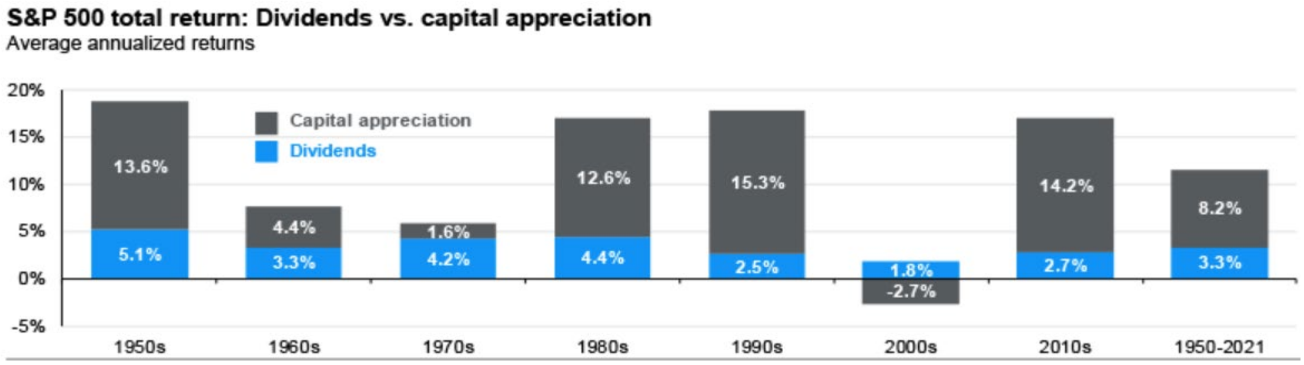
Equity Income SMA Commentary

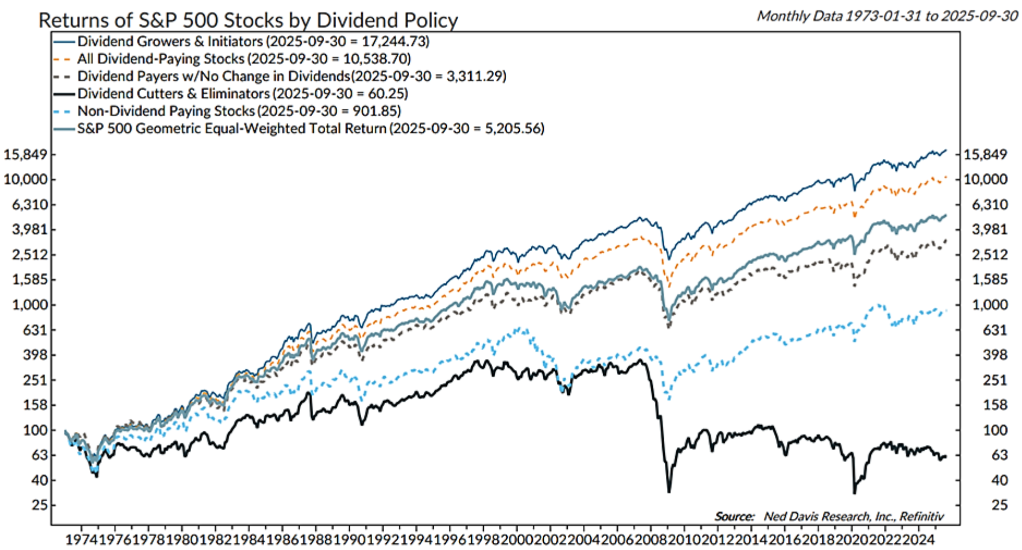
3rd Quarter 2025

Dividends matter – that's the simple philosophy underlying the Sterling Capital Equity Income portfolio. From 1950-2021, the S&P 500® Index appreciated (price only) at an 8.2% compound rate, while total return (including reinvested dividends) was 11.5% per year. If that 3.3% per-year difference sounds trivial, consider the beauty of compounding over those 71 years. A $100 investment at 12.31.1950 would have grown to $26,924 from price appreciation alone, but to $227,256 assuming reinvestment of all cash flows. Reinvested dividends provided nearly 29% of the stock market's total return over time.



Source: J.P. Morgan Asset Management

To maximize our perceived odds of investment success, we go two steps further in selecting companies for our portfolio. First, we consider only those stocks whose prevailing dividend yield is above that offered by the S&P 500, and second, we require that dividends have grown for at least three consecutive years or in six of the last ten years. As Ned Davis Research (NDR) shows below, stocks that are able to increase payouts over time outperform the overall stock market as well as the no-dividend stocks which often garner the most attention. Once again, the difference is meaningful: dividend growers offered a 10.3% compound return for over 50 years, compared to 7.8% for equally-weighted members of the S&P 500, 4.3% for non-dividend constituents, and a woeful -1.0% for companies that cut their dividends.



Portfolio Performance Statistics
Analysis Dates: 1973-01-31 - 2025-09-30

Portfolio	Gain/Annum %	Growth of $100
Dividend Growers & Initiators	10.3	17244.7
All Dividend-Paying Stocks	9.2	10538.7
Dividend Payers w/No Change in Dividends	6.9	3311.3
Dividend Cutters & Eliminators	-1.0	60.2
Non-Dividend Paying Stocks	4.3	901.9
S&P 500 Geometric Equal-Weighted Total Return	7.8	5205.6

Returns based on monthly equal-weighted geometric average of total returns of S&P 500 component stocks, with components reconstituted monthly.
Source: Ned Davis Research.

Index performance of the S&P 500 is for illustrative purposes only. The volatility of an index varies greatly. Indices are unmanaged and investments cannot be made directly in an index.

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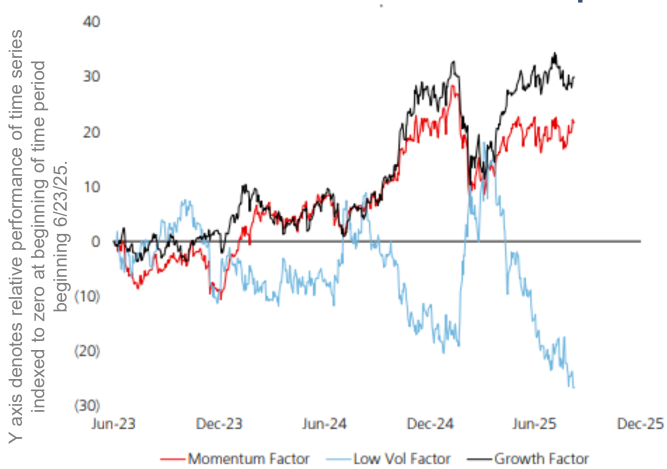
Quarterly Review

Performance	QTR	YTD	1YR	3YR	5YR	10YR	Since Inception[1]
Sterling (Pure Gross)	1.34%	3.51%	-1.56%	11.88%	12.41%	11.52%	9.96%
Sterling (Net)	0.60%	1.25%	-4.44%	8.64%	9.16%	8.29%	6.77%
Russell 1000® Value Index	5.33%	11.65 %	9.44%	16.96%	13.88%	10.72%	7.62%

In 3Q25, the Equity Income strategy returned 1.34% on a gross basis and 0.60% on a net of fee basis, relative to the 5.33% return for the Russell 1000® Value Index.

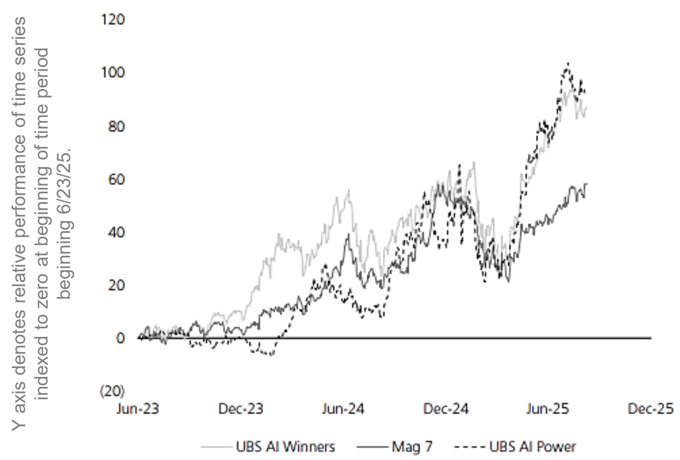
We believe the prevailing winds that impacted the Equity Income strategy's relative performance in the second quarter largely continued into the third quarter as momentum and beta were prominent factors that contributed to index performance. For example, the S&P 500® Index returned 8.1% in the quarter which we view as a healthy result, but the high beta cohort outperformed the broader index by 480 basis points (bps) while the dividend aristocrat portion of the index underperformed by 510 bps.* We also see in the charts below that momentum and growth factors remained robust while low volatility stocks underperformed. As the Equity Income strategy has a beta of roughly 0.8% versus the Russell 1000® Value (based on data back to December 31, 2000), and our median five-year trailing dividend growth is over 50% higher than our benchmark, we believe conditions for relative outperformance remain less than ideal.

Factor Performance - Cumulative L/S Spreads



L/S = Long/Short. Source: UBS Holt.

Cumulative Excess Return



AI = artificial intelligence. Source: UBS Holt.

*The S&P 500® High Beta Index measures the performance of 100 constituents in the S&P 500 that are most sensitive to changes in market returns. The index is designed for investors initiating a bullish strategy or making a directional bet on current markets. S&P 500 ® Dividend Aristocrats® measure the performance of S&P 500 companies that have increased dividends every year for the last 25 consecutive years. The Index treats each constituent as a distinct investment opportunity without regard to its size by equally weighting each company.

[1]Inception date is 12.31.2000. Data is as of 09.30.2025. The benchmark is the Russell 1000 Value. Performance results prior to 01.01.2013 are considered "predecessor performance" and were achieved by the Equity Opportunities team when they were known as CHOICE Asset Management, a division of Scott & Stringfellow. The net of fee performance reflects the deduction of the maximum SMA bundled fee of 3.00% annually for all periods presented. Performance is preliminary and is annualized for periods longer than one year. Net of fees performance returns are presented net of the SMA bundled fee, which includes all charges for trading costs, advisory services, portfolio management, custody and other administrative fees. "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 SCM'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. Please refer to the attached GIPS Composite Report for additional disclosures. Sources: Russell Investments; eVestment Alliance; Sterling Capital Management Analytics.

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As the figure on the right on the previous page shows, market returns also remained concentrated on the artificial intelligence (AI) theme, as well as around the “Magnificent 7”. This dynamic became more material to the Equity Income strategy’s relative performance in Q3 given that Russell added approximately 550 bps of Google, Amazon, and Meta to the Value index as of June 30. Importantly, this was not the first time these stocks have moved into (and later out of) the index, but it is unique that these three entered the Russell 1000 Value in such a seemingly large scale. We would note that none of these three stocks meet our criteria for dividend yield or growth. However, the impact on the portfolio’s performance was material, in our view; Alphabet returned over 37% in the quarter, which we estimate at its benchmark weight accounted for roughly 100 basis points of headwind in the quarter, while the impact of Meta and Amazon was roughly neutral.

By sector, the Equity Income portfolio performed well in consumer discretionary and consumer staples, with names like **D.R. Horton** contributing positively in consumer discretionary (see below), and the stock-specific performance of **Pepsi** and **Altria** driving a 9% return in our consumer staples holdings in Q3 versus a roughly 2% decline in the benchmark. The biggest sector detractor was industrials; our industrials stocks declined 1.5% (at a larger than benchmark weight) versus a 5% benchmark return in the sector. We estimate this may have been a mix of both stock-specific issues like **Deere & Company** (see below) and style dynamics. Performance in technology and financials was also a headwind which may have been driven by more stock-specific factors (see below for commentary on **Accenture, Ameriprise,** and **Marsh**).

3Q25 Attribution

Leading Contributors	Portfolio Weight	Total Return	Gross Contribution to Return
AbbVie	3.04%	25.84%	0.72%
D.R. Horton	2.33%	31.80%	0.62%
Home Depot	3.37%	11.13%	0.35%
Raymond James	2.44%	12.90%	0.29%
Charles Schwab	5.95%	4.93%	0.26%

Sources: FactSet; Sterling Capital Management Analytics.

AbbVie (+25.8%) %) was the largest contributor in Q3 driven by continued strong growth in both Rinvoq and Skyrizi, which combined grew over 40% year-over-year. Also, the company reached an intellectual property (IP) settlement in the quarter regarding Rinvoq that gives it exclusivity through 2037. We believe AbbVie continues to make progress with drugs outside its immunology franchise, with Tavapadon showing potentially promising trial results in neurological conditions like Parkinsons.

D.R. Horton (+31.8%) performed well in our first quarter of ownership, in our view, as 30-year fixed mortgage rates fell in the period by approximately 50 bps. In addition, orders were flat in Q2, or well above consensus expectations, while gross margins came in 30 bps above the high end of company management’s 21-21.5% forecast as inflation in key cost inputs moderated.

This dynamic of lower rates also aided **Home Depot (+11.1%)** in the period, seemingly driving more interest in repair and remodel activity, and growth in comparable sales back to positive territory at 1% after ten consecutive quarters of negative comparable sales growth.

The “Magnificent 7” stocks consist of: (Apple (AAPL), Microsoft (MSFT), Amazon (AMZN), Alphabet (GOOGL), Meta Platforms (META), Tesla (TSLA), and NVIDIA (NVDA).

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In wealth management, shares of **Raymond James (+12.9%)** and **Charles Schwab (+4.9%)** also contributed positively to the Equity Income portfolio's performance. Both companies seem to continue to benefit from healthy activity in the equity markets from trading activity and market appreciation. We would note that Schwab continues to pay down high-interest borrowing and has begun to embark on material share repurchases. Raymond James has continued on that path versus fund high-multiple acquisitions; it also continues to see attractive growth in investment banking.

The top five individual stock detractors in the quarter are as follows:

Leading Detractors	Portfolio Weight	Total Return	Gross Contribution to Return
Accenture PLC Cl-A	2.93%	-17.07%	-0.58%
Elevance Health	2.53%	-16.46%	-0.53%
Ameriprise Financial	4.15%	-7.67%	-0.33%
Deere & Company	2.94%	-9.76%	-0.30%
Marsh & McLennan	3.14%	-7.43%	-0.25%

Sources: FactSet; Sterling Capital Management Analytics.

Accenture (-17.1%) was the largest detractor in the quarter. First, the company encountered headwinds in its federal government business, which is a high single-digit percentage of revenue. Second, it is perceived that generative AI may be a threat to its business. We would note that Accenture's AI bookings growth accelerated in fiscal Q424, doubling year-over-year to almost 10% of total bookings. We believe Accenture is well-positioned to help large corporations incorporate and derive cost savings from the adoption of generative AI and other digital technologies.

Elevance (-16.5%) weakened in the quarter as it seems to continue to work through higher medical costs that we feel are impacting margins. On its Q2 call, Elevance management noted medical cost trends worsened, particularly in its Medicaid and Affordable Care Act business lines; this resulted in a more than 10% reduction in earnings per share (EPS) guidance this year to ~$30 per share. Longer term, we would note that Elevance has contractual protection on cost trends in its Medicaid business, albeit on a delayed basis, while it is able to reprice most other lines of business on an annual basis.

Ameriprise (-7.7%) fell despite our belief of favorable equity market conditions described above, as falling rates may have started to pressure the portion of company earnings driven by the net-interest spread on client deposits. Also, we believe the environment to recruit new advisors remains competitive and may be a limiting factor on potential advisor growth. Having said this, we believe Amerirpise remains a strong franchise with exceptional capital allocation, including mid single-digit share repurchases annually in recent years.

Deere & Company (-9.8%) fell in response to fiscal Q3 results as we feel that business trends reflect an elongated downcycle in agricultural equipment demand. While dealer inventories have been reduced, end-market commodity prices of key inputs are depressed as a result of bumper crop. That said, we like valuation based on our future estimate of Deere's potential earnings power, the policy backdrop for capital investment and U.S. farmers, and Deere's opportunity in precision farming equipment.

Marsh & McClennan (-7.4%) lagged as organic growth of 5% in its insurance services segment has been lower than the 7-10% growth generated in the prior four years. While growth has moderated, we would note this is only in comparison to an overall insurance pricing environment that had been challenging in the wake of the post-COVID-19 inflationary cycle. Marsh tends to see clients take on more coverage when pricing moderates. Finally, we believe valuation increasingly looks attractive.

Portfolio Activity

We added shares of **Honeywell International Inc. (HON)** in Q3. Honeywell is a large industrial conglomerate with industry-leading businesses in aerospace, manufacturing/building automation, energy technology, and specialty chemicals. Once an operational powerhouse with market-leading returns, we believe the stock has underwhelmed over the past five years as growth has disappointed and its complex structure has led to a conglomerate discount on its trading multiple. At the urging of Elliott Management, who in Q424 took a reported >$5B activist position in the company, Honeywell announced their intention to break apart the company earlier this year. This included the spinoff of their specialty chemicals businesses by the end of 2025 and the spinoff of their leading aerospace and defense business in the second half of 2026. We believe this is the right direction for the company as the simplification of the organization may allow the market to more properly value the individual businesses that make up Honeywell today. In summary, we believe the sum-of-the-parts upside opportunity in Honeywell could be substantial.

We sold our shares in **Becton Dickinson (BDX).** When we purchased shares late last year, our thesis was based on the possible opportunity for the company to see earnings accelerate back to low double-digit growth as steady trends in its hospital and pharmaceutical supply businesses continued and headwinds in its Life Sciences division abated. However, the story evolved differently than we anticipated, starting with the Trump administration's focus on federal cost savings that included targeting the National Institutes of Health, which may have led to incremental headwinds in the company's Life Sciences business. Also, an activist campaign led by Starboard urged the company to spin out this division. While we saw a favorable sum-of-the-parts argument for shares, the culmination of these efforts came to a head in July when the company announced a complex transaction with Waters Corporation. We saw a nuanced and potentially lengthy path to realization of value; in turn, we decided to rotate to ideas where we have greater conviction.

Please refer to the Performance Disclosure found on page 11.
Please refer to the preceding table titled "Performance", which provides the gross and net of fee returns of the composite, including performance results for the prescribed 1-year, 5-year, and 10-year periods (or since inception, as applicable).
For a full discussion of portfolio changes, please refer to our stock writeups issued in the month after the activity.

We also sold **Valero (VLO)** in the quarter. Valero is a leading North American refiner that turns crude oil into everyday transportation fuels (chiefly gasoline, diesel, and jet fuel) across a network of 15 refineries. At purchase, we liked Valero's unmatched scale and operational versatility. We were equally drawn to the company's disciplined financial stewardship. Management consistently funneled 40-50% of operating cash flow back to shareholders while keeping leverage modest. After two years, Valero's earnings trajectory swung sharply; the spread between the price VLO sells products versus the cost it pays for crude oil has slid toward mid-cycle levels, driving a longer earnings soft patch than assumed. Also, an influx of subsidized renewable diesel has crushed Low Carbon Fuel Standard credit prices and squeezed margins, while forthcoming federal policy rules may challenge the economics of Valero's renewable ventures. Accordingly, we opted to rotate to better perceived investment ideas.

Outlook

We believe that the U.S. economy appears to have avoided worst case scenarios (i.e. recession, stagflation) after lingering inflation was met with the shock of heavy protectionist policies in early 2025. Following a 0.6% contraction in Q1, gross domestic product (GDP) growth recovered to 3.8% in Q2 and may be on track to grow to 3.9% in Q3, according to Atlanta Fed's "GDPNow" real-time estimator. Consumer spending, moreover, has remained largely resilient as inflation has moderated. While tariffs have likely been disruptive for business investment, this component of GDP remains positive while government spending has been flattish year-to-date. Going into Q3 earnings, we feel that technology, industrials, and financials may generate double-digit EPS growth in Q3, while the energy, utilities, and consumer staples sectors are expected to each contract year-over-year.

Federal government shutdown (at the time of this writing) and tariffs notwithstanding, crosswinds remain in the U.S. economy, but there may also be legitimate reasons for macroeconomic optimism. The Federal Reserve Fed) has remained accommodative, cutting interest rates 25 bps in mid-September. According to J.P. Morgan, market expectations are for the fed funds rate to fall from the low 4% range to the low 3% range by the end of 2026. We see potentially positive implications for both businesses and consumers, with the latter observing relief in the average 30-year fixed mortgage according to FactSet data, falling to 6.4% as of 09.30.2025 from 7.3% as of 12.31.2024. Also, thanks to the One Big Beautiful Bill Act (OBBBA), consumers may have roughly $150B in additional relief coming in the form of incremental tax refunds as depicted in the Strategas figure on the next page.

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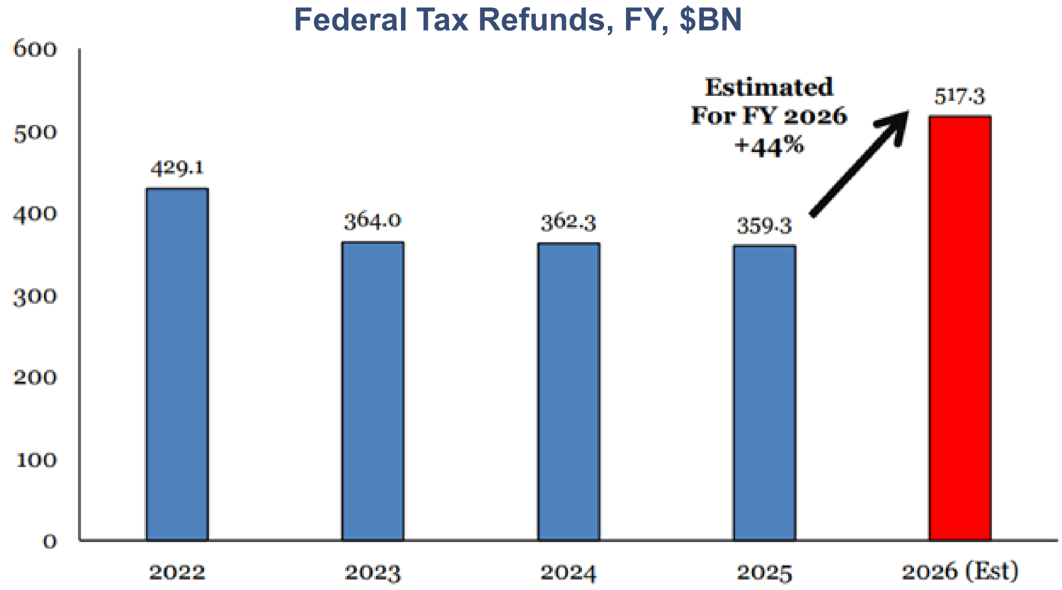

Sources: Strategas. Data is as of 10.14.2025.

From a business standpoint, the OBBBA may also facilitate capital spending investment through bonus depreciation and in turn lower corporate tax rates; moreover, tariffs inherently may also complement the “carrot” of the OBBBA with a “stick” to incentivize companies to locate manufacturing in the U.S. We have seen early signs of these incentives beginning to work in industries such as pharmaceuticals, where companies like Eli Lilly have announced plans to expand manufacturing in the U.S. The potential negative effects of tariffs remain an open question, however. For example, based upon commentary from Walmart on its recent conference call, it seems consumers may only now be starting to see the impact of tariffs on actual store shelves.

While macro risks may have diminished in recent months, market valuations are elevated and could represent a risk to longer-term returns. The S&P 500 currently trades at over 23x its next twelve-month earnings according to FactSet, or well over one standard deviation above average since 1994. The J.P. Morgan charts on the following page shows that correlations on 1+ year returns are low. As we look out further, return dispersions narrow and expectations on returns tend to center in the low single-digit range. According to UBS, correlation with valuation on ten-year prospective returns become robust with R2 at 76%, while average annual returns tend to cluster in the low-to-mid single-digit range. The takeaway is that while this dynamic may continue to drive the market in the near term, longer-term returns may be constrained by the dynamic of valuation.

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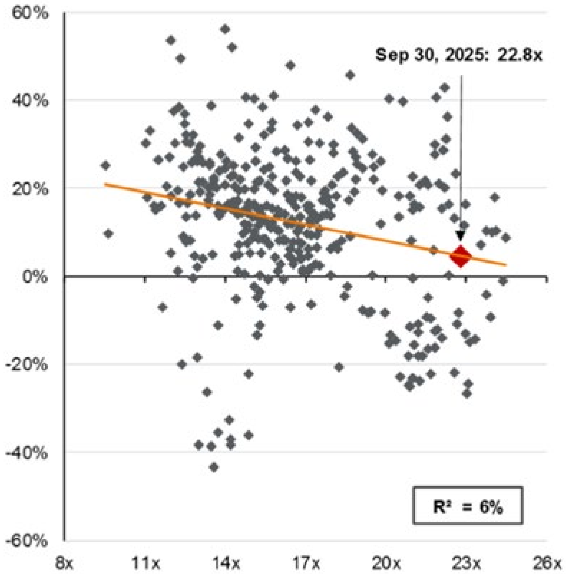
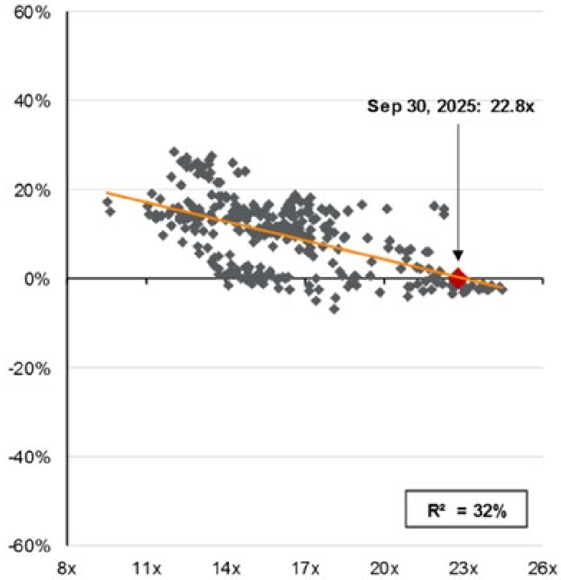
Forward P/E and Subsequent 1-year Returns



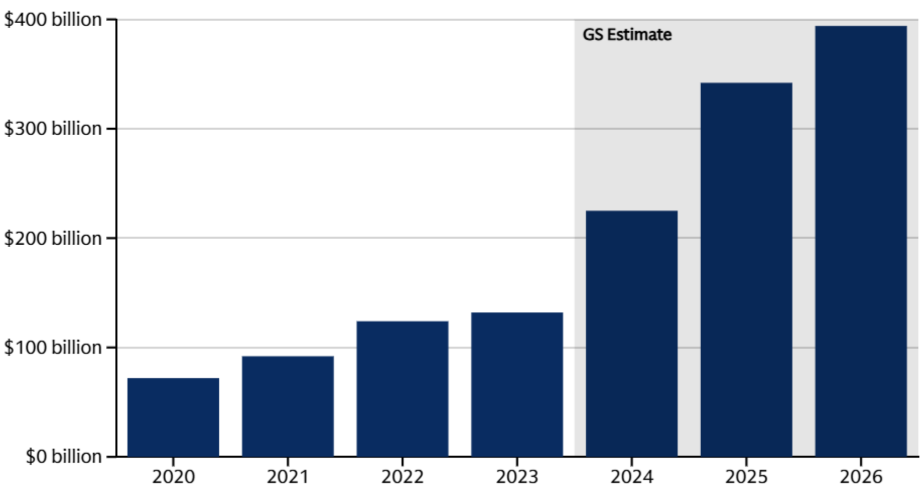
Forward P/E and Subsequent 5-year Annualized Returns



P/E = price-to-earnings ratio. Returns are 12-month and 60-month annualized total returns, measured monthly, beginning 12/31/1993. R2 represents the precent of variation in total return that can be explained by forward P/E rations. The forward P/E ratio is the most recent S&P 500 index price divided by consensus analyst estimates for earnings in the next 12 months, provided by IBES since December 1993 and FactSet since January 2022. Past performance is no guarantee of future results. Source for both charts: J.P. Morgan. Data is as of 09.30.2025.

A large portion of the market's valuation increase has been driven by optimism and investment around AI services such as ChatGPT. The datacenter investments needed to power these services are estimated to approach more than $340B in 2025 according to Goldman Sachs, or more than 1% of estimated GDP. Much of this investment is being driven by "hyperscale" cloud providers ─ **Microsoft**, Google, Amazon, and Meta. While the return on investment on these large capital expenditure (CapEx) outlays remains ambiguous, it's important to point out these investments being made by companies are large, profitable, and very well capitalized by our estimate.

Hyperscale Company Capital Expenditures



Source: Goldman Sachs. Data is as of 08.29.2025.

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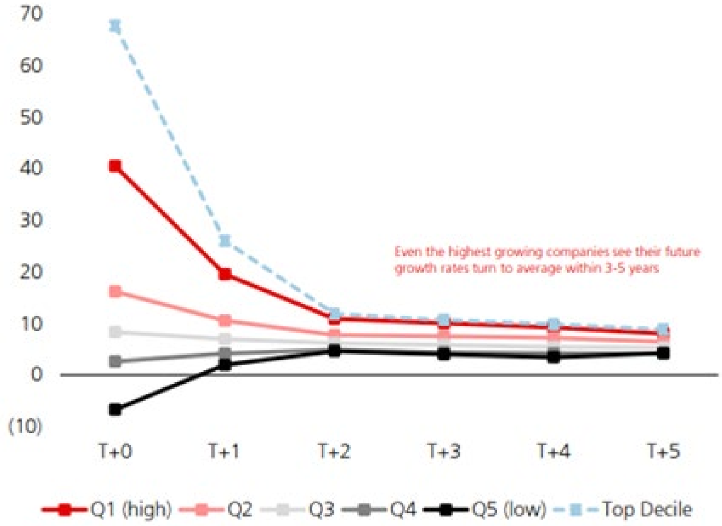
We believe the challenge with higher market valuations, however, is that they may imply much higher expectations on growth. Higher expectations and growth invite high visibility on the opportunity, in our view, whether it be in semiconductors, construction, or key industrial product inputs. As illustrated in the chart below, this may result in unrealistic growth expectations; high growth today tends to be uncorrelated with future growth, possibly due to competition or simply overestimation of future technology adoption. UBS Holt calls this the “persistence of growth fallacy.”

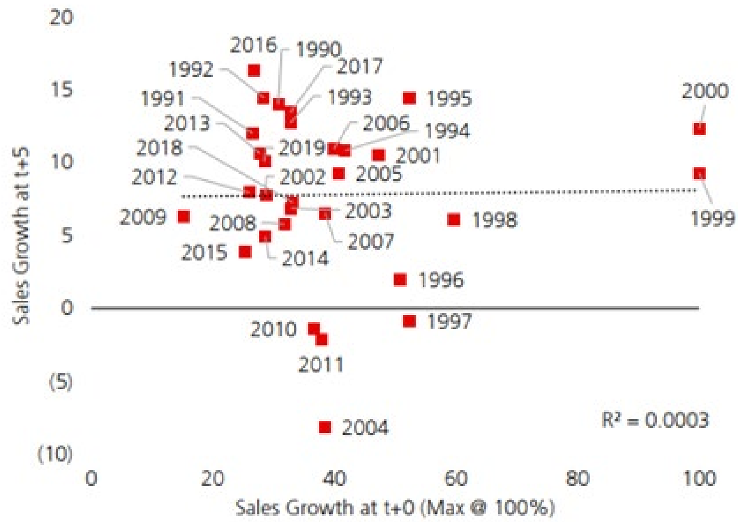
Base Rate Progression of Sales Growth

(By quintile of annual sales growth)



High Growth Vintages Since 1980

(Starting vs t+5 growth of top quintle)



Source: UBS Holt. Data is as of 09.08.2025.

While the implied growth expectations embedded in market valuations may be a potential risk, we believe the Equity Income strategy mitigates this risk with a more balanced focus on attributes such as quality in addition to possible earnings growth. Our opinion is that higher-quality companies tend to have “moats,” or business characteristics that help increase the chances of persistency of growth and profitability over the long term. Higher-quality companies also tend to be good capital allocators, which is a key reason we focus on dividend growth. The evidence of higher quality in the Equity Income portfolio, in our view, are the characteristics of the strategy: the median return on equity (ROE) of the portfolio, for example, is over 75% higher than the benchmark, while our median dividend growth is over 50% higher. Unfortunately, these quality characteristics have been overpowered by the momentum/high beta-style factors discussed earlier in the commentary. We would argue that is unlikely to be a permanent market condition. As shown in the chart on the next page, we are currently in the 99th percentile of this high-versus-low beta style dynamic, and history has shown these spikes tend to normalize within relatively short time horizons.

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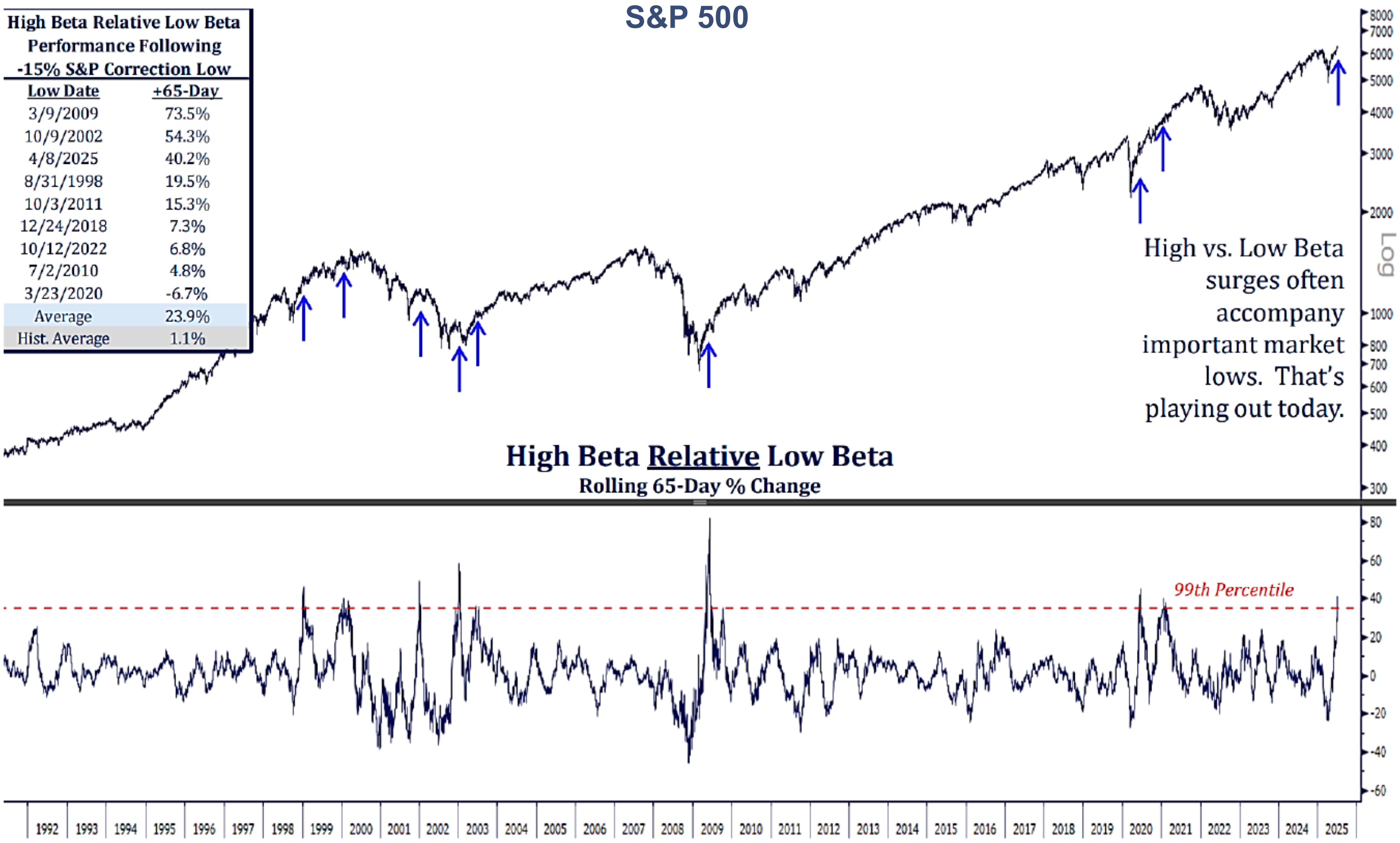

Source: Strategas. Data is as of 07.09.2025.

In conclusion, all of this would seem to potentially bode well for the Equity Income strategy staying the course. Thematically, while we have portfolio positioning in the datacenter/AI theme though names like **Microsoft**, we believe also having exposure to other attractive themes resonate with the market backdrop. For example, we have had long-standing positioning on aging demographics through our healthcare holdings along with the increasing need for financial advice through our positions in wealth managers like **Charles Schwab**, **Ameriprise**, and **Raymond James**. We talked above about the consumer relief that may come through legislation and lower rates. We believe we are positioned well through recent additions like **Dominos** and home builder **D.R. Horton** as well as longer-term holdings such as **Home Depot** and **Ferguson**, which have exposure to home repair and remodel. Finally, we also discussed how the OBBBA and tariffs may continue to incentivize capital investment and reshoring. Thematically, we believe we have exposure here through names like **Rockwell, Deere & Company**, and (more recently) **Honeywell**.

Thank you for your investment and confidence in us.

Jeremy Lopez, CFA®
Co-Portfolio Manager

Chip Wittmann, CFA®
Co-Portfolio Manager

Important Information

Disclosures

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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.

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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.

Dividend Policies: Dividend Risk: Dividend yield is one component of performance and should not be the only consideration for investment. Dividends are not guaranteed and will fluctuate. This report should not be regarded by the recipients as a substitute for the exercise of their own judgment. It is important to review your investment objectives, risk tolerance and liquidity needs before choosing an investment style or manager. **Dividend Paying vs. Non-Paying:** Each stock's dividend policy is determined by its indicated annual dividend. We classify a stock as a dividend-paying stock if the company indicates that it is going to be paying a dividend within the year. A stock is classified as a non-payer if the stock's indicated annual dividend is zero. Prior to July 2000, the indicated annual dividends were updated on a quarterly basis. Since July 2000, the indicated annual dividends are updated on a daily basis, so the most up-to-date information is used. The index returns are calculated using monthly equal-weighted averages of the total returns of all dividend-paying (or non-paying) stocks. A stock's return is only included during the period it is a component of the underlying index. The dividend figure used to categorize the stock is the company's indicated annual dividend, which may be different from the actual dividends paid in a particular month.

Dividend Growing, No-Change-in-Dividend, and Dividend Cutting: Each dividend-paying stock is further classified into one of the three categories based on changes to their dividend policy over the previous 12 months. Dividend Growers and Initiators include stocks that increased their dividend anytime in the last 12 months. Once an increase occurs, it remains classified as a grower for 12 months or until another change in dividend policy. No-Change stocks are those that maintained their existing indicated annual dividend for the last 12 months (i.e., companies that have a static, non-zero dividend). Dividend Cutters and Eliminators are companies that have lowered or eliminated their dividend anytime in the last 12 months. Once a decrease occurs, it remains classified as a cutter for 12 months or until another change in dividend policy. (Source: Ned Davis Research).

Technical Terms: **Earnings per share (EPS)** is a financial ratio that measures a company's profitability. It represents the net income earned by a company per outstanding share of its common stock. **Earnings before interest and taxes (EBIT)** is a company’s operating profit without interest expenses and income taxes. **Free cash flow (FCF)** is the cash a company has left after spending money to support and maintain its operations and capital assets. **The federal funds rate** is the interest rate at which depository institutions (mainly banks) lend reserve balances to other depository institutions overnight on an uncollateralized basis. **The price-to-earnings (P/E) ratio** measures a company's share price relative to its earnings per share (EPS). Often called the price or earnings multiple, the P/E ratio helps assess the relative value of a company's stock. **Forward price-to-earnings-ratio (P/E)** is a stock valuation metric that uses a company's projected earnings for the next 12 months to determine how much investors are paying for each dollar of future earnings. **Return on Equity (ROE)** is the measure of a company’s annual return (net income) divided by the value of its total shareholders’ equity, expressed as a percentage. Alternatively, ROE can also be derived by dividing the firm’s dividend growth rate by its earnings retention rate. **Gross Domestic Product (GDP)** includes consumer spending, government spending, net exports, and total investments. It functions as a comprehensive scorecard of a country’s economic health. **GDPNow** is best viewed as a running estimate of real GDP growth based on available economic data for the current measured quarter. There are no subjective adjustments made to GDPNow—the estimate is based solely on the mathematical results of the model. (Technical definitions are sourced from Corporate Finance Institute.)

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.

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 Capital Equity Income SMA

	Total "Pure" Gross Return	Total Net Return	Benchmark Return	3Y Composite Std. Dev. (Gross)	3Y Benchmark Std. Dev.	Composite Dispersion	Number of Portfolios	Composite AUM (MM)	Total Firm AUM (MM)
2024	5.82%	2.75%	14.37%	15.19%	16.66%	0.17%	525	$236	$66,160
2023	13.45%	10.17%	11.46%	15.52%	16.51%	0.13%	478	$277	$66,746
2022	-2.54%	-5.40%	-7.54%	20.20%	21.25%	0.12%	511	$283	$62,842
2021	28.68%	25.00%	25.16%	18.17%	19.06%	Not Calculable	4	$439	$75,309
2020	7.17%	4.05%	2.80%	18.87%	19.62%	Not Calculable	4	$588	$70,108
2019	25.30%	21.71%	26.54%	11.32%	11.85%	Not Calculable	5	$739	$58,191
2018	-0.26%	-3.18%	-8.27%	11.01%	10.82%	Not Calculable	5	$619	$56,889
2017	20.54%	17.08%	13.66%	9.78%	10.20%	Not Calculable	4	$643	$55,908
2016	15.43%	12.10%	17.34%	10.40%	10.77%	Not Calculable	3	$989	$51,603
2015	-2.70%	-5.55%	-3.83%	10.20%	10.68%	Not Calculable	3	$1,100	$51,155

Benchmark: Russell 1000® Value Index Composite Creation Date: 10.16.2014 Inception Date: 01.01.2001

1. Consists of all discretionary separately managed wrap Equity Income portfolios. SCM's Equity Income portfolios invest primarily in companies with a dividend yield greater than the S&P 500 and a history of growing the dividend, either three consecutive years or six of the prior ten years.
2. The material risks of this strategy are, but not limited to, the following: Market Risk, Management Risk, Market Disruption and Geopolitical Risk, Company Specific Risk, Equity Securities Risk. For a full list of strategy risks, please reference Sterling Capital Management's Form ADV, Part 2A.
3. Sterling Capital Management LLC (SCM) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SCM has been independently verified for the periods 01/01/2001 to 12/31/2024. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. Benchmark returns are not covered by the report of the independent verifiers. GIPS® is a registered trademark of the CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.
4. SCM is a registered investment advisor with the U.S. Securities & Exchange Commission (SEC). Registration does not imply a certain level of skill or training. SCM manages a variety of equity, fixed income and multi-asset portfolios. Prior to January 2001, SCM was a wholly owned subsidiary of United Asset Management (UAM). In January 2001, SCM 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 (BB&T) purchased a majority equity ownership stake in SCM. In October 2010, the management group of SCM entered into an agreement with BB&T that reduced and restructured management's interest in SCM. Additionally, BB&T Asset Management merged into SCM. In January 2013, CHOICE Asset Management merged into SCM. In August 2015, eight new employees joined SCM via Stratton Management Company following the close of BB&T's purchase of Susquehanna Bancshares. In December 2019, BB&T and SunTrustBanks, Inc. Holding Company merged as equals to form Truist Financial Corporation (Truist). SCM was then a wholly-owned subsidiary of Truist. In August 2020, eight new employees joined SCM via the Investment Advisory Group of SunTrust Advisory Services. In July 2024, Guardian Capital U.S. Asset Management (formerly Guardian Capital LLC), a wholly-owned subsidiary of Guardian Capital Group Limited (Guardian), completed the acquisition of SCM from Truist.
5. The performance presented represents past performance and is no guarantee of future results. Market and economic conditions vary from year to year and can result in a decline in market value due to material market or economic conditions. Please refer to the slide titled "Performance" for the one-, five-, and ten-year returns of the composite.
6. A complete list of all of SCM's composites and SCM's broad distribution pooled funds and their descriptions is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS Composite Reports are available upon request.
7. Performance reflects reinvested interest income and dividends and realized and unrealized capital gains and losses. All portfolios utilize trade-date and accrued income accounting. Valuations and performance are reported in U.S. dollars. Periodic time weighted returns are geometrically linked. Returns are not calculated net of non-reclaimable withholding taxes due to immaterial dollar amounts. Effective 1/1/21, composite returns are calculated by weighting the individual portfolio returns using beginning of period market values. Prior to 1/1/21, composite returns were calculated monthly by weighting the aggregate SMA/Wrap sponsor returns using beginning of period market values.
8. "Pure" gross of fees returns are presented as supplemental information and do not reflect the deduction of any fees including trading costs. Net returns are calculated by deducting the highest applicable wrap fee of 3.00% annually from the pure gross composite 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. The maximum SMA or bundled external platform fee is 2.84% annually and includes SCM's actual management fee of 0.34%. SCM's actual management fees are 0.50% annually or less. Since inception, the composite is comprised 100% of wrap fee portfolios.
9. Effective 1/1/22, portfolios are removed from the composite for flows 10% or greater of prior month portfolio market value. Portfolio remains out of the composite for the month of the flow and for one additional period. Prior to 1/1/22, portfolios were not removed from the composite for flows.
10. The appropriate benchmark is the Russell 1000® Value Index. 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 index is reconstituted annually. Total return includes price appreciation/depreciation and income as a percent of original investment.
11. 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, and is calculated using gross of fee returns. It is not meaningful when there have been less than six portfolios in composite for entire calendar year. The three year annualized standard deviation measures the variability of the composite and benchmark returns over the preceding 36-month period. The composite 3-year standard deviation is calculated using gross of fee returns. It is not required to be presented when a full three years of composite performance is not yet available.
12. Effective 1/1/22, number of portfolios is based on underlying accounts at the wrap sponsors. Prior to 1/1/22, number of portfolios was reported as the number of wrap platforms.