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2nd Quarter 2020 Market Review: Insight SMA

WHAT MATTERS MOST TO YOU MATTERS MOST TO US.



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Sterling Capital Management LLC Risks & Disclosures

- *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.*



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Meet Your Speakers & Agenda

WebEx Agenda:

- Insight SMA Philosophy
- Macro Review
- Insight SMA Activity
- Insight SMA Positioning



Adam B. Bergman, CFA®
Executive Director
PM Insight 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.

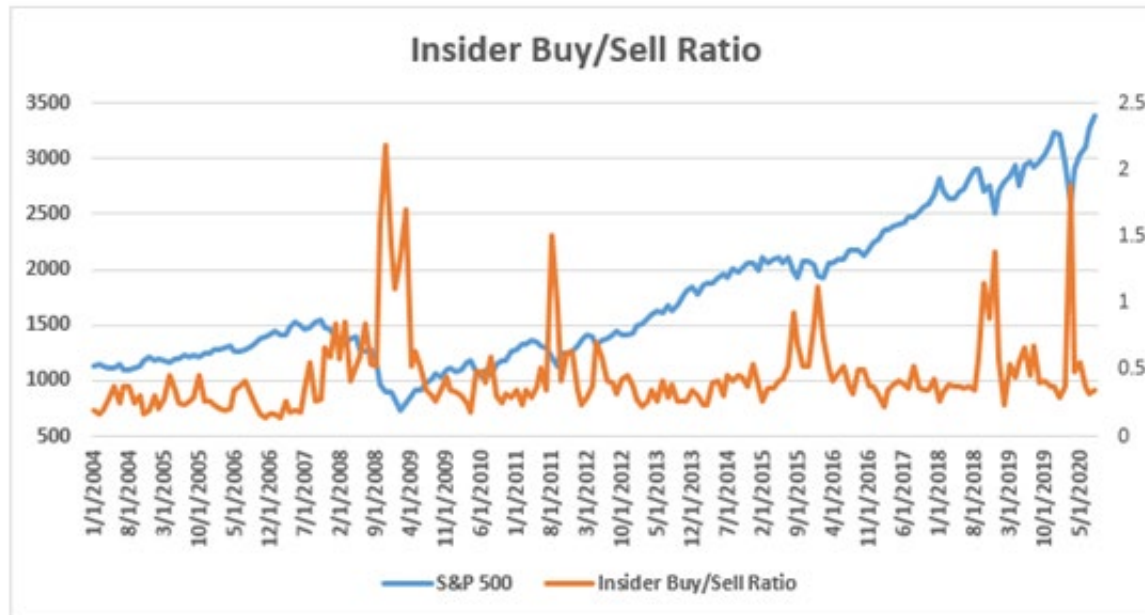


Chart 1. Monthly insider buy/sell ratio.

| Time After Buy/Sell Reaches Above 1 | | S&P 500 Return |
|-------------------------------------|--|----------------|
| 6-Month | | 13.54% |
| 1-Year | | 25.33% |
| 3-Year | | 54.09% |

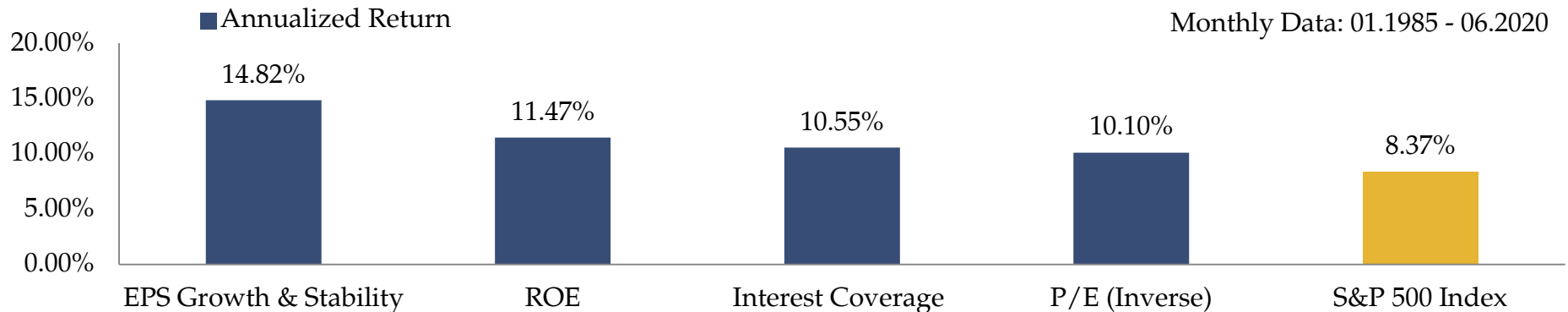
Table 1. S&P 500 performance after the Insider Buy/Sell Ratio reaches above 1.

Source: Cumberland Advisors. An insider is defined as a board member or executive officer of a company, and who is thus subject to strict reporting requirements with regard to purchase or sale of company shares. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index.

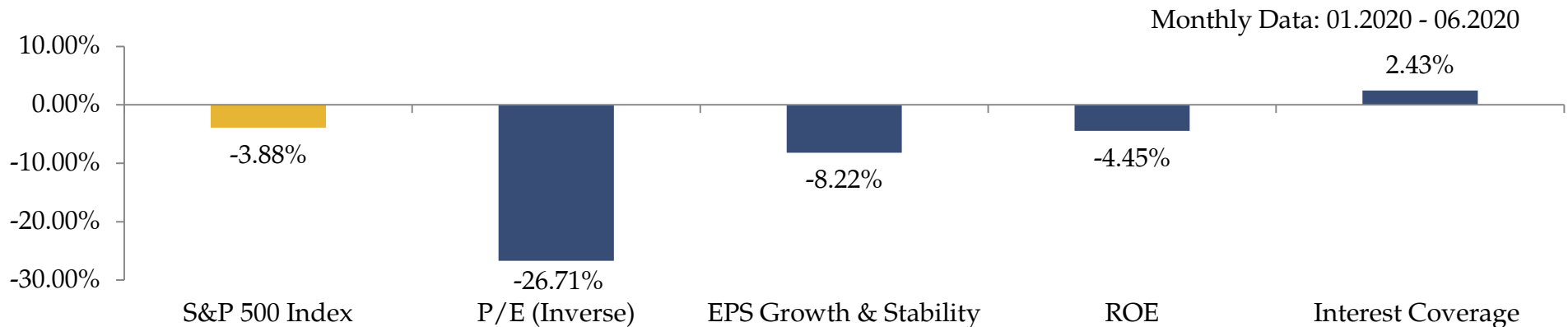


The Investment Team Defines High Quality Stocks as Equities with Attractive Valuations (P/E), Robust Operating Growth (EPS Growth/Stability), High Profitability (ROE), & Strong Balance Sheets (Interest Coverage)

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



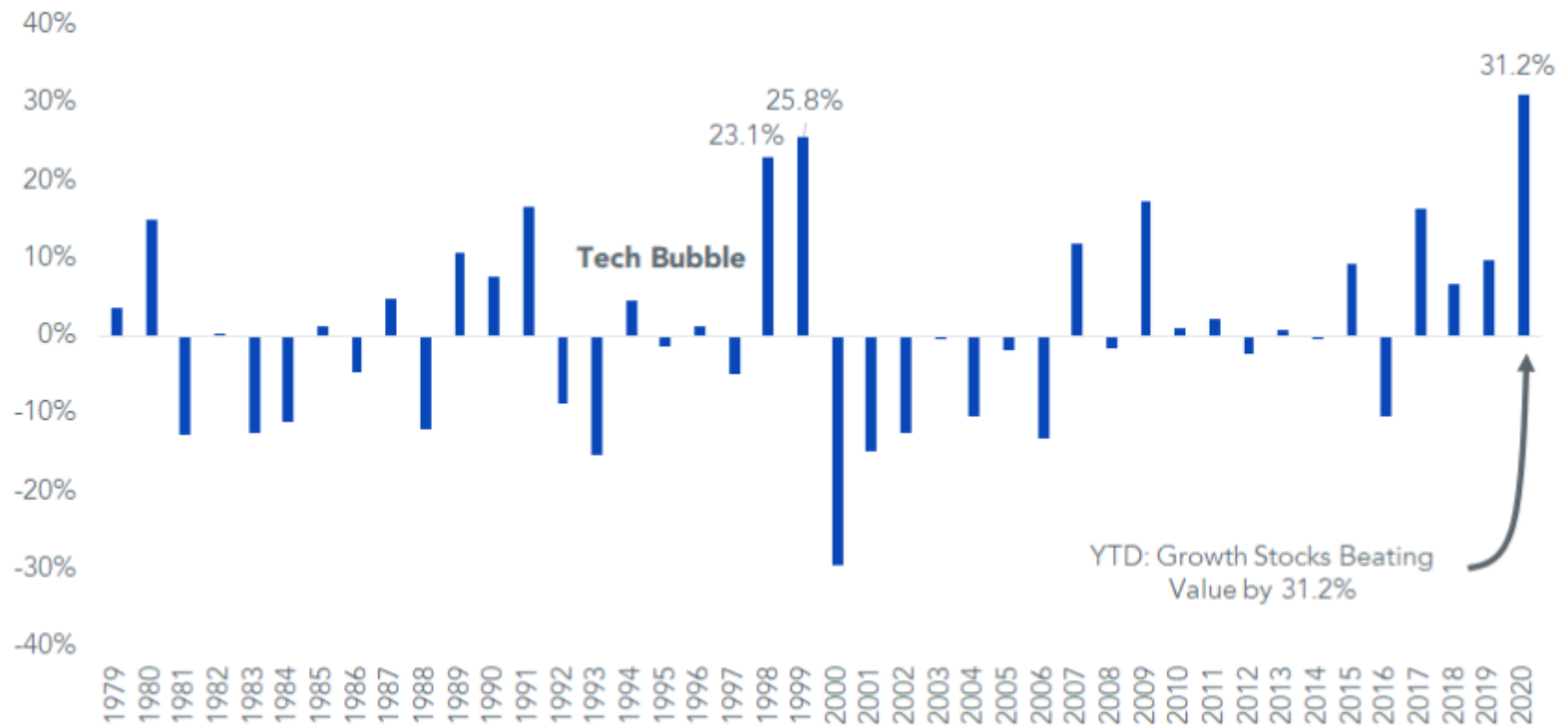
Annualized Return of Top Decile of S&P 500® Index by Factor YTD 06.30.2020



As of 06.30.2020. Source: Ned Davis Research, S&P Dow Jones Indices. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index. Annualized returns are returns over a period scaled down to a 12-month period. This scaling process allows investors to objectively compare the returns of any assets over any period. Please see page 18 for definitions.



Figure 5: Annual Returns, Russell 1000 Growth Minus Russell 1000 Value



Sources: Bloomberg, 12/29/1978–7/31/2020. Past performance is not indicative of future results.

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

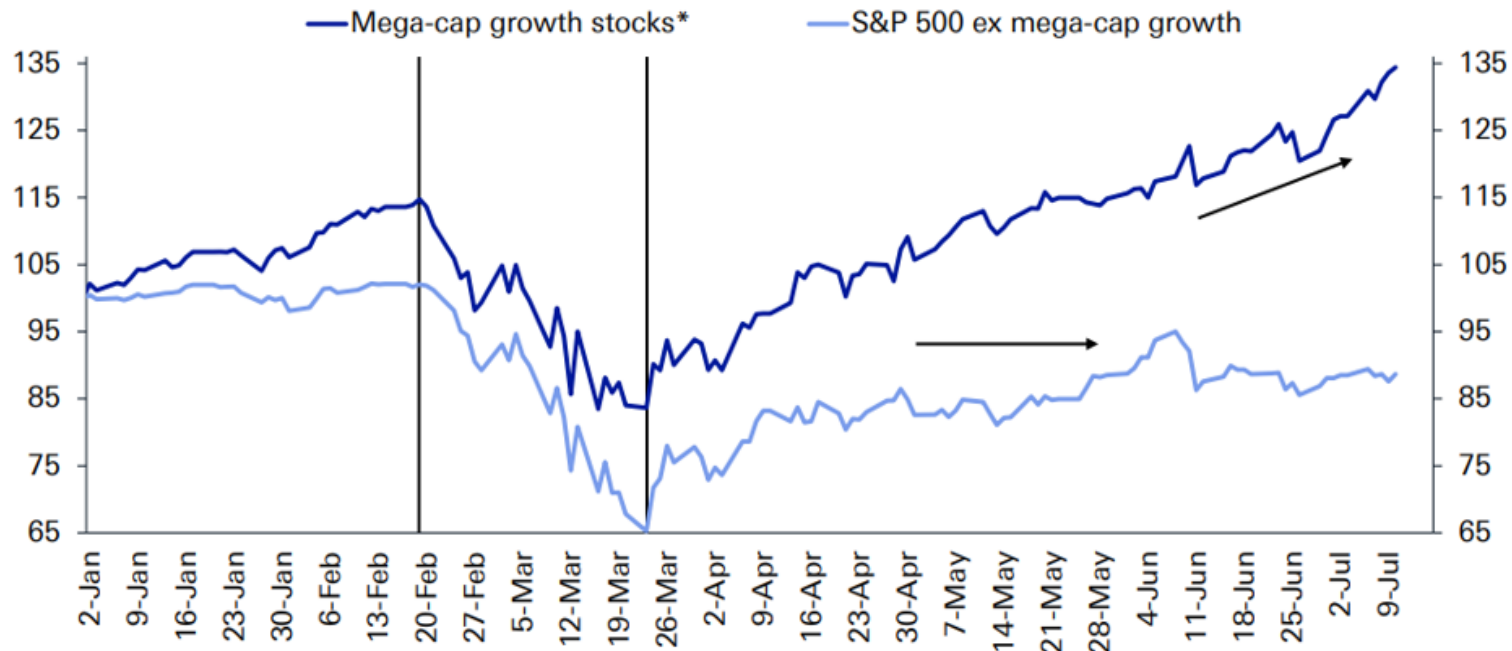
Past performance is not indicative of future results.



Market Concentration Is Rising

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

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



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

Data is as of 07.14.2020. Source: Bloomberg Finance LP, DB Asset Allocation, DB Global Research. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index. 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 v MSCI world ex US



Source: Gerard Minack, Downunder Daily

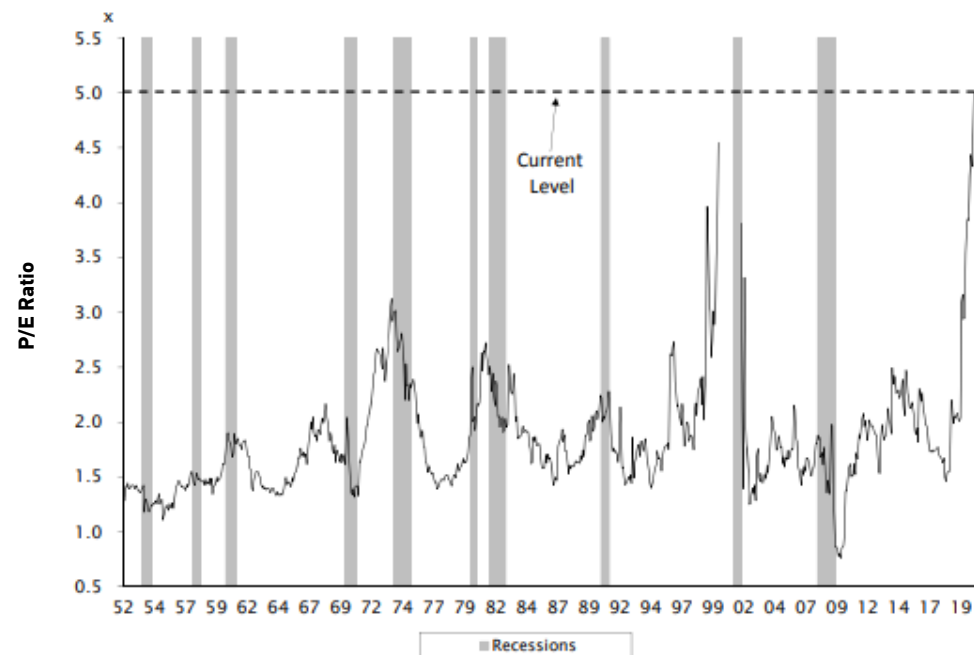
FAAANM stocks account for most of S&P outperformance



Source: Gerard Minack, Downunder Daily. An insider is defined as a board member or executive officer of a company, and who is thus subject to strict reporting requirements with regard to purchase or sale of company shares. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index.



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

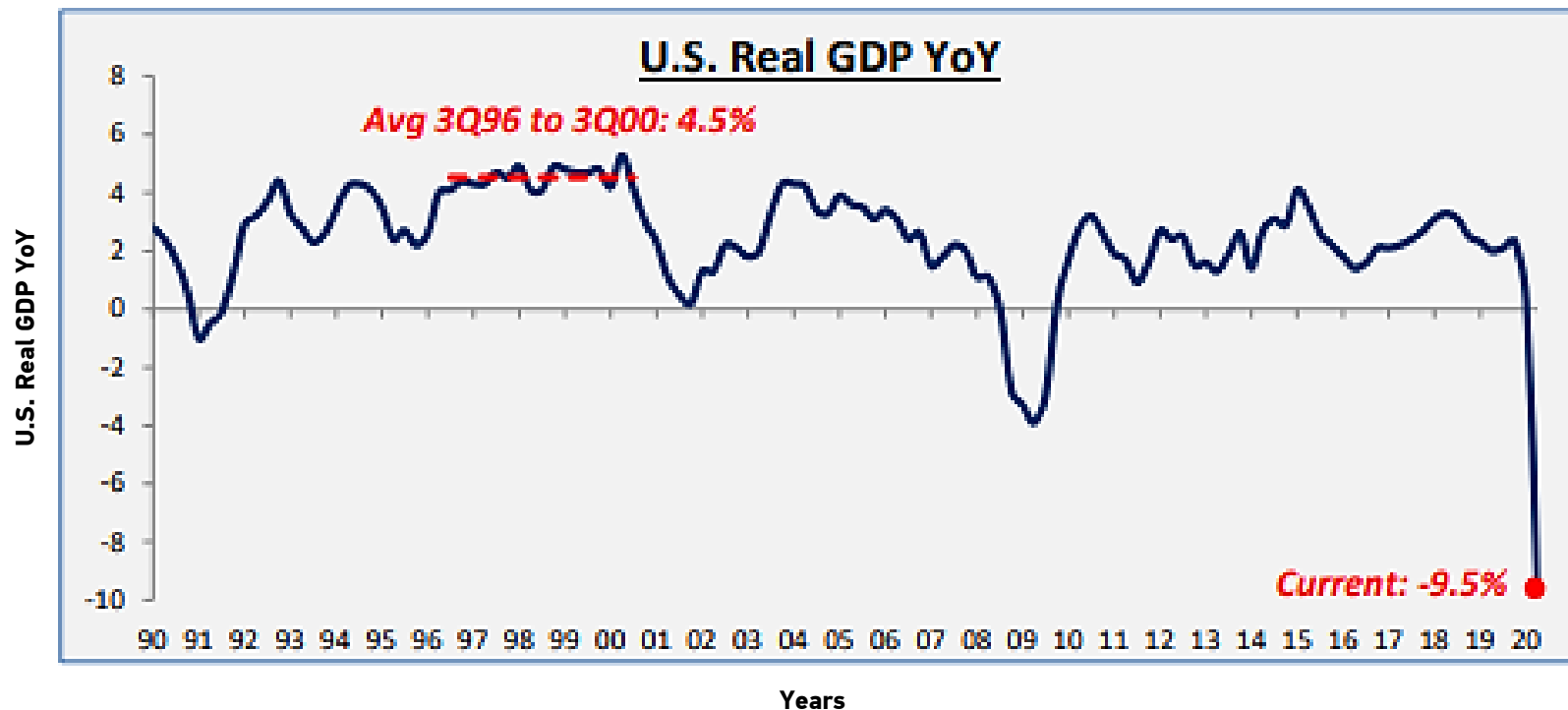


Source: Empirical Research Partners Analysis.

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

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

Past performance is not indicative of future results.



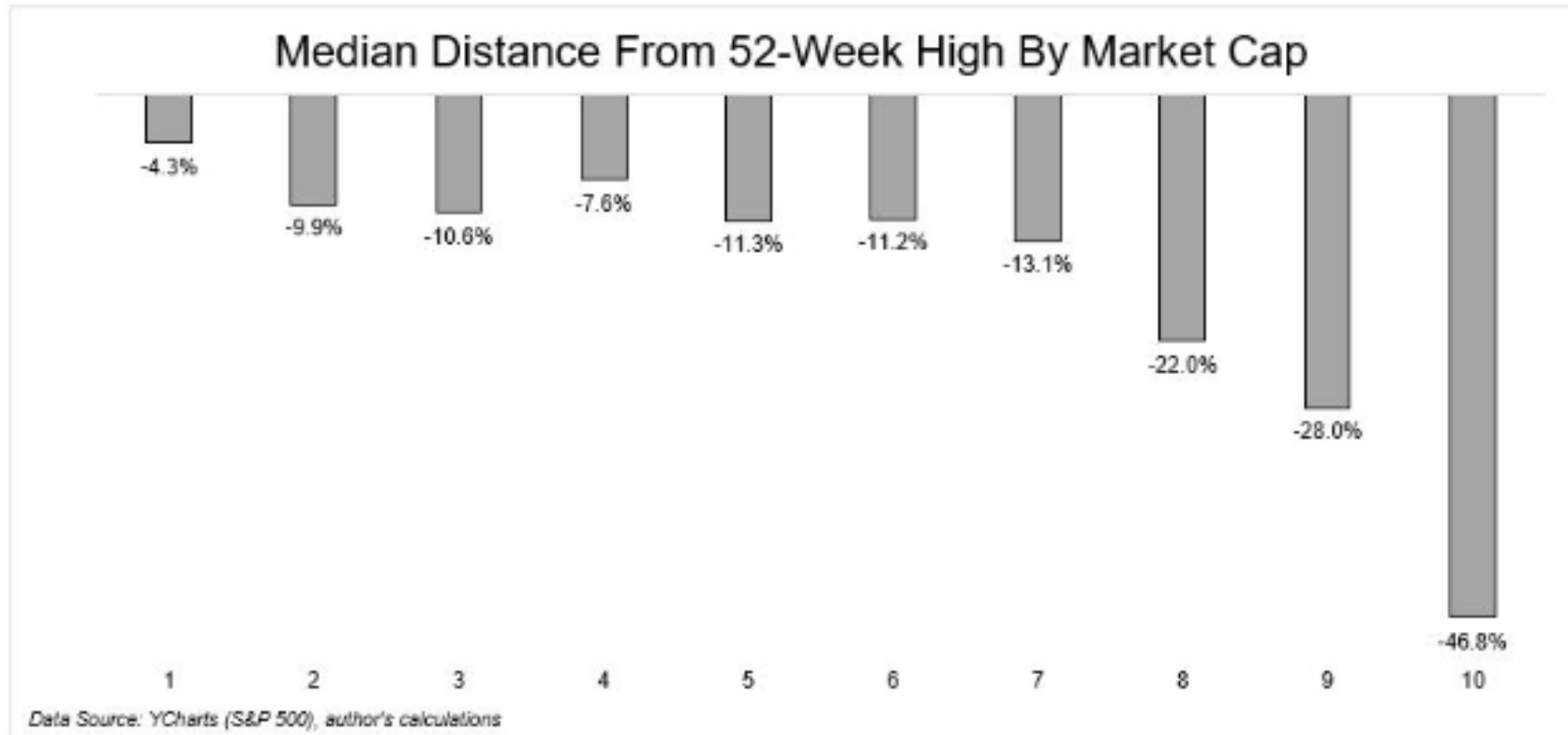
Source: Wolfe Research. Please see page 18 for definitions.

Past performance is not indicative of future results.



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S&P 500® Nears All-Time High, While Most Stocks are Well Below their Highs



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

Past performance is not indicative of future results.



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Sterling Insight Portfolio: 2Q20 Transactions

New Purchases:

- Cooper Companies
- Thomson Reuters
- FMC Corp
- Huntington Ingalls

Sells:

- Wabtec
- Stanley Black & Decker
- Amerco (U-Haul)
- Aptiv

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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Sterling Insight Portfolio: July 2020 Transactions

New Purchases:

- No New Purchases

Sells:

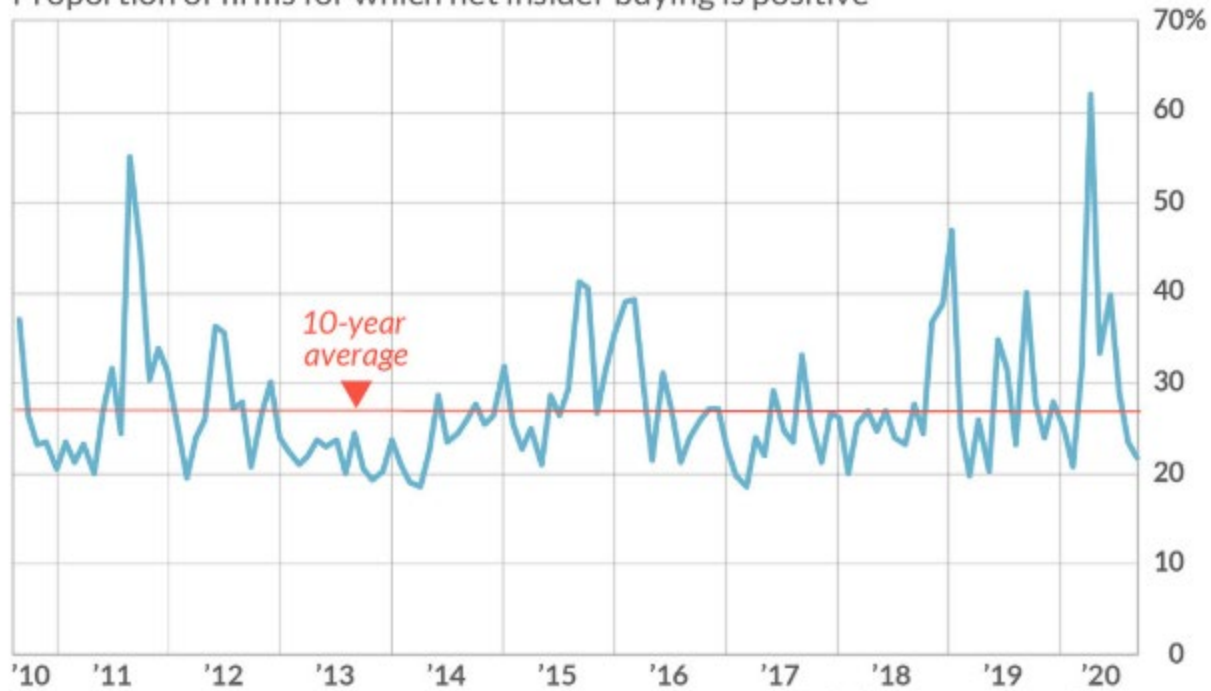
- Activision
- Archer-Daniels Midland

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Insiders have become a lot less optimistic

Proportion of firms for which net insider buying is positive



Source: Nejat Seyhun, www.HulbertRatings.com



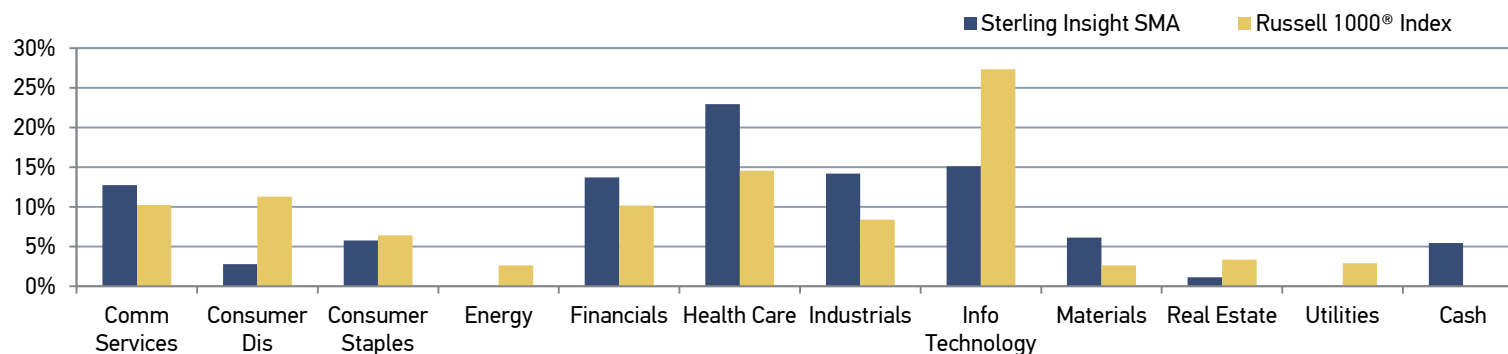
Portfolio Characteristics

| | Sterling | Index |
|--------------------------------------|----------|----------|
| Wtd. Average Market Cap | \$223.7B | \$348.4B |
| Wtd. Median Market Cap | \$57.2B | \$109.1B |
| Wtd. Harmonic Median P/E Ratio (FY1) | 21.0x | 29.5x |
| Median Historical 3-Year EPS Growth | 10.0% | 13.9% |
| Median Est. 3-5 Year EPS Growth | 10.5% | 7.5% |
| Median Net Debt/EBITDA | 2.0 | 2.3 |
| Median Return on Equity | 17.5% | 12.6% |
| Number of Holdings | 29 | 1,004 |
| Active Share | 84.5% | --- |
| Turnover | 69.4% | --- |

Top Ten Equity Holdings

| | |
|-------------------------------------|--------------|
| 1. Microsoft Corporation | 4.3% |
| 2. Alphabet Inc. Class C | 4.2% |
| 3. Cooper Companies, Inc. | 4.2% |
| 4. Corteva Inc | 4.1% |
| 5. Medtronic Plc | 4.1% |
| 6. Marsh & McLennan Companies, Inc. | 3.9% |
| 7. Chubb Limited | 3.9% |
| 8. General Dynamics Corporation | 3.9% |
| 9. UnitedHealth Group Incorporated | 3.9% |
| 10. Thomson Reuters Corporation | 3.9% |
| <i>Total % of Portfolio</i> | <i>40.4%</i> |

Sector Allocation



Data is as of 06.30.2020. Index is Russell 1000®. 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: Russell Investments, Factset, Sterling Capital Management Analytics.



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Q&A

Please click the “raise your hand” icon for questions



Stock Market Returns by President

| President | Party | Initial Election Date | Annualized S&P 500 Return (%) |
|---------------------|------------|-----------------------|-------------------------------------|
| Donald Trump | Republican | November 8th, 2016 | 15.21% |
| Barack Obama | Democrat | November 4th, 2008 | 12.24% |
| George W. Bush | Republican | November 7th, 2000 | -3.11% |
| Bill Clinton | Democrat | November 3rd, 1992 | 18.94% |
| George H.W. Bush | Republican | November 8th, 1988 | 15.10% |
| Ronald Reagan | Republican | November 4th, 1980 | 14.46% |
| Jimmy Carter | Democrat | November 2nd, 1976 | 11.71% |
| Gerald Ford | Republican | August 9th, 1974 | 16.45% |
| Richard Nixon* | Republican | November 5th, 1968 | -0.87% |
| Lyndon Johnson | Democrat | November 22nd, 1963 | 11.77% |
| John F. Kennedy** | Democrat | November 8th, 1960 | 11.50% |
| Dwight Eisenhower | Republican | November 4th, 1952 | 15.30% |
| Harry Truman | Democrat | April 12th, 1945 | 14.94% |
| Franklin Roosevelt* | Democrat | November 8th, 1932 | 9.90% |
| Herbert Hoover | Republican | November 6th, 1928 | -24.65% |

*Through Resignation

**Through Death

Source: Seeking Alpha. 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.



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 500 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.

Russell 1000®: The Russell 1000® Index measures the performance of the large-cap segment of the US 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 US 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.

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

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

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. **Return on Equity:** the amount of net income returned as a percentage of shareholders equity. **Interest Coverage Ratio:** interest coverage ratio is a debt ratio and profitability ratio used to determine how easily a company can pay interest on its outstanding debt. **Market Capitalization:** the aggregate market value of a company represented in dollar amount. **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. **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. **Turnover:** a measure of how frequently assets within a fund are bought and sold by the managers. **Gross Domestic Product (GDP):** 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.)

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.



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Equity Opportunities Investment Professionals

George F. Shipp, CFA®, Managing Director, founded the CHOICE Asset Management team of BB&T Scott & Stringfellow in 2000 after serving for 18 years as a sell-side equity analyst within Scott & Stringfellow. In January 2013, the CHOICE team integrated with Sterling Capital Management and was renamed as the firm's Equity Opportunities Group. George has investment experience since 1982 and is the lead portfolio manager for the Equity Income and Special Opportunities strategies and has been since their inception. George received his B.A. in Biology from the University of Virginia and his M.B.A. from the University of Virginia's Darden School of Business. He holds the Chartered Financial Analyst® designation.

Adam B. Bergman, CFA®, Executive Director, joined the CHOICE Asset Management team of BB&T Scott & Stringfellow in 2007. In January 2013, the CHOICE team integrated with Sterling Capital Management and was renamed as the firm's Equity Opportunities Group. Adam has investment experience since 1996 and is an equity portfolio manager. Prior to joining the team, he directed the investor relations efforts at Advance Auto Parts and Dollar Tree Stores. Prior to working in investor relations, he served as a sell-side research analyst at Scott & Stringfellow. Adam received his B.S. in Commerce from the University of Virginia's McIntire School of Commerce. He holds the Chartered Financial Analyst® designation.

Colin R. Ducharme, CFA®, Executive Director, joined the CHOICE Asset Management team of BB&T Scott & Stringfellow in 2011. In January 2013, the CHOICE team integrated with Sterling Capital Management and was renamed as the firm's Equity Opportunities Group. Colin has investment experience since 2004 and is an equity portfolio manager. Prior to joining Sterling, he was a vice president at Chase Investment Counsel, an independent registered investment advisor. Colin received his B.A. in Physics from the University of Virginia, and his M.B.A. and S.M. in Materials Science and Engineering from the Massachusetts Institute of Technology. He is a licensed CPA and holds the Chartered Financial Analyst® designation.

Joshua L. Haggerty, CFA®, Executive Director, joined the CHOICE Asset Management team of BB&T Scott & Stringfellow in 2005. In January 2013, the CHOICE team integrated with Sterling Capital Management and was renamed as the firm's Equity Opportunities Group. Josh has investment experience since 1998 and is an equity portfolio manager. Prior to joining the team, he worked for Vantage Consulting Group where his responsibilities included managing a long/short hedge fund. Josh received his B.B.A. in Finance from James Madison University. He holds the Chartered Financial Analyst® designation.

R. Griffith Jones, Executive Director, joined the CHOICE Asset Management team of BB&T Scott & Stringfellow in 2000. In January 2013, the CHOICE team integrated with Sterling Capital Management and was renamed as the firm's Equity Opportunities Group. Griff has investment experience since 2000 and is a senior equity trader. Prior to joining the team, he worked as the general manager for United Winner Metals. Griff received his B.A. in Political Science from the University of Richmond and his M.S. in Finance from New York University.

Jeremy M. Lopez, CFA®, Executive Director, joined Sterling Capital Management in 2016 and has investment experience since 1997. Jeremy is a senior equity analyst. Prior to joining Sterling, he worked as an equity research analyst at Herndon Capital Management and Wells Capital Management. Jeremy received his B.A. in Economics from Wheaton College and his M.B.A. from the University of Chicago's Booth School of Business. He holds the Chartered Financial Analyst® designation.

Daniel A. Morrall, Executive Director, joined Sterling Capital Management in 2014 and has investment experience since 2001. Dan is a senior equity analyst. Prior to joining Sterling, he worked as an equity analyst for Harber Asset Management and S Squared Technology LLC, technology-biased long/short funds. Dan received his B.S. in Business and Economics from Washington and Lee University, his M.B.A. from Columbia Business School, and his M.S.I.T. from Capella University.

Whitney L. Stewart, CFA®, Executive Director, joined Sterling Capital Management in 2018 and has investment experience since 2005. Whitney is a Client Portfolio Manager, focusing on Sterling's equity franchise. Prior to joining Sterling, he was a portfolio specialist supporting the sales effort with the various affiliates within AMG Funds. Before his time at AMG, he was a research analyst and investment counselor with Fisher Investments. Whitney received his B.A. in Economics from University of North Carolina at Chapel Hill. He holds the Chartered Financial Analyst® designation.

Charles J. Wittmann, CFA®, Executive Director, joined Sterling Capital Management in 2014 and has investment experience since 1995. Chip is an equity portfolio manager. Prior to joining Sterling, he worked for Thompson Siegel & Walmsley as a portfolio manager and (generalist) analyst. Prior to TS&W, he was a founding portfolio manager and analyst with Shockoe Capital, an equity long/short hedge fund. Chip received his B.A. in Economics from Davidson College and his M.B.A. from Duke University's Fuqua School of Business. He holds the Chartered Financial Analyst® designation.

Rebecca A. Dorfman, Director, joined the CHOICE Asset Management team of BB&T Scott & Stringfellow in 2010. In January 2013, the CHOICE team integrated with Sterling Capital Management and was renamed as the firm's Equity Opportunities Group. Rebecca has investment experience since 2008 and is a trader/portfolio implementation specialist responsible for client service and trading client accounts for the Equity Opportunities portfolios. Prior to joining the team, she worked for an institutional sales team at Scott & Stringfellow. Rebecca received her B.A. in Interdisciplinary Studies with a minor in World Religions from Virginia Commonwealth University.

Timothy B. Reyes, Director, joined the CHOICE Asset Management team of BB&T Scott & Stringfellow in 2009. In January 2013, the CHOICE team integrated with Sterling Capital Management and was renamed as the firm's Equity Opportunities Group. Tim has investment experience since 2004 and is an equity trader responsible for trading client accounts for the Equity Opportunities portfolios as well as creating and maintaining reports for the portfolios. Prior to joining the team, he worked at Wachovia Securities in the prime broker department and at Scott & Stringfellow in the mutual funds department. Tim received his B.A. in Economics from Virginia Tech. He also holds an Accounting Certificate from Virginia Commonwealth University.



The **Accredited Asset Management Specialist® (AAMS)** is a professional designation awarded by the College for Financial Planning (CFP) to financial professionals who successfully complete a self-study program, pass an exam, and agree to comply with a code of ethics. To keep the privileges associated with the designation, AAMS professionals must complete 16 hours of continuing education every two years.

The **Associate of the Society of Actuaries (ASA)** is a professional organization for actuaries based in North America. The Society's vision is for actuaries to be recognized as the leading professionals in the modeling and management of financial risk and contingent events. Requirements for membership for the SOA include the actuarial exams, a comprehensive series of competitive exams. Topics covered in the exams include mathematics, finance, insurance, economics, interest theory, life models, and actuarial science.

The **Certified Financial Planner® (CFP)** certification is a graduate-level credential awarded by the CFP Board. To earn the CFP, candidates must: 1) take the required coursework; 2) meet educational requirements; 3) pass the examination; 4) have qualifying experience; and 5) agree to adhere to the CFP Board's standards of ethics and professional conduct.

The **Certified Investment Management Analyst® (CIMA)** credential is a graduate-level investment certification and is awarded by the Investment Management Consultants Association® (IMCA) - that sets global standards for the investment management consulting profession. To earn the CIMA designation, candidates must: 1) have at least three years of qualified financial experience; 2) Pass an extensive background check; 3) complete the two-step program of study; 4) pass the qualification and certification examinations; and 5) adhere to the IMCA's Ethics and other ongoing standards.

The **Certificate in Investment Performance Measurement® (CIPM)** program is a graduate-level investment performance and risk evaluation credential and is awarded by CFA Institute — the largest global association of investment professionals. To earn the CIPM, candidates must: 1) pass two sequential examinations; 2) have at least two years of qualified professional investment experience; 3) join CIPM Association; and 4) commit to comply with the CFA Institute Bylaws and Rules of Procedure.

The **Certified Public Accountant Licensure (CPA)** is a graduate-level accounting license and is awarded by the American Institute of CPAs (AICPA). To earn the CPA licensure, candidates must: 1) have at least two years of public accounting experience; and 2) pass the examination. Please note, every state has its own education and experience requirements that must be met.

The **Certified Regulatory and Compliance Professional™ (CRCP)** designation is a graduate-level compliance certification and is awarded by the Financial Industry Regulatory Authority (FINRA). To earn the CRCP designation, candidates must: 1) pass two weeklong residential courses; 2) pass the two consecutive examinations; and 3) meet continuing education requirements.

The **Certified Treasury Professional® (CTP)** designation is recognized as the leading credential in corporate treasury worldwide and awarded by the Association for Financial Professionals® (AFP). To earn the CTP designation, candidates must: 1) pass the examination, 2) have at least two years of qualified work/education/teaching experience, and 3) meet continuing requirements.

The **Chartered Alternative Investment Analyst® (CAIA)** charter is a graduate-level alternative investment credential awarded by the CAIA Association - a global provider of Alternative Investment education. To earn the CAIA, candidates must: 1) pass two sequential examinations.

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 **Chartered Financial Consultant® (ChFC)** credential was introduced in 1982 as an alternative to the CFP® mark. This designation has the same core curriculum as the CFP® **designation**, plus two or three additional elective courses that focus on various areas of personal financial planning. To secure the designation, applicants must have three years of full-time business experience within the preceding five years and must complete nine college-level courses, equivalent to 27 semester credit hours (9 courses).

The **Chartered Retirement Planning Counselor® (CRPC)** designation is a retirement planning credential and is awarded by the College for Financial Planning. To earn the CRPC, candidates must: 1) complete the educational program; 2) pass the final examination; 3) complete the designation application.

The **Certified Trust and Fiduciary Advisor (CTFA)** designation is a professional designation offered by the American Bankers Association (ABA), which provides training and knowledge in taxes, investments, financial planning, trusts, and estates.

Sterling Capital Management – Insight SMA Composite

August 31, 2011 – December 31, 2019

***Description:** Consists of all discretionary separately managed wrap Insight portfolios. Sterling’s Insight equity portfolios invest primarily in companies where there has been recent insider buying activity; we also retain the flexibility to own companies in which insiders own a substantial stake.*

| | Total Return "Pure" | Total Return | No. of | Composite Assets | Percent of | Total | | Russell | Composite | Benchmark |
|----------------------------|------------------------|--------------|------------|------------------|-------------|-------------|----------------|---------|-------------|-------------|
| | Gross of Fees | Net of Fees | Portfolios | End of Period | Firm Assets | Firm Assets | Composite | 1000 | 3-yr St Dev | 3-yr St Dev |
| Year | | | | (\$MM) | | (\$MM) | Dispersion (%) | Index | (%) | (%) |
| 2019 | 34.77 | 33.19 | 49 | 21 | 0.0 | 58,191 | 0.71 | 31.43 | 11.28 | 12.05 |
| 2018 | -4.10 | -5.26 | 51 | 16 | 0.0 | 56,889 | 0.38 | -4.78 | 10.79 | 10.95 |
| 2017 | 25.37 | 23.78 | 57 | 18 | 0.0 | 55,908 | 0.35 | 21.69 | 9.18 | 9.97 |
| 2016 | 10.39 | 8.88 | 146 | 33 | 0.1 | 51,603 | 0.30 | 12.05 | 9.92 | 10.69 |
| 2015 | 5.14 | 3.69 | 116 | 29 | 0.1 | 51,155 | 0.25 | 0.92 | 9.35 | 10.48 |
| 2014 | 7.41 | 5.88 | 134 | 29 | 0.1 | 47,540 | 0.24 | 13.24 | 9.42 | 9.12 |
| 2013 | 28.48 | 26.64 | 121 | 27 | 0.1 | 45,638 | 0.24 | 33.11 | | |
| 2012 | 17.74 | 16.17 | 74 | 14 | 0.3 | 4,422 | 0.08 | 16.42 | | |
| 2011 (Inception 8/31/11) | 4.86 | 4.62 | 2 | 0 | 0.0 | 3,932 | | 3.50 | | |
| Annualized Since Inception | 15.00 | 13.50 | | | | | | 14.66 | | |

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. Adam B. Bergman, 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: August 31, 2011. Creation date: August 31, 2011. The appropriate index is the Russell 1000 Index which measures the performance of the largest 1,000 US companies, representing over 90% of the investable US market. 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. 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. Returns are not calculated net of non-reclaimable withholding taxes due to immaterial dollar amounts.
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 and other administrative fees. 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.