Equity Income

06.30.2026

STERLING CAPITAL

Equity Opportunities Team

- Co-Portfolio Managers:
  - Charles J. Wittmann, CFA®
  - Jeremy M. Lopez, CFA®
- Long-term experience
- Long-tenured investment team
- 23 years' average investment experience

Investment Philosophy

Seek long-term appreciation by identifying companies with:

- Consistent dividend growth and above-average yield
- Attractive valuation
- Strong balance sheets
- Skilled management
- Above-average return on capital

Investment Process

- Internal screens and external sources used to identify investment candidates
- Team-based approach to fundamental research
- Valuation assessed relative to historical range, industry peers, growth rate, and the market

Portfolio Structure

- Large-cap portfolio with attractive yield and financially sound companies demonstrating sustained dividend growth
- Concentrated portfolio of 30-35 securities
- Typically low to moderate turnover

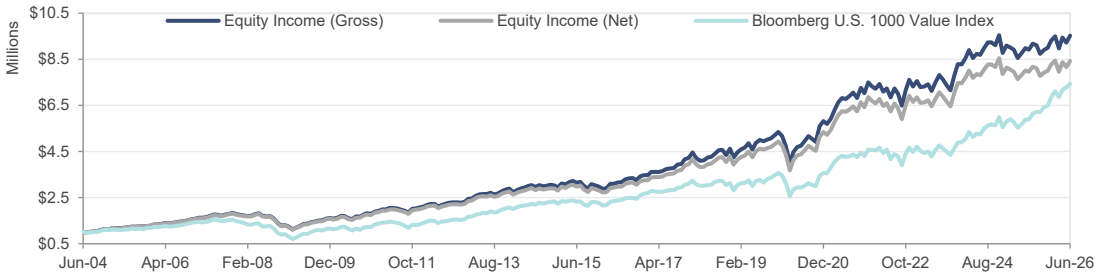
Top Ten Equity Holdings[5]	
Analog Devices, Inc.	4.58%
Philip Morris International Inc.	4.25%
Waste Management, Inc.	4.24%
JPMorgan Chase & Co.	4.20%
Eaton Corp. Plc	4.12%
Southern Company	3.97%
Linde plc	3.97%
American Express Company	3.85%
Motorola Solutions, Inc.	3.83%
Charles Schwab Corp	3.82%
Total % of Portfolio	**40.84%**

Performance	QTR	YTD	1Y	3Y	5Y	10Y	ITD[1]
Equity Income (Gross)	6.19%	5.85%	6.03%	8.28%	7.02%	11.65%	10.79%
Equity Income (Net)	6.01%	5.48%	5.29%	7.53%	6.29%	10.96%	10.18%
Bloomberg U.S. 1000 Value	8.42%	14.70%	26.20%	17.69%	11.73%	12.00%	9.55%

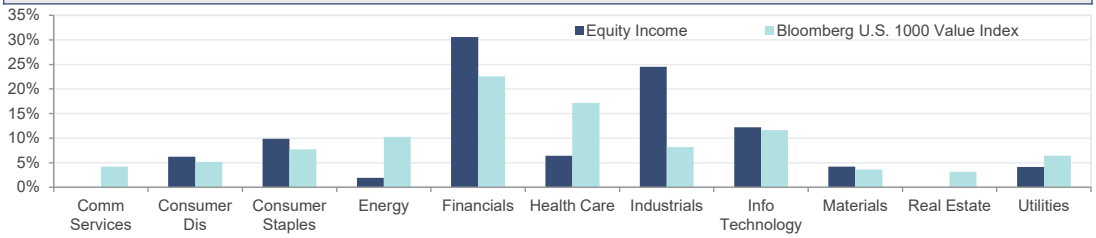
Portfolio Characteristics	Portfolio	Index
Wtd. Avg. Market Cap	$269.0B	$208.7B
Wtd. Med. Market Cap	$158.1B	$93.9B
Wtd. Avg. Dividend Yield	1.81%	2.35%
Med. Hist. 5Y DPS Growth	10.01%	7.09%
Wtd. Harmonic Med. P/E (FY1)	18.68x	15.13x
Med. Hist. 3Y EPS Growth	8.49%	3.20%
Med. Est. 3-5Y EPS Growth	9.04%	8.55%
Med. Net Debt/EBITDA	1.53x	1.90x
Med. Return on Equity	20.57%	12.77%
Number of Holdings	32	707
Active Share	89.49%	---
Turnover[2]	34.66%	---

Risk Statistics[3] vs. Bloomberg U.S. 1000 Value Index	
(Gross of Fees, Since Inception[1])	
Up Market Capture	87.67%
Down Market Capture	80.61%
Std. Deviation (Portfolio)	13.20%
Std. Deviation (Index)	15.70%
Annualized Alpha	2.94%
Beta	0.80
Tracking Error	5.53
Rolling 3Y Batting Avg.	67.25%
Rolling 5Y Batting Avg.	62.93%
Outperforms in Down Periods	71.58%

Growth of $1 Million (Gross & Net of Fees, Since Inception)[1,4]



Sector Allocation[5]



[1]The performance inception date is 06.30.2004. 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. Performance is preliminary and is annualized for periods longer than one year. 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 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. The benchmark is the Bloomberg U.S. 1000 Value Index. [2]Turnover is for the last 12 months. [3]Risk statistics are based on monthly returns since inception. Risk statistics are calculated using the gross performance of the strategy composite. [4]The Growth of $1 Million chart depicts a hypothetical investment based upon actual returns of the composite since inception. [5]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. The **Bloomberg U.S. 1000 Value Index** provides exposure to companies with superior value factor scores based on their earnings yield, valuation, dividend yield, and growth. The **Chartered Financial Analyst®** (CFA) charter is a graduate-level investment credential awarded by 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. Sources: FactSet; Bloomberg L.P.; eVestment Analytics; Sterling Capital Management Analytics.

Sterling Capital Equity Income

	Total 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)
2025	2.43%	1.72%	16.53%	12.17%	12.73%	0.02%	57	$904	$69,234
2024	5.87%	5.14%	13.63%	15.27%	17.08%	0.03%	52	$2,167	$66,160
2023	13.28%	12.50%	9.37%	15.59%	16.95%	0.05%	60	$2,511	$66,746
2022	-2.41%	-3.09%	-2.51%	20.40%	22.13%	0.06%	69	$2,658	$62,842
2021	29.02%	28.40%	28.55%	18.37%	20.00%	0.11%	52	$2,815	$75,309
2020	8.82%	8.23%	-0.16%	19.23%	20.64%	0.20%	39	$2,086	$70,108
2019	26.31%	25.56%	27.28%	11.67%	12.62%	0.22%	45	$2,305	$58,191
2018	0.16%	-0.38%	-9.49%	11.32%	11.17%	0.07%	37	$1,737	$56,889
2017	21.77%	21.11%	16.28%	10.15%	10.29%	0.20%	44	$1,834	$55,908
2016	16.66%	15.92%	17.68%	10.71%	10.71%	0.31%	50	$1,834	$51,603

Benchmark: Bloomberg U.S. 1000 Value Index Composite Creation Date: 12.31.2012 Inception Date: 06.30.2004

1. Consists of all discretionary separately managed Equity Income portfolios. SCM's Equity Income portfolios invest primarily in companies with a dividend yield greater than the S&P 500® with a history of growing the dividend, either three consecutive years or six of the prior ten years.
2. The material risks of this strategy include, but are not limited to, the following: Market Risk, Management Risk, Market Disruption and Geopolitical Risk, Company Specific Risk, Equity Securities Risk. For a full list of strategy risks, please reference Sterling Capital Management's Form ADV, Part 2A.
3. Sterling Capital Management LLC (SCM) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SCM has been independently verified for the periods 01/01/2001-12/31/2024. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. Benchmark returns are not covered by the report of the independent verifiers. GIPS® is a registered trademark of the CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.
4. SCM is a registered investment advisor with the U.S. Securities & Exchange Commission (SEC). Registration does not imply a certain level of skill or training. SCM manages a variety of equity, fixed income and multi-asset portfolios. Prior to January 2001, SCM was a wholly-owned subsidiary of United Asset Management (UAM). In January 2001, SCM purchased all the assets and business of Sterling Capital Management Company from UAM to become an employee-owned firm. In April 2005, BB&T Corporation (BB&T) purchased a majority equity ownership stake in SCM. In October 2010, the management group of SCM entered into an agreement with BB&T that reduced and restructured management's interest in SCM. Additionally, BB&T Asset Management merged into SCM. In January 2013, CHOICE Asset Management merged into SCM. In August 2015, eight new employees joined SCM via Stratton Management Company following the close of BB&T's purchase of Susquehanna Bancshares. In December 2019, BB&T and SunTrust Banks, Inc. Holding Company merged as equals to form Truist Financial Corporation (Truist). SCM was then a wholly-owned subsidiary of Truist. In August 2020, eight new employees joined SCM via the Investment Advisory Group of SunTrust Advisory Services. In July 2024, Guardian Capital U.S. Asset Management (formerly Guardian Capital LLC), a wholly-owned subsidiary of Guardian Capital Group Limited (Guardian), completed the acquisition of SCM from Truist. In March 2026, Desjardins Group completed its acquisition of Guardian Capital Group Limited. SCM is now an indirect, wholly-owned subsidiary of Desjardins Global Asset Management Inc., which is part of the Desjardins Group.
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 1/1/20, composite returns are calculated by weighting the individual portfolio returns using beginning of period market values. From 1/1/13-12/31/19, composite returns were asset weighted using the aggregate method that reflects both beginning market value and cash flows. From inception through 12/31/12, composite returns were calculated by weighting the individual portfolio returns using beginning of period market values.
8. Gross of fees returns reflect the deduction of trading costs. Effective 1/1/22, the net of fees returns reflect the maximum ADV management fee. Prior to 1/1/22, the net of fees returns are presented after actual management fees and trading costs. 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 SCM's Form ADV, Part 2A.
9. The appropriate benchmark is the Bloomberg U.S. 1000 Value Index since inception, effective 6/30/2026. The Bloomberg U.S. 1000 Value Index is a float-adjusted market-cap-weighted benchmark designed to track the top 1000 U.S. companies demonstrating superior value characteristics, including high earnings yield, valuation, dividend yield, and growth. Prior to 6/30/2026, the benchmark was the Russell 1000® Value Index.
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 3-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.