



Index	Return		
	Close	Week	YTD
Dow Jones Industrial Average	25,989	2.8%	5.1%
S&P 500 Index	2781	2.1%	4.0%
NASDAQ	7407	0.7%	7.3%
Russell 2000 Index	1548	0.1%	0.9%
MSCI EAFE Index	1857	1.1%	-9.5%
10-yr Treasury Yield	0.0318	-0.03%	0.78%
Oil (\$/bbl)	\$59.83	-5.2%	-1.0%
Bonds*	\$104.14	0.1%	-2.5%

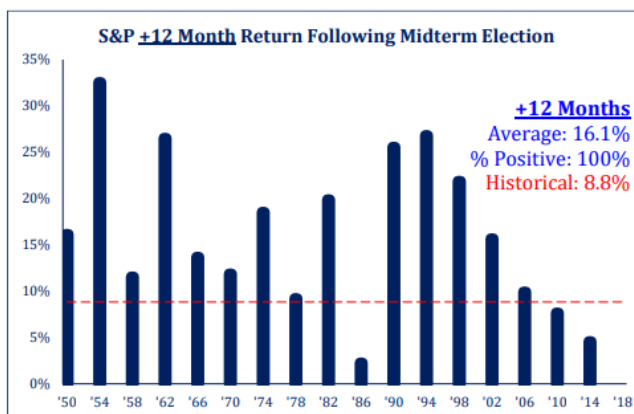
Source: Bloomberg, 11/09/18.

\*Bonds represented by the iShares U.S. Aggregate Bond ETF.

### Last Week:

### U.S. Equity Markets

- U.S. large cap equities (S&P 500 Index) generated strong returns (+2.1%) during the week as the midterm elections were largely in-line with expectations with the Democrats taking control of the house in 2019, while Republicans will expand their majority in the Senate
  - Healthcare (+4%), defensives such as REITs (+3.7%), utilities (+3.1%) and consumer staples (+2.9%), and financials (+2.6%) outperformed
  - Information technology (+1.4%) underperformed along with higher-valuation growth stocks
  - Energy (+0.9%) underperformed as the price of oil continued to decline, but energy remained positive for the week
  - Communication services (-0.2%) was the only sector to finish lower on the week, partially due to late declines in Netflix and video game stocks
- Since 1946, history suggests that the following 12 months after midterm elections is an attractive environment for US equities as the S&P 500 Index has averaged a 16.1% gain, and has been positive 100% of the time



The historical bias favors higher stock prices following midterm elections. But it is also worth noting that each one of these years also saw a correction averaging -11% (max was -33% in 1987, and the min was -4% in 1963).

Source: Strategas

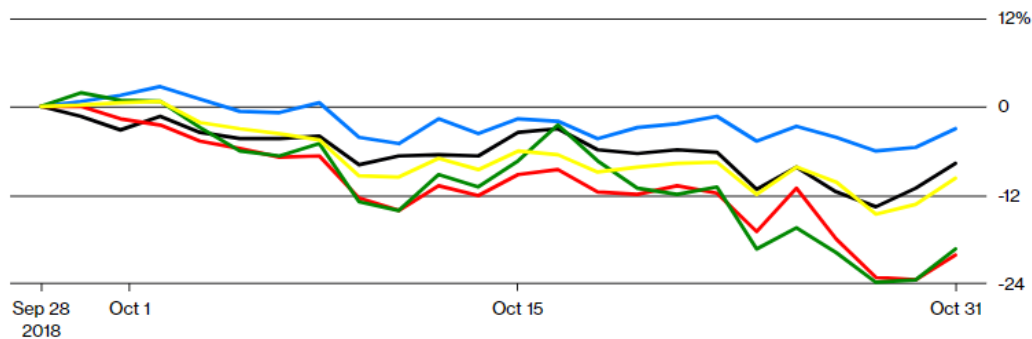


- The Dow Industrials outperformed with a 2.8% gain for the week, with 26 of 30 constituents advancing
  - IBM, **UnitedHealth**, McDonald's, and Travelers led the way
  - Worst were Goldman Sachs, Apple, Exxon, and Nike
- Dow Transports got caught in some congestion, rising 1.5%
- Dow Utilities added 1.9%
- Small-cap equities generated modest gains as the Russell 2000 Index rose 0.1%
- The technology-heavy Nasdaq Composite Index underperformed the broad US large-cap indexes, but rose 0.7%
- Higher-valuation growth stocks were not helped by the so-called "FANG," as Netflix (-4.7%) and Facebook (-2.5%) underperformed, continuing the FANG underperformance trend since the end of September

### An October Swoon for the FAANGs

Change in stock prices since Sept. 28, 2018

Facebook Apple Amazon.com Netflix Google



Data: Compiled by Bloomberg



### International Markets and News

- European equities delivered mild gains with the STOXX Europe 600 up 0.5%, despite ongoing political uncertainty between Italy and the European Union (EU) as well as economic growth concerns
  - European equities experienced negative sentiment from the EU warning Italy that it's poised to breach the EU's 3% budget deficit limit in 2020 if the Italian government proceeds with current budget plans
  - Eurozone composite final purchasing manager's indexes (PMIs) fell in October to 53.1, their lowest level since September 2016
  - European Central Bank (ECB) President Draghi stated the European economy was growing sufficiently to meet its inflation outlook, and he maintained that Quantitative Easing (QE) would end this year, but the ECB could change its language if the outlook worsened
  - According to EPFR Global, European equity funds experienced the 34<sup>th</sup> week of outflows out of the past 35 weeks
- Chinese markets were under pressure with concerns about slowing economic growth and trade tariffs as the Shanghai Composite fell 2.9%
  - October exports climbed to 15.6% in dollar terms from a year ago, ahead of economists' 11% forecast, but didn't provide much lift to Chinese stocks as many economists believe businesses may have rushed to place export orders before tariffs take effect
  - Imports from the U.S. declined for the second-straight month
  - The Chinese yuan has lost 9% of its value against the U.S. dollar in the six months ended in October, down nearly 7% in 2018, making Chinese goods cheaper for overseas buyers, potentially reducing the impact of punitive U.S. levies
- Japanese equities were flat (Nikkei 225 Index +0.1%) as the Reuters monthly business sentiment index declined in November to 26 from 28 in October
  - The consensus of economists recently polled by Reuters is that Japan's economy is likely to contract in the September quarter, reversing course again after generating strong growth in the June quarter, which followed a contraction in the first quarter of 2018



### U.S. Economic and Political News

- As expected, the Fed left rates unchanged and made only minor changes to its policy statement.
  - It continued to describe the economic activity as “strong,” but did acknowledge some moderation in business investment from a “rapid” pace earlier this year
  - The Fed reiterated that it expects “further gradual increases” in the funds rate, thus implying that the Fed is on track for its fourth tightening of 2018 in the December meeting
- US economic data reports were generally supportive of healthy growth
  - The U.S. unemployment rate has fallen to 3.7%, the lowest since 1969, and 1.2% away from the best level in the post-war era (2.5% in 1953)
  - Weekly Jobless Claims matched the 214,000 consensus forecast, plumbing lows not seen since July 1973
  - The ISM Non-Manufacturing PMI printed 60.3 in October down from 61.6 in September
  - The University of Michigan’s Consumer Sentiment index printed 98.3 in its preliminary November reading, a shade better than the 98.0 consensus forecast
  - The Producer Price Index shot up 0.6% sequentially in October, triple the 0.2% consensus forecast, while the core PPI (excludes food and energy components) rose 0.5%, also well ahead of the 0.2% expectation. That marks the fastest pace of wholesale inflation in six years. The year-over-year rate of producer inflation has remained near 3% all year
- At President Trump’s request, Attorney General Jeff Sessions announced his resignation. His chief of staff, Matthew Whitaker, will serve as acting Attorney General
- Various news reports suggest President Trump may seek to replace Mel Watt as the head of the FHFA, with potential for higher Fannie Mae/Freddie Mac fees and lower conforming loan limits. Mortgage rates already have lifted to their highest level since 2011

### 30-Year fixed rate mortgage average in the United States

Not seasonally adjusted



Source: Freddie Mac via FRED

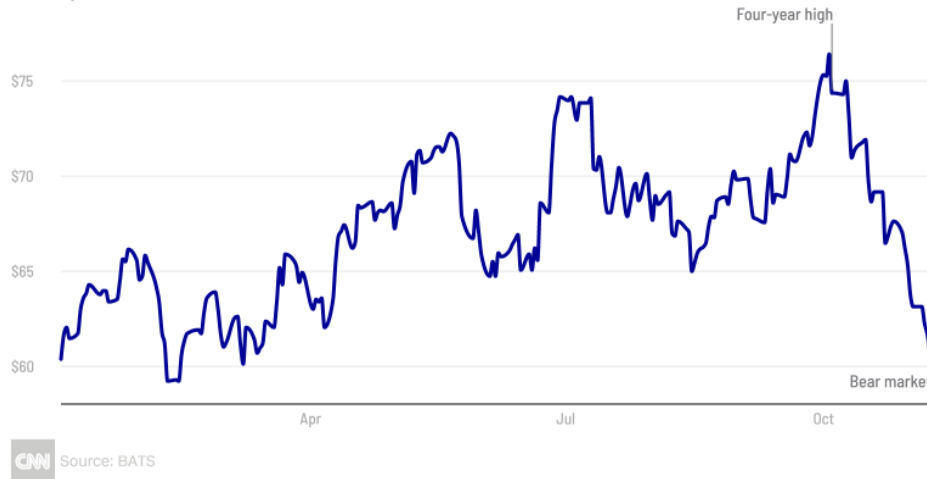


## Commodities

- Gold dropped \$24.50/ounce, ending the week at \$1,206.40
- WTI crude was down nearly 5%, falling for a record tenth consecutive session Friday, after entering into bear market territory (-20%) on Thursday. For the week, West Texas crude declined \$2.95/barrel, finishing at \$60.19
  - The White House decision to grant eight countries temporary waivers from Iran sanctions may have impacted oil prices
  - OPEC and US production continued to increase, and crude stockpiles have been building

### Boom to bust

US oil prices tumble





This Week:

- Overseas markets were mixed in overnight trading, with China's Shenzhen +2.5% taking the gold medal
  - Perhaps that's a function of the country's central bank announcing that it will allow "market supply and demand to play a bigger role in deciding the exchange rate"
- While banks and the post office are closed in observance of Veteran's Day, U.S. stock markets are open today; pre-market trading shows major indices little changed from Friday's close
  - We extend our sincere gratitude to our nation's military heroes. Thank you for your service
- Several mergers and acquisitions got announced overnight, including:
  - SAP buying Qualtrics for \$8 billion, which represents an impressive multiple of 20x Qualtrics' revenue
  - Veritas Capital and Elliot Management are teaming up to buy Athena Health for \$5.5 billion in cash
  - Vista Equity Partners is acquiring Apptio for \$1.94 billion in cash
  - Spirits maker Diageo is selling 19 smaller brands to Sazerac for \$550 million
  - NASCAR has offered to buy International Speedway for \$42/share
- Earnings season is winding down. Only 13 companies in the S&P 500 Index are scheduled to report earnings this week. Retailers will feature prominently, with Advance Auto Parts, Children's Place, and Home Depot all set to report Tuesday. Outside of retail, **Aramark** also reports Tuesday, while **Cisco Systems** will provide its results Wednesday
- Oil prices are a bit firmer, following news that OPEC appears determined to reduce output at its upcoming December meeting, with both Saudia Arabia and Russia indicating they will agree to cuts
- U.S. economic news includes inflation data on Wednesday, retail sales on Thursday, Empire Manufacturing on Thursday, and industrial production on Friday
- International economic data:
  - Tuesday: Euro Zone and German ZEW numbers
  - Wednesday: China and Japan Industrial Production and Japan Q3 preliminary GDP
  - Thursday: China House Price Index
  - Friday: Euro-zone Core Inflation Rate



Scott & Stringfellow Preliminary Performance for wrap accounts managed by the Sterling Equity Opportunities Group, Net of Fees. Performance reflects reinvested interest income and dividends and realized and unrealized capital gains and losses.

- **Global Leaders** +1.0% year to date, +128.5% cumulative, since inception (12/31/00)
- MSCI World Net -0.3% year to date, +173.0% vs combined benchmark\* since portfolio inception (12/31/00)
- **Special Opportunities** +6.3% year to date, +433.5% cumulative, since inception (12/31/00)
- Russell 3000 Total Return +5.1% year to date, +215.5% since portfolio inception (12/31/00)
- **Equity Income** +5.4% year to date, +310.1% cumulative, since inception (12/31/00)
- Russell 1000 Value Total Return +1.4% year to date, +217.97% since portfolio inception (12/31/00)
- **SMID** -0.3% year to date, +82.1% cumulative, since inception (6/30/11)
- Russell 2500 Total Return +1.6% year to date, +111.0% since portfolio inception (6/30/11)
- **Insight** +2.2% year to date, +132.5% cumulative, since inception (8/31/11)
- Russell 1000 Total Return +5.3% year to date, +163.2% since portfolio inception (8/31/11)
- **Enhanced Equity** +0.2% year to date, +132.8% cumulative, since inception (12/31/03)
- CBOE BuyWrite Total Return +3.5% year to date, +127.5% since portfolio inception (12/31/03)
- **Focus** +8.8% year to date as of 10/31/18, +50.7% cumulative as of 10/31/18, since inception (12/31/15)  
Russell 3000 Total Return +2.4% year to date as of 10/31/18, +39.9% cumulative as of 10/31/18, since portfolio inception (12/31/15)
- S&P 500 Total Return +5.7% year to date, +200.0% since (12/31/00)

\*Combined Benchmark is the S&P 500 from inception to 12/31/2015, and the MSCI World Net index from 1/1/2016 forward.

As always, thank you very much for your interest in our thoughts and support of our services.

Whitney Stewart, CFA®  
Executive Director

Adam Bergman, CFA®  
Executive Director



Source: APL, APX. The Sponsor Level Performance shown is net of fees and reflects the reinvestment of dividends and other earnings. The performance presented represents past performance and is no guarantee of future results. 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, and may only be distributed with, the Composite Disclosure presentation.

**The Chartered Financial Analyst® (CFA) charter** is a graduate-level investment credential awarded by the CFA Institute — the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

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

Opinions contained in the preceding commentary reflect those of Sterling Capital Management LLC, and not those of BB&T Corporation or its executives. The stated opinions are for general information only and are not meant to be predictions or an offer of individual or personalized investment advice. They also 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. 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 any such information or opinions.

Investment advisory services are available through Sterling Capital Management LLC, a separate subsidiary of BB&T 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 BB&T Corporation, Branch Banking and Trust Company or any affiliate, are not guaranteed by Branch Banking and Trust Company or any other bank, are not insured by the FDIC or any other government agency, and are subject to investment risk, including possible loss of principal invested.



# Sterling Capital Management – Enhanced Equity SMA Composite

December 31, 2003 – December 31, 2017

*Description:* Consists of all discretionary separately managed wrap Enhanced Equity portfolios. Sterling’s Enhanced Equity portfolios invest primarily in companies held in other Equity Opportunities Group portfolios where call options are written opportunistically to enhance the portfolio’s cash flow.

Year	Total Return		No. of Portfolios	Composite Assets		Total Firm Assets (\$MM)	Composite Dispersion (%)	BXM	Composite 3-yr St Dev (%)	Benchmark 3-yr St Dev (%)
	Gross of Fees	Net of Fees		End of Period (\$MM)	Percent of Firm Assets					
2017	12.93	11.30	15	9	0.0	55,908	0.58	13.00	8.50	5.74
2016	13.20	11.17	13	9	0.0	51,603	0.50	7.07	8.79	6.59
2015	-1.90	-3.72	16	9	0.0	51,155	0.49	5.24	8.21	6.43
2014	9.39	7.27	19	11	0.0	47,540	0.30	5.64	8.23	5.90
2013	22.13	19.74	20	11	0.0	45,638	0.50	13.26	11.35	9.44
2012	10.49	8.26	23	10	0.2	4,422	0.69	5.20	13.68	11.60
2011	2.26	0.21	29	12	0.3	3,932	0.77	5.72	15.62	13.69
2010	12.42	10.23	31	15	0.4	3,548	0.60	5.86	20.29	17.22
2009	30.73	28.20	35	21	0.7	2,839	1.03	25.91	18.99	15.88
2008	-32.00	-33.44	48	21	1.1	1,907	1.84	-28.65	16.45	13.42
2007	11.71	9.30	44	22	1.1	2,059	0.75	6.59	6.98	4.69
2006	16.50	13.80	44	22	1.7	1,314	0.63	13.33	6.20	4.11
2005	9.96	7.54	34	14	1.5	904	0.45	4.25		
2004	13.91	11.30	18	7	1.3	522	0.00	8.30		
Annualized Since Inception	8.38	6.21						5.78		

**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 12/31/16. The verification report(s) is/are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.**

**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. There were no changes in personnel. In April 2005, BB&T Corporation purchased a majority equity ownership stake in Sterling Capital Management LLC. There were no changes in personnel. 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. There were no material changes in personnel. In January 2013, CHOICE Asset Management firm merged into Sterling Capital Management. There were no changes in personnel. “Percent of Firm Assets” and “Total Firm Assets” prior to 2013 are for CHOICE Asset Management. In August 2015, 8 new employees joined Sterling Capital management via Stratton Management Company following the close of BB&T’s purchase of Susquehanna Bancshares. There were no changes to personnel.
2. George F. Shipp, 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, 2003. Creation date: December 31, 2003. The appropriate index is the CBOE Buy/Write Index (ticker symbol BXM) that is designed to show the performance of a basket of S&P 500 stocks with calls written monthly at the money. It represents the universe of stocks from which covered call managers typically select. Total return includes price appreciation/depreciation and income as a percent of the original investment. A complete list of all of SCM’s composites and their descriptions is available upon request. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.
4. Performance reflects reinvested interest income and dividends and realized and unrealized capital gains and losses. All portfolios are valued monthly as of calendar month-end and utilize trade-date and accrued income accounting. Valuations and performance are reported in US dollars. Portfolio returns are calculated monthly using the Modified Dietz method. Portfolios are revalued for cash flows greater than 10%. Composite returns are calculated by weighting the individual portfolio returns using beginning of period market value plus weighted cash flows. Periodic time weighted returns are geometrically linked. Returns are not calculated net of non-reclaimable withholding taxes due to immaterial dollar amounts.
5. “Pure” gross of fees returns do not reflect the deduction of any fees including trading costs. The net of fee return reflects the actual SMA fee of the individual account. The SMA fee includes all charges for trading costs, portfolio management, custody and other administrative fees.
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. It is not meaningful when there are less than six portfolios in the composite for the entire year. The three year annualized standard deviation measures the variability of the composite and benchmark returns over the preceding 36 month period. 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.

## Sterling Capital Management – Focus SMA Composite

January 1, 2016 – December 31, 2017

*Description: Consists of all discretionary separately managed Focus portfolios. Sterling’s Focus portfolio investments are flexible and may span growth and value, large- and small-capitalization companies, and various capital forms including equity, debt, and derivatives. 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.*

<u>Year</u>	<u>Total Return Gross of Fees</u>	<u>Total Return Net of Fees</u>	<u>No. of Portfolios</u>	<u>Total Assets End of Period (\$MM)</u>	<u>Percent of Firm Assets</u>	<u>Total Firm Assets (\$MM)</u>	<u>Composite Dispersion (%)</u>	<u>Russell 3000</u>	<u>Composite 3-yr St Dev (%)</u>	<u>Benchmark 3-yr St Dev (%)</u>
2017	29.87	26.59	5	0.877	0.0	55,908	not meaningful	21.13	N/A	N/A
2016	12.23	9.39	4	0.452	0.0	51,603	not meaningful	12.74	N/A	N/A
Since Inception	20.73	17.68						16.86		

**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 12/31/16. The verification report(s) is/are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.**

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. There were no changes in personnel. In April 2005, BB&T Corporation purchased a majority equity ownership stake in Sterling Capital Management LLC. There were no changes in personnel. 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. There were no material changes in personnel. In January 2013, CHOICE Asset Management firm merged into Sterling Capital Management. There were no changes in personnel. “Percent of Firm Assets” and “Total Firm Assets” prior to 2013 are for CHOICE Asset Management. In August 2015, 8 new employees joined Sterling Capital management via Stratton Management Company following the close of BB&T’s purchase of Susquehanna Bancshares. There were no changes to personnel.
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: August 3, 2018. Performance results are those of the Focus Composite net of the applicable SMA fee. The appropriate benchmark for this composite is the Russell 3000 Index which 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. A complete list of all of SCM’s composites and their descriptions is available upon request. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.
4. Performance reflects reinvested interest income and dividends and realized and unrealized capital gains and losses. All portfolios are valued monthly as of calendar month-end and utilize trade-date and accrued income accounting. Valuations and performance are reported in U.S. dollars. Composite returns are 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 are revalued for cash flows greater than 5%. Periodic time weighted returns are geometrically linked. Returns are not calculated net of non-reclaimable withholding taxes due to immaterial dollar amounts.
5. Gross of fees returns reflect the deduction of trading costs. Net performance returns are calculated by subtracting the applicable SMA fee (2.57% on an annual basis or 0.21% per month) on a monthly basis from the gross monthly return.
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. It is not meaningful when there are less than six portfolios in the composite for the entire year. The three year annualized standard deviation measures the variability of the composite and benchmark returns over the preceding 36 month period. 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.

## Sterling Capital Management – Equity Income SMA Composite

December 31, 2000 – December 31, 2017

**Description:** Consists of all discretionary separately managed wrap Equity Income portfolios. Sterling's Equity Income portfolios invest primarily in companies with a dividend yield greater than the S&P 500 and a history of growing the dividend, either three consecutive years or six of the prior ten years.

Year	Total Return "Pure" Gross of Fees	Total Return Net of Fees	No. of Portfolios	Composite Assets End of Period (\$MM)	Percent of Firm Assets	Total Firm Assets (\$MM)	Composite Dispersion (%)	Russell 1000 Value	Composite 3-yr St Dev (%)	Benchmark 3-yr St Dev (%)
2017	20.54	18.94	4	643	1.2	55,908	Not Meaningful	13.66	9.78	10.20
2016	15.43	13.84	3	989	1.9	51,603	Not Meaningful	17.34	10.40	10.77
2015	-2.70	-4.15	3	1,100	2.2	51,155	Not Meaningful	-3.83	10.20	10.68
2014	4.61	2.98	3	1,501	3.2	47,540	Not Meaningful	13.45	8.33	9.20
2013	26.70	24.74	3	1,574	3.4	45,638	Not Meaningful	32.53	9.72	12.88
2012	12.39	10.63	3	1,272	28.8	4,422	Not Meaningful	17.51	11.83	15.73
2011	10.24	8.54	2	1,159	29.5	3,932	Not Meaningful	0.39	14.88	20.98
2010	15.64	13.87	2	992	28.0	3,548	Not Meaningful	15.51	17.82	23.51
2009	18.92	17.05	2	811	28.6	2,839	Not Meaningful	19.69	16.17	21.40
2008	-26.17	-27.26	2	620	32.5	1,907	Not Meaningful	-36.85	13.18	15.58
2007	9.20	7.66	1	668	32.4	2,059	Not Meaningful	-0.17	6.52	8.17
2006	23.09	21.35	1	442	33.6	1,314	Not Meaningful	22.25	6.00	6.78
2005	10.19	8.63	1	263	29.1	904	Not Meaningful	7.05	9.51	9.59
2004	23.23	21.39	1	128	24.5	522	Not Meaningful	16.49	12.76	14.97
2003	31.36	29.24	1	31	19.6	158	Not Meaningful	30.03	12.94	16.22
2002	-12.34	-13.78	1	15	29.4	51	Not Meaningful	-15.52		
2001	5.76	4.46	1	4	16.7	24	Not Meaningful	-5.59		
Annualized Since Inception	9.95	8.32						6.95		

**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 12/31/16. The verification report(s) is/are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.**

**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. There were no changes in personnel. In April 2005, BB&T Corporation purchased a majority equity ownership stake in Sterling Capital Management LLC. There were no changes in personnel. 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. There were no material changes in personnel. In January 2013, CHOICE Asset Management firm merged into Sterling Capital Management. There were no changes in personnel. "Percent of Firm Assets" and "Total Firm Assets" prior to 2013 are for CHOICE Asset Management. In August 2015, 8 new employees joined Sterling Capital management via Stratton Management Company following the close of BB&T's purchase of Susquehanna Bancshares. There were no changes to personnel.
2. George F. Shipp, 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, 2000. Creation date: December 31, 2000. The appropriate benchmark for this composite is the Russell 1000 Value Index." The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values. The index is reconstituted annually. Total return includes price appreciation/depreciation and income as a percent of original investment. A complete list of all of SCM's composites and their descriptions is available upon request. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.
4. Performance reflects reinvested interest income and dividends and realized and unrealized capital gains and losses. All portfolios are valued monthly as of calendar month-end and utilize trade-date and accrued income accounting. Valuations and performance are reported in US dollars. Portfolio returns are calculated monthly using the Modified Dietz method. Portfolios are revalued for cash flows greater than 10%. Composite returns are calculated monthly by weighting the aggregate SMA/Wrap sponsor returns using beginning of period market values. Periodic time weighted returns are geometrically linked. Returns are not calculated net of non-reclaimable withholding taxes due to immaterial dollar amounts.
5. "Pure" gross of fees returns do not reflect the deduction of any fees including trading costs. The net of fee return reflects the actual SMA fee of the individual portfolios in each platform except for one platform where the maximum fee is deducted from the gross return. The SMA fee includes all charges for trading costs, portfolio management, custody and other administrative fees. The actual fee may vary by size and type of portfolio.
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. The dispersion is not meaningful because less than six portfolios are in the composite. The three year annualized standard deviation measures the variability of the composite and benchmark returns over the preceding 36 month period. 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.

# Sterling Capital Management – Global Leaders SMA Composite

December 31, 2000 – December 31, 2017

*Description: Consists of all discretionary separately managed wrap Global Leaders portfolios. Sterling's Global Leaders equity portfolios invest primarily in companies which have established themselves as market leaders, exhibiting sustainable advantages in production, marketing and research and development.*

Year	Total Return "Pure"	Total Return	No. of	Composite Assets	Percent of	Total	Composite		MSCI World	Composite	Benchmark
	Gross of Fees	Net of Fees	Portfolios	End of Period	Firm Assets	Firm Assets	Dispersion (%)	Benchmark	(Net)	3-yr St Dev	3-yr St Dev
				(\$MM)		(\$MM)				(%)	(%)
2017	19.80	18.34	63	29	0.1	55,908	0.51	22.40	22.40	9.54	10.07
2016	5.25	3.99	88	37	0.1	51,603	0.30	7.51	7.51	10.07	10.80
2015	-0.63	-1.81	80	38	0.1	51,155	0.37	1.38	-0.87	10.05	10.47
2014	10.40	9.06	89	41	0.1	47,540	0.40	13.69	4.94	9.31	8.97
2013	30.51	28.94	96	43	0.1	45,638	0.48	32.39	26.68	12.38	12.11
2012	11.28	9.88	105	37	0.8	4,422	0.40	16.00	15.83	14.59	15.30
2011	-2.81	-4.03	133	43	1.1	3,932	0.49	2.11	-5.54	16.98	18.97
2010	14.77	13.32	137	46	1.3	3,548	0.32	15.06	11.76	22.25	22.16
2009	44.06	42.13	141	43	1.5	2,839	1.59	26.46	29.99	20.88	19.91
2008	-38.43	-39.26	165	33	1.7	1,907	1.19	-37.00	-40.71	17.86	15.29
2007	16.61	15.06	151	52	2.5	2,059	0.76	5.49	9.04	7.50	7.79
2006	17.79	16.18	141	41	3.1	1,314	0.38	15.80	20.07	7.02	6.92
2005	8.18	6.67	105	28	3.1	904	0.39	4.91	9.49	8.85	9.17
2004	15.61	13.90	62	16	3.1	522	0.98	10.88	14.72	13.80	15.07
2003	21.32	19.34	41	10	6.3	158	2.10	28.68	33.11	17.96	18.47
2002	-19.50	-20.80	39	7	13.7	51	0.40	-22.10	-19.89		
2001	-14.71	-15.94	12	4	16.7	24	0.10	-11.89	-16.82		
Annualized Since Inception	6.34	4.92						6.10	5.24		

**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 12/31/16. The verification report(s) is/are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.**

**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. There were no changes in personnel. In April 2005, BB&T Corporation purchased a majority equity ownership stake in Sterling Capital Management LLC. There were no changes in personnel. 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. There were no material changes in personnel. In January 2013, CHOICE Asset Management firm merged into Sterling Capital Management. There were no changes in personnel. "Percent of Firm Assets" and "Total Firm Assets" prior to 2013 are for CHOICE Asset Management. In August 2015, 8 new employees joined Sterling Capital management via Stratton Management Company following the close of BB&T's purchase of Susquehanna Bancshares. There were no changes to personnel.
2. In March 2016, Charles J. Whitmann, CFA, became the portfolio manager with the retirement of Guy W. Ford, CFA. Guy W. Ford, CFA, managed the portfolio from January 2012 to March 2016, succeeding George F. Shipp, CFA, who had 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, 2000. Creation date: December 31, 2000. Effective 1/1/2016, the composite was renamed from "Leaders" to "Global Leaders." The appropriate benchmark index is the S&P 500 from inception to 12/31/2015 and the MSCI World Net index from 1/1/2016 forward. The MSCI World Index is a broad global equity benchmark that is rebalanced quarterly, and represents large and mid-cap equity performance across 23 developed markets countries. The MSCI World index covers approximately 85% of the free float-adjusted market capitalization in each country, and does not offer exposure to emerging markets. The S&P 500 is an unmanaged, weighted index of 500 stocks providing a broad indicator of price movements. Total return includes price appreciation/depreciation and income as a percent of the original investment.
4. Performance reflects reinvested interest income and dividends and realized and unrealized capital gains and losses. All portfolios are valued monthly as of calendar month-end and utilize trade-date and accrued income accounting. Valuations and performance are reported in US dollars. Portfolio returns are calculated monthly using the Modified Dietz method. Portfolios are revalued for cash flows greater than 10%. Composite returns are calculated by weighting the individual portfolio returns using beginning of period market value plus weighted cash flows. Periodic time weighted returns are geometrically linked.
5. "Pure" gross of fees returns do not reflect the deduction of any fees including trading costs. The net of fee return reflects the actual SMA fee of the individual account. The SMA fee includes all charges for trading costs, portfolio management, custody, administrative fees, and foreign withholding taxes.
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. It is not meaningful when there are less than six portfolios in the composite for the entire year. The three year annualized standard deviation measures the variability of the composite and benchmark returns over the preceding 36 month period. 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.

## Sterling Capital Management – Insight SMA Composite

August 31, 2011 – December 31, 2017

*Description: Consists of all discretionary separately managed wrap Insight portfolios. Sterling’s Insight equity portfolios invest primarily in companies where there has been recent insider buying activity; we also retain the flexibility to own companies in which insiders own a substantial stake.*

Year	Total Return		No. of Portfolios	Composite Assets		Total Firm Assets (\$MM)	Composite Dispersion (%)	Russell 1000	Composite 3-yr St Dev (%)	Benchmark 3-yr St Dev (%)
	"Pure" Gross of Fees	Total Return Net of Fees		End of Period (\$MM)	Percent of Firm Assets					
2017	25.37	23.78	57	18	0.0	55,908	0.35	21.69	9.18	9.97
2016	10.39	8.88	146	33	0.1	51,603	0.30	12.05	9.92	10.69
2015	5.14	3.69	116	29	0.1	51,155	0.25	0.92	9.35	10.48
2014	7.41	5.88	134	29	0.1	47,540	0.24	13.24	9.42	9.12
2013	28.48	26.64	121	27	0.1	45,638	0.24	33.11		
2012	17.74	16.17	74	14	0.3	4,422	0.08	16.42		
2011 (Inception 8/31/11)	4.86	4.62	2	0	0.0	3,932		3.50		
Annualized Since Inception	15.41	13.87						15.56		

**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 12/31/16. The verification report(s) is/are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.**

### 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. There were no changes in personnel. In April 2005, BB&T Corporation purchased a majority equity ownership stake in Sterling Capital Management LLC. There were no changes in personnel. 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. There were no material changes in personnel. In January 2013, CHOICE Asset Management firm merged into Sterling Capital Management. There were no changes in personnel. “Percent of Firm Assets” and “Total Firm Assets” prior to 2013 are for CHOICE Asset Management. In August 2015, 8 new employees joined Sterling Capital management via Stratton Management Company following the close of BB&T’s purchase of Susquehanna Bancshares. There were no changes to personnel.
2. Adam B. Bergman, 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: August 31, 2011. Creation date: August 31, 2011. The appropriate index is the Russell 1000 Index which measures the performance of the largest 1,000 US companies, representing over 90% of the investable US market. The index is reconstituted annually. Total return includes price appreciation/depreciation and income as a percent of the original investment. A complete list of all of SCM’s composites and their descriptions is available upon request. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.
4. Performance reflects reinvested interest income and dividends and realized and unrealized capital gains and losses. All portfolios are valued monthly as of calendar month-end and utilize trade-date and accrued income accounting. Valuations and performance are reported in US dollars. Portfolio returns are calculated monthly using the Modified Dietz method. Portfolios are revalued for cash flows greater than 10%. Composite returns are calculated by weighting the individual portfolio returns using beginning of period market value plus weighted cash flows. Periodic time weighted returns are geometrically linked. Returns are not calculated net of non-reclaimable withholding taxes due to immaterial dollar amounts.
5. “Pure” gross of fees returns do not reflect the deduction of any fees including trading costs. The net of fee return reflects the actual SMA fee of the individual account. The SMA fee includes all charges for trading costs, portfolio management, custody and other administrative fees.
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. It is not meaningful when there are less than six portfolios in the composite for the entire year. The three year annualized standard deviation measures the variability of the composite and benchmark returns over the preceding 36 month period. 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.

## Sterling Capital Management - SMID Opportunities SMA Composite

June 30, 2011 – December 31, 2017

Description: Consists of all discretionary separately managed wrap SMID Opportunities portfolios. Sterling's SMID Opportunities equity portfolios invest primarily in companies similar to the market capitalization of the Russell 2500 index.

Year	Total Return		No. of Portfolios	Composite Assets		Total Firm Assets (\$MM)	Composite Dispersion (%)	Russell 2500	Composite 3-yr St Dev (%)	Benchmark 3-yr St Dev (%)
	"Pure" Gross of Fees	Total Return Net of Fees		End of Period (\$MM)	Percent of Firm Assets					
2017	13.93	12.62	30	8	0.0	55,908	0.41	16.81	9.14	12.13
2016	16.08	14.64	67	14	0.0	51,603	1.20	17.59	10.67	13.67
2015	-0.39	-1.64	31	8	0.0	51,155	0.73	-2.90	10.53	12.42
2014	13.30	11.94	32	6	0.0	47,540	0.40	7.07	10.58	11.67
2013	25.34	23.89	20	4	0.0	45,638	0.25	36.80		
2012	17.47	16.08	13	2	0.0	4,422	0.16	17.88		
2011 (Inception 6/30/11)	-10.17	-10.72	3	0	0.0	3,932		-9.78		
Annualized Since Inception	11.02	9.69						11.90		

**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 12/31/16. The verification report(s) is/are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.**

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. There were no changes in personnel. In April 2005, BB&T Corporation purchased a majority equity ownership stake in Sterling Capital Management LLC. There were no changes in personnel. 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. There were no changes in personnel. In January 2013, CHOICE Asset Management firm merged into Sterling Capital Management. There were no changes in personnel. "Percent of Firm Assets" and "Total Firm Assets" prior to 2013 are for CHOICE Asset Management. In August 2015, 8 new employees joined Sterling Capital management via Stratton Management Company following the close of BB&T's purchase of Susquehanna Bancshares. There were no changes to personnel.
2. Joshua L. Haggerty, 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: June 30, 2011. Creation date: June 30, 2011. The appropriate index is the Russell 2500 Index which measures the performance of the smallest 2,500 companies in the Russell 3000. It represents the universe of stocks from which small- and mid-cap managers typically select. The index is reconstituted annually. Total return includes price appreciation/depreciation and income as a percent of the original investment. A complete list of all of SCM's composites and their descriptions is available upon request. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.
4. Performance reflects reinvested interest income and dividends and realized and unrealized capital gains and losses. All portfolios are valued monthly as of calendar month-end and utilize trade-date and accrued income accounting. Valuations and performance are reported in US dollars. Portfolio returns are calculated monthly using the Modified Dietz method. Portfolios are revalued for cash flows greater than 10%. Composite returns are calculated by weighting the individual portfolio returns using beginning of period market value plus weighted cash flows. Periodic time weighted returns are geometrically linked. Returns are not calculated net of non-reclaimable withholding taxes due to immaterial dollar amounts.
5. "Pure" gross of fees returns do not reflect the deduction of any fees including trading costs. The net of fee return reflects the actual SMA fee of the individual account. The SMA fee includes all charges for trading costs, portfolio management, custody and other administrative fees.
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. It is not meaningful when there are less than six portfolios in the composite for the entire year. The three year annualized standard deviation measures the variability of the composite and benchmark returns over the preceding 36 month period. 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.

# Sterling Capital Management – Special Opportunities SMA Composite

December 31, 2000 – December 31, 2017

**Description:** Consists of all discretionary separately managed wrap Special Opportunities portfolios. Sterling'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.

Year	Total Return "Pure"	Total Return	No. of	Composite Assets	Percent of	Total	Composite	Russell	Composite	Benchmark
	Gross of Fees	Net of Fees	Portfolios	End of Period (\$MM)	Firm Assets	Firm Assets (\$MM)	Dispersion (%)	3000	3-yr St Dev (%)	3-yr St Dev (%)
2017	20.55	19.08	4	493	0.9	55,908	Not Meaningful	21.13	9.85	10.09
2016	5.72	4.31	4	721	1.4	51,603	Not Meaningful	12.74	10.35	10.88
2015	9.59	8.00	4	901	1.8	51,155	Not Meaningful	0.48	9.67	10.58
2014	15.93	14.23	4	927	1.9	47,540	Not Meaningful	12.56	9.33	9.29
2013	26.61	24.72	4	850	1.9	45,638	Not Meaningful	33.55	13.49	12.71
2012	15.45	13.68	4	718	16.2	4,422	Not Meaningful	16.42	15.75	15.95
2011	-2.72	-4.18	3	776	19.7	3,932	Not Meaningful	1.03	17.35	19.62
2010	12.79	11.08	3	868	24.5	3,548	Not Meaningful	16.93	22.62	22.94
2009	39.65	37.53	2	752	26.5	2,839	Not Meaningful	28.34	21.26	20.61
2008	-32.07	-33.08	2	507	26.6	1,907	Not Meaningful	-37.31	19.08	16.02
2007	16.24	14.60	1	552	26.8	2,059	Not Meaningful	5.14	8.80	8.25
2006	23.07	21.29	1	346	26.3	1,314	Not Meaningful	15.72	8.62	7.62
2005	4.67	3.11	1	261	28.9	904	Not Meaningful	6.12	10.45	9.63
2004	29.90	27.85	1	155	29.7	522	Not Meaningful	11.95	14.87	15.05
2003	45.35	42.97	1	55	34.8	158	Not Meaningful	31.06	17.20	18.37
2002	-16.17	-17.58	1	27	52.9	51	Not Meaningful	-21.54		
2001	10.65	9.18	1	15	62.5	24	Not Meaningful	-11.46		
Annualized Since Inception	11.60	9.95						6.68		

**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 12/31/16. The verification report(s) is/are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.**

**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. There were no changes in personnel. In April 2005, BB&T Corporation purchased a majority equity ownership stake in Sterling Capital Management LLC. There were no changes in personnel. 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. There were no material changes in personnel. In January 2013, CHOICE Asset Management firm merged into Sterling Capital Management. There were no changes in personnel. "Percent of Firm Assets" and "Total Firm Assets" prior to 2013 are for CHOICE Asset Management. In August 2015, 8 new employees joined Sterling Capital management via Stratton Management Company following the close of BB&T's purchase of Susquehanna Bancshares. There were no changes to personnel.
2. George F. Shipp, 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, 2000. Creation date: December 31, 2000. The appropriate index is the Russell 3000 Index which measures the performance of the largest 3,000 US companies, representing approximately 98% of the investable US 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 the original investment. A complete list of all of SCM's composites and their descriptions is available upon request. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.
4. Performance reflects reinvested interest income and dividends and realized and unrealized capital gains and losses. All portfolios are valued monthly as of calendar month-end and utilize trade-date and accrued income accounting. Valuations and performance are reported in US dollars. Portfolio returns are calculated monthly using the Modified Dietz method. Portfolios are revalued for cash flows greater than 10%. Composite returns are calculated monthly by weighting the aggregate SMA/Wrap sponsor returns using beginning of period market values. Periodic time weighted returns are geometrically linked. Returns are not calculated net of non-reclaimable withholding taxes due to immaterial dollar amounts.
5. "Pure" gross of fees returns do not reflect the deduction of any fees including trading costs. The net of fee return reflects the actual SMA fee of the individual portfolios in each platform except for one platform where the maximum fee is deducted from the gross return. The SMA fee includes all charges for trading costs, portfolio management, custody and other administrative fees. The actual fee may vary by size and type of portfolio.
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. The dispersion is not meaningful because less than six portfolios are in the composite. The three year annualized standard deviation measures the variability of the composite and benchmark returns over the preceding 36 month period. 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.