Special Opportunities SMA Commentary

4th Quarter 2024

The Sterling Capital Special Opportunities strategy is designed to be a “core” or “all-seasons” portfolio, with a primary goal of generating long-term capital appreciation. Noting that our industry often classifies investments with either a “growth” or “value” label, we argue instead that value without growth represents a wasting asset, and growth without regard to the price is merely speculation. We strongly believe in building a well-diversified portfolio with constituents that boast both growth and value characteristics. We seek above-average growth of capital, but endeavor to mitigate downside risks by using time-tested valuation tools and profitability (“quality”) parameters.

Both academic literature and our own experience suggest that the so-called growth and value styles, as well as small- and large-capitalization companies, move into and out of investment favor, much as our underlying economy moves through various phases of expansion and retrenchment. Sustained periods of out- or under-performance can lead to unproductive investor outcomes via switching. By blending these characteristics, we hope to offer our clients a more consistent return profile, while also allowing us the flexibility to take advantage of occasional perceived extremes in sentiment.

Consistent with our endeavor to generate above-average returns with below-average risk compared to the overall equity market, we must “dare to be different” from our benchmark. In industry parlance, our portfolio demonstrates high “active share,” meaning our philosophy offers the statistical opportunity to outperform popular averages. By constructing portfolios with approximately 30-35 carefully selected securities, we strive to achieve 95% of the diversification of a 500-stock portfolio while eliminating expensive, poorly-financed, or strategically vulnerable companies from our holdings.

Market Commentary

We believe the last few years have included several noteworthy proceedings: a global pandemic; unprecedented fiscal stimulus; dramatic shifts in Federal Reserve (Fed) monetary policy; and rising geopolitical unrest. Each of these events impacted the markets, but from the beginning of 2020 to the end of 2024, the market (S&P 500® Index) also rose substantially. 2024 appears to be no exception as the S&P 500 posted another banner year, generating a total return of 25%. If one combines the past two years of the S&P 500’s annual gains, the total is the highest two-year cumulative return since 1998. We would have perhaps called that a long shot at the beginning of 2024.

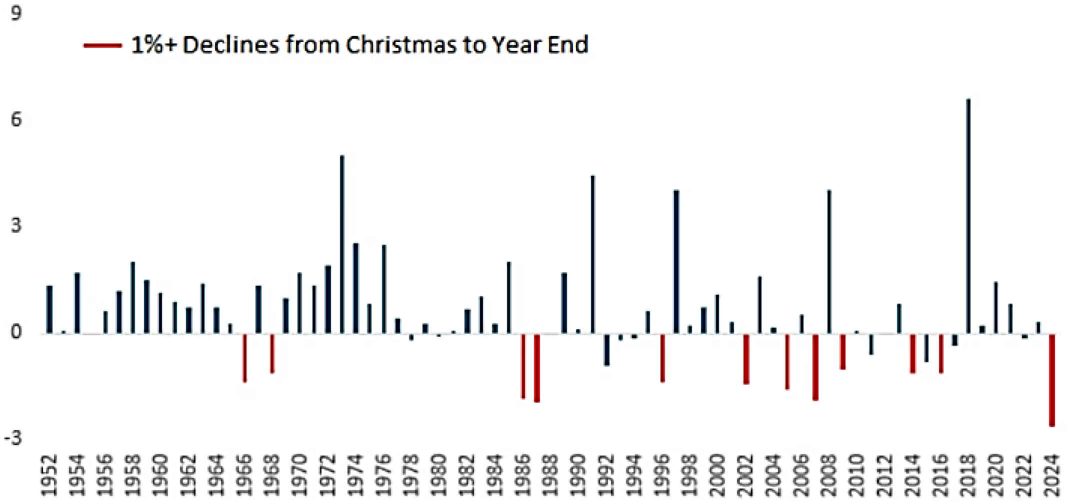
Looking at the fourth quarter of 2024, which included a presidential election, we also found some interesting takeaways, including:

- The S&P 500 ended the quarter up +2.4%, the weakest quarter for the index in 2024.
- The last four trading days of the year posted losses for the S&P 500, which is the longest losing streak to end a year since 1966, according to Bloomberg L.P.
- From Christmas through year-end, the performance of the S&P 500 fell -2.6%. This is only the 12th time this benchmark has fallen below 1.0% during this timeframe since 1952 (when this data became available for comparative returns).

STERLING CAPITAL

PULSUS UT LIBERA

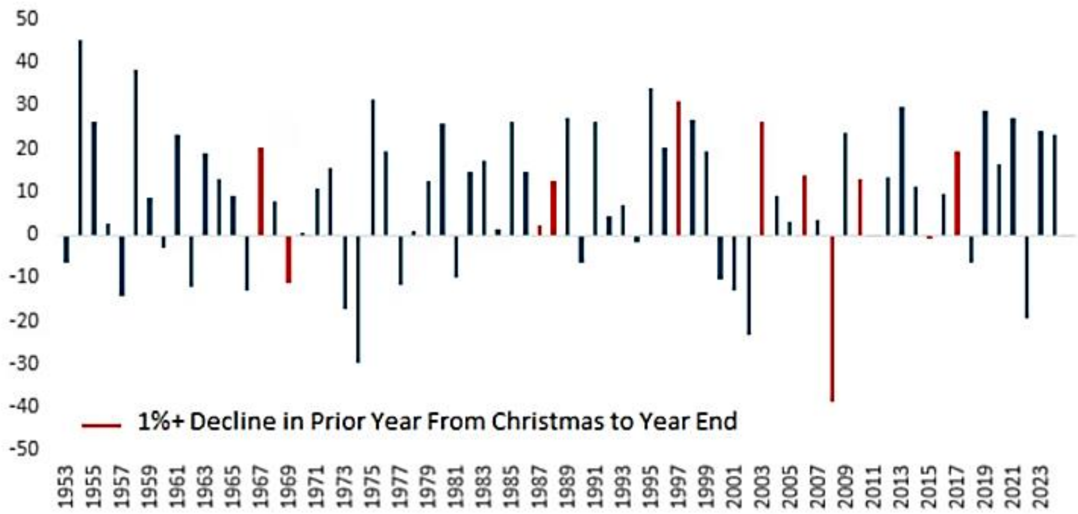
S&P 500 Performance, Christmas Through Year End (%): 1952-2024



Source: Bespoke Investment Group.

One might posit that this year-end trading performance decline would portend a rough 2025 ahead. However, the following year's S&P 500 performance after those 11 prior occurrences was approximately +12%.

S&P 500 Annual Performance (%): 1953-2024



Source: Bespoke Investment Group.

Given 2024's fundamentals, market factors, risks, and historical trading patterns, one may wonder what the market will do in 2025. As we consistently state, we are not market prognosticators. However, we remain thoughtful stewards of client capital and believe we are vigilant in our search for great investment opportunities. Most importantly, we will continue to adhere to our fundamental investment approach, which is grounded in the Equity Opportunity Group's four investment pillars: strong and steady cash flow growth; high returns on capital; lower than average multiples; and strong, flexible balance sheets.

Special Opportunities SMA Commentary

4th Quarter 2024

Quarterly Review

Performance	QTR	YTD	1YR	3YR	5YR	10YR	Since Inception[1]
Sterling (Gross)	6.24%	21.73%	21.73%	7.33%	12.74%	12.08%	11.78%
Sterling (Net)	5.47%	18.23%	18.23%	4.21%	9.47%	8.84%	8.54%
Russell 3000® Index	2.63%	23.81 %	23.81%	8.01%	13.86%	12.55%	8.53%

In the fourth quarter of 2024, the portfolio generated gross returns of 6.24% and 5.47% net of the maximum fee versus the Russell 3000® Index's 2.63% total return. Communication services, consumer discretionary, financials, and information technology were the only positive sectors within our benchmark, while the rest were negative. We outperformed the benchmark in all sectors except industrials in the quarter. Our five best-performing stocks in the fourth quarter were from different sectors while four of our top five detractors came from health care. We attribute this to the uncertainty and consternation over the incoming administration's potential health care agenda. Overall, 22 of our holdings within the quarter advanced while 12 declined. 12 of our holdings advanced by double-digits while six declined by double-digits. The top ten benchmark constituents we do not own accounted for over a 2.0% relative headwind during the quarter. Apple, Tesla, and Broadcom Inc. totaled a relative headwind of 1.5% alone. In 2024 overall, the portfolio generated gross returns of 21.73% and 18.23% net of the maximum fee versus the Russell 3000® Index's 23.81% total return.

4Q24 Attribution

Leading Contributors	Portfolio Weight	Gross Contribution to Return	Net Contribution to Return
Marvell Technology, Inc.	5.74	2.52	2.47
Teva Pharmaceutical Industries	5.24	1.09	1.05
Amazon.com, Inc.	4.93	0.79	0.75
Take-Two Interactive Software, Inc.	3.44	0.64	0.61
Visa Inc. Class A	3.76	0.54	0.51

Sources: FactSet; Sterling Capital Management Analytics.

- **Marvell** posted strong results in the company's most recent quarter, led by strength in Datacom. The major catalyst was the rollout of Trainium 2, Amazon Web Services' (AWS) custom silicon artificial intelligence (AI) chip. The demand is exceeding analyst expectations, and we believe that next year could be a significant contributor to overall revenue and profits. AWS and Marvell announced a multi-year agreement that includes a larger product level agreement including fiber optics, as well as an equity investment from Amazon. Microsoft is also rolling out custom silicon with Marvell beginning in 2026. We believe this is an even larger opportunity and that the future continues to look bright for Marvell.

[1]Inception date is 06.30.2004. Data is as of 12.31.2024. The benchmark is the Russell 3000. 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. Effective 06.30.2023, 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. Please refer to the Performance Disclosure found on page 9.

STERLING CAPITAL

Special Opportunities SMA Commentary

4th Quarter 2024

- **Teva** reported a beat on both the top and bottom line in its most recent quarter. However, a bigger announcement came towards the quarter's end. Teva/Sanofi's TL1A Phase 2 data readout was better than anticipated, becoming one of the strongest on record for a drug to treat inflammatory bowel disorders (IBD). Potential peak sales could exceed $2B, assuming a launch in or around 2030. We anticipate Phase 3 trial specifics in the coming months.
- **Amazon** showed considerable upside in its recent earnings call. Third quarter top-line results surpassed analyst expectations while operating income performance stood out with $17.4B, well ahead of $14.7B Wall Street estimates. AWS revenue grew 19% and operating income was 14% above estimates. International sales also fared better. With the retail logistics investment cycle mostly in the rear view mirror, we feel Amazon has plenty of impactful levers for long-term performance including AI driving AWS infrastructure spend, international showing penetration, advertising driving higher-margin mix shift, and Project Kuiper coming online soon.
- **Take-Two** core franchises drove an earnings beat in Q4. Led by Match Factory and Toon Blast, mobile games from Zynga, and NBA2K stability, $1.5B of total net bookings exceeded analyst expectations. Meanwhile, the anticipation for GTA VI continues to rise. Moreover, we believe the forward-looking slate shows considerable acceleration, lending to the premise that the revenue and earnings base may be materially higher in the next year. Street projections show revenue/earnings per share (EPS) potentially increasing from roughly $5.5B/$2.50 in calendar year (CY)24 to $8.5B/$10 in CY27.
- **Visa** outperformed quarterly analyst expectations on steady volumes and impressive results from both value-added services (VAS) and new flows, both with over 20% growth. Guidance for the upcoming fiscal year was roughly in-line with analyst expectations. As the largest global card network with scale advantages, low capital expenditures, network effects, product adjacencies, and persistent momentum from cash to card and electronic payments, we believe Visa's positioning supports persistent cash flow growth and margin expansion for years to come.

Leading Detractors	Portfolio Weight	Gross Contribution to Return	Net Contribution to Return
HCA Healthcare Inc	2.33	-0.72	-0.74
Danaher Corporation	2.99	-0.60	-0.63
UnitedHealth Group Incorporated	4.36	-0.53	-0.57
IQVIA Holdings Inc	2.02	-0.49	-0.51
CACI International Inc Class A	0.97	-0.29	-0.29

Sources: FactSet; Sterling Capital Management Analytics.

- **HCA Healthcare** underperformed in Q4, as did many healthcare stocks. A top line trending higher with margin expansion may persist in 2025 for HCA, yet volumes have been elevated post-pandemic and lofty growth may not be sustainable, at least in the near term. Moreover, uncertainty arises with any new political administration, and we believe this time should be no different. Payment legislation and payer mix may change, which could also lead to potential challenges to above average top- and bottom-line growth. We still believe HCA may be able to handle most concerns while taking advantage of peers to grab additional share.

Please refer to the Performance Disclosure found on page 9.

- **Danaher** is also subject to negative sentiment in health care, specifically to the life sciences tools market. Drug pricing is a strong topic of debate. It is also unclear what impact potential tariffs may have, if any. Upcoming patent cliffs may also impact Danaher client budgets but could present an eventual tailwind. We believe the time has come for the pharma industry to increase overall research and development spend to backfill upcoming declining drug sales. The bottom appears to be in for bioprocessing orders, but the question now pertains to the slope of recovery. Meanwhile, lower corporate taxes could present a tailwind.
- **UnitedHealth Group** has become a hot button company lately. We were saddened by the death of Brian Thompson, the head of the insurance arm. We are also alarmed by the public response. As a reminder, UnitedHealth has two key business lines: UnitedHealthcare offers health benefits and coverage while Optum offers care delivery to people, partners, and providers. In aggregate, UnitedHealth serves almost 150MM people, over 40% of the U.S. population. As the largest health care services company, they appear to be leading the charge to value-based care arrangements, incentivizing the company to lower healthcare costs and improve patient experience (i.e. deliver value). We believe the company will rebound from the present sentiment storm and weather proposed regulatory headwinds too.
- **IQVIA** suffered from similar headwinds as some other pharma-related stocks in the portfolio. We decided to exit the position in the quarter with the rationale in the following *Portfolio Changes* section.
- We entered **CACI** this quarter. We illuminate our concerns and thesis in the *Portfolio Changes* section below.

Portfolio Changes

We added two new holdings and sold three holdings in our portfolio during the 4Q24. **Brookfield Corporation** (BN) and **CACI International** (CACI) were added while **Okta** (OKTA), **Crown Holdings** (CCK), and **IQVIA** (IQV) were sold.

We added BN in October. **Brookfield Corp** is a leading global investment firm comprised of three core businesses: Alternative Asset Management, Wealth Solutions (Insurance), and Operating Businesses, which consist of renewable power, infrastructure, business and industrial services, and real estate. We believe Brookfield has a strong competitive position in alternative investments, which we feel have a long runway for growth as they become a larger share of global asset allocations. We purchased shares at a large discount to our estimate of net asset value (NAV) as we believe investors are fixated on BN's exposure to commercial real estate (CRE), causing the market to miss BN's attractive long-term upside. Further, we believe company management will realize the value of its CRE assets through planned divestitures over the next several years, removing the overhang.

Special Opportunities SMA Commentary

4th Quarter 2024

We added CACI in November. **CACI International** is a leading provider of expertise and technology supporting national security missions and government modernization & transformation in the intelligence, defense, and federal civilian sectors. Historically, CACI has been a strong compounder, and over the past decade, company management has refocused the business on larger opportunities with better economics and less competition. This led to a record backlog, longer contract durations, and a >90% recompete win rate. We believe that CACI may continue to benefit from national security growth tailwinds and is receiving very little credit for a rapidly expanding backlog. At position initiation, CACI traded off close to 20% along with a basket of other defense names over the fear that the Department of Government Efficiency (DOGE), led by Elon Musk and Vivek Ramaswamy, would shrink the size of federal government budgets. However, CACI engages in non-discretionary, mission-critical projects and may not face the same risks as other defense stocks. As a result, we believe the risk/reward ratio is compelling, and we chose to initiate a position.

We sold OKTA in October. **Okta** is a leading provider of cloud-based identity and access management cyber security solutions with leading positions in identity and access management, privileged access management, and identity governance and administration. At purchase, we were attracted to OKTA's large, growing, and underpenetrated total addressable market (TAM), and we purchased shares following a sell off related to a data breach that we believed the market had overreacted to. Although we still believe in the company's opportunity longer term, Okta has underwhelmed our expectations for a reacceleration of growth, and it is uncertain when company issues will resolve themselves. As a result, we exited shares.

We sold CCK in November. **Crown Holdings** is one of the world's largest producers of metal packaging for consumer goods and other end markets. At purchase, we liked CCK's concentrated market position, defensive demand profile, and the industry's strong secular trends around aluminum packaging. In the 4Q23 earnings call, company management called out weakness in European beverages and overcapacity in the Asia-Pacific region, which we believe depressed CCK's stock price and led to a compelling risk/reward ratio. As these fears have abated and CCK's shares have rebounded, we believe our original thesis is no longer as compelling, and we chose to exit our position.

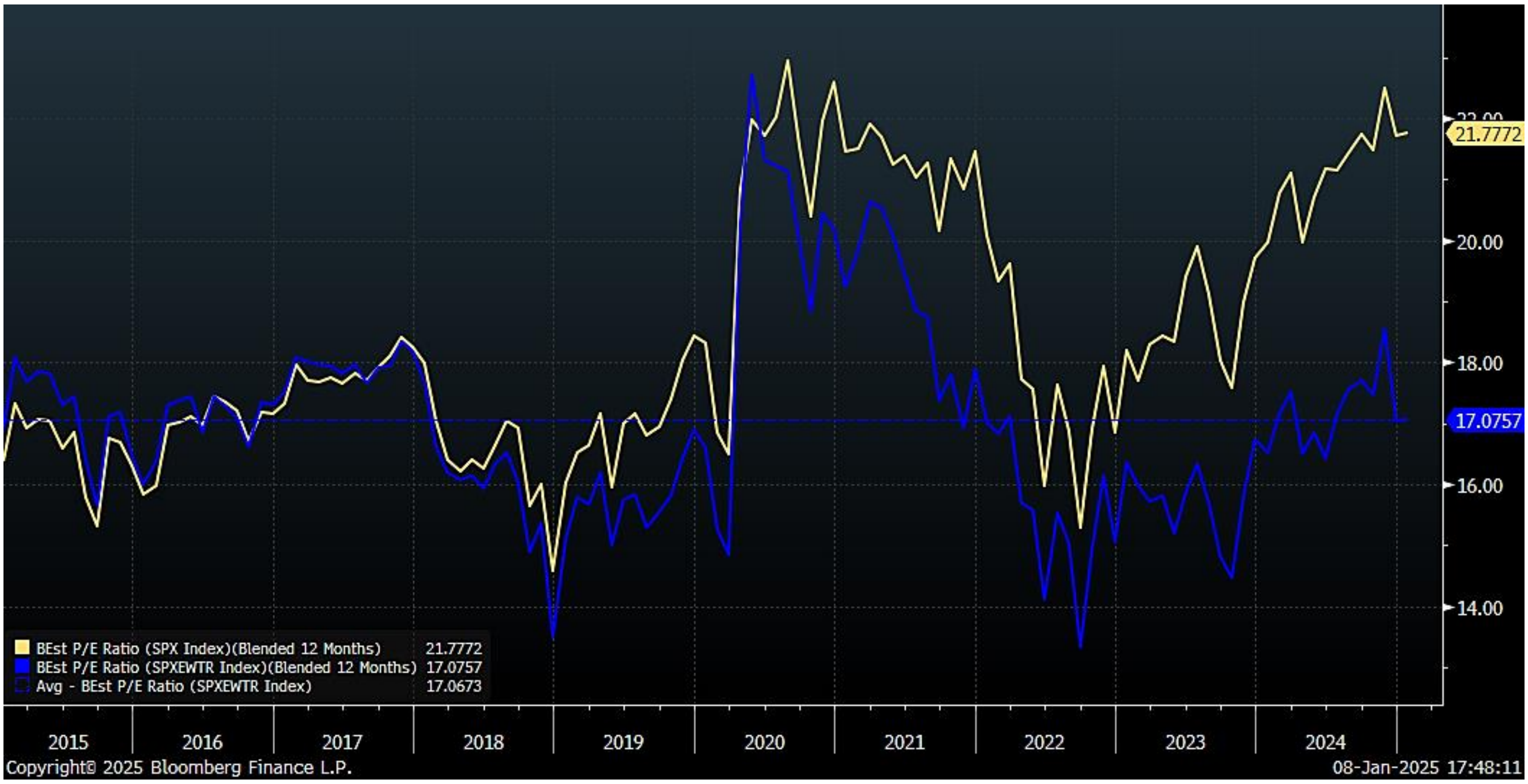
We sold IQV in December. At purchase, we liked **IQVIA**'s leading share in the contract research organization (CRO) market and its vast array of data assets. The data includes product-level tracking in 93 markets with information about treatment and outcomes on more than 1.2B distinguished, non-identified patient records including sales, prescriptions and promotional data, medical claims, electronic medical records, and genomics. Recently, IQVIA has been dealing with elevated backlog cancelations and project pushouts that appeared to weigh on results. While we like the long-term outlook for CROs, we lack clarity on the near- to medium-term outlook for IQVIA's biopharma customers and are concerned that things could get worse before they get better for the company. As a result, we chose to reallocate client capital elsewhere and exited the position.

For a full discussion of portfolio changes, please refer to our stock writeups issued in the month after the activity.

Outlook

Over the last few years, we have discussed market breadth, or the lack thereof, at various times. While we would like to report that market breadth has improved, recent evidence suggests otherwise. Roughly 95% of the market's (S&P 500) fourth-quarter return was driven by the "Magnificent Seven". As noted below, the S&P 500 Equal Weight Index (SPXEWTR) presently trades at a historical discount to the S&P 500 (SPX). Moreover, the SPXEWTR sits on its 10-year average forward price-to-earnings (P/E) multiple, suggesting the broader market is neither historically cheap nor expensive.

Forward P/E Ratios of the S&P 500 Index and the S&P 500 Equal Weight Index



The dotted blue line represents the average P/E ratio for the SPXEWTR (17.0673). Source: Bloomberg L.P. Data is as of 01.08.2025.

Some market pundits suggest that there are fault lines starting to emerge that might have negative consequences for the market, including: inflated valuations (alluded to in the cap-weighted index above), untenable federal debt levels, higher long end of the yield curve interest rates, increased credit delinquencies, and a slowing real estate market. We are certainly aware of these issues, but regardless, we will continue to actively search for opportunistic investment ideas driven by transitory dislocations in 2025. We strive to uncover these opportunities as we start this new year. As the broader market is neither cheap nor expensive, we believe there is a bevy of underappreciated opportunities.

The "Magnificent Seven" (M7) stocks represent the seven largest tech companies in the S&P 500: Alphabet, Amazon, Apple, Meta Platforms, Microsoft, NVIDIA, and Tesla.

Special Opportunities SMA Commentary

4th Quarter 2024

Moreover, in no way do bearish pundits diminish our belief that certain secular tailwinds (such as AI) remain strong heading into 2025. As such, we believe we remain well-positioned within the portfolio to benefit from the continuation of this trend. We also have exposure to financial deregulation, an aging population, and infrastructure spending, to name a few.

Regardless of what the market does or one's view of the market, we will continue to participate by sticking to the foundation of our investment process, which is the four investment pillars. We remain committed to the belief that companies with strong and steady cash flow growth, high returns on capital, lower than average valuations, and strong balance sheets give our clients the best chance for outsized performance regardless of market conditions.

As one can see in the chart below regarding the four investment pillars, the Special Opportunities portfolio remains better positioned in most metrics than the Russell 3000.

	EPS Growth			2026E Multiple			Profitability/Returns			Balance Sheet	
	2025E	2026E	24-26E CAGR	P/E	EV/EBITDA	FCF Yield	ROE	ROIC	EBITDA Mgn	Coverage	Leverage
Special Opportunities	11.4%	14.5%	14.1%	18.5x	13.3x	4.2%	16.6%	9.6%	28.6%	10.0x	1.7x
Russell 3000	13.4%	13.4%	13.4%	19.0x	12.6x	4.5%	7.5%	4.9%	13.9%	2.6x	2.2x
% Better / Worse vs Bench	-15.0%	8.2%	5.1%	(2.7%)	5.2%	-6.7%	121.3%	95.9%	105.8%	284.6%	(22.7%)

Source: Bloomberg L.P. Data is as of 12.31.2024.

As we invest alongside our clients, rest assured our primary objective is to make sure our shared investment goals come to fruition over the long term.

As always, thank you for your confidence and support in the Special Opportunities team.

Jim Curtis, CFA®
Co-Portfolio Manager

Dan Morrall
Co-Portfolio Manager

Important Information

Disclosures

Past performance is not indicative of future results. Any type of investing involves risk and there are no guarantees that these methods will be successful. Economic charts are provided for illustrative purposes only. The information provided herein is subject to market conditions and is therefore expected to fluctuate.

The opinions contained in this presentation reflect those of Sterling Capital Management LLC (SCM), are for general information only, and are educational in nature. The opinions expressed are as of the date of publication and are subject to change without notice. These opinions are not meant to be predictions and do not constitute 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. All opinions and information herein have been obtained or derived from sources believed to be reliable. SCM 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 SCM, an investment adviser registered with the U.S. Securities & Exchange Commission and an indirect, wholly-owned subsidiary of Guardian Capital Group Limited. SCM manages customized investment portfolios, provides asset allocation analysis, and offers other investment-related services to affluent individuals and businesses.

Sterling Capital does not provide tax or legal advice. You should consult with your individual tax or legal professional before taking any action that may have tax or legal implications.

Performance Disclosure: Effective 06.30.2023, 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.

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 Russell 3000® Index measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market. The Russell 3000® Index is constructed to provide a comprehensive, unbiased and stable barometer of the broad market and is completely reconstituted annually to ensure new and growing equities are included.

The 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 S&P 500® Equal Weight Index (EWI) is the equal-weight version of the widely-used S&P 500®. The index includes the same constituents as the capitalization-weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance.

Technical Terms: **The compound annual growth rate (CAGR)** is the rate of return (RoR) that would be required for an investment to grow from its beginning balance to its ending balance, assuming the profits were reinvested at the end of each period of the investment’s life span. **Earnings per share (EPS)** is calculated as a company's profit divided by the outstanding shares of its common stock. The resulting number serves as an indicator of a company's profitability. It is common for a company to report EPS that is adjusted for extraordinary items and potential share dilution. **EBITDA**, or earnings before interest, taxes, depreciation, and amortization, is an alternate measure of profitability to net income. By including depreciation and amortization as well as taxes and debt payment costs, EBITDA attempts to represent the cash profit generated by the company's operations. **The EBITDA/EV** multiple is a financial valuation ratio that measures a company's return on investment (ROI). The EBITDA/EV ratio may be preferred over other measures of return because it is normalized for differences between companies. Using EBITDA normalizes for differences in capital structure, taxation, and fixed asset accounting. **Free cash flow (FCF)** represents the cash that a company generates after accounting for cash outflows to support operations and maintain its capital assets. Unlike earnings or net income, free cash flow is a measure of profitability that excludes the non-cash expenses of the income statement and includes spending on equipment and assets as well as changes in working capital from the balance sheet**. Net asset value (NAV)** is the value of an investment fund or company after subtracting its liabilities from its assets. It’s used to determine the value of a fund’s shares and to compare the performance of different funds. **Price Earnings Ratio (P/E)** is 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**). Return on equity (ROE)** is a measure of a company's financial performance. It is calculated by dividing net income by shareholders' equity. Because shareholders' equity is equal to a company’s assets minus its debt, ROE is a way of showing a company's return on net assets. **Return on invested capital (ROIC)** assesses a company’s efficiency in allocating capital to profitable investments. It is calculated by dividing net operating profit after tax (NOPAT) by invested capital. **Total addressable market (TAM)** is the overall revenue opportunity that is available for a product or service if 100% market share is achieved. It is often used to determine the level of funding or resources that a company should invest into a new product or business line. (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 Special Opportunities 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)
2023	25.81%	22.20%	25.96%	18.67%	17.46%	0.12%	245	$189	$66,746
2022	-19.27%	-21.67%	-19.21%	22.54%	21.48%	0.22%	252	$166	$62,842
2021	27.82%	24.16%	25.66%	19.35%	17.94%	Not Calculable	3	$289	$75,309
2020	15.23%	11.89%	20.89%	20.36%	19.41%	Not Calculable	3	$419	$70,108
2019	27.22%	23.57%	31.02%	12.31%	12.21%	Not Calculable	4	$525	$58,191
2018	-3.32%	-6.15%	-5.24%	10.99%	11.18%	Not Calculable	4	$453	$56,889
2017	20.55%	17.09%	21.13%	9.85%	10.09%	Not Calculable	4	$493	$55,908
2016	5.72%	2.64%	12.74%	10.35%	10.88%	Not Calculable	4	$721	$51,603
2015	9.59%	6.41%	0.48%	9.67%	10.58%	Not Calculable	4	$901	$51,155
2014	15.93%	12.58%	12.56%	9.33%	9.29%	Not Calculable	4	$927	$47,539

Benchmark: Russell 3000® Index   Composite Creation Date: 12.31.2000   Inception Date: 01.01.2001

1. Consists of all discretionary separately managed wrap Special Opportunities portfolios. SCM'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.
2. 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 01/01/2001 to 12/31/2022. 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.
3. Sterling Capital Management LLC (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. SCM was then a wholly-owned subsidiary of Truist Financial Corporation. In August 2020, eight new employees joined SCM via the Investment Advisory Group of SunTrust Advisory Services. In July 2024, Guardian Capital LLC, a wholly-owned subsidiary of Guardian Capital Group Limited (Guardian), completed the acquisition of SCM from Truist.
4. 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.
5. 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.
6. 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.
7. "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. As of 6/30/23, the composite model fee was updated to 3.00% annually for all periods presented. Prior to this change, the net of fees returns reflected the maximum bundled external platform fee of 2.82%. Prior to 1/1/21, the net of fees returns reflect 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. The maximum SMA or bundled external platform fee is 2.82% annually and includes Sterling's actual management fee of 0.32%. Sterling's actual management fees are 50 basis points annually or less. Since inception, the composite is comprised 100% of wrap fee portfolios.
8. 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.
9. The appropriate benchmark is the Russell 3000® Index. The Russell 3000® Index measures the performance of the largest 3,000 U.S. companies, representing approximately 98% of the investable U.S. 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 original investment.
10. 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.
11. 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.