



Index	Close	Return	
		Week	YTD
Dow Jones Industrial Average	26,719	2.4%	14.5%
S&P 500 Index	2,950	2.2%	17.7%
NASDAQ	8,032	3.0%	21.0%
Russell 2000 Index	1,549	1.8%	14.9%
MSCI EAFE Index	1,918	2.6%	11.5%
10-yr Treasury Yield	2.06%	-0.02%	-0.63%
Oil (\$/bbl)	\$57.66	9.8%	27.0%
Bonds*	\$111.12	0.5%	5.6%

Source: Bloomberg, 06/21/19

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

Last Week:

U.S. Equity Markets

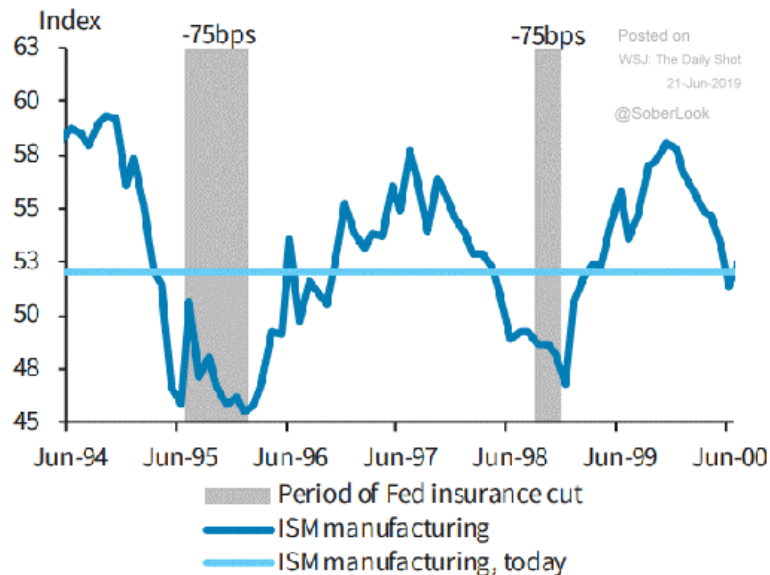
- U.S. large cap equities (S&P 500 Index) rose +2.4% as the Federal Reserve left rates unchanged and provided more dovish comments, and President Trump confirmed that he will discuss trade with Chinese President Xi at the G20 leaders' meeting in Japan next week. Markets seemed to ignore geopolitical tensions, the lack of deal to raise the debt ceiling and avoid spending cuts, and softer than expected U.S. manufacturing data
 - Energy (+5.2%) outperformed as the price of oil jumped 9.8% on geopolitical tensions including Iran shooting down a U.S. naval surveillance drone
 - Information technology (+3.3%) outperformed with leadership in semiconductor and software stocks that reported strong earnings
 - Healthcare (+3.1%) outperformed with strength in biotech
 - Communication services (+2.7%) outperformed as large-cap internet (**Facebook +5.4%**), media (**CBS +3.0%**) and entertainment rallied
 - Industrials (+2.7%) outperformed with broad based strength, including machinery, with Caterpillar up +5.2% on a strong outlook
 - Consumer discretionary (+1.4%) underperformed with weakness in builders and restaurants, though department stores, auto parts, and select retail outperformed
 - Utilities (+1.2%), REITs (+0.8%) and consumer staples (+0.1%) underperformed as investors favored less defensive stocks
 - Financials (+0.4%) underperformed as banks fell amid the lower rate backdrop
 - Materials (+0.2%) underperformed despite rallies in precious metals
- In previous years when the stock market was up 20%+ roughly halfway through the year, stocks generally went on to record additional gains through the end of the year, though 1930 and 1987 represent notable exceptions



Year	Day SPX First Closed +20% YTD	SPX YTD Return At That Point	SPX Return From That Day Thru Year End
1998	Jul 8	20.19%	5.39%
1997	Jun 13	20.59%	8.64%
1995	Jul 6	20.62%	11.18%
1989	Jul 19	20.89%	5.26%
1987	Mar 6	20.02%	-14.99%
1983	Jun 16	20.26%	-2.49%
1975	Feb 21	20.51%	9.16%
1955	Jul 6	20.01%	5.33%
1954	Jul 6	20.60%	20.25%
1943	Apr 6	20.37%	-0.77%
1938	Jul 19	20.09%	4.26%
1936	Jul 27	20.25%	6.38%
1933	Apr 29	20.75%	21.39%
1930	Apr 9	20.61%	-40.70%

@OddStats source: stooq.com

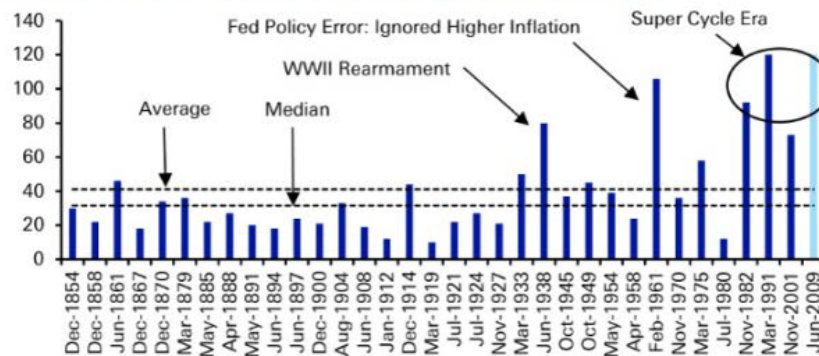
- As expected, the Federal Reserve (FOMC) left its interest rate policy unchanged, but removed the “patience” mantra, saying it is closely monitoring downside risks and “will act as appropriate to sustain the expansion.” According to the Fed dot plot, eight of the 17 officials now expect to ease this year, with seven of the eight looking for 50bps worth of rate cuts. Additionally, the fed dot plot showed the longer run neutral rate falling to 2.5%. Stocks and gold rallied, while 10-year treasury yields fell to sub-2%
 - St. Louis Fed President James Bullard said later in the week that an immediate rate cut “would provide insurance against further declines in expected inflation and a slowing economy subject to elevated downside risks. Even if a sharper-than-expected slowdown does not materialize, a rate cut would help promote a more rapid return of inflation and inflation expectations to target.” But then he went on to say that, “I think our outlook is for a sustained economic expansion. We could see some moderation in growth this year, but the economy’s baseline outlook is good: sustained growth, a strong labor market and inflation near our objective.”
 - Fed Vice Chair Richard Clarida said “there has been a marking down of global growth prospects, there is uncertainty about international trade. There is some evidence that is weighing on sentiment a bit, so we’re monitoring that closely and we will act as appropriate to sustain expansion”
 - Minneapolis Fed President Neel Kashkari said he advocated for an immediate 50 basis point Fed Funds cut, because “an aggressive policy action...is required to re-anchor inflation expectations at our target.” Mr. Kashkari is not an FOMC voting member today, but will become one next year
- For what it’s worth, previous pre-emptive rate cuts occurred when the manufacturing sector was in much worse condition



Source: ISM, Haver Analytics, Barclays Research

- As we've known for a while now, the U.S. economic expansion is historically long in the tooth, albeit the magnitude of the recovery since 2009 has lagged historical averages significantly

Figure 1: US Business Expansion Length by Month Since 1854

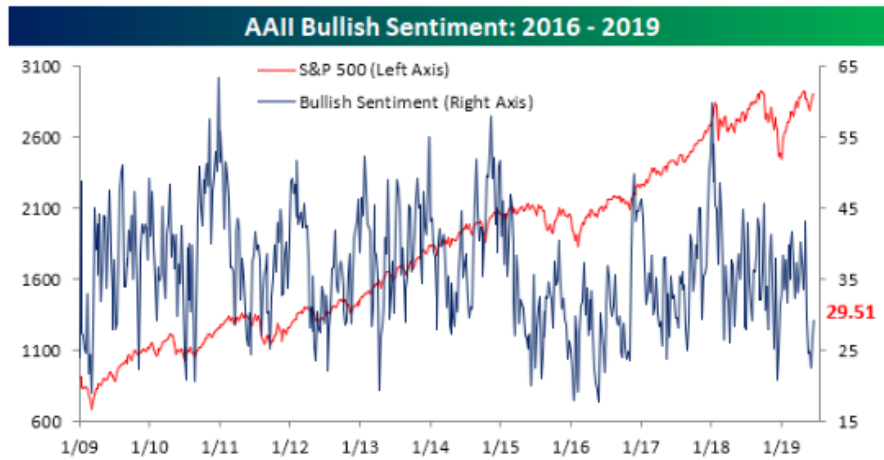


Source: Deutsche Bank, NBER

- Entrepreneur and Altice founder Patrick Drahi bid \$3.7 billion for Sotheby's. Time will tell whether shareholders bring down the gavel; going once, going twice...
- Software company Slack completed its direct offering, issuing shares directly at a "reference price" of \$26/share, rather than using a more traditional Wall Street IPO process. The stock opened nearly 50% above that price in its opening moments of trading, which valued the company at more than \$20 billion, or roughly 50x trailing year's revenue. According to Marketwatch.com, "The company disclosed in its latest filing that just 645 customers, representing 0.7% of all paying Slack customers, generate more than \$100,000 in annual recurring revenue. A key goal for Slack is convincing its some 500,000 free customers to pay up for the service"



- Extreme value retailer Grocery Outlet came public Thursday, trading more than 30% above its IPO price in its opening day debut
- AAI Bullish Sentiment (only 29.5% of respondents) is unusually low, registering in only the eighth percentile vs. previous all-time highs

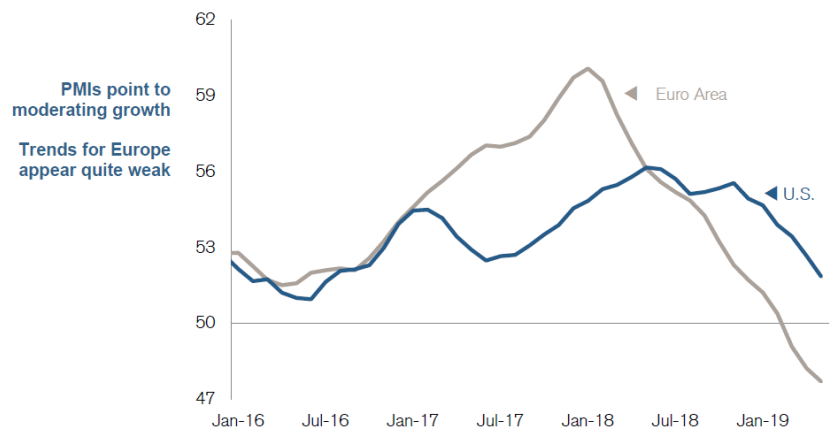


Source: Bespoke

U.S. Economic and Political News

- Industrial Production rose 0.4% in May, twice the 0.2% consensus estimate, while Capacity Utilization of 78.1% was a shade better than the 78.0% expectation
- The Philadelphia Fed index fell to 0.3, down from 16.6 last month and well below the 11.3 consensus forecast
- Manufacturing PMI dipped to 50.1 in the flash June reading from 50.5 in May, the worst reading since September 2009
- Services PMI edged down to 50.7 in June from 50.9 in May, worst since March 2016
- PMI data in the U.S. has been decelerating, while Europe's PMI has entered contraction territory

Figure 4: Markit PMIs – U.S. vs. Euro Area



Note: 3-Month Moving Average; U.S. Markit PMI
Source: Markit, Haver Analytics®, Credit Suisse

Source: Markit, Haver Analytics®, Credit Suisse



- Weekly Jobless Claims printed 216,000
- Housing Starts came in at 1.269 million annualized units in May, topping the 1.245 million consensus forecast
- Existing Home Sales came in at 5.34 million annualized units in May, topping the 5.25 million consensus forecast

International Markets and News

- European equities (STOXX Europe 600) rose +1.6% as European Central Bank (ECB) President Draghi signaled the ECB is prepared to provide more monetary easing if the economy outlook worsens, while Eurozone economic data continued to be weak. Bucking the trend, Norway's Central Bank hiked rates, and the UK leadership race dominated political headlines
 - Draghi's speech that additional stimulus will be needed if there is no improvement in the economic outlook, together with Fed Chair Powell pledging to act as appropriate to sustain economic expansion, combined to improve sentiment for risk assets including stocks, while German and French bond yields dropped to new lows. Draghi outlined possible policy instruments including rate cuts and more quantitative easing
 - Eurozone manufacturing PMI ticked up to 47.8 in June vs. 47.7 in May, but a reading below 50.0 still points to a decline in activity
 - The UK race for Conservative Party leader and the next prime minister continued and whittled down to two remaining candidates – former foreign secretary Boris Johnson and current foreign secretary Jeremy Hunt. Johnson remains the heavy favorite to win the runoff vote, which will end in late July
- Chinese markets (Shanghai Composite Index) surged 4.2% as optimism regarding a meeting between U.S. President Trump and Chinese counterpart Xi Jinping in the G20 meeting could improve trade negotiations
 - On Tuesday, President Trump tweeted that he “had a very good telephone conversation with President Xi” and would hold “an extended meeting at the G20 in Japan”
- Japanese equities fell -0.7% (Nikkei 225 Index) as the Bank of Japan (BoJ) kept monetary policy unchanged, May exports declined, and the Japanese Cabinet Office reported the economy is still growing despite the decline in exports
 - The BoJ kept monetary policy unchanged on Thursday, just hours after the FOMC became the latest central bank to signal more accommodative policies, however the BoJ made no changes to its interest policy, guidance, and current pace of asset purchases
 - The Japanese Ministry of Finance reported Wednesday that exports declined 7.8% year-over-year in May as exports to China fell 10% including shipments of chip-making equipment, which dropped almost 28%. Bucking the trend, exports to the U.S. rose more than 3%, thanks to a nearly 10% gain in auto shipments



Commodities

- The price of gold rose more than 4% for the week, breaking out to a 5+ year high
- The price of crude oil rose 9.8% as geopolitical risks heated up with Iran shooting down a U.S. naval surveillance drone. Oil remains up 27% in 2019 after collapsing in the second half of 2018



This Week:

- This week will be a relatively quiet week regarding earnings reports. Notable releases included, but are not limited to: FactSet Research Systems, **Lennar**, **FedEx**, Micron, General Mills, Paychex, KB Home, **IHS Markit**, **Accenture**, Conagra Brands, McCormick, **Walgreens Boots Alliance**, Nike, **Constellation Brands**
- Focus will turn to U.S.-China trade talks, culminating with the G20 at the end of the week. Also a number of Federal Reserve officials hit the speaking circuit, and may provide further signals about the FOMC's upcoming direction (next interest rate policy meeting is scheduled for the last week of July)
- The economic calendar will see home sales, home price data, durable goods orders and wholesale inventories mid-week, and U.S. personal income/spending and Chicago PMI later in the week. Abroad, will see Euro-zone consumer confidence numbers and CPI, German CPI, and China Industrial profits
- U.S. economic data:
 - Monday: Chicago Fed Index (May), Dallas Fed Index (Jun)
 - Tuesday: Building Permits SAAR (Final), FHFA Home Price Index (Apr), S&P Case-Shiller Home price (Apr), Consumer Confidence (Jun), New Home Sales (May), Richmond Fed Manufacturing (Jun), Fed Speakers (Powell, Bostic, Barkin, and Bullard)
 - Wednesday: Durable Orders (May), Wholesale Inventories Prelim (May)
 - Thursday: GDP growth index (Q1), GDP Price Index (Q1), Pending Home Sales (May), Kansas City Fed Manufacturing Index (Jun)
 - Friday: Core PCE (May), Personal Income (May), Personal Spending (May) Chicago PMI (Jun), Michigan Sentiment (Final)



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 +20.6%** year to date, **+158.2%** cumulative, since inception (12/31/00)
- MSCI World Net **+16.9%** year to date, **+192.2%** vs combined benchmark* since portfolio inception (12/31/00)
- **Special Opportunities +16.0%** year to date, **+456.4%** cumulative, since inception (12/31/00)
- Russell 3000 Total Return **+18.9%** year to date, **+238.2%** since portfolio inception (12/31/00)
- **Equity Income +14.4%** year to date, **+338.3%** cumulative, since inception (12/31/00)
- Russell 1000 Value Total Return **+15.9%** year to date, **+233.3%** since portfolio inception (12/31/00)
- **SMID +22.4%** year to date, **+100.1%** cumulative, since inception (6/30/11)
- Russell 2500 Total Return **+18.2%** year to date, **+121.1%** since portfolio inception (6/30/11)
- **Insight +18.8%** year to date, **+156.0%** cumulative, since inception (8/31/11)
- Russell 1000 Total Return **+19.1%** year to date, **+183.4%** since portfolio inception (8/31/11)
- **Enhanced Equity +16.8%** year to date, **+143.3%** cumulative, since inception (12/31/03)
- CBOE BuyWrite Total Return **+10.1%** year to date, **+130.5%** since portfolio inception (12/31/03)
- **Focus +25.2%** year to date as of 5/31/19, **+76.0%** cumulative as of 5/31/19, since inception (12/31/15)
- Russell 3000 Total Return **+10.9%** year to date as of 5/31/19, **+43.5%** cumulative as of 5/31/19, since portfolio inception (12/31/15)
- S&P 500 Total Return **+18.9%** year to date, **+222.5%** 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" 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 (%)	Benchmark	MSCI World (Net)	Composite 3-yr St Dev (%)	Benchmark 3-yr St Dev (%)
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.

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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:

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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.

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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		

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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.
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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.