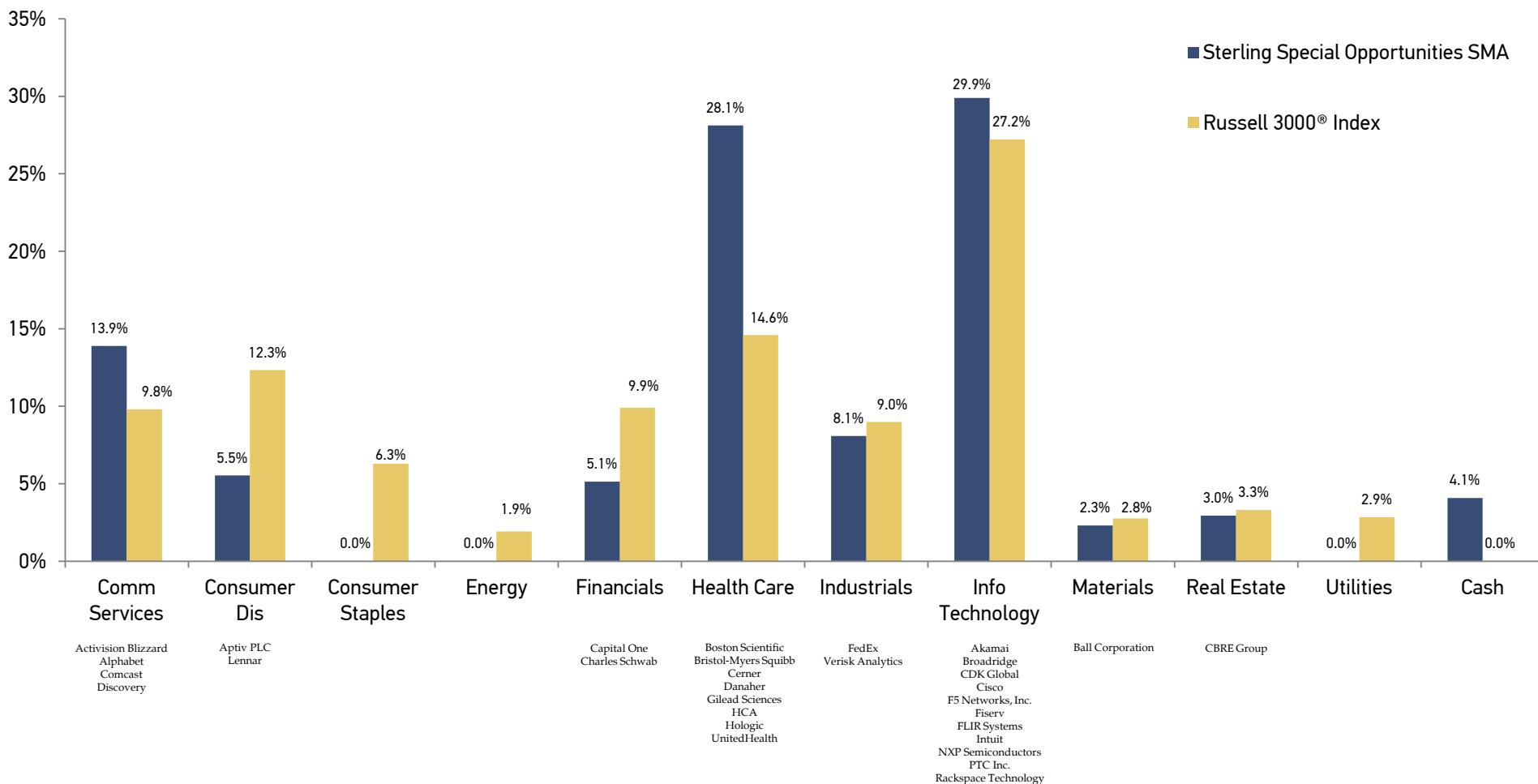
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Special Opportunities SMA Positioning Overweight Healthcare and Technology

Sterling Special Opportunities SMA



Data as of 09.30.2020. 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 Portfolio Diversification is considered Supplemental Information to the Composite Disclosure Presentation located in the APPENDIX. Source: Russell Investments, FactSet, Sterling Capital Management Analytics.

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What Attracted Us to Stock?

- **Industry Leader:** FLIR Systems is a leading provider of intelligent-sensing technologies used in a variety of end markets and products ranging from active safety and autonomous capabilities in vehicles, to products that detect elevated skin temperatures or chemical and biological agents, and unmanned solutions for the military
- **Mission Critical:** Industrial customers can’t operate without FLIR Systems products, its military solutions can literally save lives
- **Competitive Moat:** FLIR’s competitive moat allows it to capture 60% market share in commercial infrared cameras and components. Recent acquisitions have increased exposure to the high-tech, unmanned business with new products like robots and drones
- **Quality Compounder:** Net cash on balance sheet over \$500M, and 12% annual dividend compound annual growth rate (CAGR) from 2011 to Q2.2020

Pillars

- **Growth/Stability:** Ten-year CAGR of revenue of over 10% from 2005 – 2019. Record combined backlog of \$913M, providing visible medium-term growth
- **Profitability:** Five-year average return on equity (ROE) of 11.1% with industry leading operating margins of ~21% as of 12.31.2019
- **Balance Sheet:** Net cash of over \$500M provides financial flexibility for increased R&D, accretive acquisitions, and/or return of capital to shareholders
- **Valuation:** At purchase, FLIR’s P/E ratio traded at ~0.72x of the S&P 500 (near the largest discount to the S&P 500 in more than 20 years)

Unmanned Defense Technologies



Centaur Unmanned Ground Vehicles (UGV)

- Remotely operated, medium-sized UGV system that provides a standoff capability to detect, confirm, identify, and dispose of hazards
- Received \$42 million in orders in Q2, bringing total orders to \$65 million in 2020 for nearly 500 Centaur UGVs from the Air Force, Marine Corps and Navy through the Army’s Man Transportable Robotic System Increment II (MTRS Inc II) program



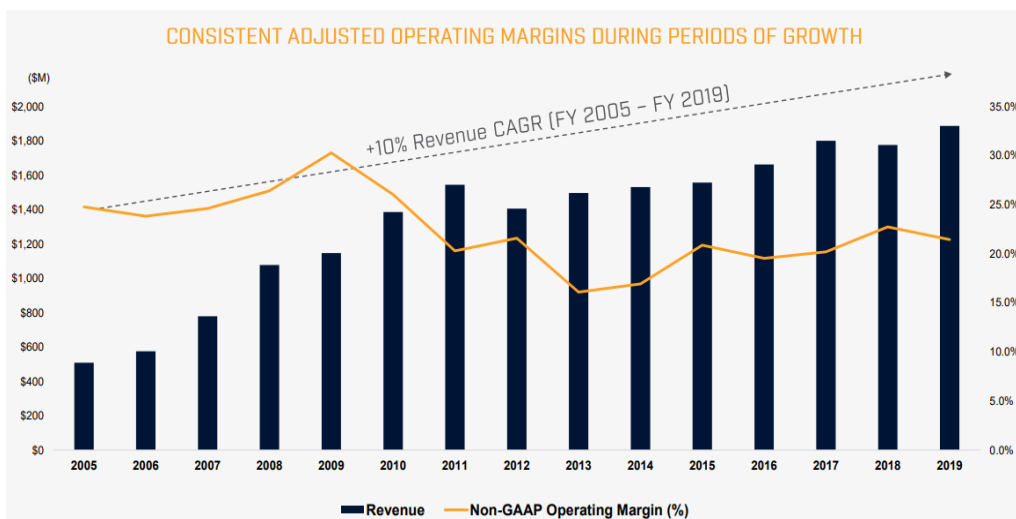
Black Hornet 3 Personal Reconnaissance Systems (PRS)

- Pocket sized, light, nearly silent, and up to 25 minutes flight time
- Transmits live video and still images back to the operator
- Provides immediate covert situational awareness to help soldiers perform missions safely and effectively
- \$21 million contract from U.S. Army as part of Soldier Borne Sensor program
 - Award augments the Army’s \$40 Million initial order for the Black Hornet Nano-UAV Systems in early 2019 through the Army’s Soldier Borne Sensor (SBS) program



R80D SkyRaider Unmanned Aerial Systems (UAS)

- Long-range, high-resolution EO/IR imaging sensors provide day and night situational awareness
- Delivers payloads up to 4.4 pounds for forward resupply, asset extraction, and other specialized missions
- Advanced edge-of-network processing enables object detection and classification, semi-autonomous flight, and the ability to thrive in GPS- or comms-denied environments
- \$10 million contract from the U.S. Marine Corps



Source: FLIR Systems (all charts). 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.



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New Position: Rackspace Technology Cloud Enabler

- 2500 cloud engineers
- Partners with Amazon Web Services (AWS), Microsoft Azure, Google Cloud Platform (GCP), VMWare
- Gartner "Magic Quadrant" for vision and execution
- Very large total addressable market (TAM); \$233B in 2019, +26% per IDC
- Business model transition while private
 - More recurring revenue (95%)
 - Less capital intensity (9% of revenue; was 16%)
- Arguably "undiscovered" (August 2020 IPO)
 - 15x 2021 consensus earnings per share (EPS)

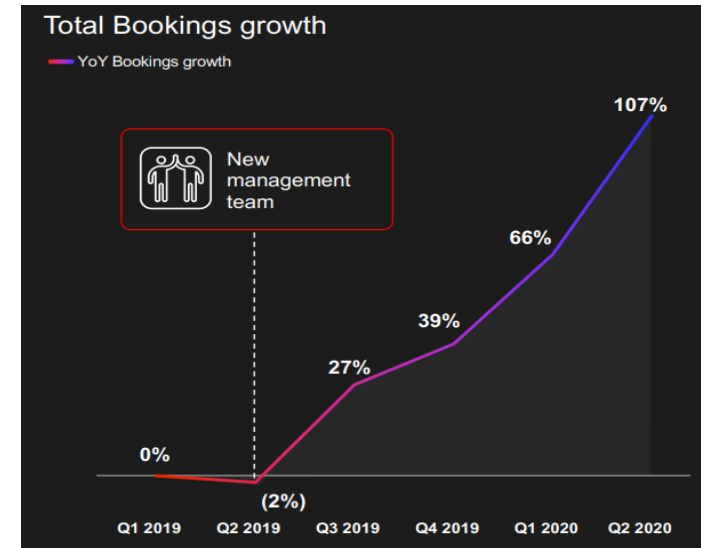
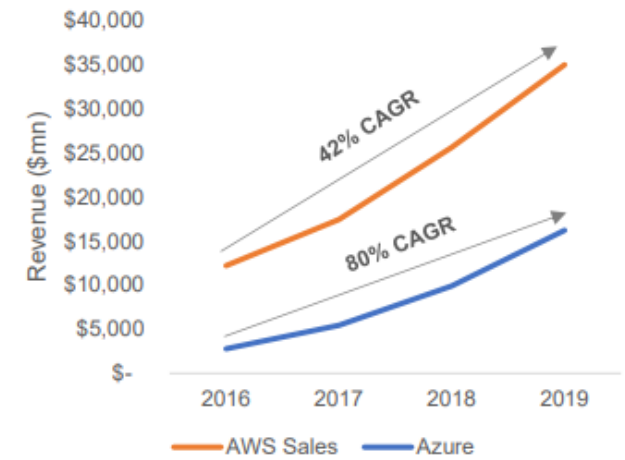
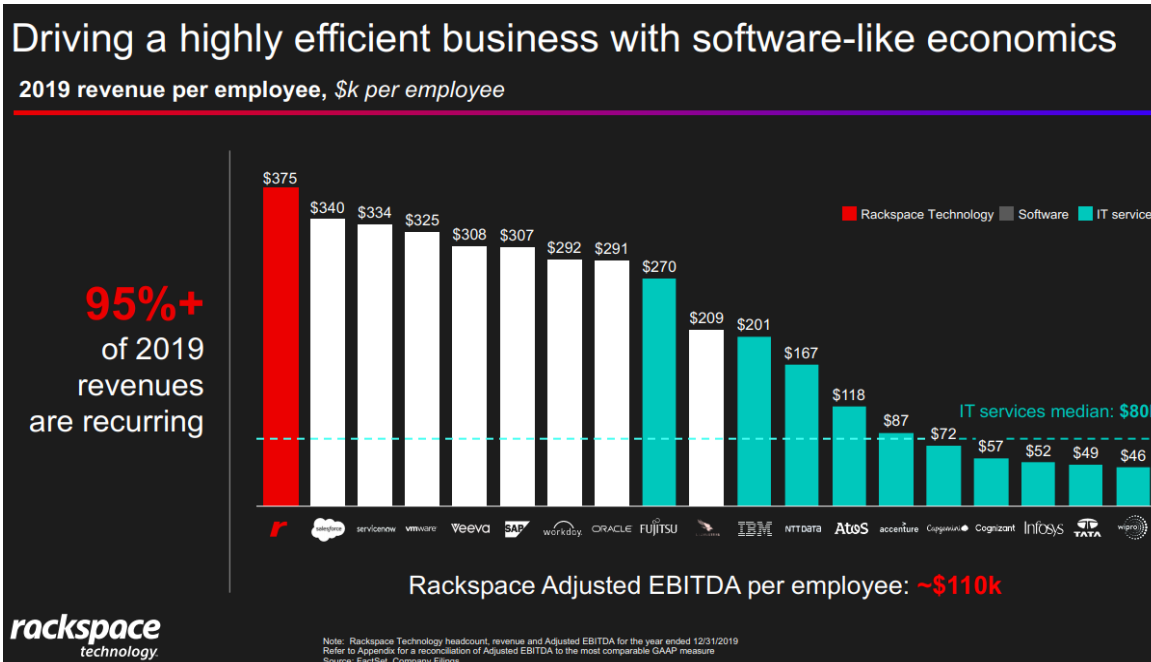


Exhibit 2: Cloud revenue growth at AMZN and MSFT is strong



Source: Company Reports, Wolfe Research



Source: Rackspace Technology (left and top right charts). Gartner is recognized as a 3rd party expert in technology. They divide competitors in an industry into 4 buckets, on an x/y graph. 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.

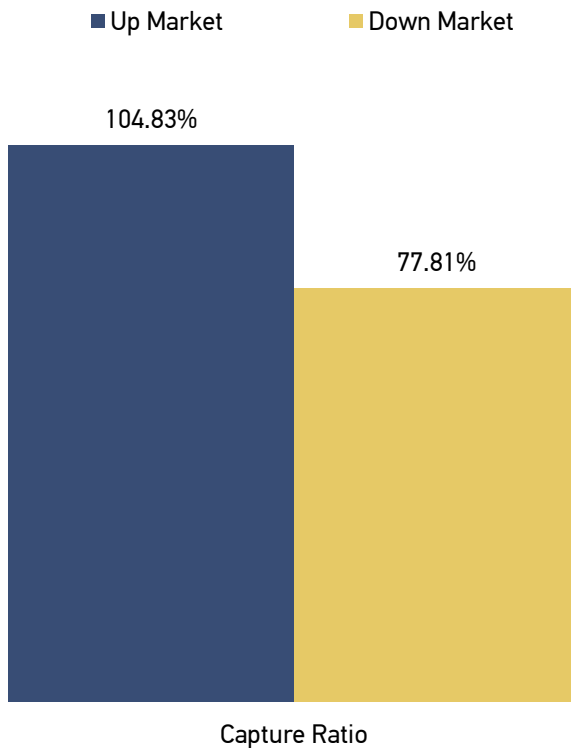


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Up Market/Down Market Capture Ratio

Sterling Special Opportunities SMA vs. Russell 3000® Index

Gross of Fees, Since Inception (12.31.2000)



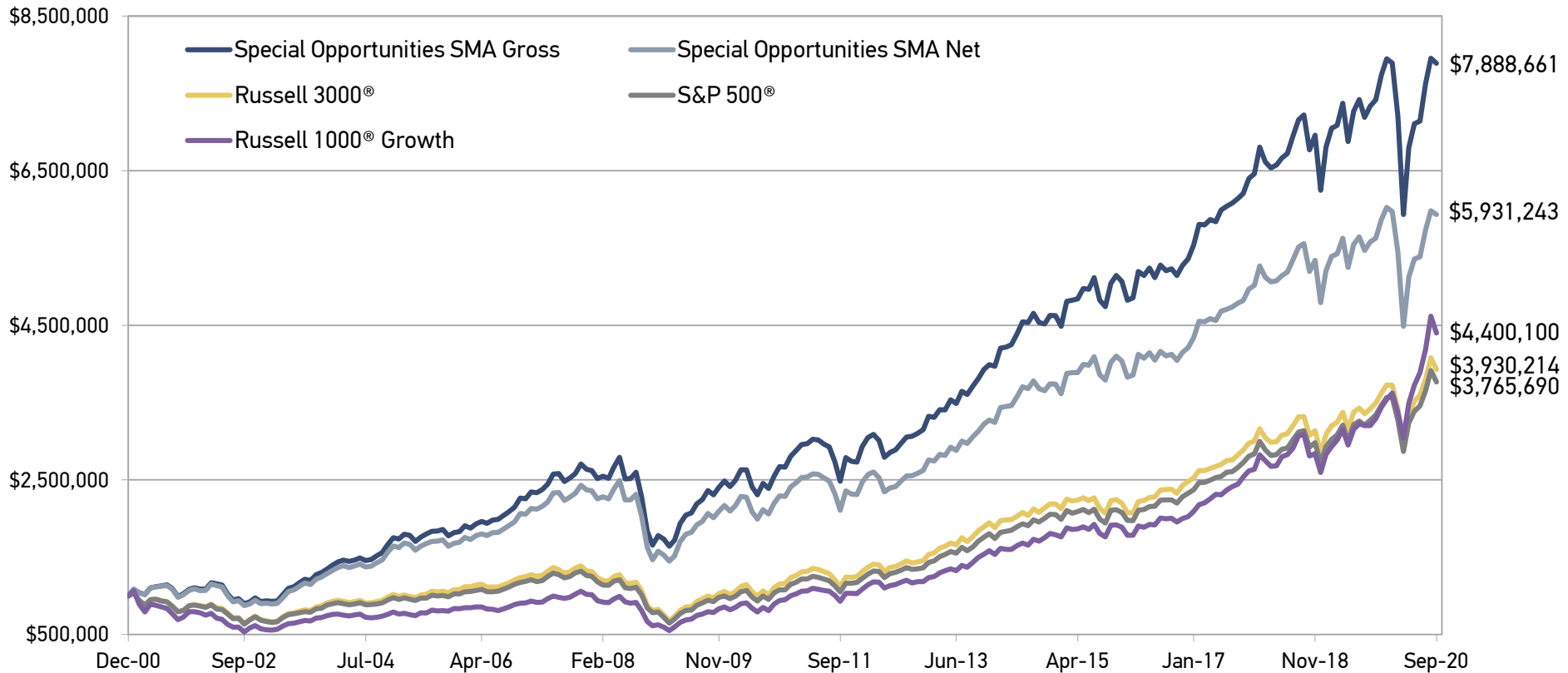
Data as of 09.30.2020. Up Market Capture is a measure of the manager's performance when the benchmark has positive returns for the period relative to the benchmark itself. Down Market Capture is a measure of the manager's performance when the benchmark has negative returns for the period relative to 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.



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Special Opportunities SMA: Growth of \$1 Million

Sterling Special Opportunities SMA Gross and Net of Fees, Since Inception (12.31.2000)



As of 09.30.2020. 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, S&P, eVestment Analytics.

Past performance is not indicative of future results.



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Q&A

Please click the “raise your hand” icon for questions

Appendix



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® Index measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000® represents approximately 92% of the U.S. market. The Russell 1000® Index is constructed to provide a comprehensive and unbiased barometer for the large-cap segment and is completely reconstituted annually to ensure new and growing equities are included.

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 Russell 1000® Value Index is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics.

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 2000® Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000® is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

The Russell 2000® Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000® companies with higher price-to-value ratios and higher forecasted growth values. The Russell 2000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the small-cap growth segment. The index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect growth characteristics.

The Russell 2000® Value Index measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000® companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2000® Value Index is constructed to provide a comprehensive and unbiased barometer for the small-cap value segment. The index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect value 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.

The Russell 3000® Growth Index measures the performance of the broad growth segment of the US equity universe. It includes those Russell 3000® companies with higher price-to-book ratios and higher forecasted growth values. The Russell 3000® Growth Index is constructed to provide a comprehensive, unbiased and stable barometer of the broad growth market. 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® Value Index measures the performance of the broad value segment of the US equity value universe. It includes those Russell 3000® companies with lower price-to-book ratios and lower forecasted growth values. The Russell 3000® Value Index is constructed to provide a comprehensive, unbiased and stable barometer of the broad value market. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics.

The NASDAQ Composite Index is the market capitalization-weighted index of over 2,500 common equities listed on the NASDAQ stock exchange. The types of securities in the index include American depositary receipts, common stocks, real estate investment trusts (REITs) and tracking stocks, as well as limited partnership interests. The index includes all Nasdaq-listed stocks that are not derivatives, preferred shares, funds, exchange-traded funds (ETFs) or debenture securities.



The S&P Midcap 400 Index provides investors with a benchmark for mid-sized companies. The index, which is distinct from the large-cap S&P 500®, is designed to measure the performance of 400 mid-sized companies, reflecting the distinctive risk and return characteristics of this market segment.

Technical Terms: **P/E Ratio:** the price-to-earnings ratio (P/E ratio) is a ratio used to compare the price of a fund's stocks with their per-share earnings, with a higher ratio indicating the market has belief that a company has the ability to increase its earnings. **Earnings Per Share (EPS):** the portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serves as an indicator of a company's profitability. **Net Debt/EBITDA:** the net debt-to-EBITDA (earnings before interest depreciation and amortization) ratio is a measurement of leverage, calculated as a company's interest-bearing liabilities minus cash or cash equivalents, divided by its EBITDA. The net debt-to-EBITDA ratio is a debt ratio that shows how many years it would take for a company to pay back its debt if net debt and EBITDA are held constant. **Return on Equity:** the amount of net income returned as a percentage of shareholders equity. Turnover: a measure of how frequently assets within a fund are bought and sold by the managers. **Active Share:** measures the degree of active management by a portfolio manager represented as a percentage of the fund's holdings that differ from the benchmark. **Return on Invested Capital (ROIC):** the amount of return a company makes above the average cost it pays for its debt and equity capital. **Free Cash Flow (FCF):** represents the cash a company generates after accounting for cash outflows to support operations and maintain its capital assets. **Compound Annual Growth Rate (CAGR):** the rate of return that would be required for an investment to grow from its beginning balance to its ending balance, assuming the profits were reinvested at the end of each year of the investment's lifespan. **Gross Domestic Product (GDP):** is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period. (Technical definitions are sourced from Investopedia.)

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

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Sterling Capital Management – Special Opportunities SMA Composite

December 31, 2000 – December 31, 2019

Description: Consists of all discretionary separately managed wrap Special Opportunities portfolios. Sterling's Special Opportunities equity portfolios invest primarily in companies with the best perceived combination of underlying growth potential and attractive valuation in a concentrated portfolio that has the flexibility to shift among styles.

Year	Total Return "Pure" <u>Gross of Fees</u>	Total Return <u>Net of Fees</u>	No. of <u>Portfolios</u>	Composite Assets End of Period <u>(\$MM)</u>	Percent of <u>Firm Assets</u>	Total Firm Assets <u>(\$MM)</u>	Composite Dispersion (%)	Russell 3000 <u>Index</u>	Composite 3-yr St Dev (%)	Benchmark 3-yr St Dev (%)
2019	27.22	25.74	4	525	0.9	58,191	Not Meaningful	31.02	12.31	12.21
2018	-3.32	-4.46	4	453	0.8	56,889	Not Meaningful	-5.24	10.99	11.18
2017	20.55	19.08	4	493	0.9	55,908	Not Meaningful	21.13	9.85	10.09
2016	5.72	4.31	4	721	1.4	51,603	Not Meaningful	12.74	10.35	10.88
2015	9.59	8.00	4	901	1.8	51,155	Not Meaningful	0.48	9.67	10.58
2014	15.93	14.23	4	927	1.9	47,540	Not Meaningful	12.56	9.33	9.29
2013	26.61	24.72	4	850	1.9	45,638	Not Meaningful	33.55	13.49	12.71
2012	15.45	13.68	4	718	16.2	4,422	Not Meaningful	16.42	15.75	15.95
2011	-2.72	-4.18	3	776	19.7	3,932	Not Meaningful	1.03	17.35	19.62
2010	12.79	11.08	3	868	24.5	3,548	Not Meaningful	16.93	22.62	22.94
2009	39.65	37.53	2	752	26.5	2,839	Not Meaningful	28.34	21.26	20.61
2008	-32.07	-33.08	2	507	26.6	1,907	Not Meaningful	-37.31	19.08	16.02
2007	16.24	14.60	1	552	26.8	2,059	Not Meaningful	5.14	8.80	8.25
2006	23.07	21.29	1	346	26.3	1,314	Not Meaningful	15.72	8.62	7.62
2005	4.67	3.11	1	261	28.9	904	Not Meaningful	6.12	10.45	9.63
2004	29.90	27.85	1	155	29.7	522	Not Meaningful	11.95	14.87	15.05
2003	45.35	42.97	1	55	34.8	158	Not Meaningful	31.06	17.20	18.37
2002	-16.17	-17.58	1	27	52.9	51	Not Meaningful	-21.54		
2001	10.65	9.18	1	15	62.5	24	Not Meaningful	-11.46		
Annualized Since Inception	11.53	9.91						7.17		

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.

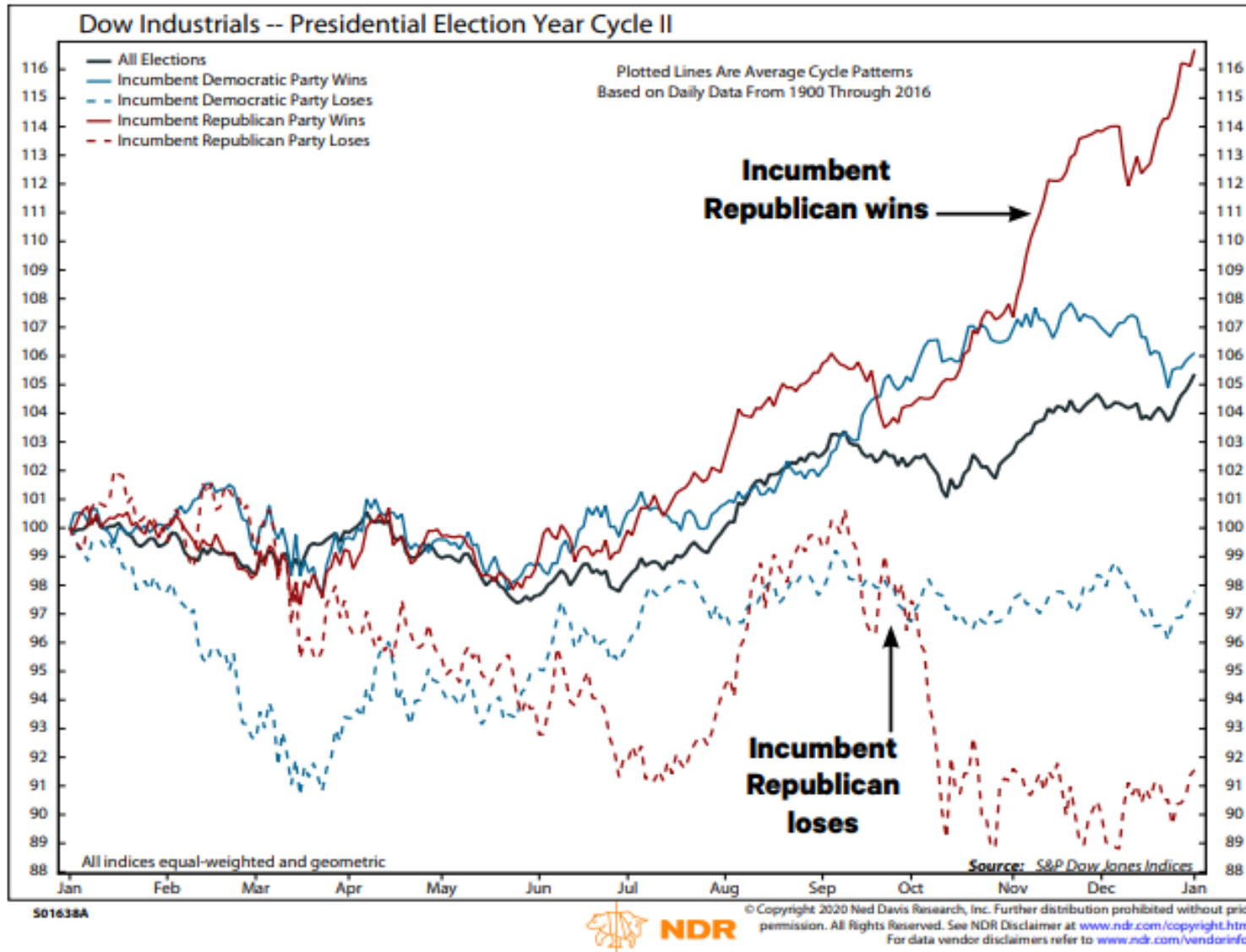
Notes:

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 index is the Russell 3000 Index which measures the performance of the largest 3,000 US companies, representing approximately 98% of the investable US market. It represents the universe of stocks from which all-cap managers typically select. The index is reconstituted annually. Total return includes price appreciation/depreciation and income as a percent of the 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.



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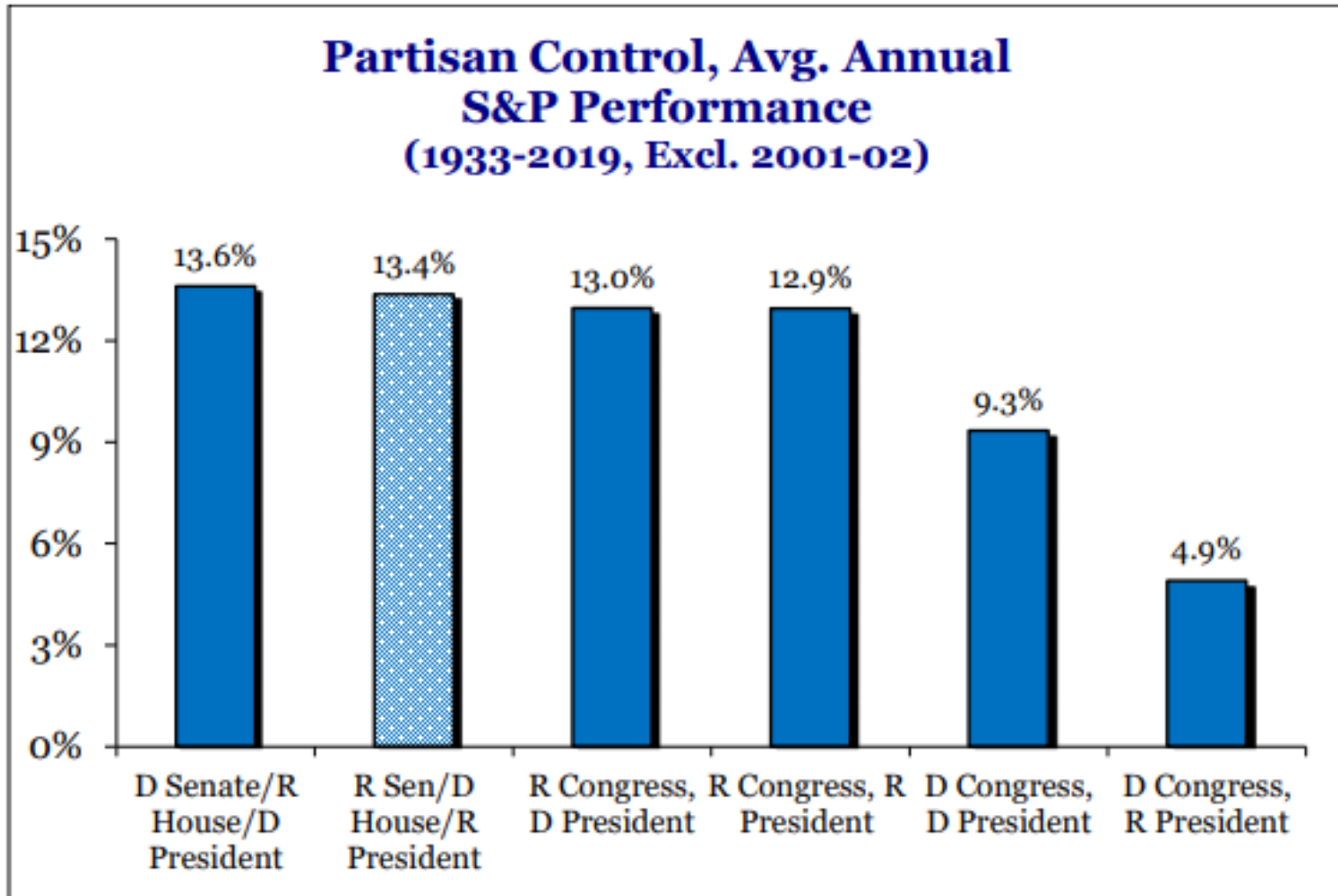
Stock Market Rallies in Months Prior to Elections Tend to Favor Incumbents



Source: Ned Davis Research. 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.



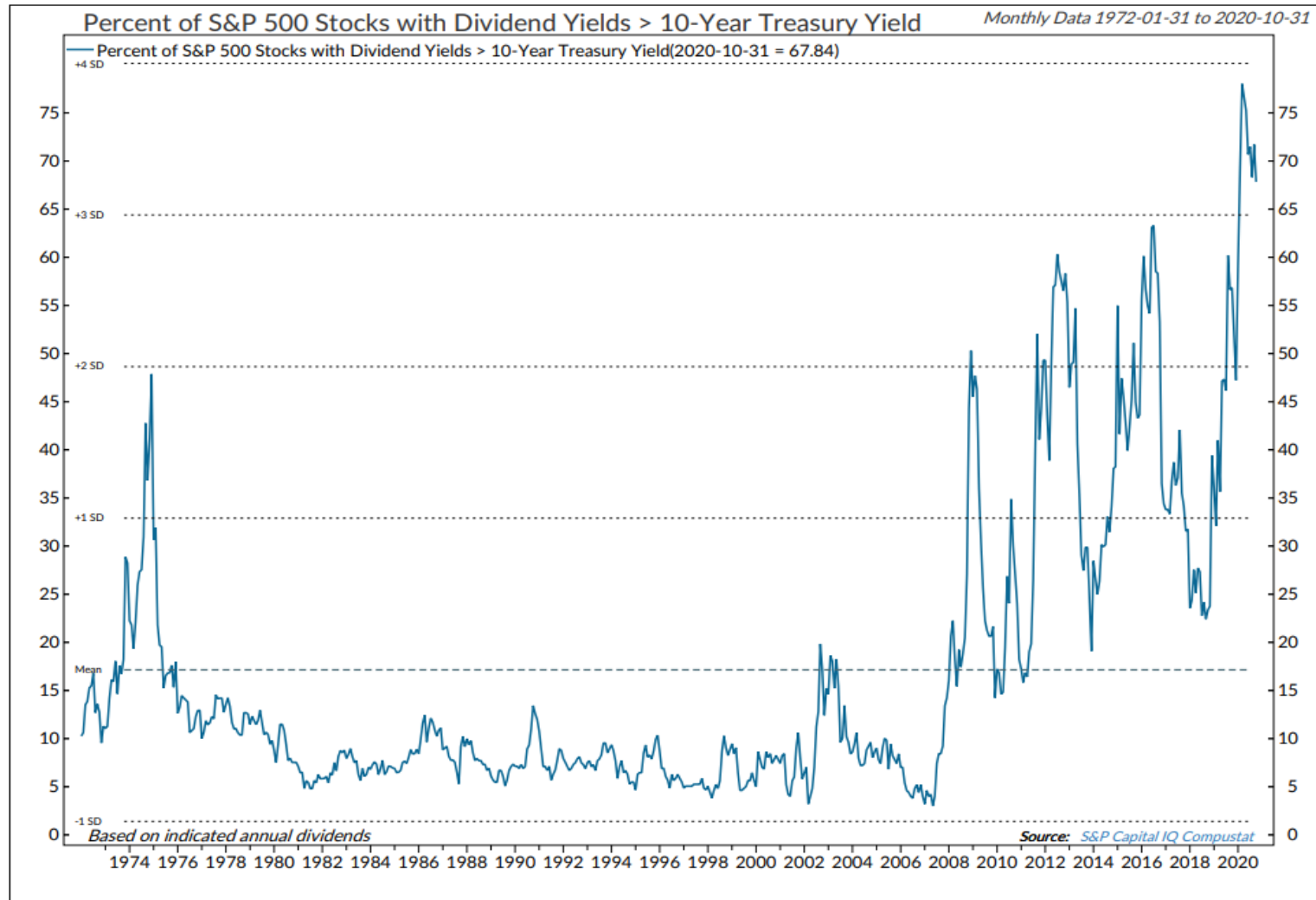
November 3 Will Be Getting a Lot of Attention Historically, Capitalism Wins Long Term





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Rare and We Believe Favorable Conditions For Equity Investors



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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. 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.

Past performance is not indicative of future results.

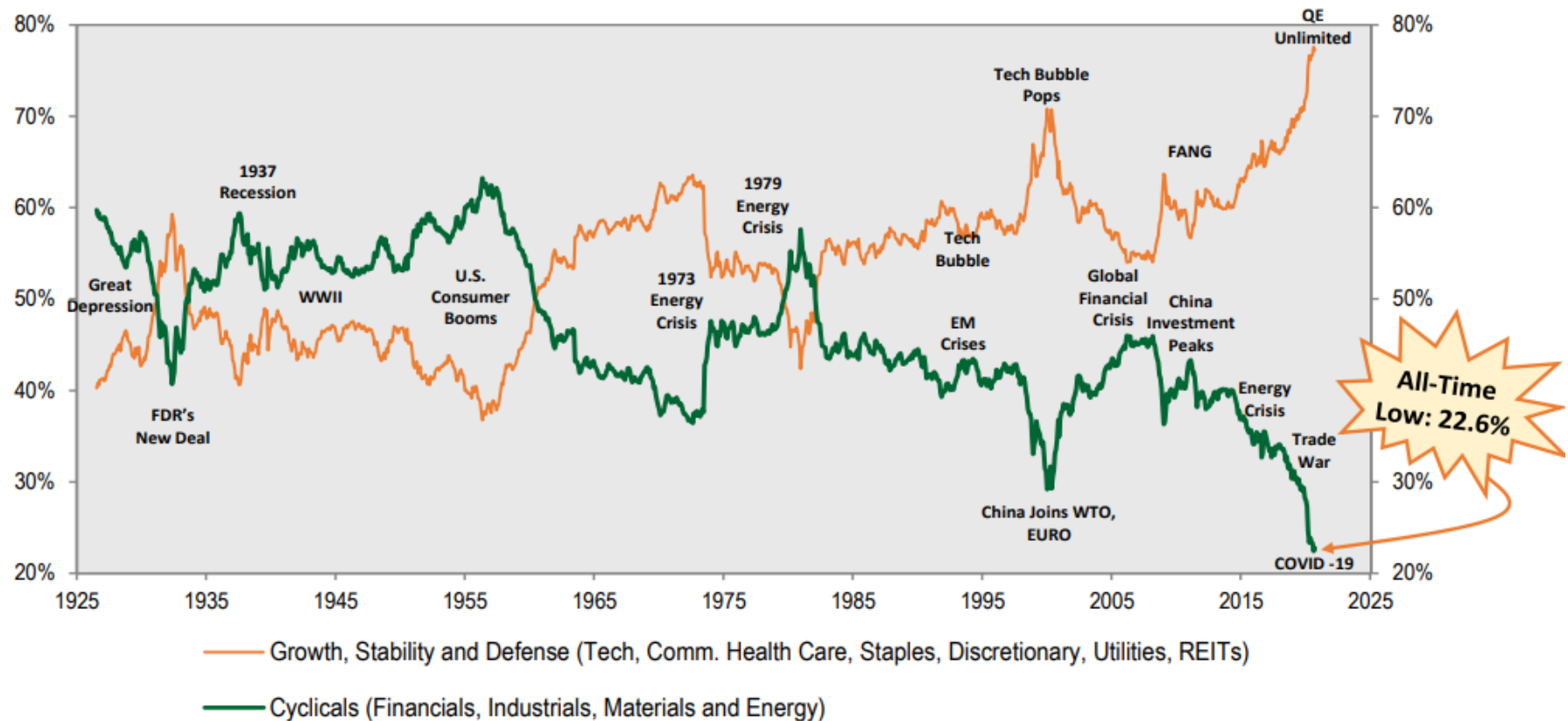


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Valuations Overall Have Lifted, in Part Because the Market's Internals Are Higher Quality

Cyclical Sectors Weigh Only 22.7%

S&P 500 Index Composition Matters

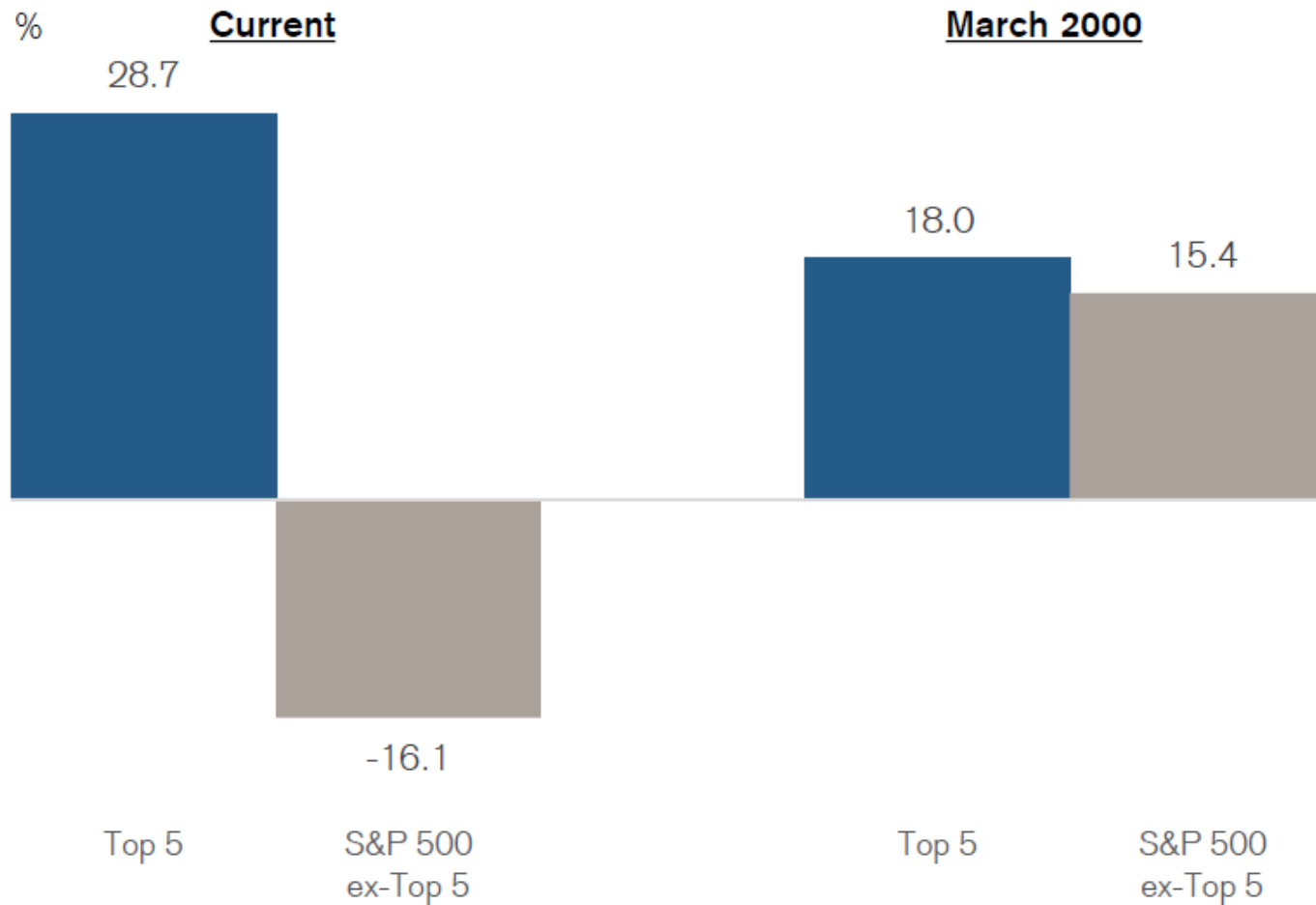


As of 10.01.2020. Source: Cornerstone Macro. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index. The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods will be successful.

Past performance is not indicative of future results.



Earnings Growth (Trailing 12-Months)



Source: Standard and 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. 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.