



STERLING
CAPITAL

**1st Quarter 2021 Market Review:
Special Opportunities SMA**

WHAT MATTERS MOST TO YOU MATTERS MOST TO US.



- *This webcast is being recorded.*
- *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.*



George F. Shipp, CFA®
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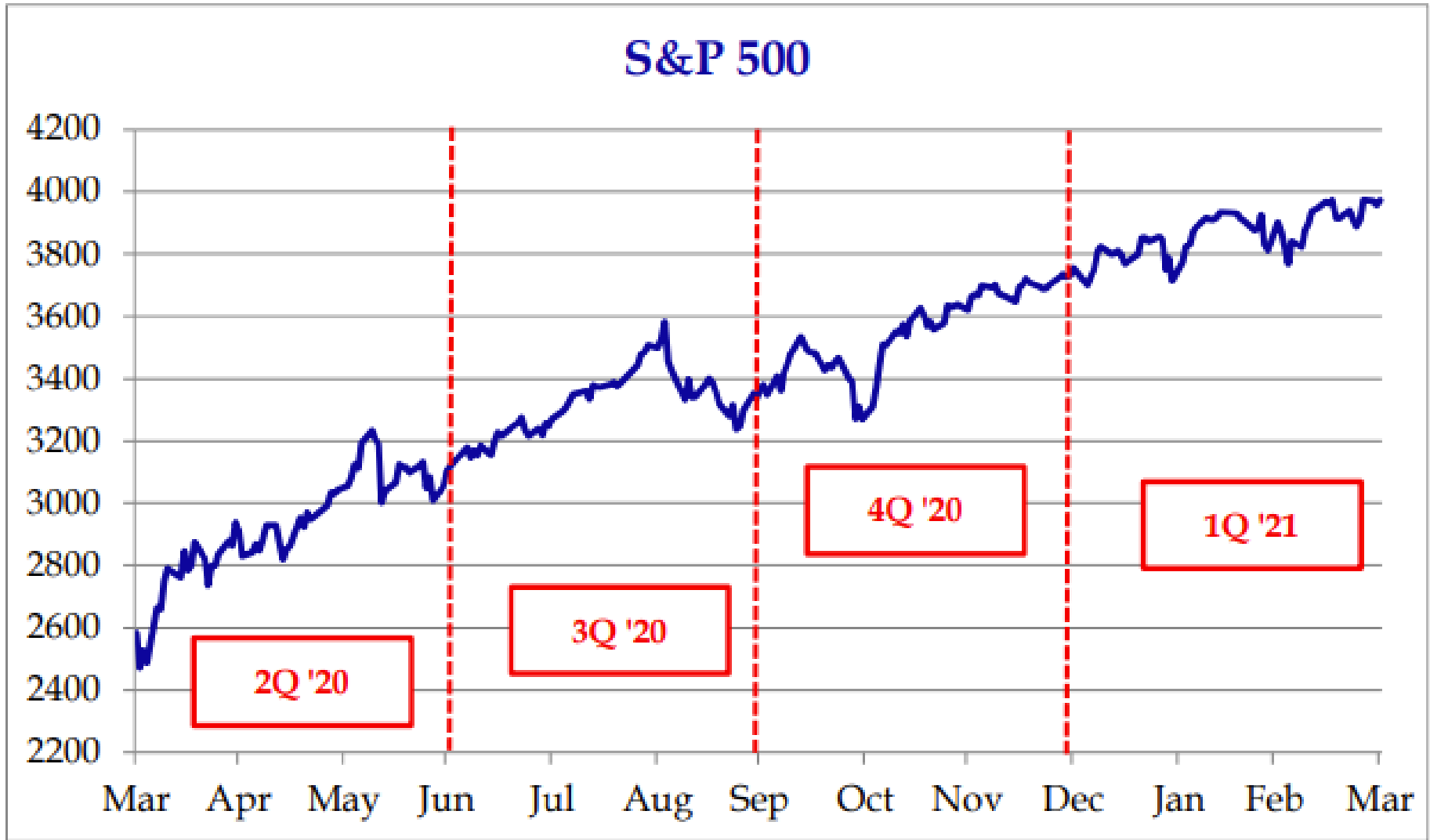
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WebEx Agenda:

- Equity Market and Macro Environment Review
- Special Opportunities SMA Review of Q1.2021 Performance, Activity and Positioning
- Equity Market Outlook
- Q&A

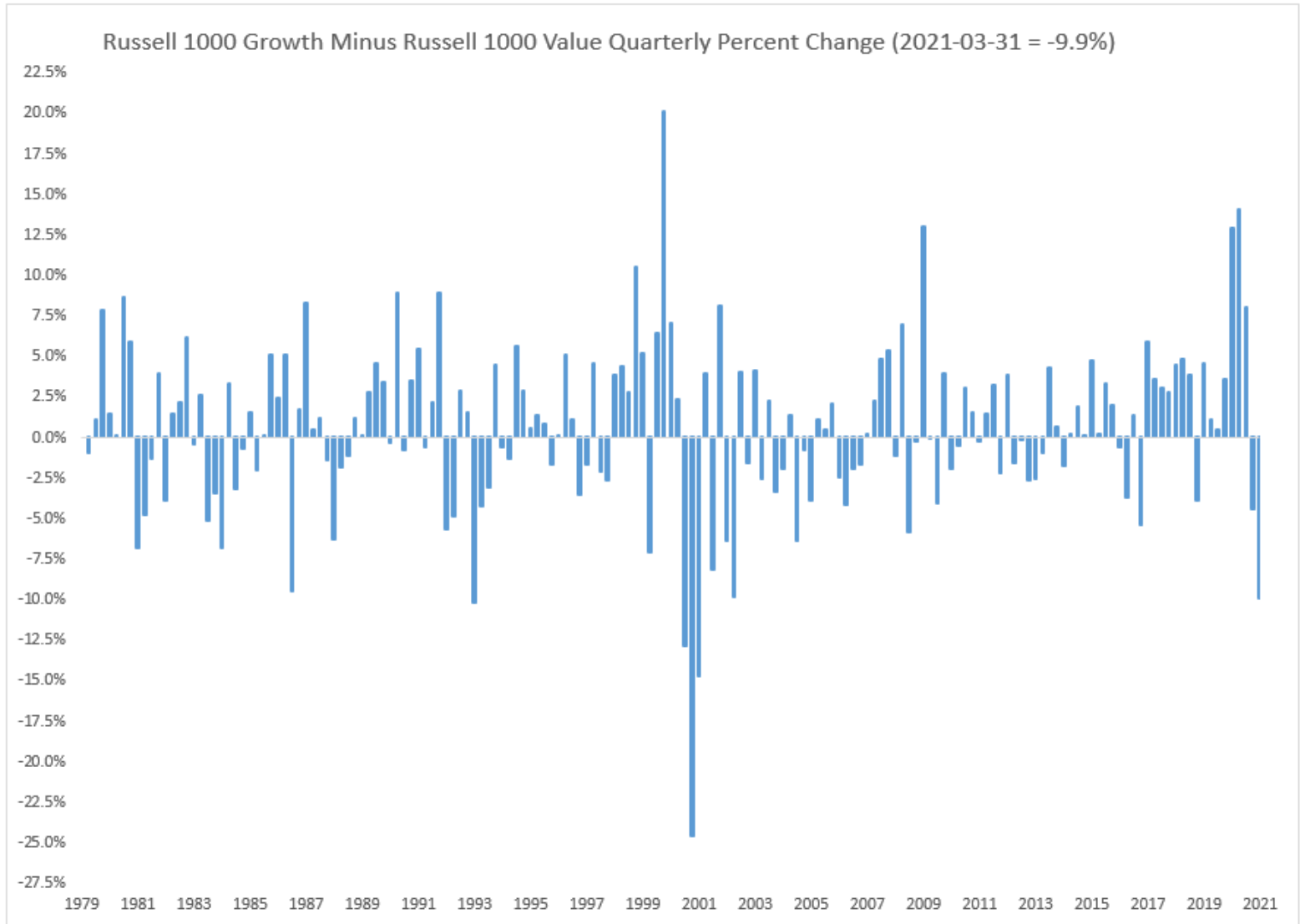


Source: Strategas Research. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index. The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods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

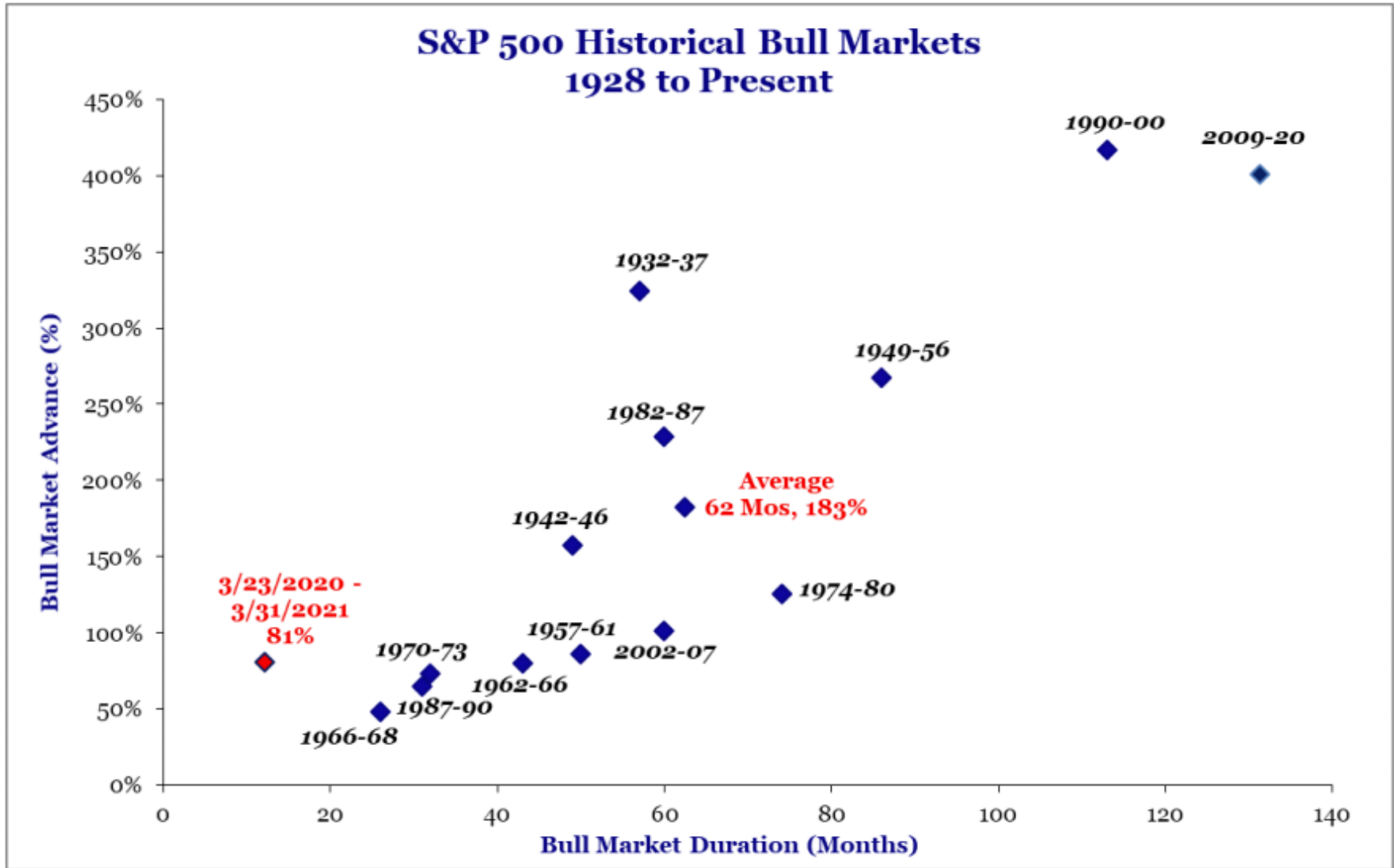
Past performance is not indicative of future results.



Best Quarter for Value (+11.3%) Vs. Growth (+1.4%) Since 2001

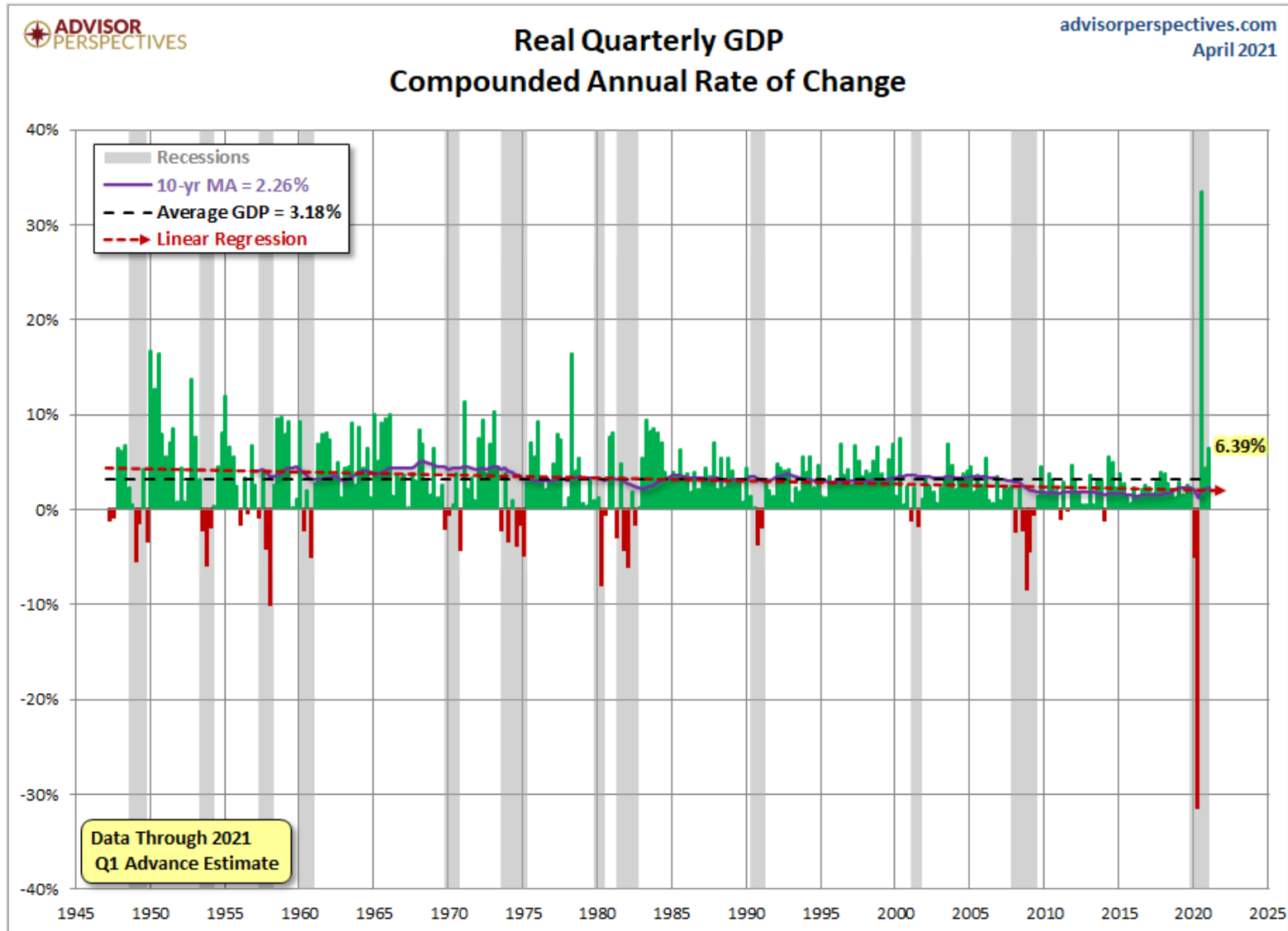


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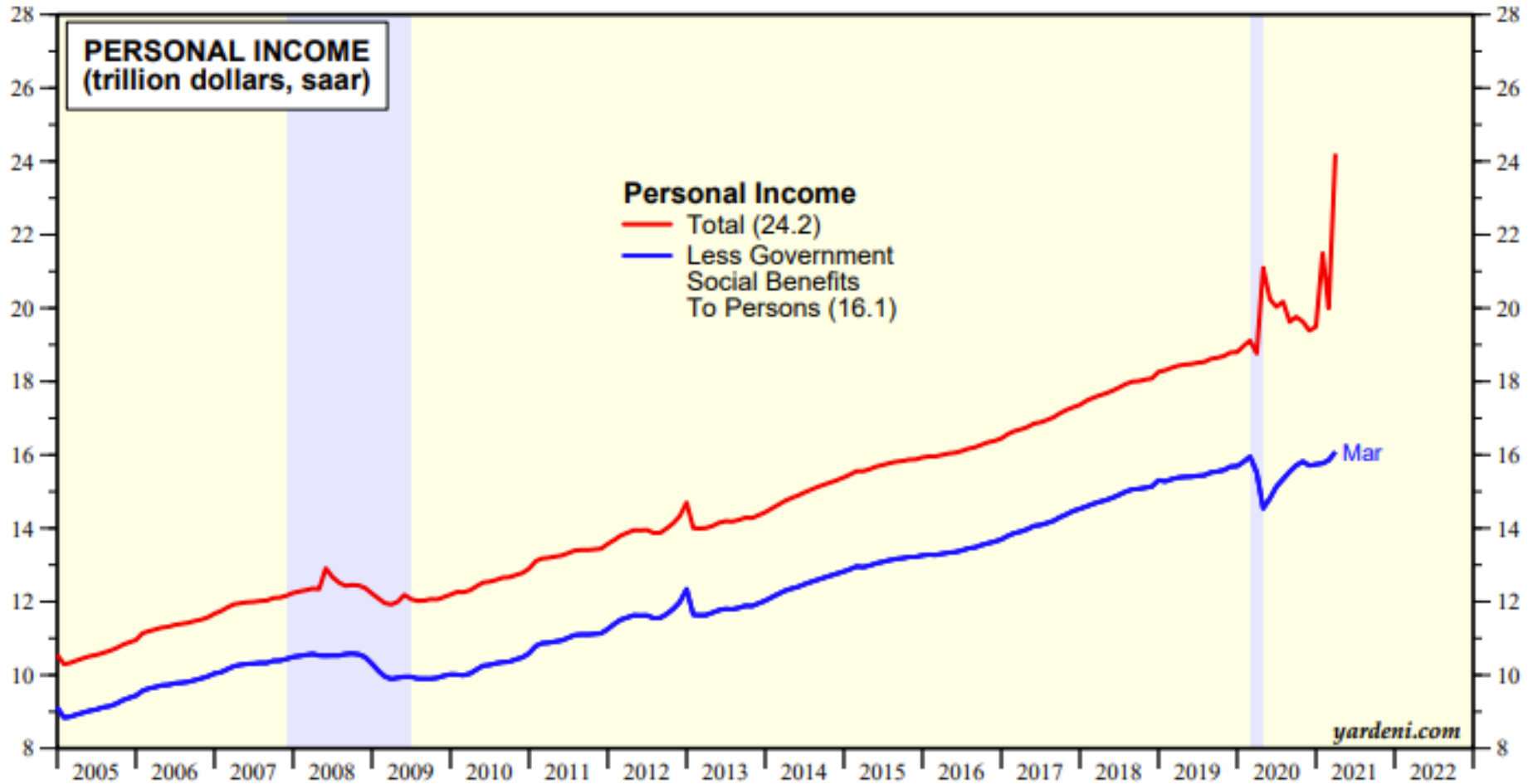


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Source: Advisor Perspectives. The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods will be successful.

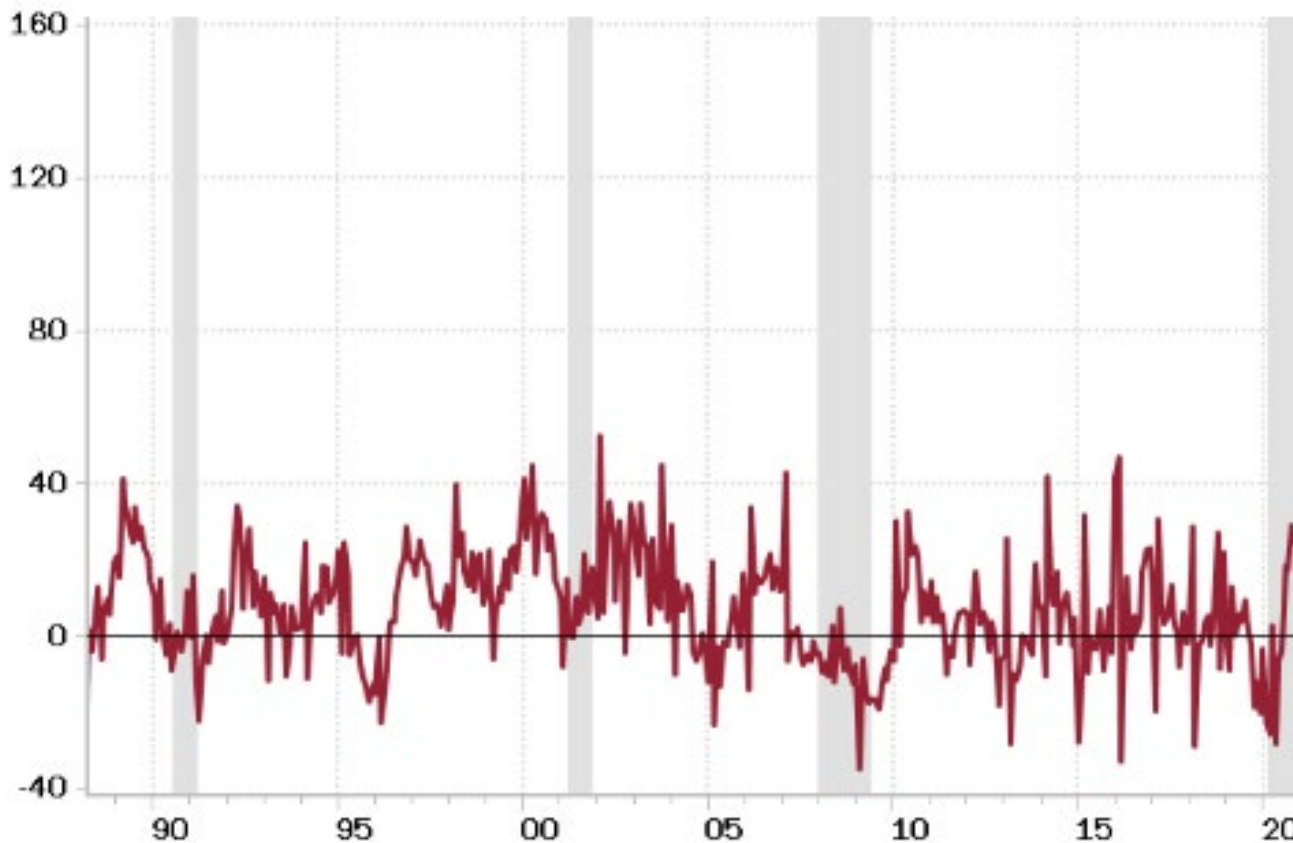


Note: Shaded areas are recessions according to the National Bureau of Economic Research. Source: yardeni.com, Bureau of Economic Analysis. The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods will be successful.



CHART 1: Port of Los Angeles Inbound Loaded Containers

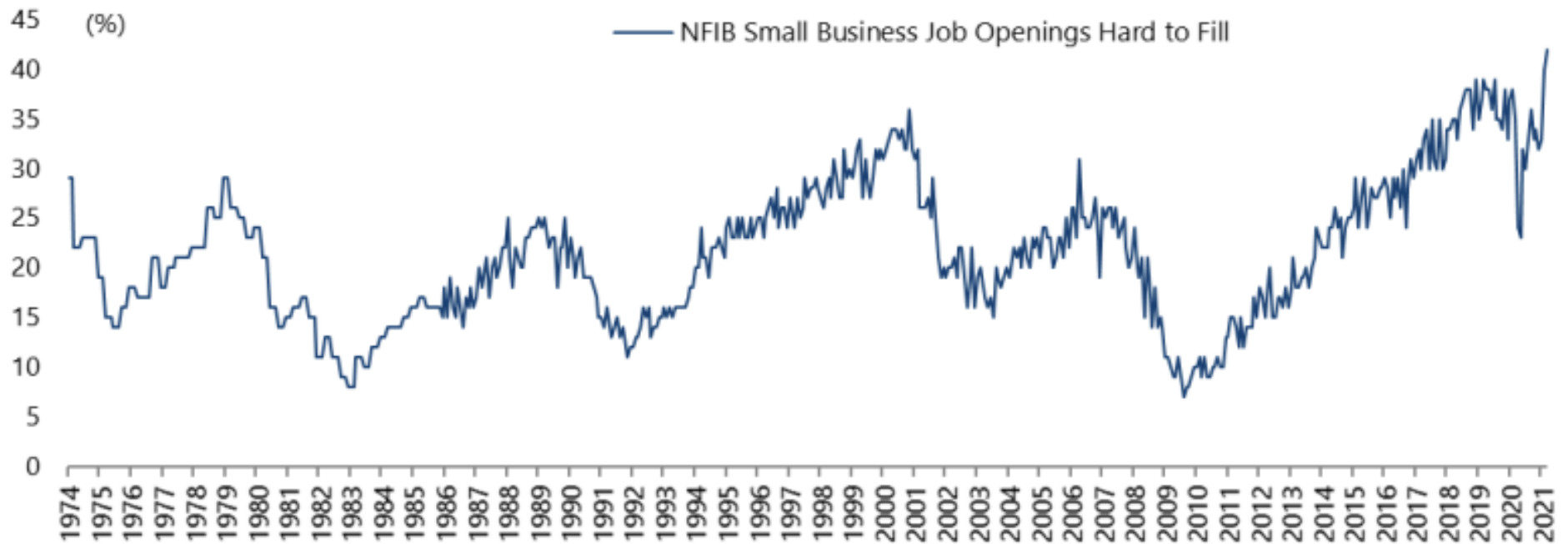
United States
(year-over-year percent change)



Note: Shading indicates recession. Source: Haver Analytics, Rosenberg 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.



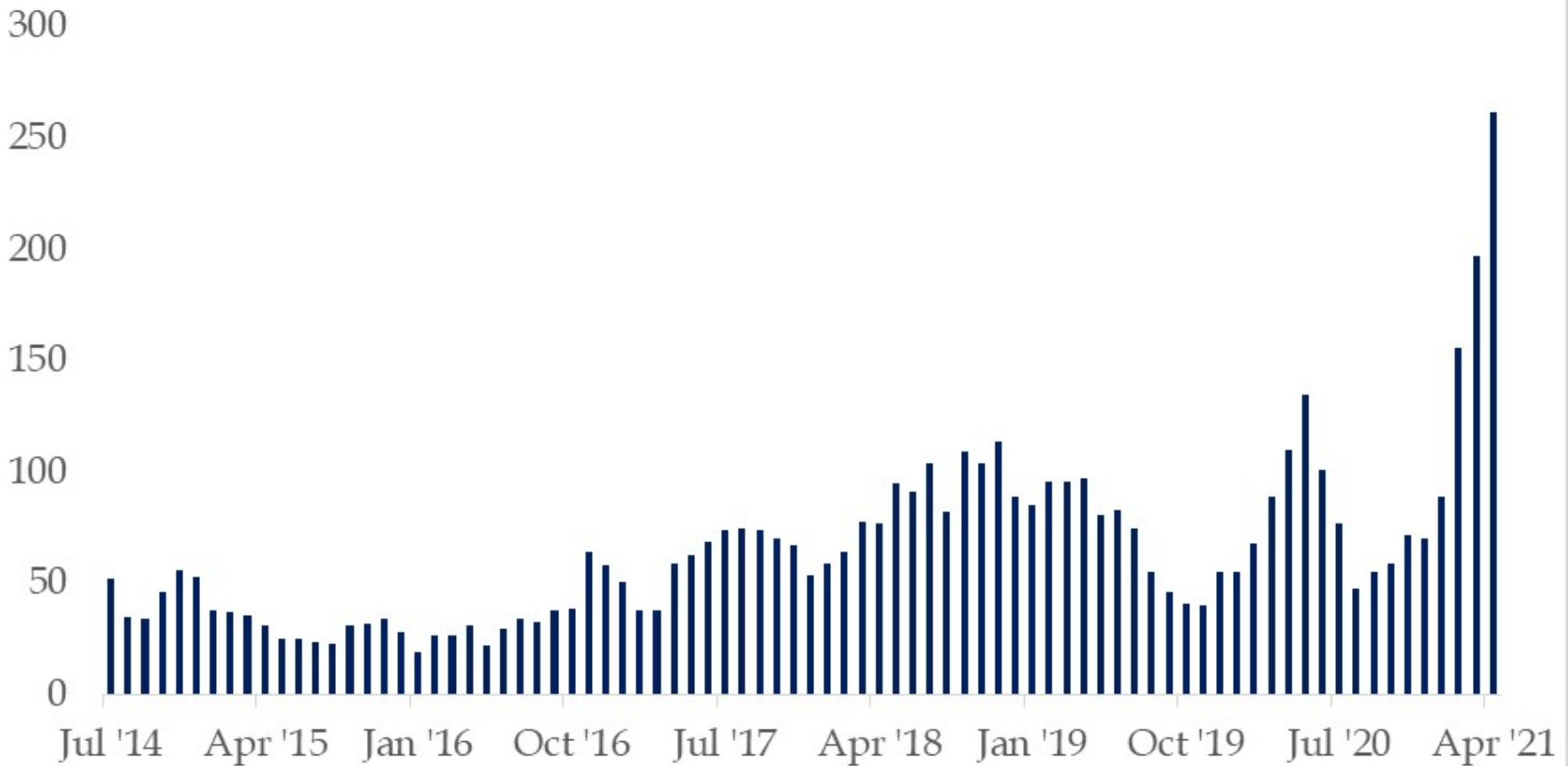
Exhibit 3: NFIB small business survey: Job openings hard to fill



Source: National Federation of Independent Business (NFIB), Bloomberg. 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.



S&P 500 Transcript Analyzer: "Shortages" Rolling 3-Month Sum

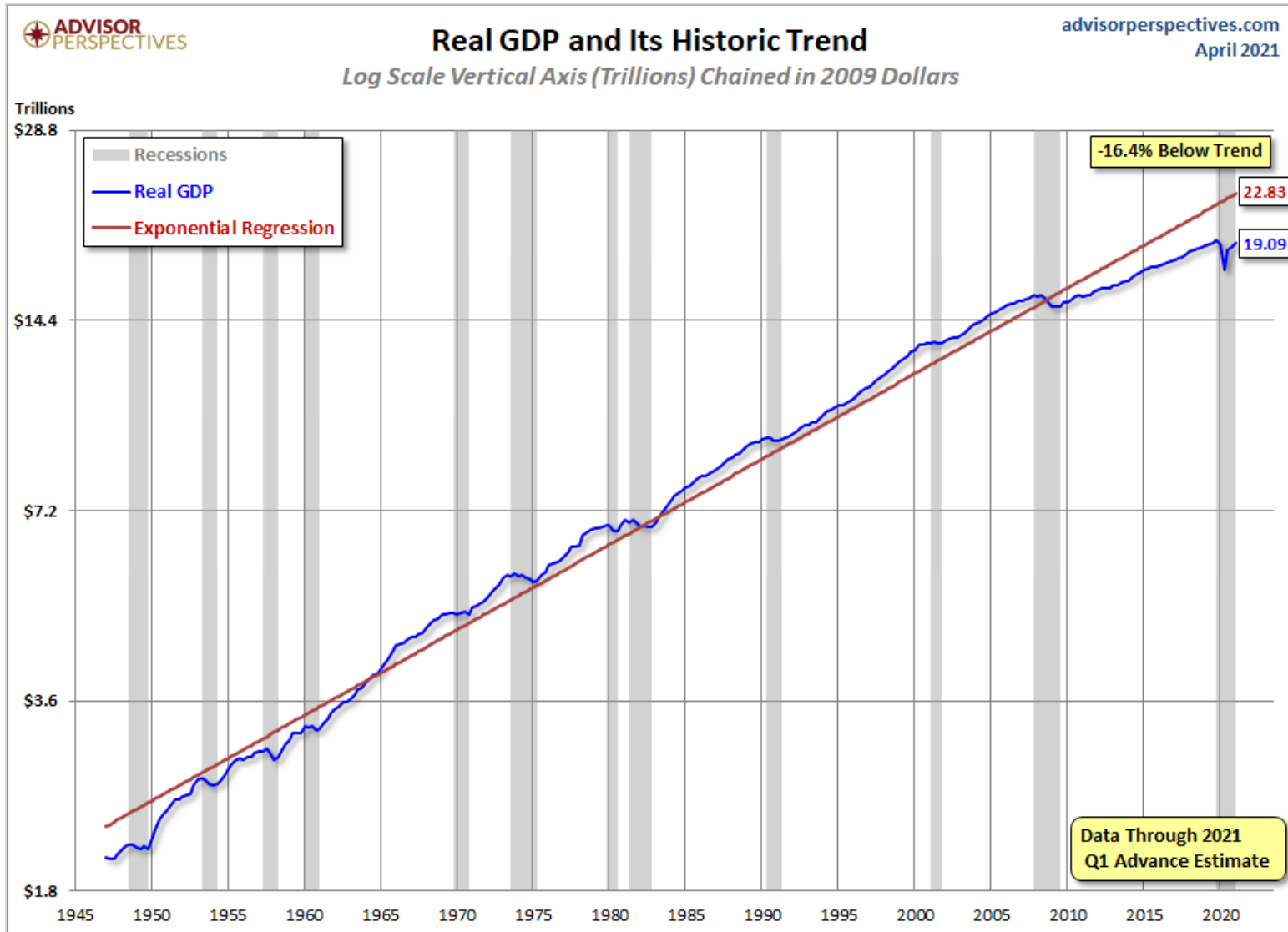


Source: Strategas Research. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index. The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods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

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However, Policy Makers Still See Room for Improvement

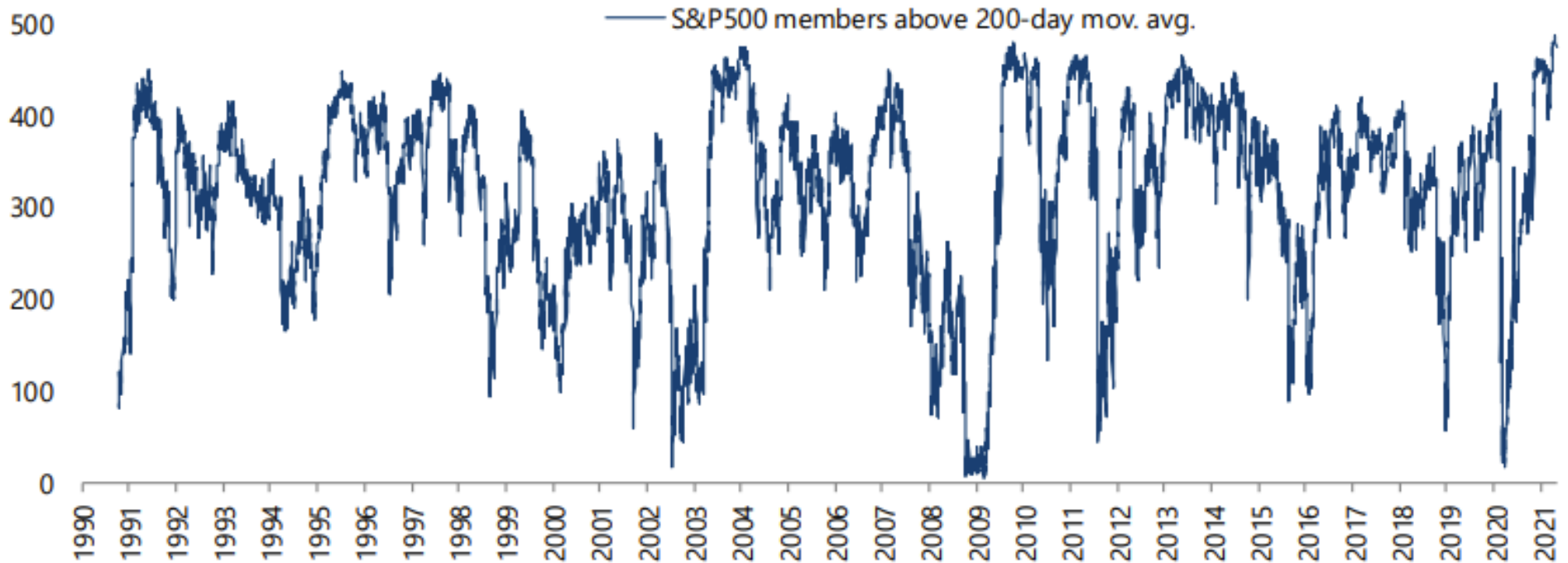


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As Our Audience May Be Well Aware, Stocks Have Responded, Broadly

Exhibit 7: Number of S&P500 stocks trading above their 200-day moving average



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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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.

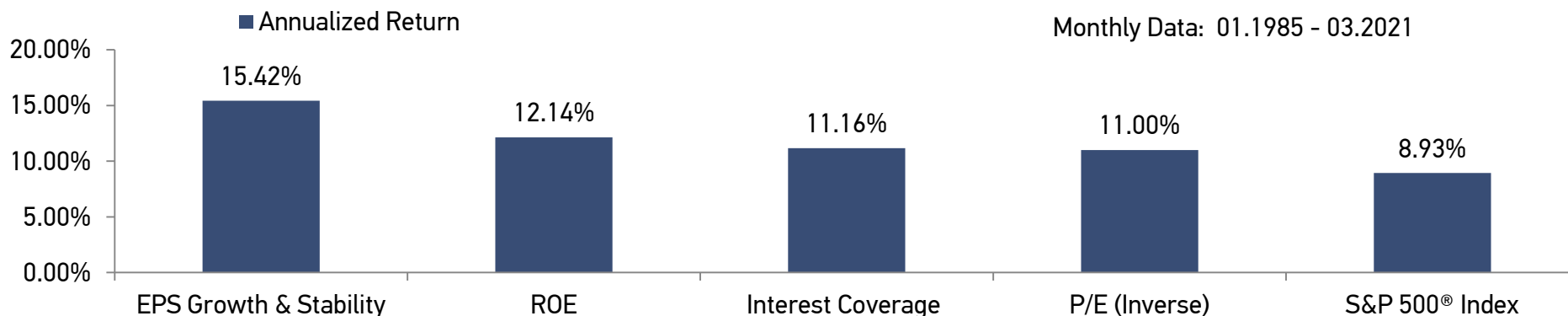
ETF	Description	April	YTD	Last Year	ETF	Description	April	YTD	Last Year
SPY	S&P 500	5.29	11.98	45.98	XLY	Cons Disc	6.46	11.46	54.67
DIA	Dow 30	2.69	11.36	42.10	XLP	Cons Stap	1.86	3.71	22.76
QQQ	Nasdaq 100	5.91	7.86	55.36	XLE	Energy	0.67	31.71	37.15
IJH	S&P Midcap 400	4.41	18.55	67.84	XLF	Financials	6.49	23.55	62.61
IJR	S&P Smallcap 600	1.85	20.58	76.77	XLV	Health Care	3.93	7.32	23.61
IWB	Russell 1000	5.34	11.66	49.37	XLI	Industrials	3.53	15.46	61.25
IWM	Russell 2000	1.79	14.92	74.69	XLB	Materials	5.38	15.20	63.22
IWV	Russell 3000	5.27	12.05	51.06	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
IVW	S&P 500 Growth	6.83	9.16	48.83	SHY	1-3 Yr Treasuries	0.06	-0.03	0.00
IJK	Midcap 400 Growth	3.97	12.96	61.36	IEF	7-10 Yr Treasuries	1.00	-4.79	-5.47
IJT	Smallcap 600 Growth	1.83	14.51	69.89	TLT	20+ Yr Treasuries	2.49	-11.78	-15.69
IVE	S&P 500 Value	3.65	14.91	40.82	AGG	Aggregate Bond	0.73	-2.67	-0.25
IJJ	Midcap 400 Value	4.71	24.13	73.09	BND	Total Bond Market	0.87	-2.80	-0.31
IJS	Smallcap 600 Value	1.69	26.42	82.28	TIP	T.I.P.S.	1.43	-0.28	5.94
DVY	DJ Dividend	3.66	24.02	52.46					
RSP	S&P 500 Equalweight	4.67	16.80	56.86					

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. 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.

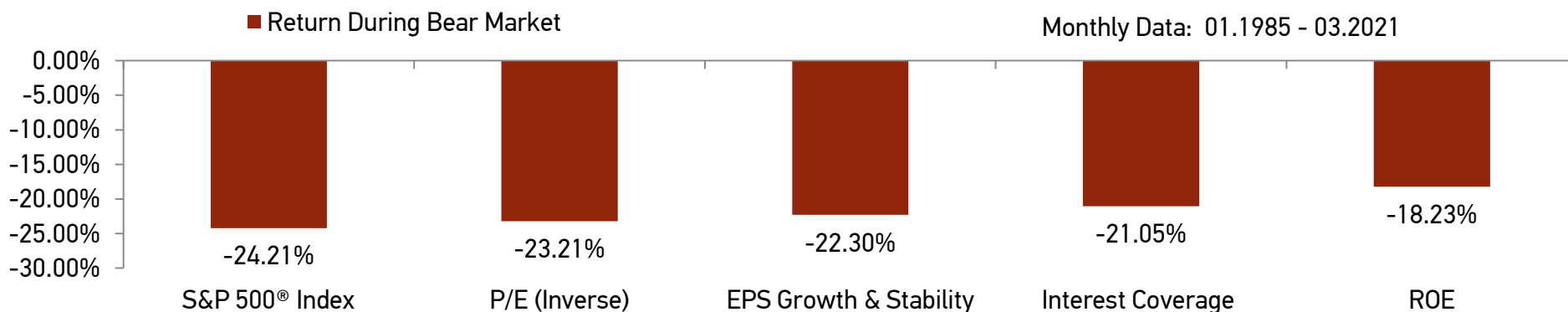


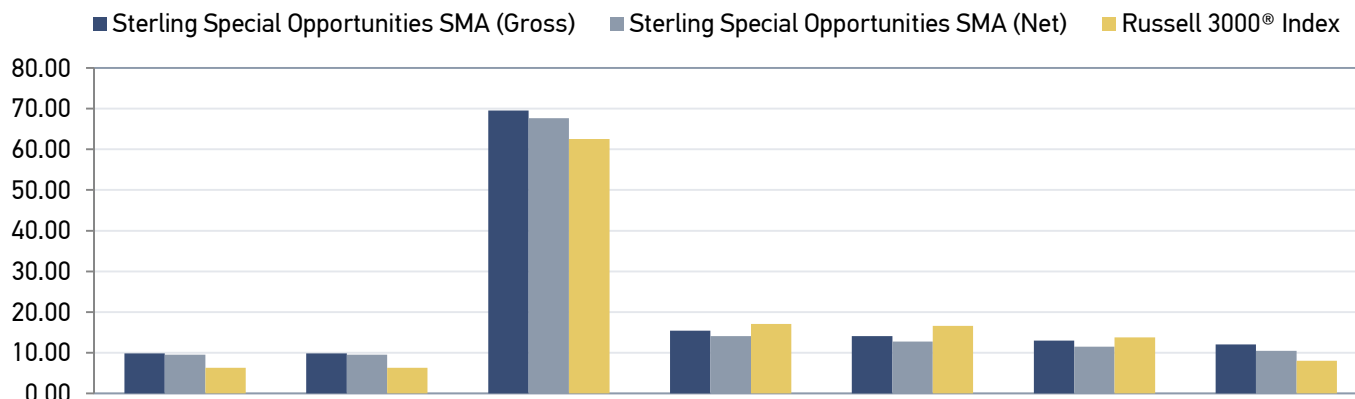
Seek Capital Appreciation and Risk Reduction by Constructing Portfolios with Attractive Valuations (P/E), Robust Operating Growth (EPS Growth/Stability), High Profitability (ROE) and Strong Balance Sheets (Interest Coverage)

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





Performance	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception*
Sterling (Gross)	9.88%	9.88%	69.50%	15.45%	14.12%	12.99%	12.08%
Sterling (Net)	9.57%	9.57%	67.60%	14.12%	12.76%	11.47%	10.48%
Russell 3000®	6.35%	6.35%	62.53%	17.12%	16.64%	13.79%	8.05%
S&P 500	6.17%	6.17%	56.35%	16.78%	16.29%	13.91%	7.69%

*Inception date is 12.31.2000.

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. "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 GIPS Composite Report located in the APPENDIX. Source: Russell Investments, S&P, Sterling Capital Management Analytics.

Past performance is not indicative of future results.



Q1 Top Five Contributors:

- NXP Semiconductors
- Capital One Financial
- Alphabet
- Lennar
- Charles Schwab

Q1 Bottom Five Contributors:

- Verisk Analytics
- Cerner
- Ball Corp
- Akamai Technologies
- Activision Blizzard

Data as of 03.31.2021. 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.



S&P 500 1st Quarter Earnings Scorecard

	Sales Growth (Y/Y%)		Earnings Growth (Y/Y%)		# Reported
	Apr. 23	Apr. 30	Apr. 23	Apr. 30	
S&P 500	9.9%	11.6%	33.9%	46.3%	303/500
Discretionary	15.2%	16.9%	105.4%	169.6%	31/62
Staples	2.5%	3.4%	4.1%	6.5%	21/32
Energy	-6.7%	-3.1%	-1.6%	8.0%	12/23
Financials	30.3%	30.9%	121.5%	130.1%	55/65
Health Care	9.7%	9.8%	22.5%	22.6%	37/62
Industrials	-0.9%	1.0%	-15.1%	-2.4%	56/74
Materials	11.3%	11.4%	50.6%	55.4%	13/28
Real Estate	0.2%	-0.4%	-0.1%	2.9%	20/29
Technology	16.4%	21.2%	26.7%	42.5%	37/75
Communications	9.4%	12.2%	17.0%	48.1%	12/22
Utilities	5.1%	7.2%	0.1%	2.5%	9/28

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.



The Portfolio's Holdings are Participating in the Strong Earnings Growth Trend

Sector (BICS)		Sales			Earnings		
Ticker	Company	Curr	Prev	Growth	Curr	Prev	Growth
			Avg Sales	21%	Avg EPS		63%
			Median Sales	10%	Median EPS		32%
COF US Equity	CAPITAL ONE FINANCIAL CORP	7,113,000,000	7,249,000,000	-2%	7.03	-3.02	N.M.
HOLX US Equity	HOLOGIC INC	1,537,600,000	756,100,000	103%	2.59	0.57	354%
FDX US Equity	FEDEX CORP	21,510,000,000	17,487,000,000	23%	3.47	1.41	146%
GOOGL US Equity	ALPHABET INC-CL A	45,602,000,000	33,707,000,000	35%	26.29	10.79	144%
DHR US Equity	DANAHER CORP	6,858,000,000	4,343,100,000	58%	2.52	1.05	140%
PTC US Equity	PTC INC	461,785,000	359,603,000	28%	1.08	0.59	83%
HCA US Equity	HCA HEALTHCARE INC	13,977,000,000	12,861,000,000	9%	4.14	2.33	78%
NXPI US Equity	NXP SEMICONDUCTORS NV	2,567,000,000	2,021,000,000	27%	2.309	1.4	65%
LEN US Equity	LENNAR CORP-A	5,325,468,000	4,505,337,000	18%	2.04	1.27	61%
SCHW US Equity	SCHWAB (CHARLES) CORP	4,715,000,000	2,617,000,000	80%	0.84	0.58	45%
UNH US Equity	UNITEDHEALTH GROUP INC	70,196,000,000	64,421,000,000	9%	5.31	3.72	43%
BSX US Equity	BOSTON SCIENTIFIC CORP	2,752,000,000	2,543,000,000	8%	0.37	0.28	32%
TRU US Equity	TRANSUNION	745,300,000	687,600,000	8%	0.91	0.73	25%
SPGI US Equity	S&P GLOBAL INC	2,016,000,000	1,786,000,000	13%	3.39	2.73	24%
GILD US Equity	GILEAD SCIENCES INC	6,423,000,000	5,548,000,000	16%	2.08	1.68	24%
FISV US Equity	FISERV INC	3,557,000,000	3,478,000,000	2%	1.17	0.99	18%
CBRE US Equity	CBRE GROUP INC - A	5,938,879,000	5,889,168,000	1%	0.86	0.75	15%
FFIV US Equity	F5 NETWORKS INC	645,287,000	585,640,000	10%	2.5	2.23	12%
CMCSA US Equity	COMCAST CORP-CLASS A	27,205,000,000	26,609,000,000	2%	0.76	0.71	7%
GD US Equity	GENERAL DYNAMICS CORP	9,389,000,000	8,749,000,000	7%	2.48	2.43	2%
BMJ US Equity	BRISTOL-MYERS SQUIBB CO	11,073,000,000	10,781,000,000	3%	1.74	1.72	1%
V US Equity	VISA INC-CLASS A SHARES	5,729,000,000	5,854,000,000	-2%	1.38	1.39	-1%

Note: Only Showing Q1 Reports Through 05.01.2021.

Data as of 05.01.2021. Source: Company Reports, Bloomberg. 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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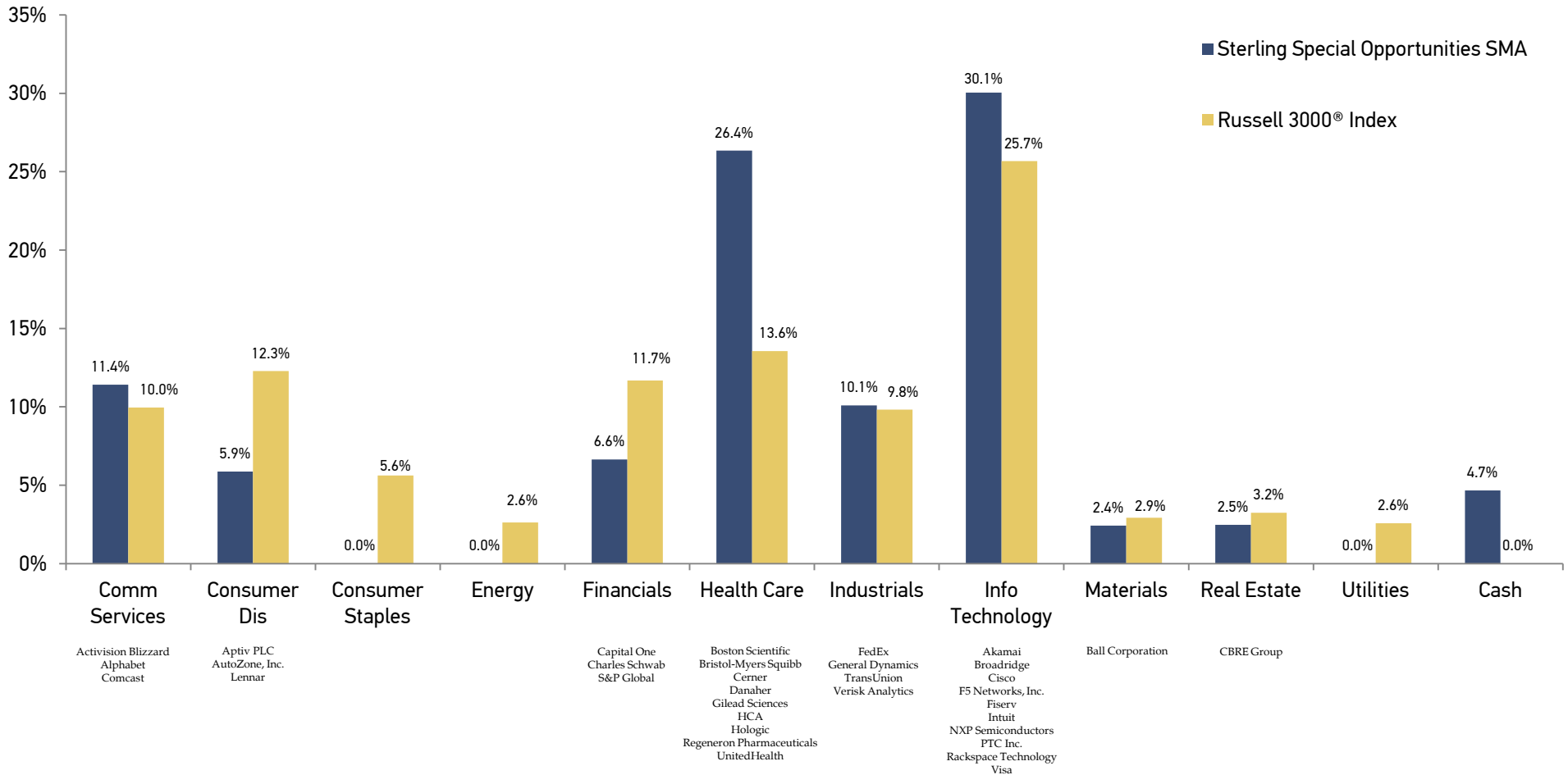
- “With over 2 billion monthly logged in users and over a 1 billion hours of video watched every day, YouTube is offering advertisers efficient reach to large audiences.” – Alphabet CEO Sundar Pichai
- “More 18 to 49 year-olds are actually watching YouTube than all linear TV combined.” – Alphabet Chief Business Officer Philipp Schindler
- “Payments volume grew 11%, improving 7 points from Q1 and reached 116% of 2019.” – Visa Chairman and CEO Alfred Kelly, Jr.
- “Based on our customer conversations and order rates, it appears NXP is in the early stages of a longer-term company specific growth cycle.”
– NXPI President and CEO Kurt Sievers



- “Card purchase volume was up 8.4% year-over-year and we're seeing just about every spend category rebounding...By the way on T&E; while it's down, it's certainly accelerating.” – Capital One Founder, President and CEO Richard Fairbank
- “Transaction activity is improving more quickly than we initially anticipated. This is especially true for global property sales and leasing outside the Americas. As a result, we have raised our outlook for 2021 transaction revenue growth to the low-double digit range.” – CBRE CFO Leah Stearns
- “[Gulfstream] sales activity truly accelerated in the middle of February and continued on through the remainder of the quarter...We are experiencing a high level of interest and activity.” – General Dynamics Chairman and CEO Phebe Novakovic
- “We significantly outperformed our guidance, as we experienced a rapid recovery in many markets throughout February and March.”
– TransUnion President and CEO Chris Cartwright



Sterling Special Opportunities SMA



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



Added Regeneron (REGN) in Q1.2021 Not Just a COVID-19 Story

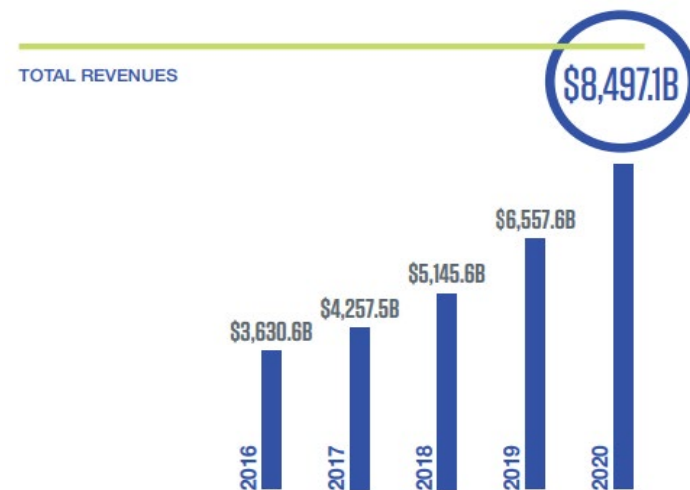
- Unique genetics database
 - 100 partnerships, 1.4 million DNA sequences
- Unique antibody discovery platform
- 2020 EPS +28%
- <10x 2021 consensus EPS forecast
- \$4.7 billion net cash
- Invests >30% of revenue in R&D

Fortune: Best Companies to Work For, 2021
 Science: Top Employer, 2020
 Fortune: Change the World, 2020
 Forbes: JUST Companies, 2020
 Newsweek: America's Most Responsible Companies, 2020
 Fast Company: Best Workplaces for Innovators, 2020
 Dow Jones Sustainability World Index, 2020



Dow Jones Sustainability North America Index, 2020
 Civic 50: Most Community-Minded Companies in the Nation, 2020
 Great Places to Work: Best Workplace in Ireland, 2020
 IDEA Pharma: Pharmaceutical Invention Index, 2019
 Harvard Business Review: Best Performing CEOs, 2019
 Shingo Institute: The Shingo Prize, 2019
 Forbes: Top 10 Most Innovative Companies, 2018

Strong and Growing Core Brands	Entering a Period of New Launches	A Broad and Diverse Pipeline
 	 1L Non-Small Cell Lung Cancer and Basal Cell Carcinoma Pediatric Asthma COVID-19 Homozygous Familial Hypercholesterolemia (HoFH)	Dupixent in pivotal trials for 8 Type 2 diseases Advancing immuno-oncology pipeline and combinations ~30 Therapeutic candidates in clinical development



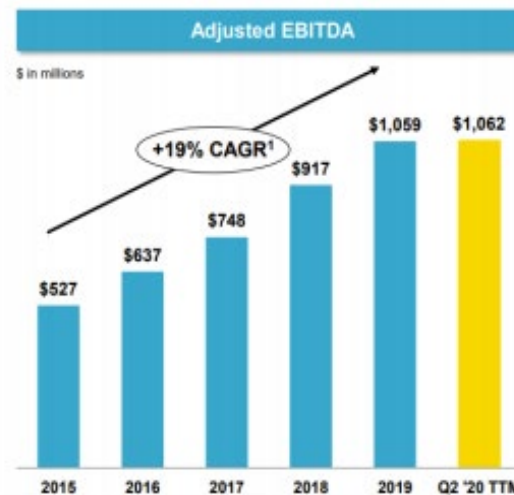
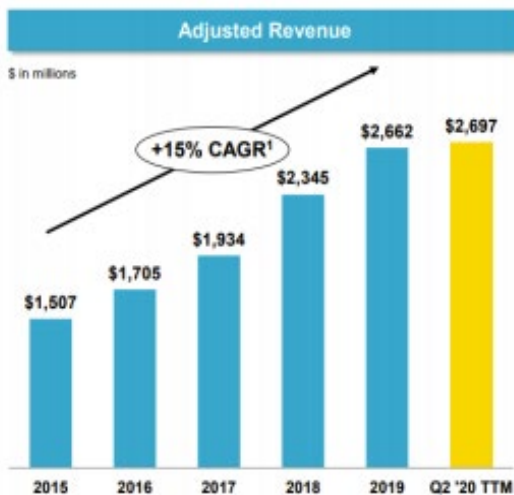
Source: Regeneron. Specific securities identified and described do not represent all of the securities purchased, sold or recommended to clients. There are no assurances that securities identified will be profitable investments. The securities described are neither a recommendation nor a solicitation.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



- Leading Credit Bureau and Info Solutions provider
- Highly recurring, operating leverage, mission critical, low capital requirements
- Combining datasets, deploying across new verticals and geographies

1Q21 Results

- Beat and raised 2021 guidance
- “Growth Meaningfully Accelerated Throughout Q121”
- 8% organic growth, earnings per share (EPS) +25%



Adj. EBITDA Margin	2015	2016	2017	2018	2019
	35.0%	37.3%	38.7%	39.1%	39.0%
	(+100ps)	(+240ps)	(+130ps)	(+40ps)	(+700ps)

Combining 90,000 Disparate Data Sources - Enter New Verticals and Geographies

- | | |
|---------------------|------------------------|
| Auto Lending | Capital Markets |
| Collections | Communications |
| Credit Unions | Financial Institutions |
| FinTech | Gaming |
| Healthcare | Insurance |
| Media | Mortgage |
| Property Management | Public Sector |
| Retail/eCommerce | Short-term Lending |

¹CAGR calculated for 2015 actuals – 2019 actuals.

Note: For additional information, refer to the “Non-GAAP Financial Information” section on slide 2.

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Source: TransUnion. 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.

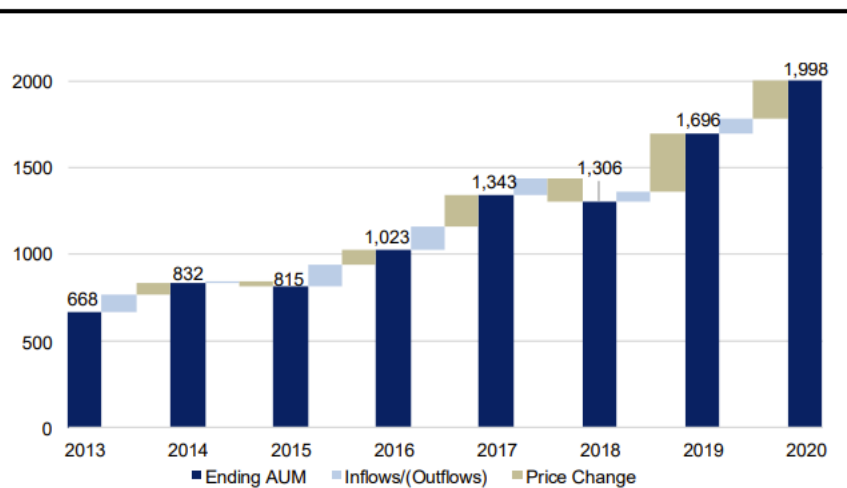


- Leader in Credit Ratings, Indices and Energy and Commodity benchmarks
- ~75% recurring revenues, high incremental margins
- One million ratings outstanding – only 22 ratings in China in 1Q21 on \$15.7T debt
- Pending IHS Markit acquisition
- Discount the market at purchase
- 35% return on invested capital (ROIC) – top 2% in Russell 3000

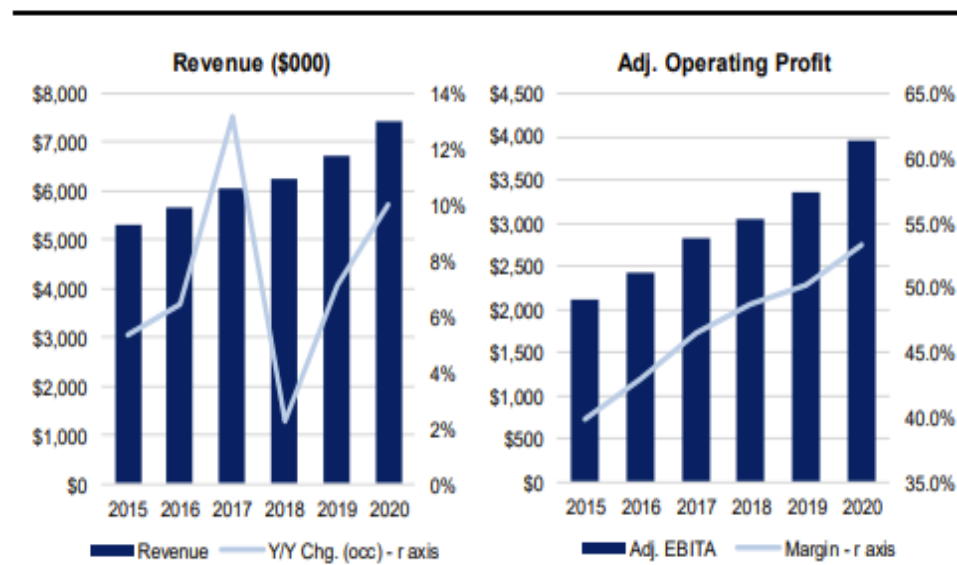
1Q21 Results

- All four segments grew revenues and margins
- Ratings +23%. High Yield +111% (U.S.). 18 ratings in China versus 22 in 2020
- Indices asset-linked fees +15%. ETF AUM \$2.2T

ETF AUM BASED ON S&P DOW JONES INDICES, IN \$BN



S&P GLOBAL FINANCIAL PERFORMANCE



Source: S&P Global. 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.



Special Opportunities as of 05.03.2021

	Growth/Stability					Valuation			Profitability		Balance Sheet	
	20y EPS	21y EPS	22y EPS	'17-'22	'22 EPS vs	22y EV/	22y EV	EBITDA	ROE	Mgn	Interest	
	Growth	Growth	Growth	EPS CAGR	'19 EPS	22y P/E	EBITDA	FCF Yld			Coverage	Leverage
SO Median *	7%	19%	11%	15%	39%	18.9	13.5	4.4%	16.4	29.2	8.9	1.5
R3000 Median	-10%	13%	9%	7%	16%	22.0	14.2	3.7%	6.6	12.9	1.8	2.1
vs Benchmark	16%	6%	2%	8%	23%	-14%	-5%	21%	149%	126%	394%	-30%

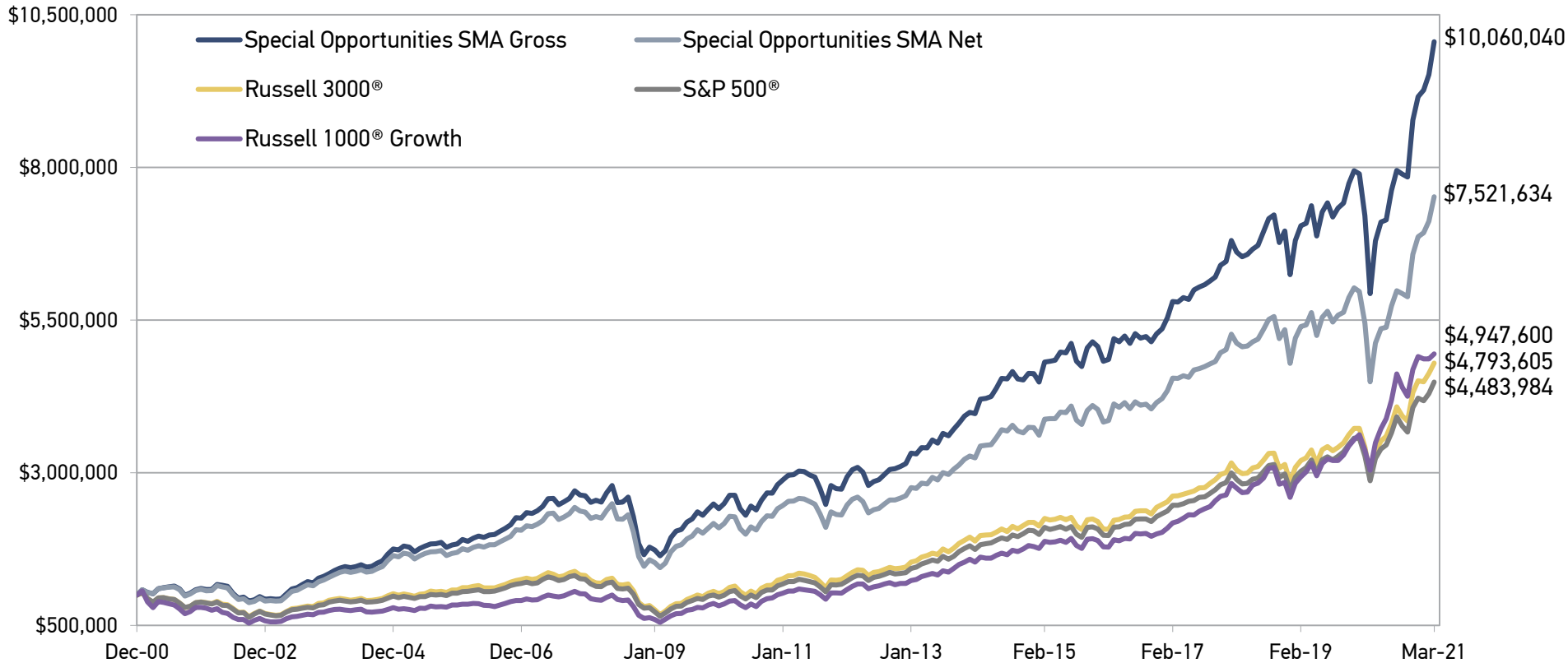
Q1.2021 Additions as of 05.03.2021

	Growth/Stability					Valuation			Profitability		Balance Sheet	
	20y EPS	21y EPS	22y EPS	'17-'22	'22 EPS vs	22y EV/	22y EV	EBITDA	ROE	Mgn	Interest	
	Growth	Growth	Growth	EPS CAGR	'19	22y P/E	EBITDA	FCF Yld			Coverage	Leverage
Median	15%	14%	10%	16%	43%	28.0	19.3	3.6%	32.7	49.1	26.5	0.1
S&P Global	22%	10%	9%	16%	47%	28.5	20.8	4.1%	473.7	53.4	25.7	0.0
Visa	-7%	12%	26%	15%	30%	33.0	26.4	3.0%	33.6	67.5	27.3	0.2
Regeneron	26%	50%	-11%	21%	68%	12.1	8.7	8.8%	31.8	44.9	62.9	(1.1)
TransUnion	7%	17%	11%	16%	40%	27.4	17.9	3.2%	16.9	35.5	4.5	2.9

*Representative account. Data as of 05.03.2021. 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. 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.



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



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. "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 GIPS Composite Report located in the APPENDIX. Source: Russell Investments, S&P, eVestment Analytics.



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 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 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. **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. **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. **Return on Invested Capital (ROIC):** a profitability or performance ratio that aims to measure the percentage return that a company earns on invested capital. **Seasonally Adjusted Annual Rate (SAAR):** an adjustment made to financial and economic data to take into account seasonal variations that occur through a period and is expressed as an annual total. **Moving Average (MA):** a technical indicator that market analysts and investors may use to determine the direction of a trend. **Gross domestic product (GDP):** is a standard measure of a country's economic health and an indicator of its standard of living. (Technical definitions are sourced from Corporate Finance Institute.)

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 Net of Fees	No. of Portfolios	Composite Assets End of Period (\$MM)	Percent of Firm Assets	Total Firm Assets (\$MM)	Composite Dispersion (%)	Russell 3000 Index	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 12/31/19. 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. In August 2020, new employees joined Sterling Capital Management via the Investment Advisory Group of SunTrust Advisory Services. This reorganization aligns all of the discretionary fixed income asset management activities within Truist under Sterling.
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.