Special Opportunities SMA Commentary

1st Quarter 2025

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 excluding expensive, poorly-financed, or strategically vulnerable companies from our holdings.

Market Commentary

As we discussed in the last commentary, the S&P 500® Index generated total returns over 25% in both 2023 and 2024. We have not seen the market produce two consecutive years above 25% nor generate a higher two-year cumulative return since 1998. 1Q25 was the worst quarter for the S&P 500 and NASDAQ Index since 2022, down 5% and 10%, respectively. Although we didn't see it coming, we believe the odds were stacked against the market to sustain the momentum from the last two years. Unfortunately, with global trade instability, 2Q25 is now also off to a volatile start.

S&P constituent fundamentals remained strong in 2024's fourth quarter earnings. As noted in the chart on the top of the next page, although estimates began to falter later in 2024, S&P companies surprised to the upside as earnings results were released in January and February.

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S&P 500 4Q24 Estimates

Left y-axis: price of the S&P 500. Right y-axis: estimated earnings per share (EPS) of the S&P 500.
The white line represents the price and the blue line represents 4Q24 estimates. Source: Bloomberg L.P. as of 04.05.2025.

Looking forward, expectations have come in for 2025 while remaining mostly stable for 2026, as noted below. Markets are fluid, though, so we would not be surprised to see forward estimates fluctuate from here.

S&P 500 2025 & 2026 Estimates

Left y-axis: price of the S&P 500. Right y-axis: estimated EPS of the S&P 500. The white line represents the price,
the blue line represents 2025 estimates, and the orange line represents 2026 estimates. Source: Bloomberg L.P. as of 04.05.2025.

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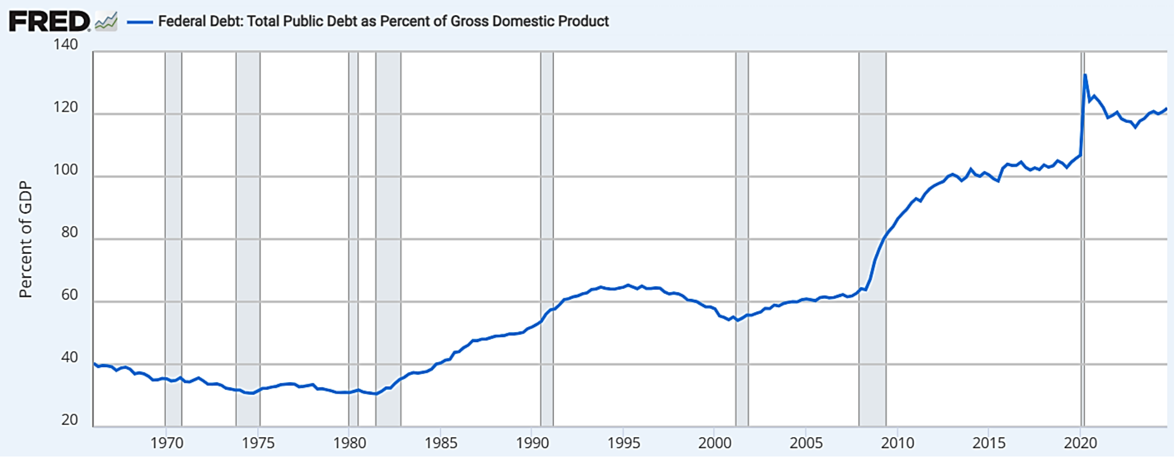
So, what's going on and how do we make sense of it all? It is hard to prognosticate with any certainty, but below we illuminate key issues that we believe the market grapples with presently:

- Inflation remains high and the fed funds rate remains restrictive;
- Consumer business sentiment indicators (University of Michigan and Conference Board) have turned over, reaching levels last seen in 2022;
- Recently, the National Federation of Independent Business (NFIB) Small Business Optimism Index reached a four-month low;
- Expectations for unfettered growth from the "Magnificent 7" (M7) have been challenged;
- Notably, investment plans for the development of artificial intelligence (AI) are being debated, partly related to the efficiency of the recent DeepSeek model;
- Geopolitical unrest continues, highlighting the Middle East, Ukraine, and Taiwan;
- Decreased fiscal spending initiatives have come under scrutiny as the newly created Department of Government Efficiency (DOGE) implements a heavy hand;
- U.S. federal debt stands at over $36T presently while debt-to-gross domestic product (GDP) nears a multi-decade peak above 120%. See below:



Shaded areas indicate U.S. recessions. Sources: Federal Reserve; Office of Management and Budget as of 03.27.2025.

Although this is not a full list of concerns, we believe there are reasons to be optimistic as well:

- The economy is still expanding;
- The consumer is healthy and spending;
- Over a longer arc, inflation continues to subside;
- Unemployment remains low;

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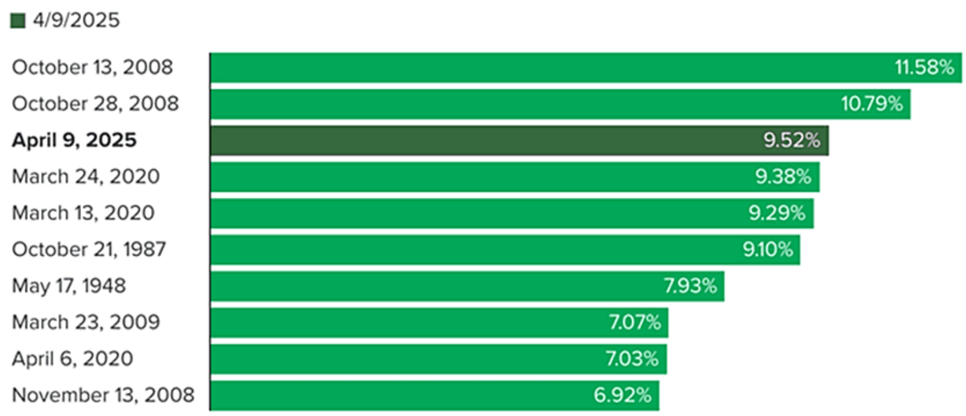
- Many high-level secular trends appear intact, such as aging population and digitization;
- Potential pro-growth fiscal and monetary policies remain a possibility;
- We feel that market valuations are now as attractive as we have seen in a long time;
- Yet, what seems to be front and center in the market are tariffs and a potential global trade war.

Dubbed “Liberation Day”, on April 2, President Donald Trump declared a national emergency due to persistent trade deficits and economic impact. The president signed an executive order to impose reciprocal tariffs to strengthen our economic position. These tariffs are aimed at the countries we have large trade deficits with. All other countries are subject to a baseline 10% tariff. Tariffs raise the cost of the imported goods they are imposed on, potentially encouraging investment in domestic manufacturing and procurement of lower-cost domestic alternatives. These new tariffs were targeted to be enforced on April 9, yet later that day, the administration gave a 90-day reprieve to all countries except for China, whose rate increased to 125%. Meanwhile, the baseline 10% tariff on all other countries remains for the time being. The market reaction was monumental:

S&P 500 Posts Third-Largest One-Day Gain Since WWII

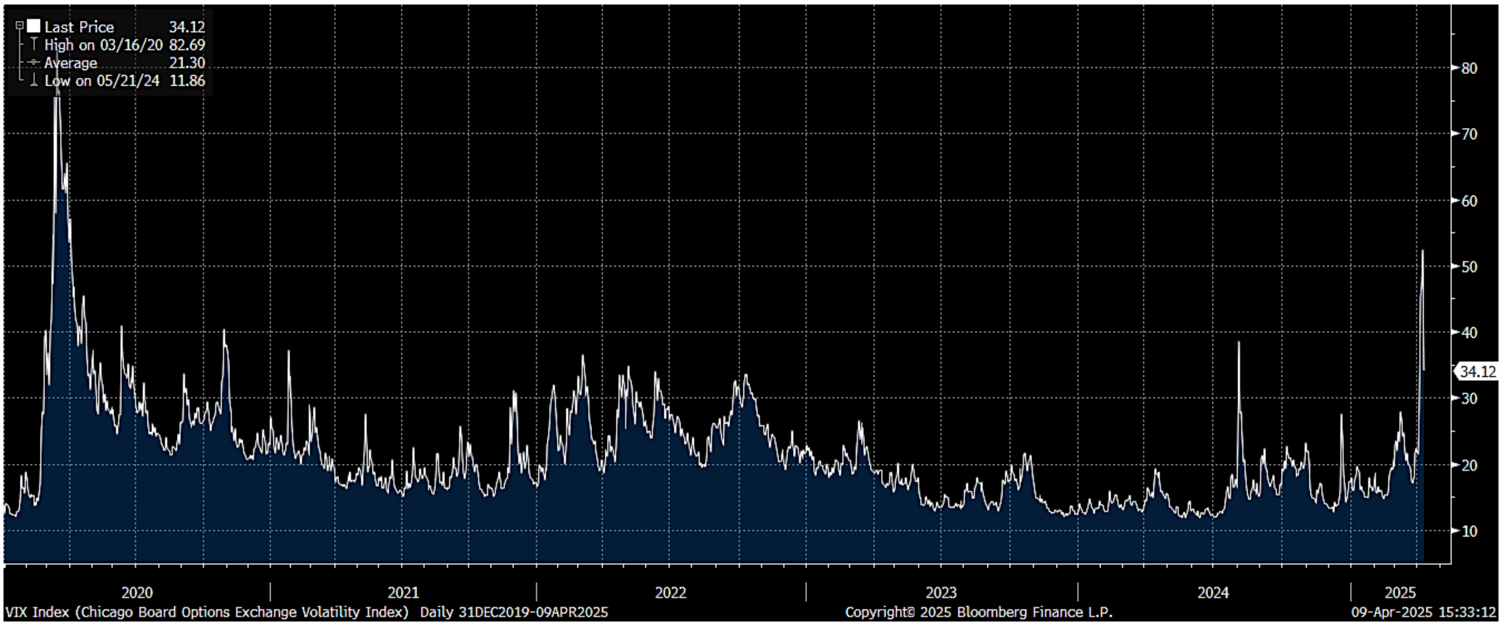


Source: FactSet as of 04.10.2025.

Who knows where negotiations take us next? Though we can hardly predict the outcome of what may ensue, we have some concerns, including: how our trade partners respond and whether they retaliate or negotiate; how China will react, and if they will try to take advantage and leverage our trade hostilities with our partners for their own gain; if those measures will be effective and if supply chains will be disrupted further; what may happen to the American consumer, including job losses; rising inflation; and lastly, if corporate earnings will fall or drive expectations lower.

Recession odds have already increased. On April 7 J.P. Morgan's Chief Economist, Bruce Kasman, warned of 60% global recession, up from 40%. The market's most prominent fear index, the Chicago Board Options Exchange Volatility Index (VIX), reached the highest level since the pandemic.

VIX Levels from 2020 – April 2025



Source: Bloomberg L.P. as of 04.09.2025.

Between these walls in Virginia Beach, we try to remain calm, diligent, and opportunistic because we believe the situation is still very fluid. We posit that although the market may warn of frightful scenarios, there are potential glass half full outcomes too. At the very least, one might assume the current administration is aiming for one. What if tariffed trade partners negotiate? That is a stated goal and preferential outcome. What if we give better terms to earlier trade agreements? Perhaps those partners that wait will fall behind those that do not, thus encouraging partners to come to the table sooner. What if yields decline, offering lower rates to refinance our national debt? What if import duties help lower the federal deficit and national debt? Perhaps pro-growth policies may ensue and with more heft. What if manufacturing investments and jobs grow again domestically? What if trade barriers subside and it becomes less costly for American companies to do business internationally? What if the Federal Open Market Committee (FOMC) lowers rates sooner and more frequently? Amongst the uncertainty, we contend these positive outcomes are very much plausible.

We may not have hit peak euphoria nor peak trade war escalation, but we believe that we remain fair and balanced in consideration of various global trade scenarios. Meanwhile, as we have no crystal ball, we continue to stick to our knitting and abide by our core tenets which we believe offer the opportunity to outperform in both up and down markets. As valuations come in, we are finding higher-quality four-pillar investment opportunities. As active managers, we endeavor to take action on behalf of our clients.

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Quarterly Review

Performance	QTR	YTD	1YR	3YR	5YR	10YR	Since Inception[1]
Sterling (Gross)	-7.91%	-7.91%	5.34%	6.25%	17.56%	10.69%	11.27%
Sterling (Net)	-8.61%	-8.61%	2.28%	3.16%	14.17%	7.48%	8.05%
Russell 3000® Index	-4.72%	-4.72 %	7.22%	8.22%	18.18%	11.80%	8.23%

In the first quarter, the portfolio generated gross returns of -7.91% and -8.61% net of the maximum fee versus the Russell 3000® Index's -4.72% total return. Contributing sectors within the portfolio were consumer discretionary, financials, and communication services. Detracting sectors included consumer staples, industrials, information technology, and real estate. Overall, 11 of our holdings within the quarter advanced while 22 declined. Six of our holdings advanced by double-digits while 14 declined by double-digits.

1Q25 Attribution

Leading Contributors	Portfolio Weight	Total Return	Gross Contribution to Return
T-Mobile US, Inc.	2.97	21.23	0.52
Brown & Brown, Inc.	2.76	22.11	0.52
Visa Inc. Class A	4.12	11.08	0.38
Take-Two Interactive Software, Inc.	3.19	12.59	0.32
HCA Healthcare Inc	2.14	15.38	0.29

Sources: FactSet; Sterling Capital Management Analytics.

- **T-Mobile** reported solid results for the most recent quarter, in our view. Company management contended its 2024 performance was its greatest growth year ever. The company also provided 2025 guidance above consensus. Specifically, guidance was ahead of consensus on several key factors, including postpaid net customers, earnings before interest, taxes, depreciation, and amortization (EBITDA), and free cash flow (FCF).
- **Brown & Brown** posted solid results in the company's most recent quarter, in our view, driven by 13.8% fourth quarter organic growth which was higher than anticipated. The stock traded off initially due to a perceived negative 2025 guide. However, after the market reflected on the entirety of the company's commentary, the stock continued to climb throughout the remainder of the first quarter.

[1]Inception date is 06.30.2004. Data is as of 03.31.2025. 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. 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 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).

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- **Visa** beat across the board in the most recent quarter. Company management noted strong holiday spending growth. Specifically, Visa beat consensus estimates on both the top and bottom lines, with EPS well above consensus. Visa also raised its annual guidance. The only geographic regions still showing sluggishness were in parts of Asia.
- **Take-Two** reported in-line results for 3Q25 and reiterated their annual guidance. However, driving the stock sharply higher was the company's reiteration that the highly anticipated Grand Theft Auto VI game will be released this Fall. Also, the company shared that we may see record bookings in both fiscal year (FY)26 and FY27, primarily due to the video game release.
- **HCA Healthcare** moved higher in 1Q25. 4Q24 results were mostly in-line with expectations, though there were moving parts. Full-year guidance was subdued, with organic top-line growth guidance at 5% and volume in the range of 3-4%. The stock experienced a meaningful drawdown in 4Q24, primarily due to the overhang of regulatory uncertainty. We believe the market is waiting to see how the new administration addresses Medicaid spending, as well as the Affordable Care Act Exchange tax credits in place through 2025.

Leading Detractors	Portfolio Weight	Total Return	Gross Contribution to Return
Marvell Technology, Inc.	4.14	-44.23	-1.82
Teva Pharmaceutical Industries	4.95	-30.26	-1.55
Coherent Corp.	4.09	-31.45	-1.22
Alphabet Inc. Class C	4.14	-17.87	-0.76
NVIDIA Corporation	3.87	-19.29	-0.74

Sources: FactSet; Sterling Capital Management Analytics.

- **Marvell's** stock experienced a difficult first quarter as rumors swirled of Microsoft's capital expenditures (CapEx) pullback, exacerbated by the cost-efficient DeepSeek model announcement and risk-off market sentiment. Adding to this pressure, the company modestly beat top-line fiscal 4Q25 estimates and gave a tepid 1Q26 guide. Regardless, our thesis remains intact as demonstrated by Alphabet and Amazon's continued strong AI-related spend with Marvell and future spend from Microsoft.
- **Teva** reported an in-line 4Q24 EPS and a slight beat on the top line. 2025 guidance surprised as EBITDA may decline slightly versus 2024, implying no margin expansion on a growing top line. Teva's management had perhaps signaled this earlier at the J.P. Morgan healthcare conference due to higher marketing investments in the fast-growing branded portfolio. This was coupled with higher research and development (R&D) on the company's branded pipeline. Accelerated investment in the growing portfolio continues to lend conviction to the Teva thesis, in our view.

- **Coherent** reported another strong quarter led by networking. Results surpassed consensus quarterly estimates and the company raised guidance for its next quarter. Once again, the networking segment was driven by growth in datacom, which grew 79% year-over-year. However, similarly to AI datacenter CapEx concerns that impacted Marvell, Coherent was also caught in the crosshairs. Regardless, we remain constructive on the stock and believe our investment thesis remains intact.
- **Alphabet's** fourth quarter results were mixed with a slight miss on the top line, offset by a beat on operating income and EPS. The market seemed to focus on a miss in Cloud growth coupled with a meaningful increase in the company's CapEx forecasts, alongside the concern for AI-tethered hardware and semiconductors. We believe that Alphabet continues to be a core holding for the strategy with a strong risk/reward profile.
- Similarly, **NVIDIA's** stock was not immune to the AI market discussion. NVIDIA announced solid results for its most recent quarter, in our view, and raised guidance for its upcoming quarter. Blackwell, its latest graphics processing unit (GPU), came in above expectations with $11B in revenues. Solid fundamentals were not enough to overpower the market forces at play and the stock experienced a drawdown.

Portfolio Changes

We added **Canadian Pacific Kansas City** (CP) in January. CP is a leading North American railroad that was created in the 2021 merger of Canadian Pacific and Kansas City Southern (KSU). Today, CP operates ~20K route miles across the U.S., Canada, and Mexico. We believe CP has the best organic growth prospects of its peers and that CP's management, led by CEO Keith Creel, is top tier. Over the last year, shipment volumes have been depressed due to weak industrial production, labor strikes at Canadian ports, and wildfires in Alberta. Moreover, the reelection of Trump appears to have increased trade war fears. We believe these headwinds have created an opportunity to invest in a high caliber management team at a relatively attractive price. Combined with a normalization in the underlying operating environment, revenue synergies from the CP-KSU merger may provide the company with a solid foundation to deliver on their 2023 Investor Day promises (2028 goals of high-single-digit % revenue growth, double-digit % EPS growth, and FCF conversion of 90%).

We added shares of **Mueller Industries** (MLI) in February. Mueller is a market leader supplying an array of copper, brass, and aluminum tubing products across construction and manufacturing end markets. We believe MLI is a well-managed and overlooked stock that appears to benefit from secular growth tailwinds such as infrastructure investment, the proliferation of datacenters and electric vehicles (EVs), and renewable energy, among others. MLI's industry has consolidated materially, which may cement MLI's pricing power and result in structurally higher margins. We believe their margins are underappreciated, attributable to the fact that MLI has little sell-side coverage. It is worth nothing that the company maintains a clean balance sheet with over $10/share in net cash and land carried at a book value of approximately $1B, which is not marked-to-market. In other words, MLI's present market value of its 50+ year old land could potentially be worth much more.

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.

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We sold **Global Payments** (GPN) in February. Global Payments is a leading provider of payment processing and software solutions focused on serving small and mid-sized merchants. At purchase, we liked the company's exposure to the secular transition of cash payments to digital in addition to its global scale and suite of payments solutions. Since purchase, we have been less impressed with GPN's capital allocation decisions and deteriorating earnings quality. With new company management and the potential for extended restructuring on the horizon, we chose to exit shares.

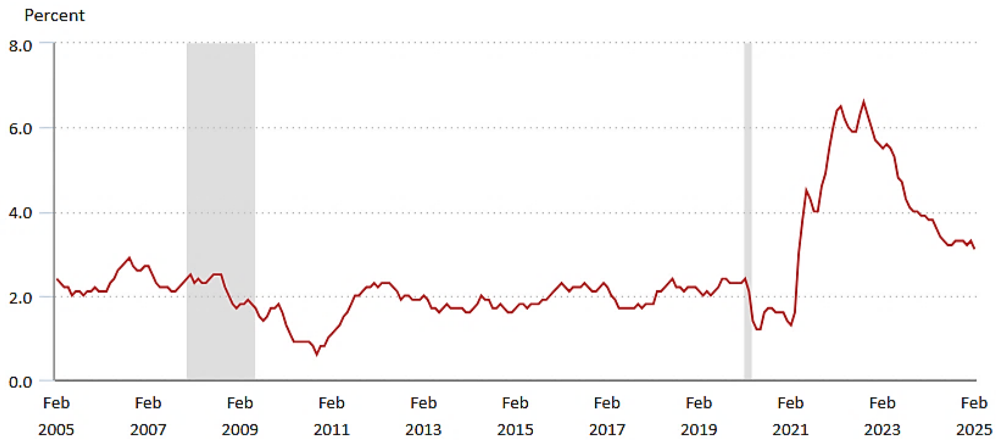
We sold our shares of **Brookfield Corp.** (BN) in March. Brookfield is a Canadian-domiciled, leading global investment firm comprised of three core businesses: alternative asset management, wealth solutions (insurance), and operating businesses in renewable power, infrastructure, business and industrial services, and real estate. We feel Brookfield has a strong reputation and is one of only a few global alternative asset managers who oversee >$500B in fee-paying assets under management. Given heightened volatility and an attractive similar alternative already in the portfolio, we made the decision to sell BN and round up another holding we feel is higher quality with a better risk/reward profile.

Outlook

As we alluded to earlier, there are both causes for concern and reasons to be optimistic in the stock market and for the Special Opportunities strategy in particular:

- Recall the varying views of foreign trade early in this commentary;
- Though the FOMC held rates steady in mid-March, expectations are still for GDP growth this year, albeit slower than before, and rate cut expectations have increased;
  - The effective fed funds rate is 4.33% as of April 5;
  - Inflation is still headed in the right direction, in our view, although perhaps not descending as fast as one would prefer. Note core inflation below:

12 Month % Change in the Consumer Price Index (CPI)



The shaded areas indicate recessions. The red line shows all items less food and energy.
Source: U.S. Bureau of Labor Statistics as of 3.27.2025.

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- Domestic unemployment remains just above 4.0%, which is still quite low by historical standards;
- U.S. GDP growth expanded by nearly 2.5% in 4Q24;
- The Global Purchasing Managers' Index (PMI) rose above 50 recently, which signals expansion;
- The International Monetary Fund (IMF) in January forecasted real global GDP growth above 3.0% for the next two-years, accelerating from 2024;
- Importantly, as several valuations have come in, overall risk versus reward looks more balanced and offers asymmetric opportunities currently being floated amongst our team.

Led by trade war fears, we are certainly aware of key market concerns. Yet, as noted above, we believe the economy is still in decent shape. We are not market prognosticators, but we remain thoughtful custodians of client capital, and we believe that the recent market dislocation has resulted in attractive valuations. Regardless of one's view of the market from here, we continue to emphasize high-quality companies with the following characteristics: above market profitability, secular and company-specific growth, below-market leverage, and attractive valuations. We believe our historical risk-adjusted performance justifies these tenets in both up and down markets. Looking forward, we trust that hard work, good due diligence, thoughtful analysis, and the Equity Opportunities Group's four pillars support above-market risk-adjusted returns for clients of the all-weather strategy.

As you can see in the chart below, at the end of 1Q25, the portfolio remains better positioned than the Russell 3000 Index with only a couple metric exceptions.

	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	10.7%	14.7%	14.1%	18.4x	12.1x	4.1%	17.9%	10.5%	29.6%	9.3x	1.8x
Russell 3000	10.0%	14.6%	12.3%	19.0x	11.9x	4.7%	7.6%	4.9%	13.8%	2.5x	2.1x
% Better / Worse vs Bench	6.2%	0.8%	14.9%	(2.8%)	2.5%	-12.5%	136.2%	114.4%	115.3%	270.9%	(14.1%)

Note: Not all benchmark constituents are covered by sell-side research analysts, nor have forward and/or complete estimates.

Source: Bloomberg L.P. Data is as of 03.31.2025.

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.

Dan Morrall
Co-Portfolio Manager

Jim Curtis, CFA®
Co-Portfolio Manager

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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.

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Performance Disclosure: 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 NASDAQ Composite Index is the market capitalization-weighted index of over 2,500 common equities listed on the NASDAQ stock exchange. The types of securities in the index include American depositary receipts, common stocks, real estate investment trusts (REITs) and tracking stocks, as well as limited partnership interests. The index includes all Nasdaq-listed stocks that are not derivatives, preferred shares, funds, exchange-traded funds (ETFs) or debenture securities.

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.

Technical Terms: **Capital expenditures (CapEx)** are funds used by a company to acquire, upgrade, and maintain physical assets such as property, plants, buildings, technology, or equipment. CapEx is often used to undertake new projects or investments by a company. **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. **The Conference Board Consumer Confidence Index (CCI)** measures consumer confidence in the economy, specifically focusing on their current and future assessments of business and labor market conditions, as well as their expectations for income. It's a key indicator used to understand the outlook for consumer spending and overall economic activity. **The Consumer Price Index (CPI)** measures the monthly change in prices paid by U.S. consumers. The Bureau of Labor Statistics (BLS) calculates the CPI as a weighted average of prices for a basket of goods and services representative of aggregate U.S. consumer spending. **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**. A Graphics Processing Unit (GPU)** is a specialized electronic circuit designed to accelerate the creation of images and videos by performing parallel processing of large amounts of data. **Gross domestic product (GDP)** is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period. As a broad measure of overall domestic production, it functions as a comprehensive scorecard of a given country's economic health. The **International Monetary Fund (IMF)** is an international organization of 189 countries focused on fostering global monetary cooperation, securing financial stability, facilitating international trade, and promoting economic growth. **The "Magnificent Seven"** refers to a group of seven large-cap technology companies (Alphabet, Amazon, Apple, Meta, Microsoft, NVIDIA, and Tesla) that have significantly influenced the U.S. stock market and global economy in recent years. These companies are known for their high stock performance and have been a major driver of market growth. **The Michigan Consumer Sentiment Index (MCSI)** is a monthly survey of consumer confidence levels in the United States conducted by the University of Michigan. The survey is based on telephone interviews that gather information on consumer expectations for the economy. **The NFIB Small Business Optimism Index** is a monthly indicator of small business sentiment in the US, compiled from surveys of NFIB members. It's a composite of 10 components, providing a snapshot of the health and outlook of the small business sector. **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**). A purchasing managers index (PMI)** is an economic indicator comprised of monthly reports and surveys from private sector manufacturing firms. The index surveys product managers, who are the individuals that buy the materials needed for a company to manufacture its products. **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. The **VIX**, or Volatility Index, is a market index that measures the market's expectation of volatility in the S&P 500 Index over the next 30 days. It's often referred to as the "fear gauge" or "fear index" because it tends to rise during times of market stress and uncertainty. (Technical definitions are sourced from Corporate Finance Institute.)

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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

PULSUS UT LIBERA

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)
2024	21.73%	18.23%	23.81%	18.21%	17.56%	0.05%	215	$203	$66,160
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

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. 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 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 12/31/2023. 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. 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.
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 Sterling's actual management fee of 0.34%. Sterling'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 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.
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.