

1st Quarter 2022 Market Review:

Focus Equity

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- Any type of investing involves risk and there are no guarantees that these methods will be successful. Past performance is not indicative of future results.
- The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index.

Meet Your Speakers & Agenda

WebEx Agenda:

- Equity market and macro environment
- Focus Equity philosophy and process
- Focus Equity Q1.2022 performance, activity and positioning
- Q&A



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In Q1.2022, Energy and Commodities Rallied, but Stocks and Bonds Declined

Commodities ↑, stocks and bonds ↓ in Q1

ASSET CLASS BENCHMARK PERFORMANCE			
2022 Q1	2022 January	2022 February	2022 March
S&P GSCI 29.05	S&P GSCI 11.16	S&P GSCI 7.90	S&P GSCI 7.60
Gold 6.84	Dollar 1.03	Gold 5.90	S&P 500 TR 3.71
Dollar 2.81	T-Bills 0.01	Dollar 0.06	S&P 500 3.58
T-Bills 0.08	EM -1.79	T-Bills 0.03	NASDAQ 3.41
EAFE -3.73	Gold -1.81	Bond Agg -1.12	Gold 2.75
DJIA -4.57	Bond Agg -2.15	T-Bonds -1.46	DJIA 2.32
S&P 500 TR -4.60	DJIA -3.32	EAFE -2.18	EAFE 2.14
S&P 500 -4.95	EAFE -3.64	EM -2.38	Dollar 1.70
Bond Agg -5.93	T-Bonds -4.14	S&P 500 TR -2.99	T-Bills 0.04
EM -6.11	S&P 500 TR -5.17	S&P 500 -3.14	EM -2.06
NASDAQ -9.10	S&P 500 -5.26	NASDAQ -3.43	Bond Agg -2.78
T-Bonds -10.58	NASDAQ -8.98	DJIA -3.53	T-Bonds -5.34

All data in local currency and price only unless specified as total return (TR). Sources: MSCI, Barclays, Commodity Systems, Inc. (CSI) www.csidata.com, IDC, Ned Davis Research, Inc., S&P Dow Jones Indices

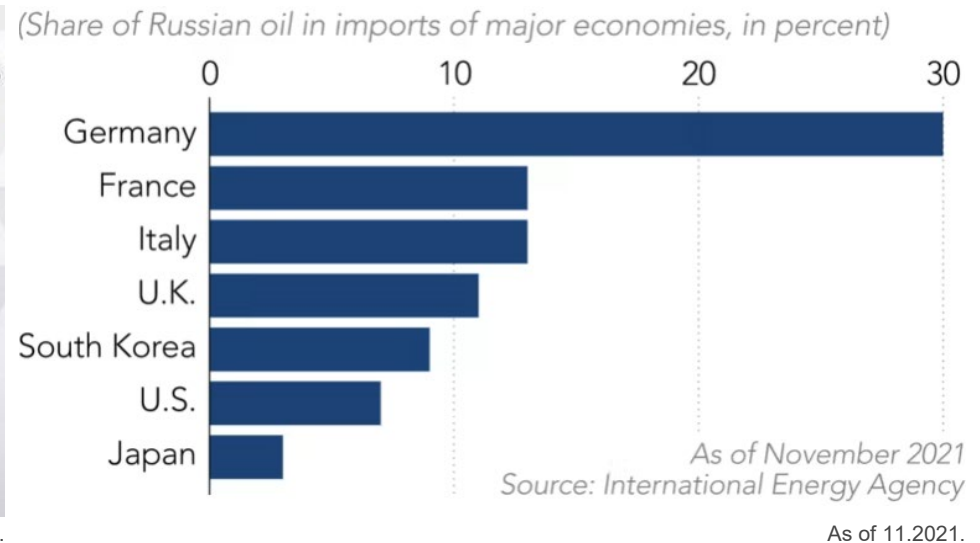
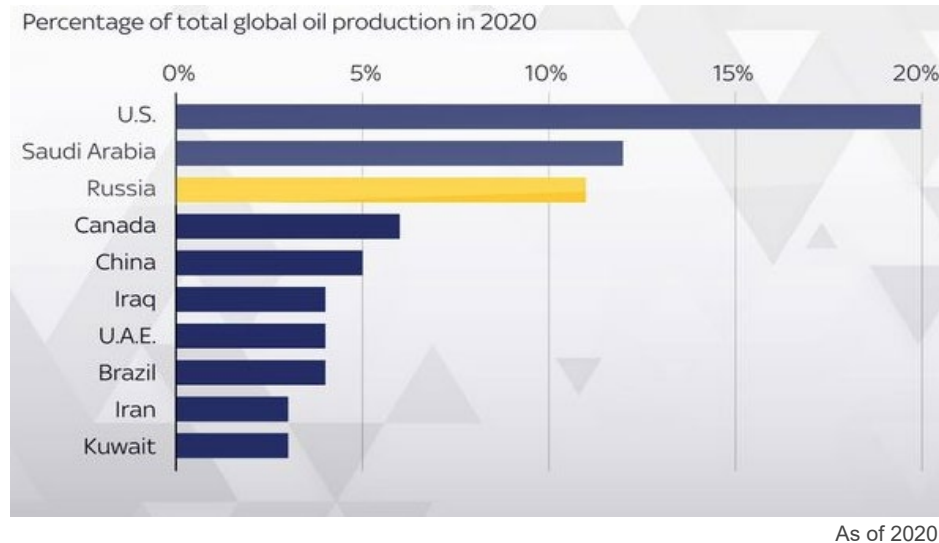
Ned Davis Research

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

Past performance is not indicative of future results.

Russia/Ukraine Conflict Contributed to Commodity Rally and Equity Volatility

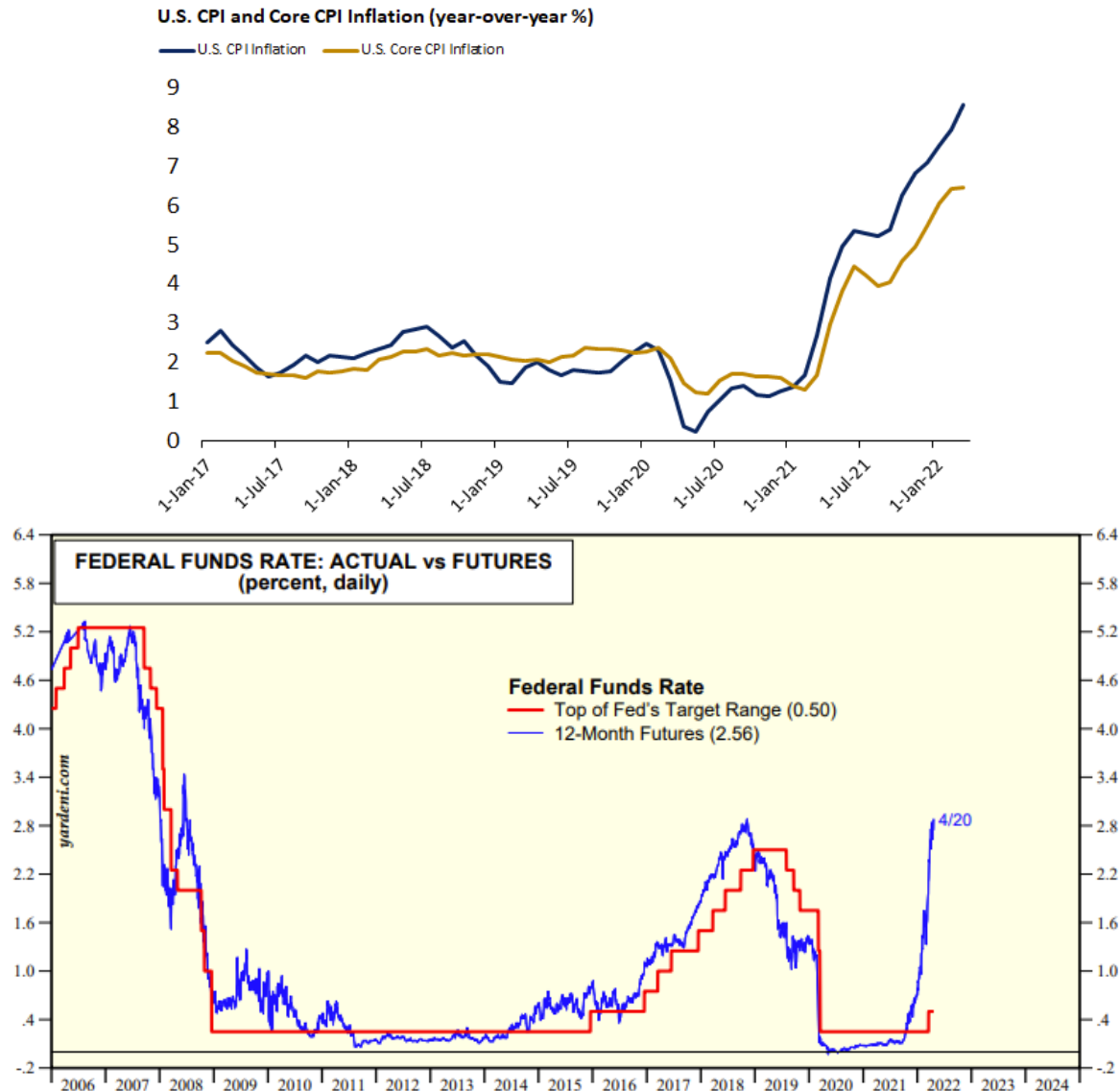


S&P 500 Total Return After Geopolitical Events

Event	Date	1 Day	3 months	1 year
Saudi oil pipeline drone attack	9/14/2019	0.0%	5.4%	12.5%
Russian annexation of Crimea	2/20/2014	0.6%	2.4%	15.4%
Boston Marathon bombing	4/15/2013	-2.3%	5.9%	16.0%
Iraq invades Kuwait	8/2/1990	-1.1%	-12.3%	8.9%
Kennedy Assassination	11/22/1963	-2.8%	8.4%	20.5%
Cuban Missile Crisis	10/16/1962	-0.3%	12.9%	27.4%

Source: US Energy Information Administration, Sky News (top left chart); International Energy Agency, Nikkei Asia (top right chart); Bloomberg, Morningstar Direct, S&P 500 total returns (bottom chart). 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.

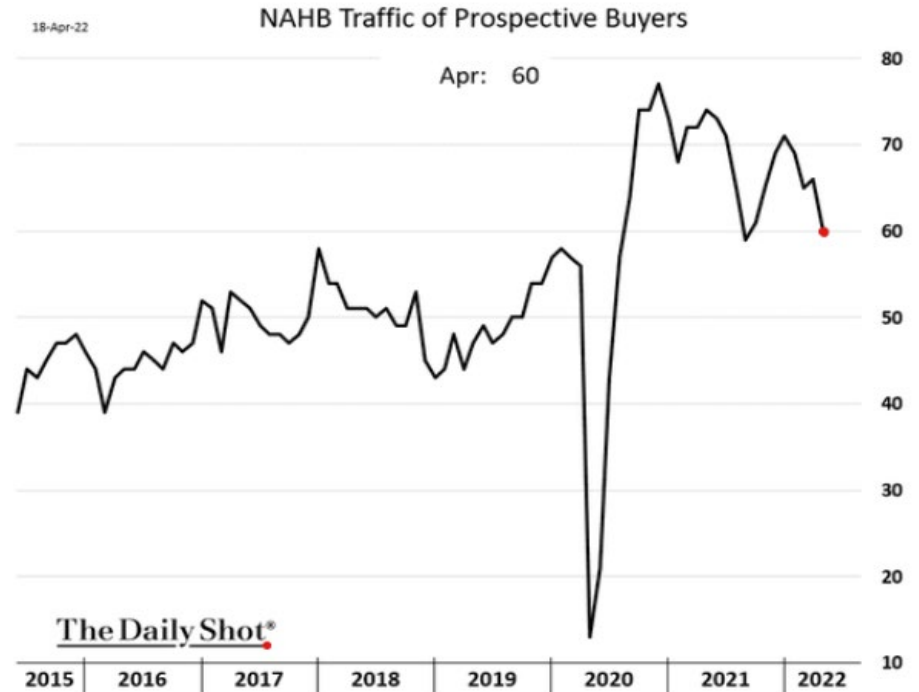
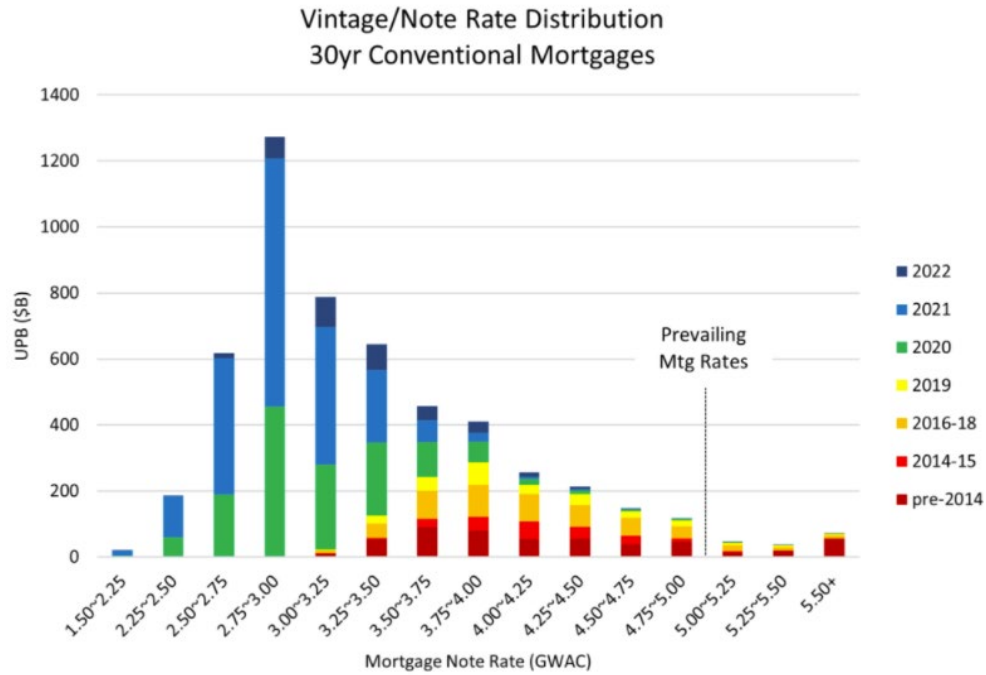
Elevated Inflation Is Forcing the Fed to Raise Rates, Leading to Market Volatility



CPI = Consumer Price Index.

Source: Edward Jones, FactSet (top chart); Yardeni Research, Chicago Mercantile Exchange, Federal Reserve Board (bottom chart). 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.

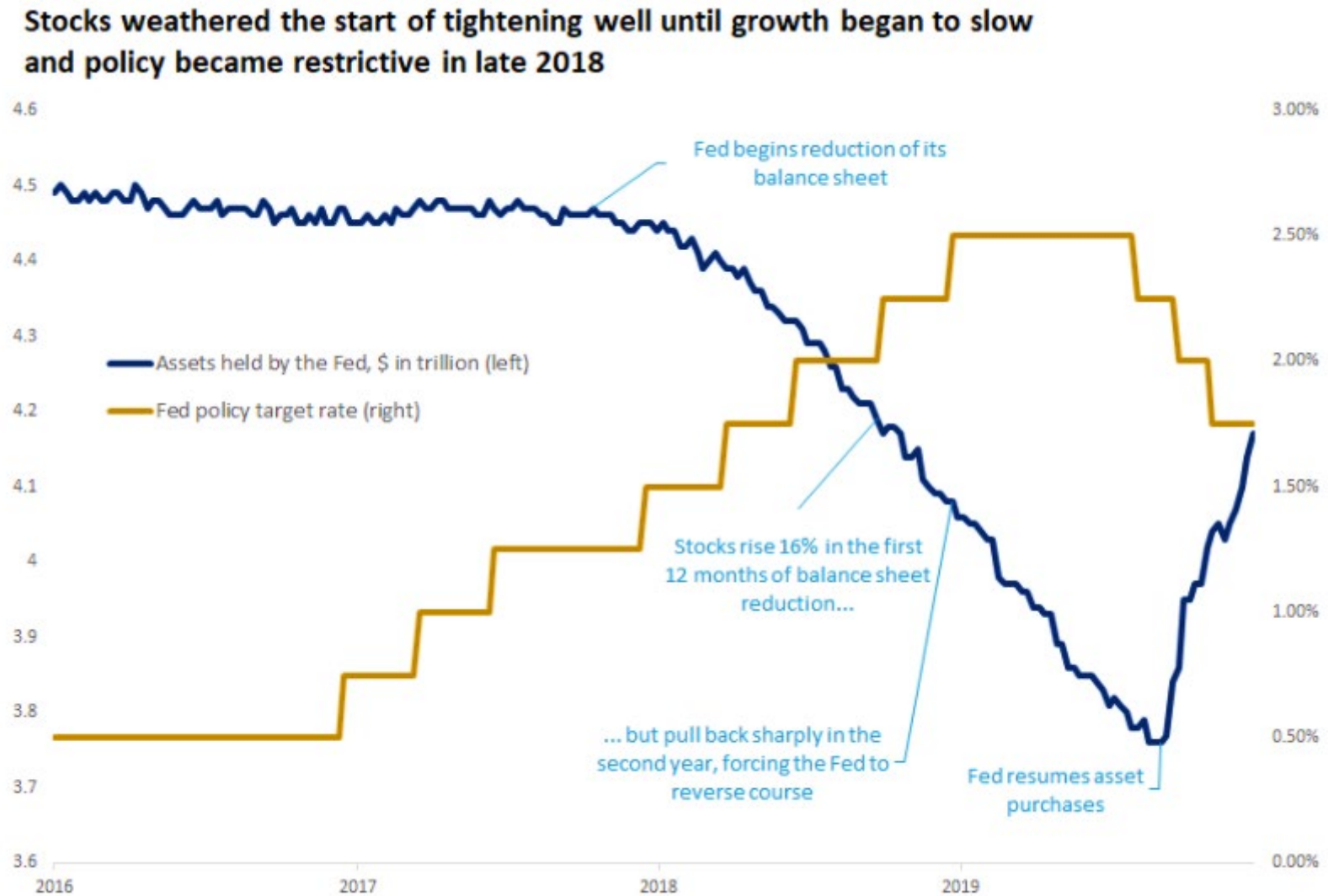
Refinancing Has Plummeted, and Traffic of Home Buyers Is Declining



GWAC = government-wide acquisition contract. NAHB = National Association of Home Builders.

Source: Risk Span (left chart); The Daily Shot (right chart). 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.

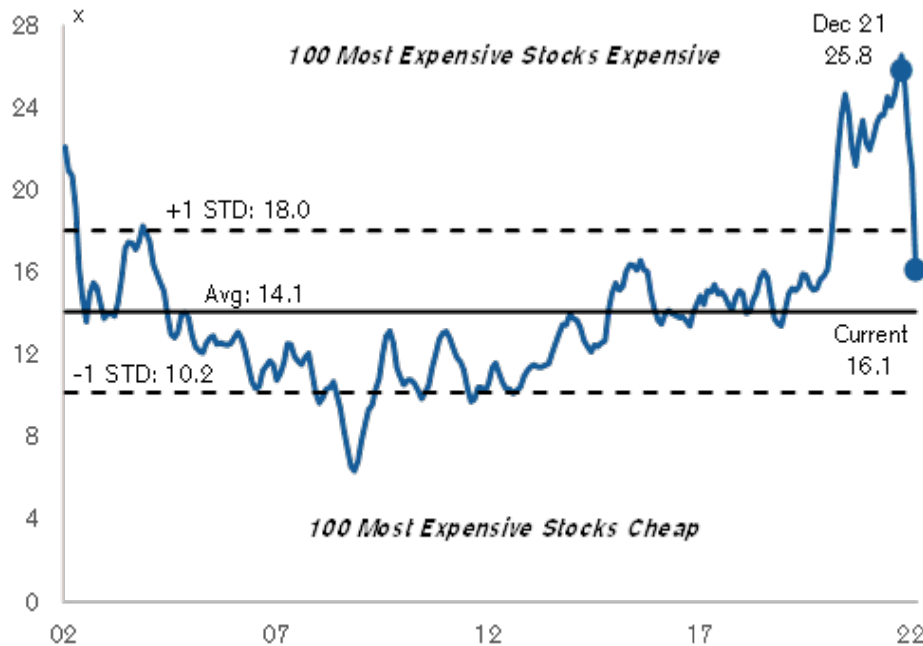
Will the Fed Slow or Reverse Tightening Cycle if the U.S. Has a Hard Landing?



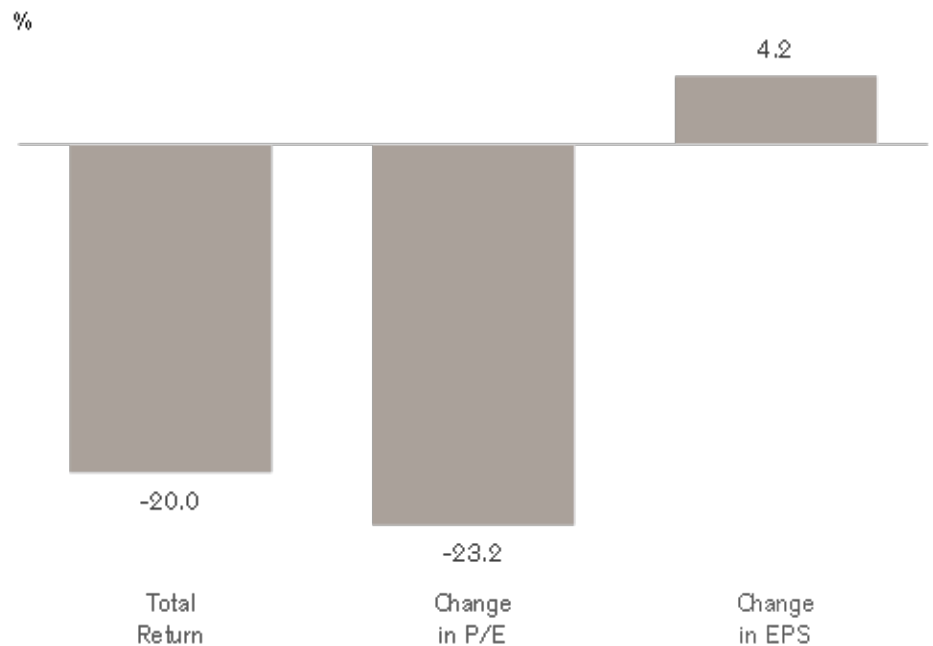
Source: Edward Jones. The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods will be successful.

Growth Equity Valuations Have Compressed, But Earnings Are Up

P/E of 100 Most Expensive Stocks Minus the Rest of the S&P 500



YTD Change in the Index, EPS, and P/E – Russell 1000 Growth (01.2022- 04.2022)



P/E = price to earnings. EPS = earnings per share.

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

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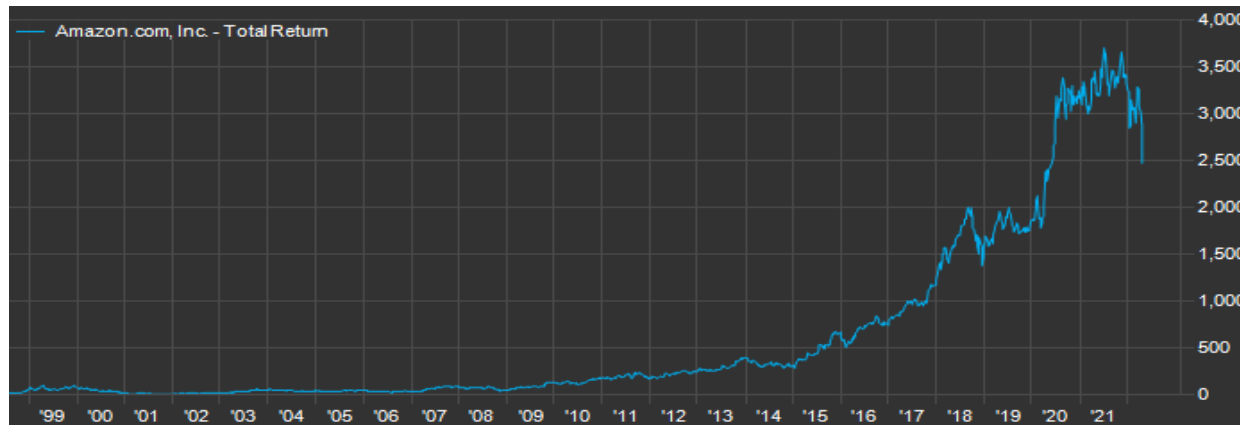


Reflection on Amazon's Historical Returns

- Amazon stock fell 93.5% from the dot-com peak of \$106.69 (12.10.1999) to \$6.91 (10.09.2001)



- Amazon stock rose 2,224% (15% annualized) from \$106.69 (12.10.1999) to \$2,480 (05.03.2022)
- Amazon stock rose 35,790% (33% annualized) from \$6.91 (10.09.2001) to \$2,480 (05.03.2022)



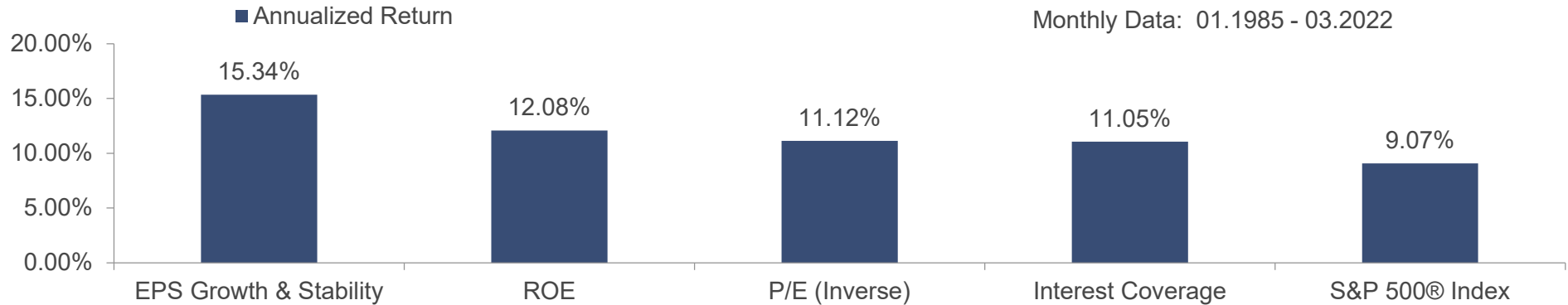
Source: FactSet. Specific securities identified and described do not represent all of the securities purchased, sold or recommended to clients. There are no assurances that securities identified will be profitable investments. The securities described are neither a recommendation nor a solicitation. 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 views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods will be successful.

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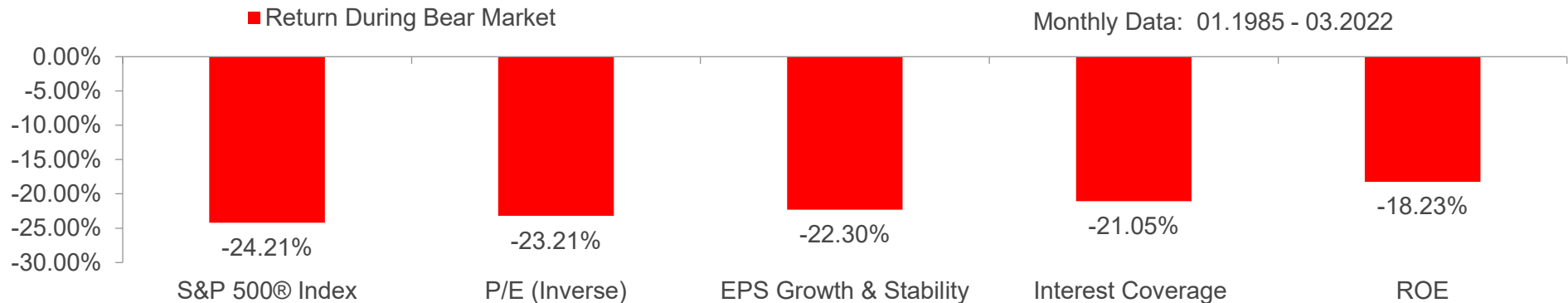
Equity Opportunities Group Philosophy of Investing

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

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



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

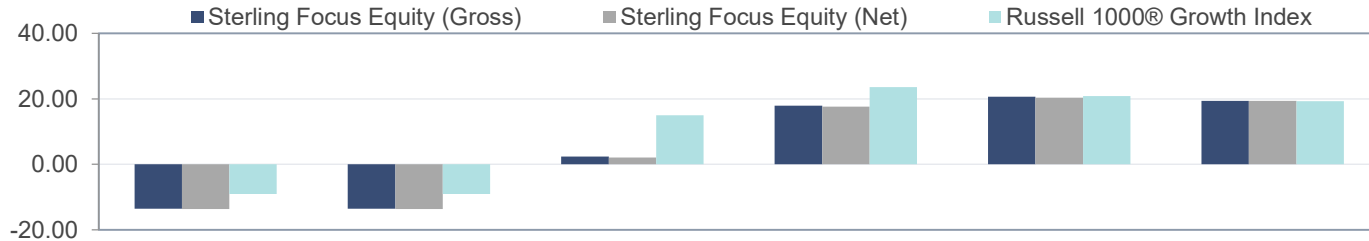


As of 03.31.2022. Source: Ned Davis Research, S&P Dow Jones Indices. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index. The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods will be successful.

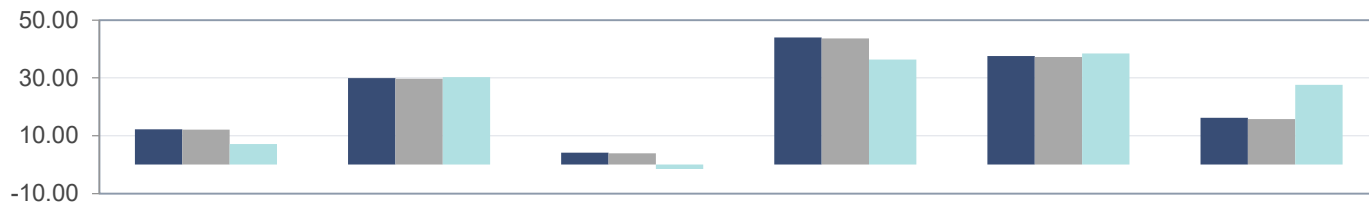
Past performance is not indicative of future results.



Focus Equity Performance History



Performance	QTR	YTD	1 Year	3 Year	5 Year	Since Inception ¹
Sterling (Gross)	-13.52%	-13.52%	2.42%	17.97%	20.68%	19.36%
Sterling (Net)	-13.60%	-13.60%	2.06%	17.66%	20.41%	19.10%
Russell 1000® Growth	-9.04%	-9.04%	14.98%	23.60%	20.88%	19.29%
Russell 3000®	-5.28%	-5.28%	11.92%	18.24%	15.40%	15.34%



Year-End Returns	2016	2017	2018	2019	2020	2021
Sterling (Gross)	12.23%	29.89%	4.15%	43.95%	37.58%	16.22%
Sterling (Net)	12.06%	29.68%	3.96%	43.68%	37.27%	15.77%
Russell 1000® Growth	7.08%	30.21%	-1.51%	36.39%	38.49%	27.60%
Russell 3000®	12.74%	21.13%	-5.24%	31.02%	20.89%	25.66%

¹Inception date is 12.31.2015.

Data as of 03.31.2022. Performance is preliminary and is annualized for periods longer than one year. Net of fees performance returns are presented net of the investment management fees and trading expenses. Gross of fees performance returns reflect the deduction of trading costs; a client's return will be reduced by the management fees and other expenses it may incur. Investment management fees are described in Sterling's Form ADV 2A. Performance reflects the reinvestment of interest income and dividends and realized capital gains. The performance presented represents past performance and is no guarantee of future results. Performance is compared to an index, however, the volatility of an index varies greatly and investments cannot be made directly in an index. Market conditions vary from year to year and can result in a decline in market value due to material market or economic conditions. The Performance is considered Supplemental Information to the GIPS Composite Report located in the Appendix. Sources: Russell Investments, Sterling Capital Management Analytics.

Past performance is not indicative of future results.



Q1 Top Five Contributors/Bottom Five Detractors

Performance	QTR	YTD	1 Year	3 Year	5 Year	Since Inception*
Sterling (Gross)	-13.52%	-13.52%	2.42%	17.97%	20.68%	19.36%
Sterling (Net)	-13.60%	-13.60%	2.06%	17.66%	20.41%	19.10%
Russell 1000 [®] Growth	-9.04%	-9.04%	14.98%	23.60%	20.88%	19.29%
Russell 3000 [®]	-5.28%	-5.28%	11.92%	18.24%	15.40%	15.34%

Q1 Top Five Contributors:

- Casella Waste
- HubSpot
- Amazon
- Visa
- Mastercard

Q1 Bottom Five Detractors:

- Shopify
- S&P Global
- Twillio
- Coupa Software
- Okta

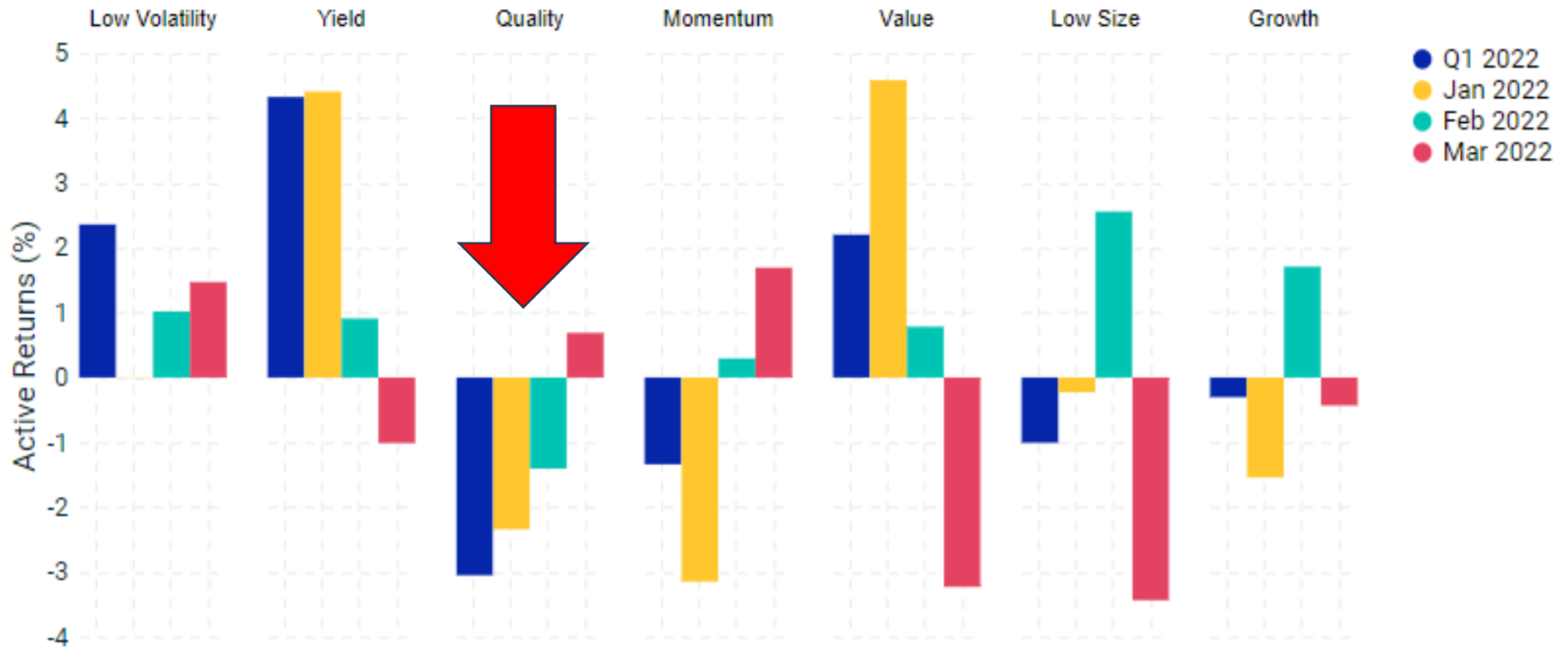
*Inception date is 12.31.2015. Data as of 03.31.2022. Performance is preliminary and is annualized for periods longer than one year. Net of fees performance returns are presented net of the investment management fees and trading expenses. Gross of fees performance returns reflect the deduction of trading costs; a client's return will be reduced by the management fees and other expenses it may incur. Investment management fees are described in Sterling's Form ADV 2A. Performance reflects the reinvestment of interest income and dividends and realized capital gains. The performance presented represents past performance and is no guarantee of future results. Performance is compared to an index, however, the volatility of an index varies greatly and investments cannot be made directly in an index. Market conditions vary from year to year and can result in a decline in market value due to material market or economic conditions. The Performance is considered Supplemental Information to the GIPS Composite Report located in the Appendix. Sources: Russell Investments, Sterling Capital Management Analytics.

The top/bottom performers are based on quarterly contribution to return. Specific securities identified and described do not represent all of the securities purchased, sold or recommended to clients. There are no assurances that securities identified will be profitable investments. The securities described are neither a recommendation nor a solicitation. Security information is being obtained from resources the firm believes to be accurate, but no warrant is made as to the accuracy or completeness of the information.

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Flight “From” Quality?



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“Time in Market” Not “Timing Market” Is Key

The best days usually follow the worst days for the market. Since the 1930s, if an investor sat out the 10 best return days per decade, his/her returns would be just 45% compared to ~20,000% (19,975%) returns since then.

S&P 500 returns by decade excluding the 10 best and 10 worst days, as of 3/1/22

Decade	Price return	Excluding best 10d per decade	Excluding worst 10d per decade	Excluding best/worst 10d per decade
1930	-42%	-79%	39%	-50%
1940	35%	-14%	136%	51%
1950	257%	167%	425%	293%
1960	54%	14%	107%	54%
1970	17%	-20%	59%	8%
1980	227%	108%	572%	328%
1990	316%	186%	526%	330%
2000	-24%	-62%	57%	-21%
2010	190%	95%	351%	203%
2020	33%	-24%	153%	44%
Since 1930	19,975%	45%	4,275,143%	30,678%

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

Past performance is not indicative of future results.



Focus Equity Characteristics and Top Ten Holdings

Sterling Focus Equity

Portfolio Characteristics		
	Sterling	Index
Wtd. Average Market Cap	\$374.5B	\$989.0B
Wtd. Median Market Cap	\$62.3B	\$309.8B
Wtd. Harmonic Median P/E Ratio (FY1)	48.6x	28.4x
Median Historical 3-Year EPS Growth	21.3%	15.2%
Median Est. 3-5 Year EPS Growth	18.9%	14%
Median Net Debt/EBITDA	-0.4	1.2
Median Return on Equity	10.5%	22.0%
Number of Holdings	23	499
Active Share	82.5%	---
Turnover	24.1%	---

Top Ten Equity Holdings	
1. S&P Global, Inc.	9.2%
2. Mastercard Incorporated Class A	9.1%
3. HEICO Corporation Class A	7.0%
4. Adyen N.V. Unsponsored ADR	7.0%
5. CoStar Group, Inc.	6.6%
6. Microsoft Corporation	6.1%
7. IDEXX Laboratories, Inc.	5.4%
8. Alphabet Inc. Class C	5.0%
9. Moody's Corporation	5.0%
10. Casella Waste Systems, Inc. Class A	4.6%
<i>Total % of Portfolio</i>	64.9%

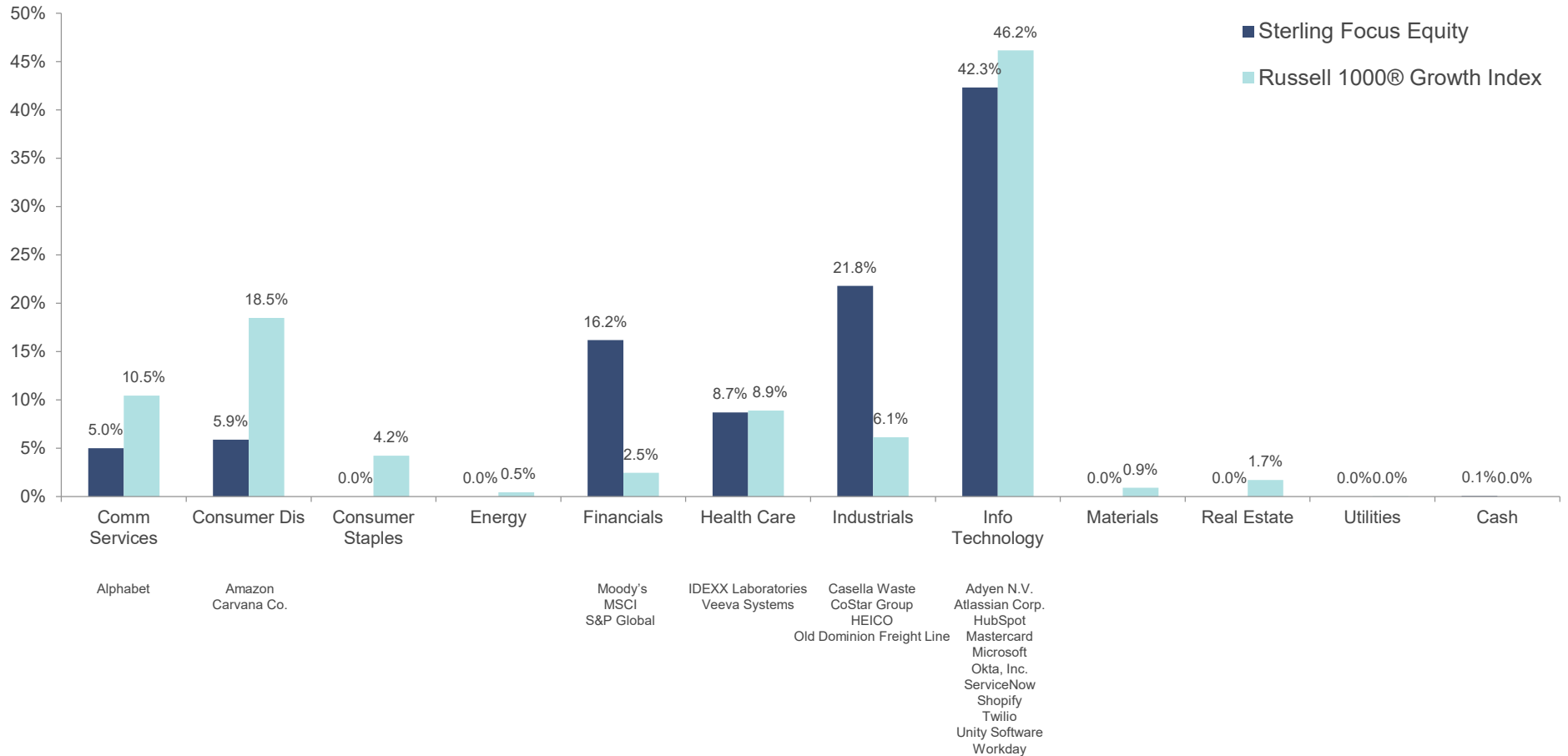
Data as of 03.31.2022. Index is Russell 1000® Growth. Turnover is for the last 12 months. Specific securities identified and described do not represent all of the securities purchased, sold or recommended to clients. There are no assurances that securities identified will be profitable investments. The securities described are neither a recommendation nor a solicitation. Security information is being obtained from resources the firm believes to be accurate, but no warrant is made as to the accuracy or completeness of the information. The Characteristics and Top Ten Holdings are considered Supplemental Information to the GIPS Composite Report located in the Appendix. Source: Russell Investments, FactSet, Sterling Capital Management Analytics.



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Focus Equity is Built to Differ from the Benchmark

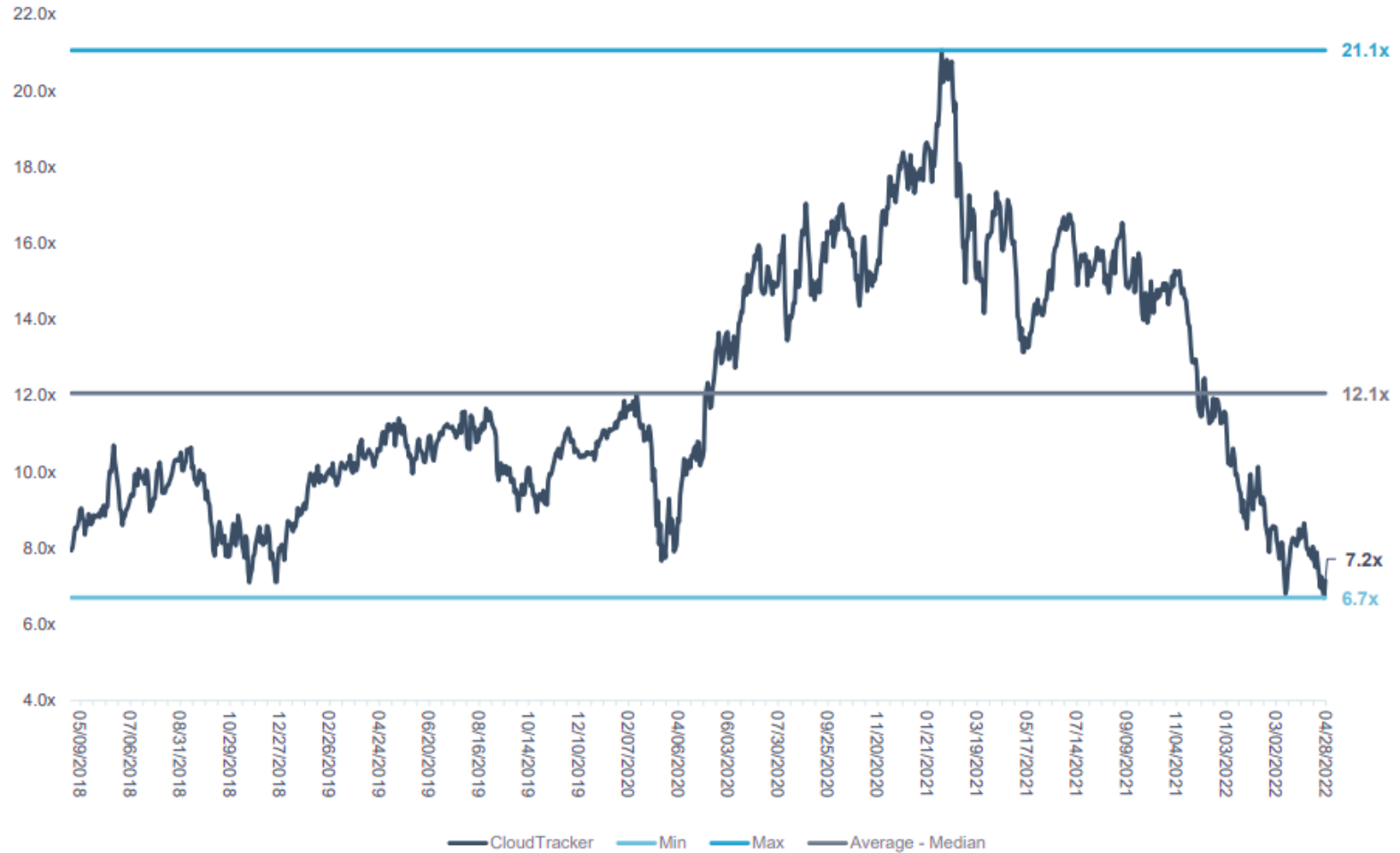
Sterling Focus Equity



Data as of 03.31.2022. Totals may not equal 100% due to rounding. Specific securities identified and described do not represent all of the securities purchased, sold or recommended to clients. There are no assurances that securities identified will be profitable investments. The securities described are neither a recommendation nor a solicitation. Security information is being obtained from resources the firm believes to be accurate, but no warrant is made as to the accuracy or completeness of the information. The Portfolio Diversification is considered Supplemental Information to the GIPS Composite Report located in the Appendix. Source: Russell Investments, FactSet, Sterling Capital Management Analytics.

Valuations Have Collapsed

CloudTracker | Valuation Monitor – Median NTM EV/S



NTM EV/S = next twelve months enterprise value-to-sales.

Source: Piper Sandler. 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.

...But, Is Cloud Collapsing?

Table 1. Worldwide IT Spending Forecast (Millions of U.S. Dollars)

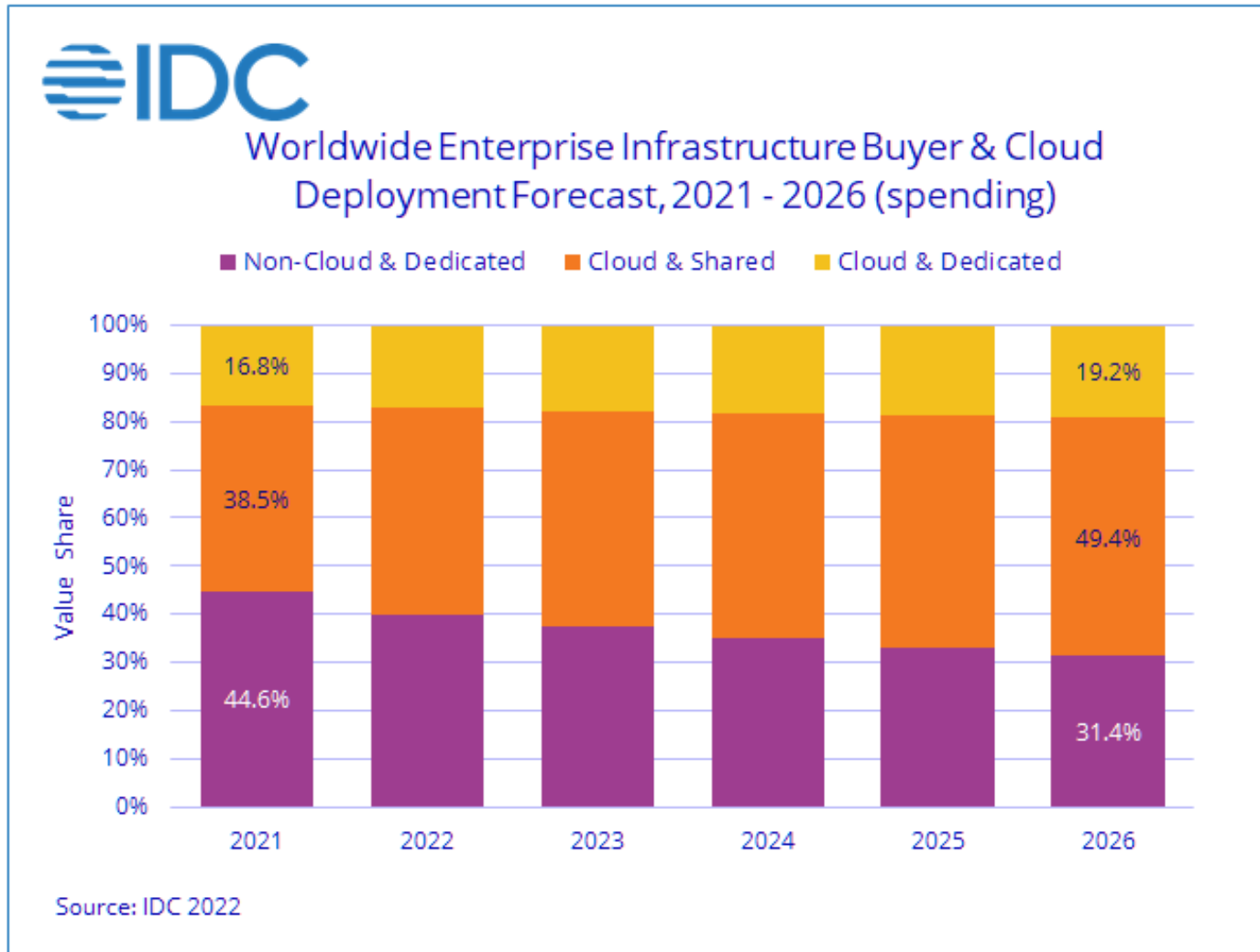
	2021 Spending	2021 Growth (%)	2022 Spending	2022 Growth (%)	2023 Spending	2023 Growth (%)
Data Center Systems	207,306	6.7	218,634	5.5	230,385	5.4
Software	614,494	15.9	674,889	9.8	754,808	11.8
Devices	809,452	16.1	824,600	1.9	837,844	1.6
IT Services	1,185,103	10.6	1,265,127	6.8	1,372,892	8.5
Communications Services	1,443,419	3.4	1,448,396	0.3	1,477,798	2.0
Overall IT	4,259,773	9.5	4,431,646	4.0	4,673,728	5.5

As of 04.2022. Source: Gartner, IDC. The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods will be successful.



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Enterprise Cloud Spending Appears to Be Quite Resilient



Source: Gartner, IDC. 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.

Enterprise Cloud Spending Appears to Be Quite Resilient

Table 1. Worldwide Public Cloud Services End-User Spending Forecast (Millions of U.S. Dollars)

	2021	2022	2023
Cloud Business Process Services (BPaaS)	51,410	55,598	60,619
Cloud Application Infrastructure Services (PaaS)	86,943	109,623	136,404
Cloud Application Services (SaaS)	152,184	176,622	208,080
Cloud Management and Security Services	26,665	30,471	35,218
Cloud System Infrastructure Services (IaaS)	91,642	119,717	156,276
Desktop as a Service (DaaS)	2,072	2,623	3,244
Total Market	410,915	494,654	599,840

BPaaS = business as a service. IaaS = infrastructure as a service. PaaS = platform as a service. SaaS = software as a service.


Totals may not add up due to rounding. As of 04.2022. Source: Gartner, IDC. The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods will be successful.



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Private Market Indicates the Value Embedded in Focus Portfolio

The “Top Decile” Ranking: Top 20 out of over 517 PE Firms

Rank	Firm	Performance Score
1	Accel-KKR	3,34
2	Francisco Partners	2,95
3	TA Associates	2,49
4	Vitruvian Partners	1,56
5	Great Hill Partners	1,36
6	Genstar	1,18
7	Hellman & Friedman	1,17
8	Clayton, Dubilier & Rice	1,12
9	Thoma Bravo 	1,00
10	Hg Capital	0,99
11	Veritas Capital	0,95
12	Permira	0,68
13	Leonard Green & Partners	0,65
14	Waterland Private Equity Investments	0,60
15	EQT	0,37
16	New Mountain Capital, LLC	0,33
17	Welsh, Carson, Anderson & Stowe	0,23
18	Advent International	0,21
19	Crestview Partners	0,18
20	Charlesbank Capital Partners	0,12

Anaplan to be Acquired by Thoma Bravo for \$10.7 Billion

03/20/2022

Anaplan stockholders to receive \$66.00 per share in cash

Anaplan to become a privately held company upon completion of the transaction

SailPoint to be Acquired by Thoma Bravo for \$6.9 Billion

April 11, 2022

SailPoint stockholders to receive \$65.25 per share in cash

Deal price represents a 48% premium to the 90-day VWAP

SailPoint to become a privately held company upon completion of the transaction

Source: Business Wire, Anaplan, Thoma Bravo. 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 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.

Elon Musk Makes \$43 Billion Unsolicited Bid to Take Twitter Private



Source: Bloomberg. Specific securities identified and described do not represent all of the securities purchased, sold or recommended to clients. There are no assurances that securities identified will be profitable investments. The securities described are neither a recommendation nor a solicitation. Security information is being obtained from resources the firm believes to be accurate, but no warrant is made as to the accuracy or completeness of the information. 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.

... And It's Not Just Tech. We See Value in a Variety of Industries

- **Aerospace:** Heico benefiting from industry recovery:
 - United Airlines CEO Scott Kirby: “We finally reached the inflection point as we transition from pandemic to endemic and demand is stronger than I've ever seen in my career and that's even before business travel fully recovers, though it continues to accelerate at a rapid pace and before international, especially Asia, fully recovers.”
 - Honeywell CFO Greg Lewis: “The ongoing flight-hour recovery led to more than 25% year-over-year sales growth in both air transport aftermarket and business and general aviation aftermarket.” “Sequential growth in flight hours will lead to another quarter of robust growth for...general aviation aftermarket businesses. This momentum will carry through to the end of '22 with growth led by the air transport aftermarket.”
- **Freight:** Old Dominion experiencing ongoing robust demand. CEO Greg Gantt: “Demand for our superior service has remained consistently strong and we do not see that changing in the foreseeable future based on recent conversations with both our customers and our sales team. We continue to receive feedback regarding the general lack of capacity within the LTL industry.”
- **Waste Services:** Casella COO Ed Johnson: “We are in high inflationary times, which is both a great challenge and a great opportunity for us. In Q1, inflation in our operating costs was even more significant, but we pass through price to cover it, and we now have that same opportunity to enhance the bottom line as we recover the margin. For a little more color on this...the primary metric we follow in the collection line of business is variable margin contribution per driver labor out. That is the dollar amount contributed to our financial results for every hour we have a truck out servicing customers...it's a great indicator of how healthy our core business is. This metric improved 13.5%, the highest jump since we've been tracking it.”

Source: HEICO, Old Dominion Freight, Casella Waste Management. 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 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.

New Position: HubSpot (HUBS)

Focus Equity 4M Framework

- **Market:** Gartner Inc. estimates the global market for customer relationship management software at \$70 billion annually; this compares to HubSpot's 2021 sales of \$1.3 billion. Also, we believe the Gartner estimate reflects a fraction of the company's opportunity, with solutions spanning multiple functional areas in a small/medium sized business. In our view, HubSpot has runway with new and existing customers, with products, market segments, and new geographies all available growth levels.
- **Model:** HubSpot expanded from a point marketing "app" to a full platform that spans sales, marketing, and customer service operations of a small/mid-sized business. The software is sold on a subscription basis; price scales based on number of products selected and size of the customer.
- **Management:** Brian Halligan and Dharmesh Shah (current Chief Technology Officer (CTO)) founded HubSpot in 2006. Mr. Halligan served as CEO for 15 years until 2021, until a snowboarding accident forced a change in the C-Suite; former Chief Customer Officer, Yamani Rangan is now CEO; her resume includes executive roles at Dropbox, Workday, and SAP. Kate Bueker joined in 2018 as CFO with a long finance role tenure at Akamai. We believe management is aligned with shareholders with an aggregate 5% ownership stake.
- **Momentum:** The company has quintupled its subscriber base since 2016 and has compounded billings (a proxy for net new business) and revenue at a rate north of 30% annual over this time. Earnings have scaled from (-\$0.36) in 2016 to \$1.82 in 2021.

Equity Opportunities Group Four Pillars

- **Growth:** Revenue growth (primarily organic) has averaged 36% since 2016.
- **Profitability:** Operating margin has scaled from negative to 9% over five years.
- **Balance Sheet:** HubSpot has more than \$1 billion in net cash on its balance sheet.
- **Valuation:** The stock trades at roughly 70 times free cash flow (FCF) given the growth and profitability attributes of the business, in our view.

Gartner Inc. is a publically traded company with the ticker "IT" that is a member of the S&P 500 Index, which provides consulting, data research, guidance, and advice on information technology, finance, supply chain, human resources, product management, and other business topics/industries.

Source: HubSpot, Bloomberg. Specific securities identified and described do not represent all of the securities purchased, sold or recommended to clients. There are no assurances that securities identified will be profitable investments. The securities described are neither a recommendation nor a solicitation. Security information is being obtained from resources the firm believes to be accurate, but no warrant is made as to the accuracy or completeness of the information. 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.

Palatable Revenue Momentum



Profitability Scaling with Growth

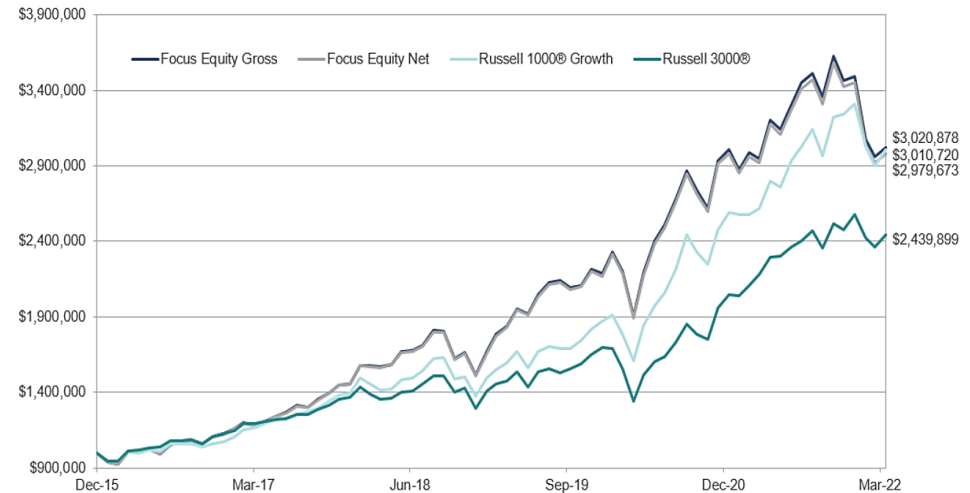
	2016	2017	2018	2019	2020	2021	Long Term Target
Gross Margin	78%	81%	82%	82%	82%	81%	81% - 83%
R&D % of revenue	14%	15%	18%	18%	19%	18%	18% - 20%
S&M % of revenue	55%	52%	46%	45%	45%	45%	30% - 35%
G&A % of revenue	14%	12%	11%	11%	10%	9%	8% - 9%
Operating Margin	-4%	2%	6%	8%	8%	9%	20% - 25%

Focus Equity Summary

- History of Attractive Risk-Adjusted Returns Through a Variety of Market Environments
- Diligent Portfolio Management that is Active, Flexible, and Tax-Efficient
- Institutional Investment Platform features Consistent Team and Long-Term Focus

Growth of \$1 Million

Gross and Net of Fees, Since Inception (12.31.2015)



As of 03.31.2022. The Growth of \$1 Million chart is hypothetical based upon the composite net of fees performance since inception. Net of fees performance returns are preliminary and are presented net of the investment management fees and trading expenses. Gross of fees performance returns reflect the deduction of trading costs; a client's return will be reduced by the management fees and other expenses it may incur. Investment management fees are described in Sterling's Form ADV 2A. Performance reflects the reinvestment of interest income and dividends and realized capital gains. The performance presented represents past performance and is no guarantee of future results. Performance is compared to an index, however, the volatility of an index varies greatly and investments cannot be made directly in an index. Market conditions vary from year to year and can result in a decline in market value due to material market or economic conditions. The Growth of \$1 Million is considered Supplemental Information to GIPS Composite Report located in the Appendix. Source: Russell Investments, Morningstar.

Any type of investing involves risk and there are no guarantees that these methods will be successful.

Past performance is not indicative of future results.



Appendix

Important Information

Disclosures

ESG Risk: The use of ESG factors could result in selling or avoiding investments that subsequently underperform. As a result, strategies that take ESG factors into account could underperform similar strategies that do not take into account ESG factors.

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

The S&P 500® Index is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P 500 Composite includes 500 of the largest stocks (in terms of stock market value) in the United States and covers approximately 80% of available market capitalization.

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

The Russell 1000® Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000® companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect growth characteristics.

The Bloomberg U.S. Aggregate Bond Index is an unmanaged index composed of securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. It is not possible to invest in the Bloomberg U.S. Aggregate Bond Index, which is unmanaged and does not incur fees and charges.

The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. Indexes are available for the U.S. and various geographic areas. Average price data for select utility, automotive fuel, and food items are also available.

Technical Terms: **Earnings Per Share (EPS):** a key metric used to determine the common shareholder's portion of the company's profit. EPS measures each common share's profit allocation in relation to the company's total profit. **Price Earnings Ratio (P/E):** the relationship between a company's stock price and earnings per share (EPS). The P/E ratio shows the expectations of the market and is the price you must pay per unit of current earnings (or future earnings, as the case may be). **Free Cash Flow (FCF):** measures a company's financial performance. It shows the cash that a company can produce after deducting the purchase of assets such as property, equipment, and other major investments from its operating cash flow. **Return on Equity (ROE):** the measure of a company's annual return (net income) divided by the value of its total shareholders' equity, expressed as a percentage. **Enterprise value-to-sales (EV/Sales):** a financial ratio that measures a company's total value (in enterprise value terms) to its total sales revenue. (Technical definitions are sourced from Corporate Finance Institute.)

Past performance is not indicative of future results. Any type of investing involves risk and there are no guarantees that these methods will be successful.

The opinions contained in the preceding presentation reflect those of Sterling Capital Management LLC, and not those of Truist Financial Corporation or its executives. The stated opinions are for general information only and are educational in nature. These opinions 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. All opinions and information herein have been obtained or derived from sources believed to be reliable. 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, an investment adviser registered with the U.S. Securities & Exchange Commission and an independently-operated subsidiary of 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 Truist Financial Corporation, Truist Bank or any affiliate, are not guaranteed by 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.

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.



Sterling Capital Management – Focus Equity Composite

January 1, 2016 – December 31, 2021

Description: Consists of all discretionary separately managed Focus Equity portfolios. Sterling's Focus Equity portfolio investments are flexible and may span growth and value, large- and small-capitalization companies. The strategy seeks positions featuring sustainable, multi-year return profiles underpinned by businesses perceived to possess attractive financial returns, visible reinvestment opportunities, and talented management.

	Total Assets	Total	Composite	Russell	Composite	Benchmark
	End of Period	Firm Assets	Dispersion (%)	1000 Growth	3-yr St Dev	3-yr St Dev
<u>Year</u>	<u>Gross of Fees</u>	<u>Net of Fees</u>	<u>No. of Portfolios</u>	<u>(\$MM)</u>	<u>(\$MM)</u>	<u>(%)</u>
2021	16.22	15.77	31	58.6	75,308	0.14
2020	37.58	37.27	19	52.3	70,108	not meaningful
2019	43.95	43.68	2	0.3	58,191	not meaningful
2018	4.15	3.96	2	0.2	56,889	not meaningful
2017	29.89	29.68	5	0.9	55,908	not meaningful
2016	12.23	12.06	4	0.5	51,603	not meaningful

Sterling Capital Management LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Sterling Capital Management LLC has been independently verified for the periods 01/01/01 to 12/31/19. The verification report(s) is/are available upon request. 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. 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.

Notes:

1. Sterling Capital Management LLC (SCM) is a registered investment advisor with the SEC. Registration does not imply a certain level of skill or training. Sterling manages a variety of equity, fixed income and balanced assets. Prior to January 2001, Sterling was a wholly owned subsidiary of United Asset Management (UAM). In January 2001, Sterling Capital Management LLC purchased all the assets and business of Sterling Capital Management Company from UAM to become an employee owned firm. In April 2005, BB&T Corporation purchased a majority equity ownership stake in Sterling Capital Management LLC. In October 2010, the management group of Sterling Capital entered into an agreement with BB&T Corporation that reduced and restructured management's interest in Sterling Capital Management. Additionally, BB&T Asset Management merged into Sterling Capital Management. In January 2013, CHOICE Asset Management firm merged into Sterling Capital Management. "Percent of Firm Assets" and "Total Firm Assets" prior to 2013 are for CHOICE Asset Management. In August 2015, eight new employees joined Sterling Capital management via Stratton Management Company following the close of BB&T's purchase of Susquehanna Bancshares. In December 2019, BB&T Corporation and SunTrust Banks, Inc. Holding Company merged as equals to form Truist Financial Corporation. Sterling Capital Management LLC is a wholly owned subsidiary of Truist Financial Corporation. In August 2020, new employees joined Sterling Capital Management via the Investment Advisory Group of SunTrust Advisory Services. This reorganization aligns all of the discretionary fixed income asset management activities within Truist under Sterling.
2. Colin Ducharme, CFA, has managed the portfolio since inception. No alterations of composites, as presented herein, have occurred due to changes in personnel or other reasons at any time.
3. Inception date of composite: December 31, 2015. Creation date: October 31, 2018. Portfolios with an allowance to fixed income securities were permitted in the composite from inception until October 31, 2018. Beginning November 1, 2018, portfolios included in the composite are not permitted to own fixed income securities. Effective 3/31/20, the appropriate benchmark for this composite was changed retroactively to inception from the Russell 3000 Index to the Russell 1000 Growth Index. The Russell 1000® Growth Index measures the performance of the large cap growth segment of the US equity universe. It includes those Russell 1000® companies with higher price-to-book ratios and higher forecasted growth values. The index is reconstituted annually. Total return includes price appreciation/depreciation and income as a percent of original investment. 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.
4. 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. Beginning 8/1/20, composite returns are calculated by weighting the individual portfolio returns using beginning of period market values. Prior to 8/1/20, composite returns were asset weighted using the average capital base method that reflects both beginning market value and cash flows and uses the aggregate method. This method aggregates market values and cash flows for all the accounts and treats the composite as if it were one account. Composites were revalued for cash flows greater than 5%.
5. Gross of fees returns reflect the deduction of trading costs. Net of fee performance returns are calculated using the maximum ADV fee rate or actual management fees. The stated fee schedule is: 0.70% on the first \$25 million; 0.60% on the next \$25 million; 0.50% on the next \$25 million; and 0.40% on all amounts exceeding \$75 million on an annual basis as described in Sterling Capital Management's Form ADV, Part 2A.
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, 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 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.