



# STERLING CAPITAL

## Sterling Capital Management LLC

Form ADV 2A  
Firm Brochure

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March 30, 2020

This Brochure provides information about the qualifications and business practices of Sterling Capital Management LLC (“Sterling”, “we” or “us”).

If you have any questions about the contents of this Brochure, please contact us at (704) 927-4175 and/or [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Although Sterling may use the term “registered investment adviser” or use the term “registered” throughout this Form ADV Part 2A, the use of these terms is not intended to imply a certain level of skill or training.

Additional information about Sterling is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

In addition to certain routine updates, Sterling has made the following material changes since our last Annual Amendment, dated March 29, 2019:

### **March 30, 2020 changes:**

- **All Items**, throughout the Brochure references to BB&T Corporation have been updated to Truist Financial Corporation, or Truist, as a result of the “merger of equals” between BB&T Corporation and SunTrust Banks, Inc. Holding Company. Prior to the merger, Sterling was a wholly-owned subsidiary of BB&T Corporation, which changed its name to “Truist Financial Corporation” following the close of the merger.
- **Item 8, Methods of Analysis, Investment Strategies and Risk of Loss**, was amended to describe how Sterling includes environmental, social and governance considerations in some investment processes. Also, additional potential risks were disclosed.
- **Item 10, Other Financial Industry Activities & Affiliations**, was updated to address additional disclosures regarding Sterling’s Affiliations and Conflicts of Interests, including a new broker-dealer affiliate for which Sterling may conduct transactions.
- **Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**, was updated to include additional disclosures regarding Sterling’s Interest in Client Securities and Transactions, including potential asset allocation to internally managed strategies by Sterling’s Advisory Solution’s Team for OCIO clients.
- **Item 12, Brokerage Practices**, was revised to describe changes to Sterling’s trade rotation process and to clarify when Sterling may place cross trades.

### **September 12, 2019 changes:**

- **Item 4, Advisory Business and Item 5, Fees and Compensation**, was revised to clarify Sterling’s Outsourced Chief Investment Officer (“OCIO”) services are provided by Sterling’s Advisory Solutions Team.
- **Item 5, Fees and Compensation**, was revised to reflect the fee schedule for Sterling’s Intermediate Government Credit Total Return Fixed SMA. In addition, to provide clarity on fees related to client investments in affiliated mutual funds and to disclose details related to the share classes when investing in mutual funds for client accounts.

We encourage you to read the entire Brochure.

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Pursuant to SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Copies of our Brochure may be requested by contacting Sterling’s Compliance Department at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com). Additional information about Sterling is also available via the SEC’s web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Item 4 – Advisory Business**

### **General Description of Advisory Firm**

Sterling Capital Management LLC (“Sterling”, “we” or “us”) is a registered<sup>1</sup> investment adviser with the U.S. Securities and Exchange Commission (SEC) under the Investment Advisers Act of 1940 (the “Advisers Act”). The firm was founded in 1970. Sterling is an independently-operated subsidiary of Truist Financial Corporation (NYSE: TFC), one of the nation’s largest financial services holding companies. Sterling has over 160 employees and is headquartered in Charlotte, NC, with additional offices in Raleigh, NC; Washington, DC; King of Prussia, PA; Richmond and Virginia Beach, VA; and San Francisco, CA.

### **Assets Under Management**

As of December 31, 2019, Sterling’s assets under management totaled \$58,190,827,104. Of that total, we managed, on a discretionary basis, \$50,510,063,334 in client assets. Non-discretionary client assets totaled \$7,680,763,769.

### **Description of Advisory Services**

#### ***Investment Management Services (Discretionary and Non-Discretionary)***

Sterling provides investment management services (discretionary or non-discretionary) to a broad range of individual and institutional clients, including investment companies registered under the Investment Company of 1940. Sterling provides its services in a broad array of fixed income, equity or other investment strategies including in the broad categories of municipal bonds, taxable fixed income, value, growth and core equities and asset allocation. When providing investment management services, we enter into a written agreement with the applicable client or sponsor depending on the nature of the advisory services being provided by Sterling.

Sterling provides non-discretionary investment management services to certain clients. Some clients may grant Sterling limited discretion with respect to the assets in their portfolio (*e.g.*, the client may require that Sterling seek the client’s approval prior to any buy or sell transaction in the client’s portfolio). In these instances, Sterling’s ability to transact on behalf of the client will be limited.

Sterling provides discretionary investment management services to clients through separate account management under both direct advisory and sub-advisory mandates (“Separately Managed Accounts”). In addition, Sterling provides discretionary investment management services to clients through managed account programs sponsored by broker-dealers and other financial intermediaries (“Wrap Programs”).

#### ***Outsourced Chief Investment Officer Services***

For clients seeking comprehensive asset allocation and investment selection solutions, Sterling’s Advisory Solutions Team provides Outsourced Chief Investment Officer (“OCIO”) services by offering to clients an asset allocation framework with a comprehensive investment manager search and selection methodology to create unique, client-specific portfolios. These open architecture, multi-asset class portfolios are constructed using specific investment objectives, risk tolerance, goals and circumstances of the client with a goal of delivering consistent, long-term, risk-adjusted performance.

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<sup>1</sup> Registration does not imply a certain level of skill or training.

While the asset allocation ranges included in a portfolio's investment objectives will provide a guide for Sterling's asset allocation services, the portfolio's actual asset allocation may, at any time, vary from the client's investment objectives for various reasons, including, but not limited to, fund flows into or out of the portfolio, market movements, and asset allocation decisions.

### **Wrap Programs**

Sterling provides investment management services to wrap fee programs and dual contract managed account programs ("Wrap Program") that are sponsored by banks, broker-dealers or other investment advisers, each, a sponsor. Sterling provides these services pursuant to an advisory agreement with the Wrap Program sponsor. Sterling receives a portion of the Wrap Program fees paid by the client for our services. In a dual contract managed account program, Sterling provides its investment management services pursuant to an advisory agreement directly with the client, as well as one with the program sponsor.

In a Wrap Program, Sterling is appointed to act as an investment adviser through a process generally administered or assisted by the program sponsor. Clients participating in a program, generally with assistance from the sponsor, may select Sterling to provide investment management services for their account (or a portion thereof) for a particular strategy. Sterling provides investment management services in accordance with one or more of our investment strategies. In a typical Wrap Program, clients enter into an agreement with a sponsor who provides or arranges for the provision of an array of services, including some or all of the following: assistance with establishing client goals and objectives, asset allocation analysis, security selection and other portfolio management services, selection of investment advisers, sub-advisers, custodians and/or broker-dealers, trade execution and providing ongoing monitoring, reporting and client support, which may be covered by a single "Wrap" fee.

There are certain differences between how we manage accounts in a Wrap Program versus how we manage other client portfolios. For example, in Wrap Programs, the sponsor is generally responsible for determining the suitability of the Wrap Program, including the use of a Sterling investment strategy for the client. Sterling is typically only responsible for managing the client's assets in accordance with the selected investment strategy and any reasonable restrictions imposed by the client and agreed upon by Sterling. In certain Wrap Programs, the sponsor may limit the information available to us. In addition, we may be restricted by sponsors from communicating directly with Wrap Program clients.

Sterling may make available through Wrap Programs the same or similar strategies that are available to other Sterling clients. However, not all of Sterling's strategies are available through Wrap Programs and not every Sterling strategy is available through a particular Wrap Program. The performance of a strategy available through a Wrap Program may differ from the performance of the same or similar strategy executed through another Wrap Program or client.

Typically, the investment management services Sterling provides in connection with these Wrap Programs are discretionary. Sterling is generally responsible for causing the portion of each discretionary Wrap Program account managed by Sterling to engage in transactions that are appropriate for the selected strategy. Wrap Program accounts within a particular strategy are generally managed similarly, subject to a Wrap Program client's ability to impose reasonable restrictions (such as a prohibition on holding the securities of a particular issuer). Because Sterling's advisory services to these accounts are strategy-dependent, Sterling will not accept a restriction that we believe would be inconsistent with the investment strategy.

Sterling may participate in Wrap Programs sponsored by unaffiliated, third-party sponsors as well as Wrap Programs sponsored by an affiliate of Sterling. Affiliated sponsors may have an incentive to recommend Sterling's services over the services of unaffiliated managers, which may not be known to Sterling. Sponsors may apply different methods of analysis, use different types of information, or apply different thresholds in determining whether to recommend an affiliated manager; this method of analysis may be applied differently when recommending an unaffiliated manager.

In addition to the investment management services we provide for Wrap Programs, Sterling may also provide non-discretionary services to the sponsor who exercises investment discretion. Sterling will typically provide a model portfolio to the sponsor who will be responsible for reviewing, implementing, and executing the orders for the client. Where Sterling participates in a model-based managed accounts program, the model-based program sponsor or overlay manager is generally responsible for investment decisions and performing many other services and functions typically handled by Sterling in a traditional discretionary managed account program. In these model-based programs, Sterling does not have an advisory relationship with clients of the sponsor or overlay manager of the model-based program, and Sterling generally does not have the investment discretion or trading responsibilities. Similarly, in these programs, Sterling does not manage model portfolios on the basis of the financial situation or investment objectives of individual clients. In certain cases, Sterling provides model portfolios to an overlay manager, and Sterling affects the trades resulting from the model portfolio changes.

All Wrap Program clients and prospective Wrap Program clients should carefully review the terms of the agreement with the sponsor and the relevant Wrap Program brochures and disclosure documents to understand the terms, services, minimum account size and any additional fees or expenses that may be associated with a Wrap Program account. In evaluating a Wrap Program arrangement, the client should consider the amount of portfolio activity and the value attributed to monitoring, custodial and any other services provided.

### **Sterling Affiliated Funds**

Sterling also provides investment management services to investment companies. Investment companies are pooled investments registered under the Investment Company Act of 1940 and may take the form of a mutual fund or exchange-traded fund (ETF).

Sterling is the investment adviser to the Sterling Capital Funds (the "Affiliated Funds"). Sterling manages and supervises the investment of the Affiliated Funds' assets on a discretionary basis, subject to oversight by the Affiliated Funds' independent Board of Trustees. In addition, Sterling may act as sub-adviser to other mutual funds.

Sterling, where appropriate and consistent with client guidelines, may allocate a portion of client assets to the Affiliated Funds as part of the portfolios' investment strategy. Clients should note that Sterling has a conflict of interest and financial incentive to choose Affiliated Funds because Sterling receives investment management and other fees from the Affiliated Funds. Sterling reduces our investment management fees with respect to investments in Affiliated Funds in Sterling's Private Client or Sterling's Advisory Solution's Outsourced Chief Investment Officer ("OCIO") client portfolios. However, this reduction in fees does not eliminate the conflict of interest, as there are other incentives such as increasing Sterling's assets under management or providing support to the Affiliated Funds. Clients have the right, at any time, to prohibit us from investing any of their managed assets in the Affiliated Funds.

Sterling has an agreement with the Affiliated Funds to provide services, including, but not limited to advisory and administrative services, and receive compensation for these services. The prospectus for each Affiliated Fund contains a complete description of this compensation. It is possible, in certain circumstances, that the fees (*i.e.*, expenses and advisory fee) payable by a client with respect to an Affiliated Fund may exceed the fees on an unaffiliated mutual fund that employs a similar investment strategy as the relevant Affiliated Fund.

### **Client-Imposed Restrictions**

Clients may impose reasonable investment restrictions (*e.g.*, prohibiting investing in certain securities or types of securities) or other specialized requirements on the management of their account. However, if the restrictions prevent Sterling from properly servicing the client account, or if the restrictions would require Sterling to deviate from its standard investment management services, Sterling may not accept a restriction and reserves the right to request the client to modify the restriction or end the relationship. .

In addition, clients should be aware that investment restrictions imposed on a client's account can limit Sterling's ability to act and, as a result the investment performance and diversification of the assets in a client's account may differ from a similar account in which no such restrictions have been imposed. Further, because of the timing and processes required to satisfy the requirements and circumstances relevant to an investment restriction, there will be circumstances where it is necessary for a client's account with an investment restriction to trade after Affiliated Funds that are invested in the same investment strategy and other Sterling managed accounts that do not contain an applicable trading or account restriction or client preference.

## **Item 5 – Fees and Compensation**

### **General Information**

Sterling is compensated for providing investment management services by charging an investment management fee. Generally, the investment management fee is based on an annual rate on total assets under management (or advisement for model-based or other non-discretionary services). Occasionally, Sterling may consult on a small percentage of portfolios that are not actively managed by Sterling. Fixed fees may be set when the amount of work involved is not directly related to the assets under management or advisement. Sterling does not receive compensation from the sale of securities or other investment products.

Performance-based investment management fees may be available, where applicable by law. These fee schedules are customized and individually negotiated. Please refer to Item 6 – Performance-Based Fees and Side-by-Side Management.

Fees and minimum account sizes may vary or be negotiable depending upon the types of products or services selected or the number of accounts and asset size associated with the client relationship. The negotiations may result in a reduced, higher, or fixed fee. Fees are generally billed quarterly, in advance or arrears, depending on the nature and circumstances of the client and services selected. Clients may elect to be billed directly for fees or to authorize Sterling to debit fees from the client's managed account(s). In some instances, clients calculate their own fee and initiate payment to Sterling.

Sterling's investment management agreement may be cancelled by either party upon written notice. If a client account is terminated prior to the end of a billing cycle, investment management fees paid in advance will be

refunded on a pro-rated basis. For clients that pay in arrears, any earned unpaid fees in the event of a termination will be billed on a pro-rata basis payable and due to Sterling.

### **Additional Fees and Costs**

There are a number of other fees that can be associated with holding and investing in securities. In addition to the investment management fees paid to Sterling, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions. These additional charges may include brokerage commissions, transaction fees, custodial fees, fees charged by other managers, margin costs, charges imposed directly by a mutual fund or exchange traded funds (“ETFs”) in a client’s account, as disclosed in the fund’s prospectus (*e.g.*, fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer, and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Sterling may include mutual funds and ETFs in our investment strategies. Mutual funds and exchange traded funds also charge operating expenses, which are disclosed as “other expenses” in the fund’s prospectus. When Sterling purchases a mutual fund in a client portfolio, Sterling will, on a best efforts basis, select the lowest cost share class of such mutual fund in which the client is eligible to invest at the time of initial purchase. Sterling will periodically review advisory client mutual fund holdings to determine if a lower cost mutual fund share class is available to the client. Sterling will take into account associated conversion fees, tax consequences and other relevant factors when determining if a client would benefit from the lower cost share class. If Sterling determines that a client would benefit from the lower cost share class, then Sterling will convert the client’s mutual fund holdings.

Please refer to Item 12 – Brokerage Practices for the factors that Sterling considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

### **Wrap Programs**

Wrap Programs typically pay a fee to the sponsor based on assets managed through the program. The sponsor generally pays Sterling a fee based on the assets managed by Sterling in the Wrap Program. Therefore, Sterling receives a portion of the wrap fee paid by each client in the Wrap Program.

### **Investment in Sterling Affiliated Funds**

Sterling provides investment management services to registered investment companies, including the Affiliated Funds. Each registered investment company’s prospectus will include information about the fees and expenses paid by the investment company, including compensation Sterling may receive for portfolio management and administrative services.

Sterling, where appropriate and consistent with client guidelines, may purchase for client portfolios shares of the Affiliated Funds as part of the portfolios’ investment strategy. Clients should note that Sterling has a conflict of interest and financial incentive to choose Affiliated Funds because Sterling receives investment management and other fees from the Affiliated Funds. Sterling reduces our investment management fees with respect to investments in Affiliated Funds in Private Client or Outsourced Chief Investment Officer client portfolios. However, this reduction in fees does not eliminate the conflict of interest, as there are other incentives such as increasing Sterling’s assets under management or providing support to the Affiliated

Funds. Clients have the right, at any time, to prohibit us from investing any of their managed assets in the Affiliated Funds.

Sterling has an agreement with the Affiliated Funds to provide services, including, but not limited to advisory and administrative services, and receive compensation for these services. The prospectus for each Affiliated Fund contains a complete description of this compensation. It is possible, in certain circumstances, that the fees (*i.e.*, expenses and advisory fee) payable by a client with respect to an Affiliated Fund may exceed the fees on an unaffiliated mutual fund that employs a similar investment strategy as the relevant Affiliated Fund.

### Fee Schedules

Below are Sterling's standard fee schedules. The fee schedules are subject to change and are negotiable; therefore existing and future clients of Sterling may have different fee arrangements or minimum investments from those stated below.

## FEE SCHEDULE – ADVISORY SOLUTIONS OUTSOURCED CHIEF INVESTMENT OFFICER (OCIO)

### Multi-Strategy

First \$100 million	0.20%
Next \$100 million	0.10%
Over \$200 million	0.05%
Minimum Annual Fee	\$50,000

## FEE SCHEDULE – PRIVATE CLIENT

Investment management fees are based on the following annual rate on total assets under management. Fees may be paid in advance or arrears depending on the client relationship. Minimum investment required is \$10 million in the aggregate.

### Equity

First \$5,000,000	1.00%
Next \$10,000,000	0.75%
Next \$10,000,000	0.65%
Over \$25,000,000	0.50%
Minimum Annual Fee	\$10,000

### Fixed Income

First \$5,000,000	0.50%
Next \$5,000,000	0.40%
Over \$10,000,000	0.25%
Minimum Annual Fee	\$10,000

**Additional Services:** From time to time, Sterling may charge a flat fee for services rendered other than investment management. This fee is negotiable and will be determined at the time of service.

## FEE SCHEDULE – INSTITUTIONAL SEPARATELY MANAGED ACCOUNTS

### Small Cap Value, Stratton Small Cap Value, Small-Mid Value Equity

First \$25 million	1.00%
All incremental assets above \$25 million	0.75%
Minimum Initial Investment	\$10 million

### Mid Cap Value Equity, Stratton Mid Cap Value, Stratton Real Estate

First \$10 million	0.85%
Next \$15 million	0.70%
All incremental assets above \$25 million	0.60%
Minimum Initial Investment	\$10 million

### Large Cap Value Focused Factor

First \$250 million	0.45%
Next \$250 million	0.35%
All incremental assets above \$500 million	0.25%
Minimum Initial Investment	\$10 million

### Special Opportunities, Equity Income, Insight, Global Leaders, SMID Opportunities, Focus, Focus Equity, Enhanced Equity

First \$25 million	0.70%
Next \$25 million	0.60%
Next \$25 million	0.50%
All incremental assets above \$75 million	0.40%
Minimum Initial Investment	\$10 million

### Cash/Enhanced Cash Fixed Income

First \$100 million	0.15%
Next \$100 million	0.125%
All incremental assets above \$200 million	0.10%
Minimum Initial Investment	\$50 million

### Small Cap Value Focused Factor

First \$50 million	0.60%
Next \$50 million	0.55%
All incremental assets above \$100 million	0.50%
Minimum Initial Investment	\$10 million

### International Focused Factor

First \$250 million	0.60%
Next \$250 million	0.50%
All incremental assets above \$500 million	0.40%
Minimum Initial Investment	\$10 million

### Intermediate, Core or Long Duration Fixed Income

First \$50 million	0.25%
All incremental assets above \$50 million	0.20%
Minimum Initial Investment	\$20 million

### Intermediate or Core Fixed Income Municipal

First \$10 million	0.35%
Next \$40 million	0.25%
All incremental assets above \$50 million	0.15%
Minimum Initial Investment	\$20 million

### High Yield Portfolios

First \$50 million	0.50%
All incremental assets above \$50 million	0.45%
Minimum Initial Investment	\$20 million

### Short Term Fixed Income

First \$100 million	0.15%
Next \$100 million	0.125%
All incremental assets above \$200 million	0.10%
Minimum Initial Investment	\$25 million

## FEE SCHEDULE – MANAGED FIXED INCOME ACCOUNTS

Short Term Government, Short Term Corporate Short Term Government/Credit		Muni Enhanced Cash	
Fee	0.20%	Fee	0.20%
Minimum Initial Investment	\$250,000	Minimum Initial Investment	\$1,000,000
Enhanced Cash Ladder, Enhanced, Cash Government		Muni Short Term	
Fee	0.20%	Fee	0.20%
Minimum Initial Investment	\$1,000,000	Minimum Initial Investment	\$500,000
Intermediate Government, Intermediate Corporate, Intermediate Government/Credit		Muni Limited Term	
Fee	0.20%	Fee	0.20%
Minimum Initial Investment	\$250,000	Minimum Initial Investment	\$250,000
Core		State Specific Limited Term, State Specific Intermediate Tax Free	
Fee	0.20%	Fee	0.20%
Minimum Initial Investment	\$500,000	Minimum Initial Investment	\$500,000
Full Term Government/Credit		Muni Intermediate	
Fee	0.20%	Fee	0.20%
Minimum Initial Investment	\$250,000	Minimum Initial Investment	\$250,000
 <i>*The following strategy is no longer available for new clients</i>			
Intermediate Government Credit Total Return			
Fee – First \$5 Million		0.28%	
Fee – Next \$5 Million		0.25%	
Fee – All incremental assets above \$10 Million		0.23%	

## FEE SCHEDULE – WRAP PROGRAMS

### Wrap Programs

Fees charged by Sterling to affiliated and unaffiliated Wrap Program sponsors for Sterling's portfolio management service.

**Fees:** range from 0.30%-0.60% on all program assets depending on selected strategy.

**Minimum Investment:** \$100,000

## FEE SCHEDULE – MODEL PROGRAMS

### Investment Models

Fees charged by Sterling to affiliated and unaffiliated model program sponsors do not include underlying manager fees. Sterling's fees are charged directly to individual clients or the external investment platform sponsors.

**Fees:** range from 0.20%-0.50% on model-based assets depending on selected strategy.

### Item 6 – Performance-Based Fees and Side-By-Side Management

In some cases, and in compliance with applicable law, client accounts may provide for investment management fees to include a sharing in the capital appreciation of the account, also known as performance or incentive fees. The amount of a performance-based fee can vary depending on factors such as the portfolio's relative return to a particular benchmark return. Sterling will take into consideration the investment objectives of the client as well as what Sterling deems to be reasonable performance goals.

Portfolio managers responsible for the management of performance-based portfolios may also be responsible for the management of portfolios with an asset-based fee or other fee arrangement. Performance-based fee arrangements may create an incentive for Sterling to recommend investments which may be riskier or more speculative than those which would be recommended under an asset-based fee or other fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying portfolios over other portfolios in the allocation of investment opportunities.

Sterling has procedures designed and implemented to ensure that clients are treated fairly and equally and to prevent this potential conflict of interest from influencing the allocation of investment opportunities among clients.

### Item 7 – Types of Clients

Sterling provides investment management services to a diversified group of clients including individuals, high net worth individuals, trusts, estates, banking or thrift institutions, affiliated and non-affiliated investment companies and other pooled investment products (e.g., common trust funds), investment advisers, pension and profit sharing plans (other than plan participants), charitable organizations, corporations and other business entities, insurance companies, state and municipal government entities, churches, affiliated and non-affiliated Wrap Programs, and managed investment pools (e.g., a hedge fund).

Portfolio minimums vary by type of client (e.g., wealth management, institutional, Wrap, managed investment pools), investment type (e.g., fixed, equity), and product (e.g., small cap, mid cap, balanced, short term fixed, intermediate fixed). For specific portfolio minimums, please refer to Item 5 – Fees and Compensation.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis and Investment Strategies**

Sterling’s security analysis methods include: charting, fundamental, technical, quantitative, behavioral, qualitative, and cyclical. In conducting security analysis, we utilize a broad spectrum of information, including but not limited to financial publications, third-party research materials, annual reports, prospectuses, regulatory filings, company press releases, corporate rating services, inspections of corporate activities and meetings with management of various companies. In addition, Sterling includes environmental, social and governance (“ESG”) considerations in its investment process across some equity strategies and some fixed income strategies as one part of the investment mosaic among several other fundamental considerations. Sterling uses a selective approach with respect to various ESG measures and factors, gravitating to ones that tend to be more objective in nature and material to issuer specific risk and/ or financial results. Sterling seeks to identify companies that have strong ESG characteristics while being aligned to the firm’s goal to pursue outperformance. Sterling believes that incorporating ESG principles into the investment process is useful, particularly in mitigating downside risk and volatility in investment portfolios.

Sterling offers various investment strategies to its clients; in doing so, Sterling may invest in a wide range of securities and other financial instruments, unless expressly limited by written direction or our client’s guidelines and policies. We employ a range of investment strategies to implement the advice we give to clients including but not limited to long-term purchases, short-term purchases, trading, short sales, option strategies (e.g., covered options, uncovered options, or spreading strategies), and over-the-counter derivative strategies.

The specific risk associated with a particular strategy depends on the securities used and the extent to which the strategy employs certain portfolio management techniques. Not all of risks apply to each strategy. For a summary of each risk, see **Summary of Material Risks** at the end of this item.

### **Principal Investment Strategies**

A brief summary for each principal investment strategy listed below is included along with the methods of analyses. Please refer to the Summary of Material Risks for a description of material risks that apply to the principal investment strategies.

### ***Taxable and Tax-Exempt Fixed Income***

Depending on client objectives, Sterling will invest in one or all of the following fixed income securities: securities issued or guaranteed by the U.S. government, its agencies or instrumentalities, foreign government and government-related securities, securities issued by supranational organizations, corporate bonds, preferred stock, taxable and tax-exempt municipal securities, asset-backed securities, mortgage-backed securities, including commercial mortgage-backed securities, and convertible securities.

Sterling’s Fixed Income Team combines elements of both “top-down” as well as “bottom-up” investment management strategies in constructing portfolios. The “top-down” macro view drives the team’s interest rate risk and sector allocation decisions, while “bottom-up” credit fundamentals drive the team’s security selection decisions. For yield curve management, in addition to the trend in interest rates, other factors such as future inflation expectations, supply factors, and forward curve analysis are considered. Sector weightings are driven by a combination of the firm’s macro view on the economy, sector fundamentals, interest rates and volatility as well as relative spread analysis. The Fixed Income Team then selects individual securities by

utilizing fundamental analysis and looking for the best relative values within particular sectors. The analysis includes an attempt to understand the structure and embedded features of potential securities. Features that are analyzed include puts, calls, sinking fund requirements, prepayment and extension risk, debt limitations, lien baskets, restricted payments baskets and other covenants and individual company financial data for potential corporate holdings. Scenario analysis is the primary tool employed for these assessments.

### ***Small Cap, SMID and Mid Cap Value***

Sterling's team of portfolio managers and analysts utilize quantitative and qualitative tools to examine the fundamental and investment characteristics of a particular company. The analysis is focused on finding undervalued businesses producing strong cash flows, high returns on invested capital, and sustainable competitive advantages. We seek businesses run by capable managers with a track record of good capital allocation and shareholder-aligned incentives. The team seeks attractive risk/reward investment opportunities and broad diversification across uncorrelated economic sectors.

Sterling's investment process attempts to analyze and define the intrinsic value of the business using both quantitative and qualitative fundamental analysis. We emphasize the five key factors listed below:

- Free cash flow
- Return on invested capital
- Sustainable competitive advantages
- Capable management
- Balance sheet strength

### ***Stratton Relative Small Cap Value and Stratton Relative Mid Cap Value***

The portfolio management team uses a value investment approach to invest primarily in common stock of small or mid-capitalization companies. We believe that undervalued companies with good earnings prospects have superior appreciation potential with reasonable levels of risk. Quantitatively, we focus on a stock's fundamental valuation relative to its peers, with particular emphasis on cash-flow valuation metrics. Other quantitative measures such as earnings momentum and relative price strength are also considered. Qualitatively, we seek to identify business catalysts which will serve to drive future earnings growth, increase investor interest, and expand valuation. Management seeks to control risk through broad diversification across economic sectors.

### ***Focused Factor - Small Cap Value, Large Cap Value, and International***

***(Focused Factor strategies are offered as Behavioral Small Cap Value Equity, Behavioral Large Cap Value Equity, and Behavioral International Equity for the Affiliated Funds)***

The Focused Factor suite of products consists of three strategies that employ techniques seeking to capitalize upon behavioral finance-based principles and to take advantage of inefficiencies within the market. Investors are prone to certain biases and heuristics (mental shortcuts) as well as greed and fear that often times lead to anomalies within the financial markets. Our investment process, from the valuation and momentum factors we use to the portfolio construction techniques we employ, is specifically designed to capitalize upon investor behavior.

The Small Cap Value Focused Factor portfolio seeks to invest in U.S. small capitalization stocks that will potentially offer greater capital appreciation than its applicable benchmark. The Large Cap Value Focused Factor portfolio seeks to invest in U.S. large and mid-capitalization stocks that will potentially offer greater capital appreciation than its applicable benchmark. The International Focused Factor portfolio seeks to invest

in developed market (ex-U.S. and Canada) large and mid-capitalization stocks that will potentially offer greater capital appreciation than its applicable benchmark.

***Equity Opportunities - Equity Income, Special Opportunities, SMID Opportunities, Insight, Global Leaders, Enhanced Equity, Focus, and Focus Equity***

The Equity Opportunities portfolios consist of seven strategies, each using a stock selection multi-cap, multi-style approach to build a diversified, but concentrated, portfolio. The Equity Income portfolio is primarily larger-cap equities and focused on total return, selecting stocks with increasing dividend payouts. The Special Opportunities portfolio has a quality bias that tends to focus stock selection away from smaller capitalization issues, while seeking capital appreciation typically found in faster growing companies. The SMID Opportunities portfolio focuses on small- and mid-cap stocks. The Insight portfolio focuses on corporate insiders' stock purchasing activities or existing ownership based on SEC filings. The Global Leaders portfolio primarily consists of larger cap global equities that are seen as industry leaders, with a focus on tax efficiency. The Enhanced Equity portfolio is designed for investors who seek the long-term capital growth of equity markets and who are comfortable with the risks inherent in selling call options against the underlying common stock positions, while emphasizing short-term cash-flows as part of a total return strategy. The Focus portfolio retains the ability to concentrate the strategy's exposure across growth and value, large- and small-capitalization companies, and various capital forms, including equity, debt, and derivatives. The Focus Equity portfolio follows a similar strategy to the Focus portfolio but invests only in equities.

In managing each of these portfolios, the Equity Opportunities team will place a strong emphasis on identifying companies with the following characteristics: strong profitability, attractive valuation, below average debt, above average return on equity and skilled management. Both quantitative and qualitative analysis is used in identifying investment opportunities. The focus will be on companies perceived to have a quality business model, strong balance sheet, and good management. Valuation analysis of each security is conducted relative to its historical range, peers, growth rate, and the market. A long-term investment horizon allows portfolios to take advantage of transitory weakness which creates potential buying opportunities. To implement the Enhanced Equity strategy, out-of-the-money covered call options are written opportunistically against positions in the portfolio which provide income to the portfolio.

***Large Cap Equity - Core Equity, Focused Equity, and Dividend Advantage***

The Large Cap Equity products consist of three separate strategies, each using a disciplined approach and a common fundamentally-driven, multi-factor quantitative model to identify attractively valued equity securities with an emphasis on large capitalization stocks with above average financial quality. Factors used to manage the portfolios include earnings growth, forward earnings yield, cash flow, debt levels, price momentum and dividend yield.

The portfolio management team will at times overlay strategies that emphasize certain segments of the market in order to position the portfolios to participate in attractive trends developing in the market. These decisions are driven by several factors including the current macro-economic environment and business cycle events. The strategies have the ability to invest a portion of the portfolio in attractively valued mid-cap stocks when appropriate. However, the portfolios will consistently maintain exposure to all sectors of the market, and be positioned as large cap strategies at all times.

The Core Equity portfolio is a broadly diversified portfolio of 30-40 equity holdings across all market sectors. Focused Equity is a more concentrated portfolio of 20-30 individual holdings; however, the portfolio maintains

broad diversification across all market segments. The Dividend Advantage portfolio is diversified across all market sectors and has a target dividend yield of 150% of the yield of the S&P 500. All three Large Cap Equity strategies are comprised of publicly- traded equities with minimal cash levels.

The Large Cap Equity strategies take a long-term approach to the markets, and the portfolio team closely monitors the tax impact throughout the portfolio management process. This tax awareness approach includes attention to holding periods (long vs. short term), pending tax legislation, impact on after-tax returns and ex-dividend timing. These factors are balanced against the benefits associated with portfolio changes.

### ***Stratton Real Estate***

The Real Estate strategy employs a combination of quantitative and qualitative measures, including underlying real estate values, earnings multiples, geographic and tenant concentrations, balance sheet metrics, company strategies, and management track record to identify the most attractive securities on a relative valuation basis within each property subsector. Based on the aforementioned criteria, stocks that appear undervalued relative to peers, and have identifiable fundamental catalysts, are buy candidates.

### ***Diversified Income***

The Diversified Income strategy seeks income and capital appreciation by investing in a broad range of income-generating asset classes and strategies. To pursue this objective, assets will be allocated among (i) the Affiliated Funds and (ii) registered open-end and closed-end investment companies (including ETFs) that are not a part of the Affiliated Funds. The portfolio management team will make allocation decisions according to its outlook for the economy, financial market, and relative market valuation of the Underlying Funds.

### ***Advisory Solutions (OCIO)***

Sterling's Advisory Solutions team provides discretionary Outsourced Chief Investment Officer ("OCIO") services and open architecture-based solutions for clients seeking comprehensive asset allocation, investment manager selection, and portfolio construction. Solutions are achieved by blending multiple investment strategies and asset classes. This combination can include domestic and international equities, fixed income, alternative investments and private market assets, affiliated and non-affiliated funds. The investment process includes:

- Developing an asset allocation framework aligned with client specific goals and constraints
- Actively managing asset allocation, employing both quantitative and qualitative principles
- Utilizing a blend of active and passive managers, striving to achieve above-average returns with below-average risk
- Seeking to identify investment managers for each allocation within the portfolio
- Utilizing a complementary mix of investment managers
- Employing a diversified portfolio of separately managed accounts, mutual funds, index funds, exchange-traded funds, and/or private investment funds

### **Summary of Material Risks**

Investing in securities involves risk of loss that clients should be prepared to bear. The value of assets held in a client's account or portfolio is subject to a variety of factors, such as the liquidity and volatility of the securities markets. Investment performance of any kind is not guaranteed, and Sterling's past performance with respect to other portfolios does not predict future performance with respect to any particular account or portfolio. In addition, certain investment products that may be purchased in a portfolio may pose greater risks

and, in some instances, increased volatility and lack of liquidity. The below summary is not meant to describe all risks related to investments or potential investments in securities products.

**General Risks:** The risks below represent a general summary of the risks that pertain to all investment strategies described above.

- **Asset Allocation Risk:** The amount invested in various asset classes of securities may change over time and is subject to the risks associated with those asset classes (e.g., the asset class may underperform other asset classes or that the allocation selected by Sterling may fail to perform as expected).
- **Convertible Securities Risk:** Convertible securities are securities that may be converted or exchanged into shares of an underlying stock or other asset at a stated exchange ratio or predetermined price. The market value of convertible securities tends to decline as interest rates increase and may be affected by changes in the price of the underlying security.
- **Counterparty Risk:** The possibility that a counterparty to a contract will default or otherwise become unable to honor a financial obligation.
- **Derivatives Risk:** The possibility of suffering a loss from a use of derivatives. The primary risk with many derivatives is that they can amplify a gain or loss, potentially earning or losing substantially more money than the actual cost of the derivative instrument. Use of derivatives for non-hedging purposes is considered a speculative practice and involves greater risks.
- **Focused Investment Risk:** Investments focused in sectors, industries, or issuers that are subject to the same or similar risk factors and investments whose prices are strongly correlated are subject to greater overall risk than investments that are more diversified or whose prices are not as closely correlated.
- **Foreign Currency Transaction Risk:** Fluctuations in exchange rates can adversely affect the market value of foreign currency holdings and investments denominated in foreign currencies.
- **Foreign Investment Risk:** Foreign securities involve risks not typically associated with investing in U.S. securities. Foreign securities may be adversely affected by various factors, including currency fluctuations and social, economic, or political instability. These risks are particularly pronounced for emerging markets.
- **Insurance-Linked Securities Risk:** Insurance-linked securities may include event-linked securities (also known as insurance-linked bonds or catastrophe bonds), quota share instruments (also known as reinsurance sidecars), collateralized reinsurance investments, industry loss warranties, event-linked swaps, securities of companies in the insurance or reinsurance industries, and other insurance and reinsurance-related securities.
- **Interest Rate Risk:** The possibility that the value of the investment will decline due to an increase in interest rates. Interest rate risk is generally higher for longer-term debt instruments and lower for shorter-term debt instruments.

- **Investment Manager Risk:** The possibility that an investment manager may underperform relevant benchmarks and fail to produce the intended results.
- **Key Personnel Risk:** If one or more key individuals become unavailable to Sterling, including any of the portfolio managers of the investment strategies, who are important to the management of the portfolio's assets, the portfolio could suffer material adverse effects, including substantial share redemptions that could require the portfolio to sell portfolio securities at times when markets are not favorable.
- **Leverage Risk:** The risk associated with securities or practices that multiply small index or market movements into large changes in value. Leverage is often associated with investments in derivatives, but also may be embedded directly in the characteristics of other securities.
- **Limited Operating History Risk:** The risk that a newly formed strategy or fund has no or a limited operating history to evaluate and may not attract sufficient assets to achieve or maximize investment and operational efficiencies.
- **Management Risk:** The risk that a strategy may fail to produce the intended result.
- **Market Disruption and Geopolitical Risk:** The risk that geopolitical and other events (*e.g.*, pandemics, wars and terrorism) will disrupt securities markets and adversely affect global economies and markets, thereby decreasing the value of investments. Sudden or significant changes in the supply or prices of commodities or other economic inputs may have material and unexpected effects on both global securities markets and individual countries, regions, sectors, companies, or industries, which could significantly reduce the value of investments. Securities markets may be susceptible to market manipulation or other fraudulent trading practices, which could disrupt their orderly functioning or reduce the prices of securities traded on them. Fraud and other deceptive practices committed by a company undermine Sterling's due diligence efforts and, when discovered, will likely cause a steep decline in the market price of those securities and thus negatively affect the value of investments. In addition, when discovered, financial fraud may contribute to overall market volatility, which can negatively affect an investment program, as well as the rates or indices of underlying investments.
- **Operational and/or Technology Risk:** Cyber-attacks, disruptions or failures that affect service providers including investment advisers. For example, clients may be unable to contact us, there may be an increased possibility of errors as a result of working remotely and systems may be inaccessible for the Firm to perform necessary job functions.
- **Preferred Stock Risk:** Preferred stock represents an interest in a company that generally entitles the holder to receive, in preference to the holders of common stock, dividends, and a fixed share of the proceeds resulting from a liquidation of the company. Preferred stocks are generally subordinated in right of payment to all debt obligations and creditors of the issuer.
- **Regulatory Risk:** Regulatory changes and restrictions imposed by regulators, self-regulatory organizations and exchanges vary from country to country and may affect the value of client

investments and their ability to pursue their investment strategies. Any such rules, regulations and other changes, and any uncertainty in respect of their implementation, may result in increased costs, reduced profit margins and reduced investment and trading opportunities, all of which would negatively impact performance.

- **Risks of Loss:** The specific risk associated with a particular strategy depends on the securities used and the extent to which the strategy employs certain portfolio management techniques. Not all of risks apply to each strategy.
- **Security Selection Risk:** Core factors utilized by the strategy may fall out of favor and underperform versus the overall stock market and/or the benchmark index.

**Equity Risks:** The following risks apply primarily to equity investments.

- **Company-Specific Risk:** The possibility that a particular investment may lose value due to factors specific to the company itself, including deterioration of its fundamental characteristics, an occurrence of adverse events at the company, or a downturn in its business prospects.
- **Concentration Risk:** The risk that a strategy's concentration in specific securities may produce a greater risk of loss than a more diversified strategy.
- **Dividend Risk:** Companies that issue dividend-yielding securities are not required to continue to pay dividends on such securities. Therefore, there is the possibility that such companies could reduce or eliminate the payment of dividends in the future.
- **Emerging Markets Risk:** The risks associated with foreign investments are particularly pronounced in connection with investments in emerging markets.
- **Energy and Natural Resource Company Risk:** The risks associated with investing in Master Limited Partnerships or other investment vehicles that may concentrate its investments in the energy infrastructure sector and may invest a significant portion of its assets in the natural resources sector of the economy.
- **Exchange-Traded Fund (ETF) Risk:** The risks associated with investing in ETFs include the risks of owning the underlying securities the ETF is designed to track. Lack of liquidity in an ETF could result in being more volatile than the underlying portfolio of securities.
- **Investing in Underlying Funds Risk:** For strategies whose investments are concentrated in underlying funds, the investment performance is directly related to the performance of those underlying funds. There are risks associated with any underlying fund in which the strategy invests and the types of investments made by those underlying funds.
- **Investment Style Risk:** The possibility that the market segment on which a strategy focuses will underperform other kinds of investments or market averages. An investment's value may decrease or remain unchanged if other investors fail to recognize the company's value. In addition, expected positive catalysts or other events may not occur.

- **Loan Risk:** Investments in loans are generally subject to the same risks as investments in other types of debt securities, including, in many cases, investments in high-yield/junk bonds. They may be difficult to value and may be illiquid.
- **Market Risk:** The value of an investment may decline in price because of a broad stock market decline. Markets generally move in cycles, with periods of rising prices followed by periods of falling prices. The value of the investment will tend to increase or decrease in response to these movements.
- **Master Limited Partnership (“MLP”) Risk:** Investments in MLPs are generally subject to many of the risks that apply to partnerships. For example, holders of the units of MLPs may have limited control and limited voting rights on matters affecting the partnership. MLPs that concentrate in a particular industry or region are subject to risks associated with such industry or region. Investments held by MLPs may be illiquid. Certain MLPs may also be subject to leverage risk.
- **Mid-Capitalization Company Risk:** Investments in middle capitalization companies may be riskier, more volatile, and more vulnerable to economic, market and industry changes than investments in larger, more established companies. As a result, price changes may be more sudden or erratic than the prices of other equity securities, especially over the short term.
- **Options Risk:** There are significant differences between the securities and options markets that could result in an imperfect correlation between these markets, causing an option transaction not to achieve its objectives. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. There can be no assurance that a liquid secondary market will exist for any particular option at a particular time; as a result, it may be costly to liquidate options. There is also no assurance that a liquid market will exist for any particular option contract on an exchange.
- **Real Estate-Related Investment and REIT Risk:** Real estate-related investments may decline in value as a result of factors affecting the real estate industry. Risks associated with investments in securities of companies in the real estate industry include decline in the value of the underlying real estate, default, prepayment, changes in value resulting from changes in interest rates and demand for real and rental property, and the management skill and creditworthiness of REIT issuers.
- **Short Sale/Options Risk:** There are several risks associated with transactions in options on securities, such as exchange-listed, over-the-counter and index options. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. There can be no assurance that a liquid secondary market will exist for any particular option at a particular time, especially when seeking to close out an option position; as a result, it may be costly to liquidate options. There is also no assurance that a liquid market will exist for any particular option contract at any particular time even if the contract is traded on an exchange.
- **Small Capitalization Company Risk:** Investing in smaller, lesser-known companies involves greater risk than investing in those that are more established. A small company’s financial well-being

may, for example, depend heavily on just a few products or services. In addition, small company stocks tend to trade less frequently and in lesser quantities than those of larger firms.

- **Style Factor Risk:** The possibility that a particular investment may lose value due to its exposure to one or more of many style factors, such as size or market capitalization, momentum, leverage, earnings variability, growth characteristics, value characteristics, yield, etc.
- **Valuation Risk:** Certain securities may be difficult to value, and there can be no assurance that the valuation placed on a security will reflect that actual price at which the security might be sold in a market transaction.

**Fixed Income Risks:** The following risks apply primarily to fixed income investments.

- **Credit Risk:** The possibility that an issuer cannot make timely interest and principal payments on its debt securities such as bonds. The lower a security's rating, the greater its credit risk.
- **Estimated Maturity Risk:** The possibility that an underlying security issuer will exercise its right to pay principal on an obligation earlier or later than expected. This may happen when there is a rise or fall in interest rates. These events may shorten or lengthen the duration (*i.e.*, interest rate sensitivity) and potentially reduce the value of these securities.
- **Fixed Income Market Risk:** Fixed income securities markets may, in response to governmental intervention, economic or market developments (including potentially a reduction in the number of broker-dealers willing to engage in market-making activity), or other factors, experience periods of increased volatility and reduced liquidity.
- **High-Yield/High-Risk Debt Securities:** High-yield/high-risk debt securities are securities that are rated below investment grade by the primary rating agencies. These securities are considered speculative and involve greater risk of loss than investment grade debt securities.
- **Income Risk:** The possibility that the portfolio's income will decline due to a decrease in interest rates. Income risk is generally high for shorter-term bonds and low for longer-term bonds.
- **Liquidity Risk:** The possibility that certain securities or derivatives may be difficult or impossible to sell at the time and the price that would normally prevail in the market. The seller may have to lower the price, sell other securities instead or forego an investment opportunity, any of which could have a negative effect on performance.
- **Mortgage-Backed and Asset-Backed Securities Risk:** Mortgage-backed and other asset-backed securities may be particularly sensitive to changes in prevailing interest rates. Rising interest rates tend to extend the duration of mortgage-backed securities, making them more sensitive to changes in interest rates, and may reduce the market value of the securities. Mortgage-backed securities are also subject to pre-payment risk. Due to their often complicated structures, various mortgage-backed and asset-backed securities may be difficult to value and may constitute illiquid securities. Furthermore, debtors may be entitled to the protection of a number of state and federal consumer

protection credit laws with respect to these securities, which may give the debtor the right to avoid or reduce payment.

- **Municipal Securities Risk:** Municipal obligations are issued by or on behalf of states, territories, and possessions of the United States and their political subdivisions, agencies and instrumentalities and the District of Columbia to obtain funds for various public purposes. Municipal obligations are subject to more credit risk than U.S. government securities that are supported by the full faith and credit of the United States. The ability of municipalities to meet their obligations will depend on the availability of tax and other revenues, economic, political, and other conditions within the state and municipality, and the underlying fiscal condition of the state and municipality. As with other fixed income securities, municipal securities also expose their holders to market risk because their values typically change as interest rates fluctuate.
- **Prepayment/Call Risk:** When mortgages and other obligations are prepaid and when securities are called, the portfolio manager may have to reinvest in securities with a lower yield or fail to recover additional amounts (*i.e.*, premiums) paid for securities with higher interest rates, resulting in an unexpected capital loss. Call risk is the possibility that, during periods of declining interest rates, a bond issuer will “call” or repay higher-yielding bonds before their stated maturity date. In both cases, investors receive their principal back and are typically forced to reinvest it in bonds that pay lower interest rates.
- **Private Placement Risk:** Privately-issued securities are restricted securities that are not publicly traded, and may be less liquid than those that are publicly traded.
- **State-Specific Risk:** By concentrating investments in securities issued by one political subdivision, a strategy may be more vulnerable to unfavorable developments than strategies that are more geographically diversified.
- **Tax Risk:** The risk that the issuer of securities will fail to comply with certain requirements of the Internal Revenue Code, which would cause adverse tax consequences.
- **U.S. Government Securities Risk:** Although U.S. government securities issued directly by the U.S. government are guaranteed by the U.S. Treasury, other U.S. government securities issued by an agency or instrumentality of the U.S. government may not be. No assurance can be given that the U.S. government would provide financial support to its agencies and instrumentalities if not required to do so by law.
- **Variable and Floating Rate Instrument Risk:** Variable and floating rate instruments are generally less sensitive to interest rate changes than other fixed rate instruments; however, the value of floating rate instruments may decline if their interest rates do not rise as quickly, or as much, as general interest rates.
- **Yankee Bond Risk:** Yankee bonds are subject to the same risks as other debt instruments, notably credit risk, market risk, currency and liquidity risk. Other risks include adverse political and economic developments, the extent and quality of government regulations of financial markets and institutions,

the imposition of foreign withholding or other taxes, and the expropriation or nationalization of foreign issuers.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Sterling. Sterling does not have any material disciplinary events or matters to disclose.

## **Item 10 – Other Financial Industry Activities and Affiliations**

### **Registration of Management Persons as Registered Representatives of a Broker-Dealer**

Sterling is not a registered broker-dealer; however Sterling has employees who are registered representatives of Sterling Capital Distributors, LLC (the “Distributor”), a limited purpose broker-dealer and distributor to the Affiliated Funds. The Distributor is not affiliated with Sterling or Sterling’s affiliates.

### **Registration as Commodity Pool Operator and Commodity Trading Advisor**

Neither Sterling, nor any of its employees, is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

### **Affiliations and Conflicts of Interest**

As an independently-operated subsidiary of Truist, a diversified banking and financial holding company, Sterling is affiliated with various investment advisers, broker-dealers and other financial entities under common ownership with Truist. From time to time, Sterling may engage in business activities with some of these companies, subject to our policies and procedures governing how we handle conflicts of interest.

Sterling manages accounts on behalf of its affiliates, which creates conflicts of interest related to Sterling’s determination to use or recommend the services of such affiliates. The particular services involved will depend on the types of services offered by the affiliate. The use of affiliates to provide services to clients and Sterling creates certain conflicts of interest for Sterling. Among other things, there are financial incentives for Sterling’s affiliates, including its parent company, Truist Financial Corporation, to favor affiliated service providers over non-affiliated service providers, and compensation of Sterling’s employees may be directly or indirectly related to the financial performance of Sterling. Sterling has adopted policies and procedures reasonably designed to appropriately mitigate conflicts of interest that arise between Sterling and its affiliates. Sterling attempts to mitigate potential conflicts and disclose such potential conflicts as appropriate. Nevertheless, there are circumstances where client interests conflict with Sterling’s interests, the interests of our affiliates, the interests of other clients, or the interests of our affiliate’s clients. Some of these conflicts of interest are inherent to our business.

Affiliates may recommend and invest client accounts in Affiliated Funds or internally managed strategies which creates a conflict of interest because Sterling benefits from increased allocations to the Affiliated Funds and to its internally managed strategies. Sterling and its affiliates may receive administration, custody, trust services or other fees for services provided to such clients.

Persons associated with Sterling or its affiliates may themselves have investments in securities, pooled investment vehicles, or other assets, that are recommended to clients or affiliated clients or held in portfolios, subject to compliance with our policies regarding personal investments. Additional information regarding these potential conflicts of interest is provided under Item 11 - Code of Ethics, Participation, or Interest in Client Transactions and Personal Trading.

### **Broker-Dealers**

**BB&T Securities, LLC**, including its divisions BB&T Scott & Stringfellow, BB&T Capital Markets, Sterling Advisors and BB&T Investments (collectively, “BB&T Securities”), is a wholly-owned subsidiary of Truist, a registered self-clearing broker-dealer and an SEC-registered investment adviser. In addition, BB&T Securities is a registered municipal adviser, registered with the National Futures Association and is a commodity trading adviser. BB&T Securities provides retail distribution for the Affiliated Funds. Sterling serves as adviser to Wrap Programs for which BB&T Securities is the sponsor. BB&T Securities typically provides custody and trade execution services for clients of those Wrap Programs. Sterling does not receive any additional fees or compensation from placing trades for the Wrap Program clients with BB&T Securities.

Although Sterling generally does not use affiliated broker-dealers to execute transactions, Sterling may on occasion exercise its discretion to effect agency transactions in securities or other instruments through BB&T Securities who will benefit from such transactions. In addition, Sterling may purchase on behalf of clients securities in offerings with respect to which BB&T Securities serves as an underwriter. In such cases, the purchase is generally made from a party unaffiliated with Sterling, but BB&T Securities may nevertheless benefit indirectly from such transactions.

**Sterling Capital Distributors, LLC** (the “Distributor”) is a limited purpose broker-dealer and currently serves as the principal underwriter of the Affiliated Funds. The Distributor is not affiliated with Sterling or Sterling’s affiliates. Sterling employees who are involved in marketing or soliciting the Affiliated Funds are also licensed, registered representatives of the Distributor.

**SunTrust Robinson Humphrey, Inc.** (“STRH”) is a wholly-owned subsidiary of Truist and a registered broker-dealer. STRH conducts a general securities business with the public, acting as a broker and a dealer in stocks, bonds, mutual funds, options, and other investments. Although Sterling generally does not use affiliated broker-dealers to execute transactions, Sterling may on occasion exercise its discretion to effect agency transactions in securities or other instruments through STRH who will benefit from such transactions. In addition, Sterling may purchase on behalf of clients securities in offerings with respect to which STRH serves as an underwriter; STRH will benefit from such transactions.

### **Investment Companies or Other Pooled Investment Vehicles**

**Sterling Capital Funds.** Sterling serves as investment adviser and administrator to the Sterling Capital Funds (the “Affiliated Funds”) pursuant to investment management and administrative agreements with the Affiliated Funds. The Affiliated Funds are open-end investment management companies (*i.e.*, mutual funds) registered under the Investment Company Act. The Affiliated Funds pay Sterling administrative and investment management fees. The investment management fees are based on the Affiliated Funds’ average daily net assets each month. Sterling has voluntarily agreed to limit certain fees with regard to certain Affiliated Funds. Please refer to the Sterling Capital Funds’ prospectus for the current fee schedule of the Affiliated Funds.

Sterling, where appropriate and consistent with client guidelines, may purchase for client portfolios shares of the Affiliated Funds as part of the portfolios' investment strategy. Clients should note that Sterling has a conflict of interest and financial incentive to choose Affiliated Funds because Sterling receives investment management and other fees from the Affiliated Funds. Sterling reduces our investment management fees with respect to investments in Affiliated Funds in client portfolios with the exception of Affiliated Funds in Private Client portfolios or Outsourced Chief Investment Officer services. However, this reduction in fees does not eliminate the conflict of interest, as there are other incentives such as increasing Sterling's assets under management or providing support to the Affiliated Funds. Clients have the right, at any time, to prohibit us from investing any of their managed assets in the Affiliated Funds.

#### **Other Investment Advisers or Financial Planners**

**BB&T Institutional Investment Advisers, Inc.** ("BB&T IIA") is an institutional-only investment adviser, registered with multiple states and the SEC under the Advisers Act. BB&T IIA is a wholly-owned subsidiary of Truist Bank and under common control with Sterling. Sterling provides investment management services to BB&T IIA clients.

**Sterling Capital (Cayman) Limited** is a wholly-owned subsidiary of Sterling Capital Management LLC and facilitates investment management services to non-U.S. companies.

#### **Banking or Thrift Institution**

**Truist Financial Corporation** ("Truist") is a diversified banking and financial holding company and operates banking subsidiaries across several states and Washington, D.C. Sterling is an independently operated subsidiary of Truist.

**Truist Bank** is a North Carolina banking company and a wholly-owned subsidiary of Truist. Truist Bank serves as trustee and/or custodian of certain client accounts for which Sterling provides investment management services. Sterling may have a direct contract with the client or a contract with Truist Bank.

#### **Other Activities and Relationships**

Sterling does not receive direct compensation from other investment advisers for recommending or selecting the other investment advisers. However, employees may benefit indirectly when Sterling employees attend conferences partially or fully paid for by third-party investment managers.

Employees of Sterling may serve on the boards of directors of investment management clients, including the Affiliated Funds. Serving in such capacity may give rise to conflicts of interest to the extent that an employee's fiduciary duties to the board may conflict with the interests with the client. Such conflicts will be managed on a case-by-case basis.

Clients of Sterling who are retirement plan sponsors will frequently offer shares of one or more of the Affiliated Funds as investment options for their plan participants. It is customary in these situations that a bank, broker-dealer, or other financial institution will serve as a retirement plan trustee and/or custodian. These entities act in the capacity of service providers by offering participant education, record-keeping, marketing, or other shareholder services. In these arrangements, the prospectus of the Affiliated Funds allows the mutual fund portfolios to pay these service providers for shareholder recordkeeping services rendered by the service provider. From time to time, Sterling may choose to supplement these payments

made by the Affiliated Funds with additional cash payments made directly from Sterling to non-affiliated service providers for shareholder services rendered by the service provider.

## **Item 11 – Code of Ethics, Participation, or Interest in Client Transactions and Personal Trading**

### **Code of Ethics**

Sterling has adopted a Code of Ethics (the “Code”) which includes provisions that require Sterling employees to, among other things: (i) conduct personal securities transactions in a manner consistent with the Code and associated policies and in such a manner as to avoid any actual or potential conflicts of interest; (ii) comply with applicable laws and regulations; and (iii) annually provide an acknowledgement of compliance with the Code. A copy of our Code of Ethics will be provided to any client or prospective client upon request. Clients may request a copy by contacting us at the address, telephone number or email on the cover page of this document.

Sterling’s Code and associated policies and procedures: (i) are reasonably designed to prevent the misuse of material, nonpublic information by employees; (ii) require employees to obtain approval prior to engaging in all covered security transactions, including those issued in private placements; (iii) restrict employees from purchasing or selling securities for their own accounts or for accounts of family members over which they have control prior to the full satisfaction of clients’ needs with respect to such securities; (iv) require employees to provide the details of all reportable personal security transactions; and (v) require employees to promptly report any violation of the Code of which they become aware.

Additionally, all Sterling employees are subject to other Sterling policies and procedures which set forth restrictions regarding confidential and proprietary information, information barriers, private investments, outside business activities and personal trading. All Sterling employees are required to familiarize themselves, comply, and attest annually to their compliance with provisions of Sterling’s policies and procedures.

### **Interests in Client Securities and Transactions**

#### ***Use of Affiliated Funds and Internally Managed Strategies***

Conflicts of interest will arise whenever Sterling has an actual or perceived economic or other incentive in its management of clients’ portfolios to act in a way that benefits Sterling. Conflicts will result, for example (to the extent the following activities are permitted in the account) when Sterling invests in an investment product, such as an investment company or separately managed account, managed by Sterling.

#### ***Affiliated Funds***

Sterling, where appropriate and consistent with client guidelines, may purchase for client portfolios shares of the Affiliated Funds as part of the portfolios’ investment strategy. Clients should note that Sterling has a conflict of interest and financial incentive to choose Affiliated Funds because Sterling receives investment management and other fees from the Affiliated Funds. Sterling reduces our investment management fees with respect to investments in Affiliated Funds in client portfolios with the exception of Affiliated Funds in Private Client portfolios or Outsourced Chief Investment Officer services. However, this reduction in fees does not eliminate the conflict of interest, as there are other incentives such as increasing Sterling’s assets under

management or providing support to the Affiliated Funds. Clients have the right, at any time, to prohibit us from investing any of their managed assets in the Affiliated Funds.

#### *Advisory Solutions (OCIO) Asset Allocation*

Investment strategies may be selected from both Sterling and third-party asset managers and are subject to a review process by Sterling's Advisory Solutions team. From this pool of strategies the team selects those strategies which they believe fit the asset allocation goals and meets the client's investment objectives or directive of the client. Sterling may allocate a portion of the investment strategy to Affiliated Funds or internally managed strategies. The portion allocated to the Affiliated Funds or internally managed strategies will vary depending on the investment objective and strategy, but ranges from 0 to 100 percent.

It is important to note that Sterling will receive more overall fees when internally managed strategies are included in the investment allocation. Clients have the right, at any time, to prohibit Sterling from allocating their investment strategy in the Affiliated Funds or internally managed strategies.

#### ***Affiliated Transactions***

If permitted by a client's investment objectives, and subject to compliance with applicable law, regulations and exemptions, Sterling may purchase securities for client accounts, including new issues, during an underwriting or other offering of such securities in which a broker-dealer affiliate of Sterling acts as a manager, co-manager, underwriter or placement agent and for which the affiliate receives a benefit in the form of management, underwriting or other fees.

Although Sterling generally does not use affiliated broker-dealers to execute transactions, Sterling may on occasion exercise its discretion to effect agency transactions in securities or other instruments through an affiliated broker-dealer. The affiliate will benefit from such transactions.

#### **Other Related Interests**

##### ***Seed Capital***

Sterling or its employees may establish accounts generally for purposes of seeding a new investment strategy. When Sterling provides "seed capital" it may do so with the intention of redeeming all or part of its interest at a future point in time or when it deems that sufficient additional capital has been invested in the strategy. The timing of a redemption by Sterling could benefit Sterling. For example, if the investment was for an Affiliated Fund, it may be more liquid at the time of Sterling's redemption than it is at times when other investors may wish to withdraw all or part of their interests. In addition, a consequence of any withdrawal of a significant amount, including by Sterling, is that investors remaining in the Affiliated Fund will bear a proportionately higher share of fund expenses following the redemption. Managing these accounts creates a conflict of interest with other investment management accounts as Sterling's portfolio managers may be incented to focus extra attention on or allocate select investment opportunities to these accounts. To manage these conflicts of interest, Sterling has implemented various controls including adopting trade allocation policies and procedures that seek to ensure fair and equitable access to investment opportunities for all accounts over time.

##### ***Investing in Securities That Sterling Recommends to Clients***

Employees of Sterling and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Sterling's clients. As these situations may involve actual or potential conflicts of interest, Sterling has adopted policies and procedures relating to personal securities transactions, insider

trading, and other conflicts of interest. These policies and procedures are intended to identify and mitigate actual and perceived conflicts of interest with clients and to resolve such conflicts appropriately if they do occur. The Code is designed to assure that the personal securities transactions, activities and interests of the employees of Sterling will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not interfere materially with the interest of Sterling's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees may benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code to reasonably prevent conflicts of interest between Sterling and its clients.

### **Other Conflicts**

Sterling may from time to time take an active role in portfolio companies on behalf of clients. This may take various forms, including company Board of Director participation, solicitation of potential buyers for portfolio companies; and solicitation of other shareholders within the guidelines established by various regulatory bodies. Sterling believes there are occasions when such participation is consistent with Sterling's fiduciary duty to our clients. Sterling has implemented policies and procedures concerning outside business activities to mitigate this conflict of interest.

Sterling, on occasion, assists with sponsoring client conferences organized by Wrap sponsors who recommend Sterling to their clients. In addition, employees of Sterling attend conferences partially or fully paid for by prospective or existing third-party investment managers.

From time to time, Sterling and its employees give or receive gifts and/or entertainment to or from clients, intermediaries, or service providers, which could have the appearance of affecting or may potentially affect the judgment of Sterling's employees, or the manner in which they conduct business. Sterling has implemented policies and procedures concerning gifts and entertainment to mitigate this conflict of interest.

## **Item 12 – Brokerage Practices**

### **Broker-Dealer Selection**

As a general rule, Sterling receives discretionary authority from its clients through its investment management agreements at the onset of an advisory relationship. Included in Sterling's authority is the ability to:

- Determine securities to be bought or sold;
- Determine the amount of the securities to be bought or sold;
- Select brokers and dealers through which to execute transactions on behalf of its clients; and
- Determine commission rates, if any, at which transactions are effected.

It is Sterling's policy to seek to obtain best execution on client transactions. An important aspect of our discretionary investment management services includes the selection of broker-dealers. Sterling maintains a list of approved brokers used for the execution of client transactions. Broker-dealers are selected based on our evaluation of the broker-dealer's ability to achieve best execution, the level of commissions or other compensation charged by the broker-dealers, the reputation and financial strength of the firm, and, when

applicable, the quality of the research services provided, among other relevant factors. For specific transactions, Sterling's Trading Desks will seek to achieve best execution by selecting approved broker-dealers under the circumstances surrounding the transaction.

Sterling has an established process to oversee and periodically assess the services provided by our broker-dealers. In addition to reviewing the criteria listed above, Sterling will consider the following when evaluating the broker-dealers:

- Execution quality;
- Prompt payment and/or delivery of securities;
- Receipt of accurate confirmations and recordkeeping;
- The current financial condition and reputation of the firm;
- The firm's ability and responsiveness in executing orders.

Sterling has negotiated custodial arrangements with several brokerage firms that Sterling considers competitive in terms of mitigating the total cost of transaction and other fees (custodial) incurred by clients. In some of these arrangements, Sterling is afforded the ability to deal competitively with firms of its choice in negotiating the purchase and sale of bonds for their clients and the broker acting as custodian will make or take delivery of such bonds without charge to their clients. In exchange, the majority of stock transactions that may occur in this type of account are transacted with the broker acting as custodian. In other arrangements, Sterling clients receive discounted brokerage rates on stock transactions with a minimum ticket charge. In some cases, bond sales or purchases delivered to or sold from a client account incur a charge.

### **Research and Other Soft Dollar Benefits**

Brokerage is at times allocated to firms in exchange for certain services, such as research and brokerage, when the terms of such transactions are consistent with the guidelines set forth in Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). Specifically, Section 28(e) sets forth a "Safe Harbor" which provides that an investment adviser that has discretion over a client account is not in breach of its fiduciary duty when paying more than the lowest commission rate available. If the adviser determines in good faith that the rate paid is commensurate with the value of research and brokerage services provided by the broker-dealer that provide lawful and appropriate assistance to the investment adviser in its investment decision-making or trade execution processes.

Sterling uses research materials in making investment decisions for a broad range of clients. To the extent consistent with achieving best overall execution, Sterling may allocate orders to broker-dealers that provide research information as part of their general customer service. These research services may include information on individual securities, markets, the economy, statistical information, risk measurement analysis, performance studies and other appropriate research products and services. Sterling receives research products and services from both proprietary (created or developed by a broker-dealer) and third-party research firms in connection with managing client portfolios. Proprietary broker-dealer research typically includes analyst research reports, sales brokerage coverage, conferences, and one-on-one meetings with both analysts and companies. For proprietary broker-dealer services that are "bundled" (e.g. offer trade execution and research products for one commission rate), Sterling considers a portion of the commission for trade execution and the remainder for research services.

Sterling uses brokerage services and products for executing client's securities transactions. Sterling's use of brokerage services must relate to trade execution and trade implementation from the point when Sterling communicates with the broker-dealer for the purpose of transmitting a trade order, through the point when funds or securities are credited to the client account. Eligible services and products include functions incidental to effecting securities transactions, such as clearance, settlement, custody, and related communications. Trading software used to route orders and algorithmic trading software are also considered to be eligible brokerage services.

For third-party ("soft dollar") research and brokerage services, we predominantly use client commission arrangements ("CCAs") with participating broker-dealers and also allocate a portion of the commission to trade execution and the remainder to research or brokerage services. We believe that using soft dollars to obtain the type of research and brokerage services mentioned above enhances our investment research and trading process, thereby increasing the prospect for higher investment returns. Services received pursuant to soft dollar arrangements may be used to benefit the account that generates the commissions as well as other accounts. Research products or brokerage services received by Sterling might also be used for functions that are not research or brokerage related. Where such product or service has a soft dollar/hard dollar ("mixed use") component, Sterling will make a reasonable allocation according to its use and pay for the non-research or brokerage functions in hard dollars using our own funds.

Sterling uses client soft dollar commissions for the benefit of its clients. However, use of client commissions for research and other soft dollar benefits creates a conflict of interest between the client and its adviser. For example:

- It directly reduces Sterling out-of-pocket costs for those services;
- It creates an incentive to select a certain broker-dealer or research product or service;
- Clients may pay commission rates that are higher than would otherwise be the case if they traded solely for execution purposes;
- Not all research commissions generated by a client's trade will necessarily benefit a particular client's portfolio;
- Research products and brokerage services provided by the commission credits may benefit all clients including those not participating in a given transaction;
- Soft dollar benefits may not be proportionate to soft dollar commissions generated;
- Sterling may invest client assets in securities issued by the broker-dealers or their affiliates, and
- Sterling may provide investment management services to the broker-dealers or their affiliates.

In some cases, research services are generated by third-parties but provided to Sterling by or through broker-dealers. Although it is not possible to assign an exact dollar value to these services, they may reduce our expenses. The investment management fees paid to Sterling are not reduced because we receive such services.

In accordance with the Safe Harbor, Sterling has entered into arrangements for research and/or brokerage services. To facilitate payment of these services, Sterling has CCAs in place, directing the transacting broker-dealer to collect and pool commissions generated by client trades and then periodically directing the broker-dealer to pay invoices from that pool. Arrangements are reviewed by Sterling's Best Execution Committee periodically to determine if the product or service meets the eligibility criteria of "research" or "brokerage" in the Safe Harbor; that the product or service provides lawful and appropriate assistance in Sterling's investment decision-making responsibilities and makes a good faith determination that the client

commissions paid are reasonable in relation to the value of the services received. Sterling is not contractually obligated to direct trades to any broker-dealers in connection with these CCA arrangements. When we execute orders through these broker-dealers, clients may pay commissions higher than those obtainable from other brokers. We periodically review our total commission structure with an industry survey of comparable managers.

Sterling uses a commission aggregation platform to aggregate and reconcile commission credits in one location so that all credits are housed in a segregated account. Sterling's procedure for working with broker-dealers or third-party service providers using client commissions is multi-faceted. For example, portfolio managers and analysts "vote" for broker-dealers with proprietary research services at least annually. Considerations typically include, but are not limited to: (i) number of company or analyst meeting opportunities; (ii) quality of the company or analysts and their research reports; (iii) sales coverage; and (iv) conference participation.

Sterling on occasion directs fixed income securities transactions to a broker-dealer that provides specialized research services, generally paying a small premium on those transactions in recognition of the value of the services provided.

### **Brokerage for Client Referrals**

Sterling does not consider broker-dealer or third-party referrals in selecting or recommending broker-dealers.

### **Advisory Solutions Multi-Strategy Models**

Trading for multi-strategy models provided to unaffiliated entities is generally not performed by Sterling. In these cases, Sterling provides the investment models through a third-party platform. The providers in turn may apply the investment models and make trade recommendations based on the model information provided by Sterling.

### **Investment Companies**

The prospectuses for the Affiliated Funds set forth the types and amounts of securities that may be bought or sold by Sterling on behalf of the Affiliated Funds. The investment management agreement entered into by Sterling and the Affiliated Funds gives Sterling the authority to select the brokers or dealers that will execute the purchases and sales of the securities of the Affiliated Funds' portfolios managed by Sterling. This agreement also directs Sterling to use its best efforts to obtain the best available price and most favorable execution of these transactions. Subject to the annual review by the Board of Trustees, Sterling is given the authority to effect transactions at commission rates that are in excess of the minimum available commission rates when deemed appropriate by Sterling.

### **Wrap Trading**

Sterling manages accounts in a number of Wrap Programs that are not traded through Sterling's trade order management system. Instead, these accounts are traded through each Wrap Program sponsor's system and thus shares are not allocated to these accounts using Sterling's trade order management system's computer-generated methods.

Clients of Wrap Programs typically pay the sponsor a single fee based on assets held at the sponsor for all trading, custodial, and other services provided by sponsor. This fee precludes a client from paying the sponsor commissions on a per transaction basis. When Sterling selects another broker-dealer to effect a trade other

than the sponsor, an additional handling fee may be assessed by the sponsor. Sterling would normally expect to trade directly with the sponsor in most instances. Under certain circumstances and if permitted by the sponsor, Sterling may choose to trade away if doing so provides better pricing and an overall benefit to the client.

It is important that these accounts receive equitable treatment in regards to block trading activities. To accomplish this Sterling's traders employ a rotation to ensure that all of Sterling's clients receive fair and equitable treatment over time.

### **Trade Aggregation and Allocation**

Sterling typically aggregates client orders, where appropriate, in an effort to obtain a more favorable execution. Aggregating trades facilitates better execution for all clients and potentially reduces the overall commission rate. Trades will be aggregated to the extent permissible by policies and procedures, client guidelines and regulations. Client-imposed investment restrictions may result in a potentially less favorable execution outside of an aggregated discretionary trade.

Investment decisions deemed appropriate for one client may also be deemed appropriate for other clients therefore the same security may be purchased or sold at or about the same time for more than one client. When this is the case, Sterling may aggregate the same security, same side (*i.e.*, buy or sell) trades for multiple clients, including clients of Sterling's affiliates, and execute the trade as a single block. When transactions are so aggregated, the securities purchased or sold will be allocated in a fair and equitable manner. The prices applicable to the aggregate transactions on a given day will be averaged, and the portfolios generally will be deemed to have purchased or sold their proportionate share of the security involved at the average price.

Aggregation of trade orders may not be possible at all times. For example, securities that are thinly traded may not be aggregated and allocated among all clients seeking the same investment opportunity. In addition, some issuers have threshold limitations on aggregating ownership interest.

Sterling will not aggregate transactions unless it believes that it is in the best interests of the clients, and consistent with seeking best execution. Nevertheless, there is no assurance that the aggregation of transactions will benefit all clients equally, and in some instances combined orders could adversely affect the price or volume of a security. In addition, under certain circumstances, clients may not be charged the same commission in connection with an aggregated order. Sterling may also choose not to aggregate trades in circumstances where it is not beneficial to do so.

### **Trade Rotation**

Sterling's equity trade rotation is designed to ensure that all clients are treated in a fair and equitable manner over time.

Discretionary portfolio trades executed by Sterling's trading desk for a given strategy are not aggregated with non-discretionary trades, including those executed by the trading desk of an unaffiliated manager, sponsor, or financial adviser. Client orders placed by Sterling's trading desk for a given security could potentially compete with client orders placed by the trading desk of an unaffiliated manager, sponsor, or financial adviser. Timing delays and/or other operational factors inherently associated with trade implementation away from Sterling discretionary trades may result in client orders being executed at the same time, before, or after the

client orders of an unaffiliated manager, sponsor, or financial adviser. This may result in some clients receiving materially different prices relative to other clients.

Depending on market circumstances and volatility, Sterling may use either a single or multi-channel equity trade rotation when the same trade that is being made for discretionary portfolios is also being provided to non-discretionary portfolios. Regardless of whether a single or multi-channel rotation is used, the platforms within a given rotation will be delivered contemporaneously with the discretionary portfolio trades. All trade rotations within a given channel will rotate either randomly or sequentially as Sterling deems appropriate. An example of when a sequential rotation may be more appropriate is when there are only two clients in a rotation. Sterling reserves the right to alter the rotation process if it is in the best interest of any client due to unforeseen circumstances (e.g., system outages, timing delays, etc.).

An exception to our single or multi-channel trade rotation process may occur if a security is extremely illiquid, as it may be beneficial to wait until one or more clients have, or appear to have, completed trading before releasing the trade information farther down the rotation.

In circumstances where Sterling uses a sequential rotation, a new client would be added to the bottom of the list without restarting the rotation. When a client is removed from a sequential rotation, the process will continue in successive order without restarting the rotation.

## **Client-Directed Brokerage and Transactions**

### *Client-Directed Brokerage*

Some clients have an existing relationship with a broker-dealer, and they may instruct Sterling to execute all transactions through that broker-dealer. In the event that a client directs Sterling to use a particular broker or dealer (“Directed Brokerage”), it should be understood that Sterling may not be able to negotiate commissions or fees, obtain volume discounts or achieve best execution. As a result, Directed Brokerage transactions may result in higher commissions, greater spreads or less favorable net prices than would be the case if Sterling were able to select brokers and dealers to execute transactions. Additionally, Directed Brokerage transactions may not be aggregated or added to a block trade for execution purposes with orders for the same securities for other accounts managed by Sterling. In the event that a purchase or sale order is placed for multiple accounts, orders for accounts giving Sterling full brokerage discretion will generally be placed ahead of Directed Brokerage orders. Sterling has no responsibility for reporting or monitoring commission rates or spreads when the client elects Direct Brokerage. In situations where the client directs our firm to effect portfolio transactions through a particular broker-dealer, we will require the client to provide these directions in writing.

Wrap Programs typically charge transaction-specific commissions on agency transactions executed by the sponsor designated under the Wrap Program. It is anticipated that Sterling will affect most trades with the sponsor or the program’s designated broker-dealer. Under certain circumstances, and in an attempt to secure best execution, a security may be purchased away from the sponsor. An additional charge could apply for accepting such delivery, so long as Sterling believes the net result would be advantageous to the client. Some Wrap Programs prohibit Sterling from effecting transactions away from the sponsor. It is not possible for Sterling to aggregate trades for clients where Sterling does not have the authority to trade securities on the client’s behalf or where Sterling does not have discretion as to which broker(s) to use. For these reasons, it is possible that transactions effected through a Wrap Program may provide less advantageous executions than if Sterling had selected another broker-dealer to execute the transactions.

### *Client-Directed Transactions*

Sterling may from time-to-time accommodate client requests to execute a client self-directed trade (“Directed Trade”). Sterling will seek to execute Directed Trade transactions on a best efforts basis using a third-party broker-dealer. Sterling reserves the right not to accommodate any particular client trade request. Any fees or commissions associated with a Directed Trade will be assumed by the client.

### **Principal and Agency Cross Trades**

Sterling does not engage in principal or agency cross securities transactions for client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

Sterling may conduct cross trades between two accounts that are executed through external brokers. Sterling generally allows cross trading if the transaction complies with our policy and is fair and equitable to both accounts. Cross trading can reduce the transaction costs for both the buying and selling accounts and may allow for other beneficial efficiencies to clients. Although cross trading presents a potential fiduciary conflict of interest, cross trading may be appropriate if we meet our fiduciary obligations to clients on both sides of the transaction and where best execution requirements are met.

### **Trade Errors**

Trade errors may occur in connection with Sterling’s management of portfolios. Sterling will investigate trade errors and determine whether reimbursement to the client is warranted. In the event of a trade error loss caused by Sterling, we will seek to restore the client’s portfolio to the position it should have been in had the trading error not occurred. Corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the client. In the event the error results in a gain, the client may retain the profit.

## **Item 13 – Review of Accounts**

Depending on the nature of the client’s portfolio, the client’s own monitoring capabilities, the type of advice, and the arrangements made with the client, the frequency of reviews with a client range from daily to quarterly. The level of review may encompass the entire portfolio, a section of the portfolio, or a specific transaction or investment. The frequency of the review depends upon a variety of factors such as the risk profile of the portfolio, the portfolio’s activity level, the volatility of the asset allocation sectors in which the portfolio is invested, and the client’s preferences, if any. Additional review may occur when the investment strategies and objectives are changed by the client or Sterling and when significant events occur that are expected to affect the value of the portfolio.

Sterling provides formal reporting to our clients on a quarterly basis unless specified otherwise by the client. These reports generally include (i) a portfolio valuation; (ii) a summary of acquisitions and disposals; (iii) a summary of cash movements; and (iv) a performance summary. Formal client review meetings are generally conducted on a regular basis at intervals selected by the client. During these reviews, the investment results and portfolio strategy are discussed. In addition, client objectives and risk tolerance are reviewed. For Wrap

Program clients, account reviews and reports will differ and is dependent to the agreement between Sterling and program sponsor.

Please refer to Item 15 – Custody for reports provided to clients regarding custody. We suggest to our clients that the information they receive from Sterling, including invoices and periodic statements, be compared to the statements clients receive from their custodians.

## **Item 14 – Client Referrals and Other Compensation**

Sterling has entered into referral arrangements with third parties who recommend Sterling’s investment management services to potential clients. Such arrangements include compensation paid by Sterling to the referral source. To the extent required by law, we require that the person referring a client to us (the “Referral Agent”) enter into a written agreement with us. Under this written agreement, the Referral Agent would be obligated to provide the prospective client with a separate disclosure document before Sterling begins to manage assets for such prospective client. This separate disclosure document provides the prospective client with information regarding the nature of our relationship with the Referral Agent and any referral fees we pay to such Referral Agent. Referral fees are paid by Sterling and not by our clients.

Sterling may engage affiliates as Referral Agents, and any such affiliate may be compensated by us for referral activities. We may also compensate our employees for business development activities, including the securing or retention of client assets by Sterling.

From time to time, we may receive indirect benefits from service providers or third-party vendors in the form of gifts and entertainment (e.g., tickets to sporting events). When received, these occasions are evaluated in the context of the firm’s gifts and entertainment policy to ensure they are reasonable in value and customary in nature to ensure their occurrence does not present any conflicts of interest.

## **Item 15 – Custody**

Sterling does not act as a custodian for client assets. Client assets will be held at a qualified custodian such as a broker-dealer, bank, or other qualified custodian. However, under the Advisers Act, Sterling may be deemed to have constructive custody of client assets in certain instances, including any of the following: (i) Clients maintain assets at a qualified custodian affiliated with Sterling; (ii) Sterling has the authorization to deduct or draft advisory fees from a client’s investment or bank account; (iii) Sterling employees serve as a trustee for a non-family member’s account; (iv) Sterling has been given client authorization to transfer funds or securities from a client’s account to a pre-designated third-party; (v) Sterling has online access to client’s other investment accounts; and (vi) where the terms of an agreement between a client and a qualified custodian inadvertently gives Sterling powers that may be construed as custody over such client’s assets (collectively, “inadvertent custody”).

In the case of Affiliated Funds, the Affiliated Funds have made arrangements with qualified custodians as disclosed in the relevant fund offering documents. In the case of separately managed accounts, clients must select and appoint their own custodians, whose services and fees will be separate from Sterling’s fees. Clients are responsible for arranging for all custodial services, including negotiating custody agreements and fees and opening custodial accounts.

For accounts where Sterling is deemed to have constructive custody, Sterling confirms on an annual basis that each custodian sends required periodic account statements. Whether Sterling is deemed to have custody or not, if a client does not receive account statement from their custodian on at least a quarterly basis, the client should contact Sterling and their custodian immediately. Clients should carefully review their custodian statements to ensure they reflect appropriate activity in their account. Clients may also receive reports from Sterling. Clients should compare the account statements that they receive from their qualified custodian with the reports they receive from Sterling. If there are discrepancies between a client's custodian statement and Sterling's report, clients should contact their custodians or a Sterling representative for more information.

## **Item 16 – Investment Discretion**

Sterling provides discretionary investment management services to clients. Sterling and the client will enter in to an investment management agreement, or other document, at the onset of the advisory relationship. This investment management agreement allows Sterling, without obtaining client consent, to implement investment decisions on the client's behalf. Sterling generally receives discretionary authority from clients (or a client's agent, such as a sponsor in the context of discretionary Wrap Programs) to select and to determine the quantity of securities or financial instruments to be bought or sold for the client's portfolio. Sterling is guided by the investment objectives, guidelines, and restrictions that are developed in consultation with clients. These guidelines usually include the investment objective, risk level, and the types and amounts of securities that will make up the portfolio.

Included in our discretionary authority is the ability to select broker-dealers through which to execute transactions on behalf of clients, and the commission rates, if any, at which transactions are effected. We may accept direction from the client or agree to limitations with respect to our discretion regarding which broker-dealers are to be used and what commissions are to be paid. If a client directs us or limits us by providing specific instructions to use a particular broker-dealer or by providing us with particular instructions for trading, the client should be aware that Sterling may have opportunity risk and may not be in a position to freely negotiate commission rates or spreads, obtain volume discounts on aggregated orders, or to select broker-dealers on the basis of best price and execution. Portfolios with special instructions may incur higher commissions, create disparity in portfolio investment, and result in greater spreads or less favorable execution on some transactions than would be the case if Sterling were free to select the broker-dealer. For best execution, a security may be purchased away from the custodian brokerage firm and a minimal charge could apply for accepting such delivery, so long as the net result to the client would be advantageous. In situations where the client directs our firm to effect portfolio transactions through a particular broker-dealer, we will require the client to provide these directions in writing. The major consideration in allocating brokerage business is the pursuit of best execution on all transactions effected for all portfolios. As discussed in Item 12 - Brokerage Practices, Sterling may allocate brokerage to firms that supply research and brokerage services, statistical data, and other services when the terms of all transactions and the capabilities of different broker-dealers are consistent with the guidelines set forth in the Safe Harbor.

For Wrap Program accounts, Sterling's discretionary authority is limited by the selected mandate's investment strategy and may be further limited by reasonable, client-imposed and Sterling agreed upon restrictions. With respect to certain portfolios, such as registered investment companies, Sterling's authority to trade securities may also be limited by certain securities, tax, and other laws that may, for example, require diversification of investments and impose other limitations.

Sterling may also provide investment management services to some clients on a non-discretionary basis which may include evaluation and risk assessment of client portfolios.

## **Item 17 – Voting Client Securities**

### **Proxy Voting**

Sterling has adopted a proxy voting policy, available to clients upon request, which is designed to mitigate potential conflicts of interest from influencing proxy voting decisions that Sterling makes on behalf of advisory clients. Sterling's proxy voting policy is designed to be conducted in the best interest of our clients. Sterling's investment management agreement generally states that decisions on the voting of proxies will be made by Sterling with regard to discretionary assets unless the client otherwise reserves the right to vote. Clients may provide written direction to Sterling with respect to voting in a particular proxy.

Sterling utilizes the services of third-party proxy agent in making proxy voting decisions. Sterling reserves the right to vote proxies in a manner that is different than the vote recommended by third-party agents.

Sterling may be unable to vote or may determine to refrain from voting in certain circumstances. The following highlights some potential instances in which a proxy may not be voted:

- Voting in certain countries requires “share blocking”. Shareholders wishing to vote their proxies must deposit their shares shortly before the date of the meeting with a designated depository. During this blocking period, shares that will be voted at the meeting cannot be sold until the meeting has taken place and the shares are returned to the client's custodian banks. Sterling may determine that the value of exercising the vote is outweighed by the detriment of not being able to sell the shares during this period. In cases where Sterling wants to retain the ability to trade shares, Sterling may abstain from voting those shares. A list of the countries that meet this description is available upon request.
- Sterling may choose not to vote a proxy if Sterling believes it would be the client's interest to make it difficult for the issuer to obtain a quorum or if Sterling believes the cost of voting these proxies outweighs any possible benefit to the client.
- When Sterling takes over management of an account, the existing securities in the account may be sold. However, if the client was a shareholder of record on the execution date, Sterling may receive proxies for these securities. In these instances, Sterling will not vote such proxies as the companies are no longer held in the client's account and have no economic value for the client.
- In limited circumstances, other market-specific impediments to voting shares may limit Sterling's ability to cast votes, including, but not limited to, late delivery of proxy materials, untimely vote cut-off dates, power of attorney and share re-registration requirements, or any other unusual voting requirements. In these limited instances, Sterling will vote securities on a best efforts basis.
- If a client lends securities, Sterling will vote the securities' shares as reported by client's custodian.

Upon request, Sterling will disclose to its clients how Sterling voted such client's proxies. In addition, a client may obtain a copy of Sterling's Proxy Policy and information as to how its proxies have been voted by contacting Sterling at the address, telephone number or email on the cover page of this document.

Annual Form N-PX for the Affiliated Funds shows how Sterling voted proxies for the 12-month period ending June 30<sup>th</sup> and is filed with the SEC no later than August 31<sup>st</sup> of each year.

### **Other Proxy Voting Arrangements**

With respect to those client portfolios where Sterling is not authorized to vote proxies, clients should arrange to receive proxy material directly from their custodians.

In certain Wrap Program accounts, Sterling may not be delegated the responsibility to vote proxies on behalf of the Wrap Program accounts, instead the sponsor or another service provider may vote such proxies. Clients in such Wrap Programs should contact the sponsor for a copy of the sponsor's proxy voting policy.

### **Litigations, Class Actions and Bankruptcies**

As an investment manager, Sterling may be asked to decide whether to participate in litigation, including by filing proofs of claim in class actions, or bankruptcy proceedings for assets held in a portfolio. It is the client's responsibility to monitor and analyze its portfolio and consult with its own advisers and custodian about whether it may have claims that it should consider pursuing. Sterling will not handle or otherwise process any potential "class action" claims or similar settlements that clients may be entitled to for securities held in client portfolios.

Generally, clients will receive the paper work for such claims directly from their account custodians. Each client should verify with its custodian or other account administrator whether such claims are being made on the client's behalf by the custodian or if the client is expected to file such claims directly. Sterling will provide such assistance to clients, or their agents and advisers, as it is reasonably capable of providing, but Sterling does not accept responsibility for responding to class action notifications and expressly disclaims liability for the failure to respond to such notifications.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Sterling's financial condition. ***Sterling has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.***

<b>FACTS</b>	<b>WHAT DOES STERLING CAPITAL MANAGEMENT DO WITH YOUR PERSONAL INFORMATION?</b>
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<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
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<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>▪ Social Security number and assets</li> <li>▪ income and investment experience</li> <li>▪ risk tolerance and retirement assets</li> </ul> <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>
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<b>How?</b>	All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons Sterling Capital Management chooses to share; and whether you can limit this sharing.
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Reasons we can share your personal information	Does Sterling Capital Management share?	Can you limit this sharing?
<b>For our everyday business purposes —</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes — to offer our products and services to you</b>	Yes	No
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates’ everyday business purposes —</b> information about your transactions and experiences	Yes	No
<b>For our affiliates’ everyday business purposes —</b> information about your creditworthiness	No	We don't share
<b>For our affiliates to market to you</b>	No	We don't share
<b>For nonaffiliates to market to you</b>	No	We don't share

<b>Questions?</b>	Please call Sterling Capital Management at (704) 927-4175
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**Who we are**

**Who is providing this notice?** This notice is provided by Sterling Capital Management LLC

**What we do**

**How does Sterling Capital Management protect my personal information?** To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

- Our employees are bound by our Code of Ethics and policies to access consumer information only for legitimate business purposes and to keep information about you confidential.

**How does Sterling Capital Management collect my personal information?** We collect your personal information, for example, when you:

- tell us about your investment or retirement portfolio or enter into an investment advisory contract
- seek advice about your investments or give us your income information
- give us your contact information.

**Why can't I limit all sharing?** Federal law gives you the right to limit only:

- sharing for affiliates' everyday business purposes — information about your creditworthiness
- affiliates from using your information to market to you
- sharing for nonaffiliates to market to you.

State laws and individual companies may give you additional rights to limit sharing.

**Definitions**

**Affiliates** Companies related by common ownership or control. They can be financial and nonfinancial companies.

- Our affiliates include financial companies with Truist, BB&T and SunTrust in their name. For example, affiliates include financial companies such as Truist Bank, a custodial bank, as well as BB&T Securities, LLC, a broker-dealer.

**Nonaffiliates** Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- Sterling Capital Management does not share with nonaffiliates so they can market to you.

**Joint marketing** A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- Sterling Capital Management does not jointly market.

**Other important information**

You may have other privacy protections under some state laws. We will comply with applicable state laws as to information about you.



# Sterling Capital Management LLC

## Guide to Services and Compensation ERISA Section 408(b)(2) Notice

The following is a guide to important information that you should consider in connection with the services to be provided by Sterling Capital Management LLC (the “Firm” or “we” or “us”) in respect of your employee pension benefit plan or trust (the “Plan”). This information is intended to satisfy the disclosure requirements under 29 C.F.R. §2550.408b-2(c) (1)(iv), to the extent applicable.

Should you have any questions concerning this guide or the information provided to you concerning our services or compensation, please do not hesitate to contact your Relationship Manager.

Required Information	Description and/or Location(s) <sup>1</sup>
<b>Services.</b> Description of the services that Sterling will provide to the Plan.	Sterling has been retained to provide investment management services to the Plan.
<b>Status.</b> Whether Sterling will provide services directly to the Plans(s) as an ERISA fiduciary and/or as an investment adviser under the Investment Advisers Act of 1940.	Please refer to the Firm’s Investment Advisory Agreement for the Plan (as may be amended from time to time), which provides that the Firm will provide certain investment-related services in respect of the Plan as an investment adviser registered with the U.S. Securities and Exchange Commission under the U.S. Investment Advisers Act of 1940, as amended, and as a “fiduciary” within the meaning of Section 3(21) of ERISA.
<b>Direct Compensation.</b> Compensation that Sterling expects to receive directly from the Plan.	Please refer to the Investment Advisory Agreement.  Sterling receives a fee (generally expressed as a percentage of assets under management) for providing investment management services to the Plan.
<b>Indirect Compensation.</b> Compensation Sterling will receive from other parties that are not related to the Firm.	Please refer to the Investment Advisory Agreement.  To assist in the investment management process the Firm may use client brokerage commissions to purchase research and brokerage services, such as stock screening and research tools as well as quotation and trade

<sup>1</sup>This guide includes summary information. We suggest that you review the entirety of the referenced materials and documents, all of which should have been provided to you. If you would like to request additional copies of referenced materials and documents, please contact us. This guide is not intended as an agreement for services; nor is it intended to change, modify, or otherwise amend the referenced materials and documents or any other existing agreements between the Plan and the Firm.

	<p>execution services. Research thus obtained does not have a quantifiable dollar value. Please refer to the Investment Advisory Agreement and the Firm's ADV Part 2A for the full disclosure of brokerage and execution practices including research and the use of soft dollars.</p> <p>In accordance with industry practice, we and our affiliates may, from time to time, receive non-monetary gifts and gratuities, such as promotional items (coffee mugs, calendars, gift baskets, etc.), meals and entertainment (collectively, "gifts") from third parties. For this purpose, we allocate the value between clients in accordance with a reasonable allocation methodology.</p>
<b>Fees and Expenses related to the Plan's Sterling-Sponsored Mutual Funds<sup>2</sup>.</b>	Please refer the Sterling-Sponsored Mutual Funds Prospectus.
<b>Compensation paid among related parties.</b> Compensation that will be paid among Sterling and related parties if set on a transaction basis or charged directly against the Plan's investment and reflected in the net asset value of the investment.	Not applicable, as the Firm does not reasonably expect that compensation will be paid among the Firm and related parties.
<b>Compensation for termination of contract or arrangement.</b> Compensation Sterling will receive if the Plan terminates our service.	Please refer to the Investment Advisory Agreement.
<b>Cost of Recordkeeping Services.</b> The cost to the Plan for recordkeeping services.	Not applicable, as Sterling does not reasonably expect to provide recordkeeping services to the Plan.
<b>Manner of receipt.</b> The manner of receipt of compensation Sterling receives.	<p>Please refer to the Investment Advisory Agreement.</p> <p>Any research and brokerage services are generally received by Sterling from executing broker-dealers or third parties as part of the securities transactions in the Plan's account. Please refer to the Investment Advisory Agreement and the Firm's ADV Part 2A for the full disclosure of brokerage and execution practices.</p>
<b>Other Fees and Expenses.</b>	Please refer to the Investment Advisory Agreement.

<sup>2</sup> "Sterling-Sponsored Mutual Fund" refers to a registered investment company under the Investment Company Act of 1940, as amended, that is sponsored or managed by Sterling Capital Management. For updated information on the annual fund operating expenses of a Sterling-Sponsored Mutual Fund, please visit [www.SterlingCapital.com/funds](http://www.SterlingCapital.com/funds).



**STERLING**  
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**Brochure Supplement**

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**STERLING**  
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## Brochure Supplement

February 26, 2020

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Virginia Beach, VA 23451  
Phone: 757-417-4908

150 South Warner Road, Suite 460A  
King of Prussia, PA 19406  
Phone: 610-941-1107

**This Brochure Supplement provides information about the Investment Professionals that supplements the Sterling Capital Management LLC brochure. You should have received a copy of that brochure. Please contact Sterling's Compliance Department at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com) if you did not receive Sterling's brochure or if you have any questions about the contents of this supplement.**



## Mark M. Montgomery, CFA<sup>1</sup>

Senior Managing Director  
Head of Fixed Income

### Educational Background and Business Experience

Mark M. Montgomery, CFA<sup>1</sup>, (Born 1968), Senior Managing Director, joined Sterling Capital Management in 1997 and has investment experience since 1990. Mark is a senior fixed income portfolio manager and head of Sterling's Fixed Income team. Prior to joining Sterling, he held a number of positions at The Vanguard group. He began his fixed income career working on Vanguard's taxable index bond team and later joined the municipal group working with their long-term and high-yield portfolio management team. Mark received his B.S. in Marketing with a minor in Public Administration from West Chester University and his M.B.A with a concentration in Investment Management from Drexel University. He holds the Chartered Financial Analyst® designation.

### Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Mark M. Montgomery has no information to report under this item.

### Other Business Activities

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Mark M. Montgomery has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### Additional Compensation

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Mark M. Montgomery has no information to report under this item.

### Supervision

Several different areas are included in the oversight of the Fixed Income Team. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: Alexander W. McAlister, President, 704-927-4175

<sup>1</sup>MINIMUM QUALIFICATIONS FOR CFA - The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.



## Neil T. Grant, CFA<sup>1</sup>

Managing Director  
Senior Portfolio Manager

### Educational Background and Business Experience

Neil T. Grant, CFA<sup>1</sup>, (Born 1969), Managing Director, joined Sterling Capital Management in 2004 and has investment experience since 1991. Neil is a senior fixed income portfolio manager. Prior to joining Sterling, he worked at ING Investment Management as a vice president on the structured finance team. Prior to ING, he worked at Bear Stearns & Company on the commitment desk supporting the mortgage conduit. Neil received his B.S. in Finance from Syracuse University and his M.B.A. from Emory University. He holds the Chartered Financial Analyst® designation.

### Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Neil T. Grant has no information to report under this item.

### Other Business Activities

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Neil T. Grant has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### Additional Compensation

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Neil T. Grant has no information to report under this item.

### Supervision

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Supervisor: Mark M. Montgomery, Senior Managing Director, 704-927-4175

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## **Kevin J. Stoll, CFA<sup>1</sup>**

Managing Director  
Head of Quantitative Research

### **Educational Background and Business Experience**

Kevin J. Stoll, CFA<sup>1</sup>, (Born 1976), Managing Director, first worked at Sterling Capital Management from 2004 to 2007 and rejoined the firm in 2013. He has investment experience since 1998. Kevin is head of quantitative research and is responsible for developing and applying quantitative analytics used in the investment and risk management process. Kevin also leads Sterling's asset allocation process. Prior to joining Sterling, he worked at Smith Breeden Associates where he was director of quantitative research and analytics. Kevin also has prior investment experience as an analyst at Jones Lang LaSalle. Kevin received his B.A. in Economics and Mathematical Methods in the Social Sciences from Northwestern University and his M.B.A. from Duke University's Fuqua School of Business. He is a CFA® charterholder.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Kevin J. Stoll has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Kevin J. Stoll has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Kevin J. Stoll has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of the Fixed Income Team. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: Mark M. Montgomery, Senior Managing Director, 704-927-4175

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## **Peter L. Brown, CFA<sup>1</sup>**

Executive Director

Portfolio Manager & Head of Investment Grade Credit

### **Educational Background and Business Experience**

Peter L. Brown, CFA<sup>1</sup>, (Born 1977), Executive Director, joined Sterling Capital Management in 2004 and has investment experience since 2000. Pete is a fixed income portfolio manager and head of Sterling's corporate credit team. Prior to joining Sterling, he held financial analyst positions at National Institutes of Health and First Union National Bank/First Union Securities. Pete received his B.S. in Statistics with minors in Business Management, Marketing and Communications from Cornell University and his M.B.A. from Wake Forest University. He holds the Chartered Financial Analyst® designation.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Peter L. Brown has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Peter L. Brown has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Peter L. Brown has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of the Fixed Income Team. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: Mark M. Montgomery, Senior Managing Director, 704-927-4175

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## **Robert A. Brown, CFA<sup>1</sup>**

Executive Director

Portfolio Manager & Head of Non-Investment Grade Credit

### **Educational Background and Business Experience**

Robert A. Brown, CFA<sup>1</sup>, (Born 1964), Executive Director, joined Sterling Capital Management in 2016 and has investment experience since 1986. Robert is a fixed income portfolio manager and is head of non-investment grade credit. Prior to joining Sterling, he worked at Concerto Asset Management specializing in high yield credit management. He was also managing director and head of credit research for Wachovia Securities Principal Credit Trading Group. Robert received his B.A. in Geography with Economics from the University of Exeter. He holds the Chartered Financial Analyst<sup>®</sup> designation.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Robert A. Brown has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Robert A. Brown has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Robert A. Brown has no information to report under this item.

### **Supervision**

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Supervisor: Mark M. Montgomery, Senior Managing Director, 704-927-4175

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## Kevin E. McNair, CFA<sup>1</sup>

Executive Director  
Portfolio Manager

### Educational Background and Business Experience

Kevin E. McNair, CFA<sup>1</sup>, (Born 1971), Executive Director, joined BB&T Asset Management in 1994 and Sterling Capital Management through merger in 2010. He has investment experience since 1994. Kevin is a fixed income portfolio manager. Kevin received his B.A. in Economics from the University of North Carolina at Chapel Hill and his M.A. in Economics from North Carolina State University. He holds the Chartered Financial Analyst® designation.

### Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Kevin E. McNair has no information to report under this item.

### Other Business Activities

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Kevin E. McNair has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### Additional Compensation

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Kevin E. McNair has no information to report under this item.

### Supervision

Several different areas are included in the oversight of the Fixed Income Team. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: Robert F. Millikan, Executive Director, 704-927-4175

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## **Michael P. McVicker**

Executive Director  
Portfolio Manager

### **Educational Background and Business Experience**

Michael P. McVicker, (Born 1972), Executive Director, joined Sterling Capital Management in 1992 and has investment experience since 1992. Mike is a fixed income portfolio manager responsible for enhanced cash and intermediate municipal portfolios as well as associate portfolio manager responsibilities for the state-specific municipal bond portfolios for the Sterling Capital Funds. Prior to joining the Fixed Income team, he was Sterling's director of operations managing the client reporting and performance team. Mike received his B.S.B.A. in Finance with a minor in Psychology from the University of North Carolina at Charlotte.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Michael P. McVicker has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Michael P. McVicker has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Michael P. McVicker has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of the Fixed Income Team. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: Mark M. Montgomery, Senior Managing Director, 704-927-4175



## **Robert F. Millikan, CFA<sup>1</sup>**

Executive Director  
Portfolio Manager

### **Educational Background and Business Experience**

Robert F. Millikan, CFA<sup>1</sup>, (Born 1966), Executive Director, joined BB&T Asset Management in 2000 and Sterling Capital Management through merger in 2010. He has investment experience since 1990. Bob is a fixed income portfolio manager responsible for the state-specific municipal bond fund portfolios for the Sterling Capital Funds as well as for the tax-free funds' investment policy, research and management. Prior to joining BB&T, he worked for First Citizens Bank as vice president and fixed income portfolio manager for both taxable and tax-exempt accounts. Bob received his B.A. in Economics from Wake Forest University. He is a past president of the North Carolina Society of Financial Analysts and also a past chairman of the Board of Directors for the Carolinas Municipal Advisory Council. He holds the Chartered Financial Analyst® designation and is currently serving on the CFA® North Carolina Strategic Advisory Board.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Robert F. Millikan has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Robert F. Millikan has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Robert F. Millikan has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of the Fixed Income Team. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: Mark M. Montgomery, Senior Managing Director, 704-927-4175

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## **Michael Z. Sun, CFA<sup>1</sup>**

Executive Director  
Portfolio Manager

### **Educational Background and Business Experience**

Michael Z. Sun, CFA<sup>1</sup>, (Born 1969), Executive Director, joined Sterling Capital Management in 2009 and has investment experience since 1998. Michael is a fixed income portfolio manager responsible for the fixed income structured products. Prior to joining Sterling, he served as vice president, portfolio manager/senior research analyst for Evergreen Investments. Michael received his B.S. in Geography from Nanjing University, his M.S. in Urban and Regional Study from Beijing University and his M.A. in Economics from Bowling Green State University. He holds the Chartered Financial Analyst® designation.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Michael Z. Sun has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Michael Z. Sun has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Michael Z. Sun has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of the Fixed Income Team. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: Mark M. Montgomery, Senior Managing Director, 704-927-4175

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## Alex M. Harshberger, CFA<sup>1</sup>

Director  
Portfolio Manager

### Educational Background and Business Experience

Alex M. Harshberger, CFA<sup>1</sup>, (Born 1989), Director, joined Sterling Capital Management in 2016 and has investment experience since 2013. Alex is a fixed income portfolio manager. Previously she was a quantitative research analyst. Prior to Sterling, she was a senior actuarial analyst with Willis Towers Watson. Prior to Willis Towers Watson, she worked as a research assistant at the Federal Reserve Board of Governors. Alex received her B.S. in Mathematics and Economics from the University of Pittsburgh, where she was a summa cum laude graduate, and her M.Sc. in Economics from the University of Sussex. She holds the Chartered Financial Analyst<sup>®</sup> and Associate of the Society of Actuaries<sup>2</sup> designations.

### Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Alex M. Harshberger has no information to report under this item.

### Other Business Activities

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Alex M. Harshberger has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### Additional Compensation

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Alex M. Harshberger has no information to report under this item.

### Supervision

Several different areas are included in the oversight of the Fixed Income Team. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: Peter L Brown, Executive Director, 704-927-4123

<sup>1</sup> MINIMUM QUALIFICATIONS FOR CFA - The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

<sup>2</sup> MINIMUM QUALIFICATIONS FOR ASA - The Associate of the Society of Actuaries (ASA) is a professional organization for actuaries based in North America. The Society's vision is for actuaries to be recognized as the leading professionals in the modeling and management of financial risk and contingent events. Requirements for membership for the SOA include the actuarial exams, a comprehensive series of competitive exams. Topics covered in the exams include mathematics, finance, insurance, economics, interest theory, life models, and actuarial science.



## **Byron G. Mims, CFA<sup>1</sup>**

Director  
Portfolio Manager

### **Educational Background and Business Experience**

Byron G. Mims, CFA<sup>1</sup>, (Born 1984), Director, joined Sterling Capital Management in 2012 and has investment experience since 2006. Byron is a fixed income portfolio manager. Prior to joining Sterling, he worked for Smith Breeden Associates as a vice president on the asset-backed securities team and was primarily responsible for non-agency mortgage-backed securities and also consumer asset-backed securities. Byron received his B.S. in Economics from North Carolina State University, where he was a summa cum laude graduate and was recognized as valedictorian. He holds the Chartered Financial Analyst<sup>®</sup> designation.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Byron G. Mims has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Byron G. Mims has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Byron G. Mims has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of the Fixed Income Team. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: Mark M. Montgomery, Senior Managing Director, 704-927-4175

<sup>1</sup>MINIMUM QUALIFICATIONS FOR CFA - The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.



## Jeffrey D. Ormsby, CFA<sup>1</sup>

Director  
Portfolio Manager

### Educational Background and Business Experience

Jeffrey D. Ormsby, CFA<sup>1</sup>, (Born 1984), Director, joined Sterling Capital Management in 2011 and has investment experience since 2006. Jeff is a fixed income portfolio manager. Prior to joining Sterling, he worked for Smith Breeden Associates as a CMBS trader and portfolio management analyst within the investments group. Jeff received his B.S. in Economics from North Carolina State University, where he was a summa cum laude graduate and was recognized as Valedictorian, and his M.B.A. from the University of North Carolina at Chapel Hill's Kenan-Flagler Business School, where he was the Norman Block Valedictorian Award recipient. He holds the Chartered Financial Analyst® designation.

### Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Jeffrey D. Ormsby has no information to report under this item.

### Other Business Activities

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Jeffrey D. Ormsby has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### Additional Compensation

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Jeffrey D. Ormsby has no information to report under this item.

### Supervision

Several different areas are included in the oversight of the Fixed Income Team. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: Mark M. Montgomery, Senior Managing Director, 704-927-4175

<sup>1</sup>MINIMUM QUALIFICATIONS FOR CFA - The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.



## **M. Dow Taylor, CFA<sup>1</sup>**

Director  
Portfolio Manager

### **Educational Background and Business Experience**

M. Dow Taylor, Jr., CFA<sup>1</sup>, (Born 1974), Director, joined BB&T in 2003 and Sterling Capital Management through merger in 2010. He has investment experience since 2000. Dow is a fixed income portfolio manager. Prior to joining BB&T, he worked for BB&T Wealth Management as a financial planning specialist. Dow received his B.S. in Business/Finance from North Carolina State University. He holds the Chartered Financial Analyst® designation.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. M. Dow Taylor has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. M. Dow Taylor has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. M. Dow Taylor has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of the Fixed Income Team. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: Mark M. Montgomery, Senior Managing Director, 704-927-4175

<sup>1</sup> **MINIMUM QUALIFICATIONS FOR CFA** - The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.



## Gregory M. Zage, CFA<sup>1</sup>

Director  
Portfolio Manager

### Educational Background and Business Experience

Gregory M. Zage, CFA<sup>1</sup>, (Born 1984), Director, joined Sterling Capital Management in 2007 and has investment experience since 2007. Gregory is a fixed income portfolio manager. He is currently responsible for municipal trading and tax-exempt portfolio management. Previously at Sterling, he was responsible for high grade corporate credit trading and short duration taxable portfolio management. Gregory received his B.A. in Economics with a minor in Spanish from Davidson College. He holds the Chartered Financial Analyst® designation.

### Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Gregory M. Zage has no information to report under this item.

### Other Business Activities

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Gregory M. Zage has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### Additional Compensation

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Gregory M. Zage has no information to report under this item.

### Supervision

Several different areas are included in the oversight of the Fixed Income Team. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: Mark M. Montgomery, Senior Managing Director, 704-927-4175

<sup>1</sup>MINIMUM QUALIFICATIONS FOR CFA - The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.



## **Robert W. Bridges, CFA<sup>1</sup>**

Senior Managing Director

Head of Equity

Co-Head of Factor Investing/Behavioral Finance

### **Educational Background and Business Experience**

Robert W. Bridges, CFA<sup>1</sup>, (Born 1966) Senior Managing Director, joined Sterling Capital Management in 1996 and has investment experience since 1991. Bob is Head of Equity. He also leads Sterling Capital's Fundamental Equity team and serves as co-head of the Factor Investing/Behavioral Finance portfolios. He became part of Sterling's Fundamental Equity Team in 2000 and from that time had 14 years of experience as a senior analyst supporting the firm's mid value and small cap value fundamental portfolios. In 2006, he embarked on a research project that led to the development of the firm's first factor based strategy. This process led to the creation of the Sterling Behavioral Small Cap Value portfolio in 2008 and laid the groundwork for future expansion into other factor based portfolios. Bob has significant experience in portfolio construction methods, risk analytics, fundamental analysis and quantitative analysis. Prior to joining Sterling, he worked as a research analyst and investment committee member at Bridges Investment Counsel (now known as Bridges Trust). Bob received his B.S. in Business from Wake Forest University. He holds the Chartered Financial Analyst® designation.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Robert W. Bridges has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Robert W. Bridges has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Robert W. Bridges has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of Robert W. Bridges. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: Alexander W. McAlister, President, 704-927-4175

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## **Robert O. Weller, CFA<sup>1</sup>**

Executive Director  
Co-Head of Factor Investing/Behavioral Finance  
Portfolio Manager

### **Educational Background and Business Experience**

Robert O. Weller, CFA<sup>1</sup>, (Born 1973), Executive Director, joined Sterling Capital Management in 2012 and has investment experience since 1996. Rob is an equity portfolio manager and co-head of the Factor Investing/Behavioral Finance team. Prior to joining Sterling, he was one of the founding members of the U.S. based Large Cap, Mid Cap and Multi Cap Behavioral Finance strategies in 2003 at J.P. Morgan Investment Management. He was responsible for the initial research on and implementation of the strategies. His day-to-day duties included portfolio management as well as ongoing behavioral, quantitative and qualitative research. During his tenure, the funds were listed multiple times in the Wall Street Journal as “Category Kings” for top-ranked performance and were all top quintile performers relative to their peer groups since inception. He helped grow an initial \$4 million in seed capital to over \$21 billion in assets under management. Rob joined J.P. Morgan in 1997. He left Investment Management in 2010 to return to the private bank to manage multi-asset class portfolios and subsequently head equities globally for the private bank’s discretionary platform. He started his career at Legg Mason Wood Walker in 1996. Rob received his B.B.A. in Finance from Loyola University Maryland. He is a CFA® charterholder.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Robert O. Weller has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Robert O. Weller has no other business activities to report that represent a substantial amount of the supervised person’s time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Robert O. Weller has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of Robert O. Weller. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: Robert W. Bridges, Senior Managing Director, 704-927-4101

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## **George F. Shipp, CFA<sup>1</sup>**

Senior Managing Director

Portfolio Manager – Equity Income, Special Opportunities, and Enhanced Equity

### **Educational Background and Business Experience**

George F. Shipp, CFA<sup>1</sup>, (Born 1958), Senior Managing Director, founded the CHOICE Asset Management team of BB&T Scott & Stringfellow in 2000 after serving for 18 years as a sell-side equity analyst within Scott & Stringfellow. In January 2013, the CHOICE team integrated with Sterling Capital Management and was renamed as the firm's Equity Opportunities Group. George has investment experience since 1982 and is the lead portfolio manager for the Equity Income and Special Opportunities strategies and has been since their inception. George received his B.A. in Biology from the University of Virginia and his M.B.A. from the University of Virginia's Darden School of Business. He is a CFA® charterholder.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. George F. Shipp has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. George F. Shipp has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. George F. Shipp has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of the Equity Opportunities Team. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: Robert W. Bridges, Senior Managing Director, 704-927-4101

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## **Adam B. Bergman, CFA<sup>1</sup>**

Executive Director  
Portfolio Manager - Insight

### **Educational Background and Business Experience**

Adam B. Bergman, CFA<sup>1</sup>, (Born 1974), Executive Director, joined the CHOICE Asset Management team of BB&T Scott & Stringfellow in 2007. In January 2013, the CHOICE team integrated with Sterling Capital Management and was renamed as the firm's Equity Opportunities Group. Adam has investment experience since 1996 and is an equity portfolio manager. Prior to joining the team, he directed the investor relations efforts at Advance Auto Parts and Dollar Tree Stores. Prior to working in investor relations, he served as a sell-side research analyst at Scott & Stringfellow. Adam received his B.S. in Commerce from the University of Virginia's McIntire School of Commerce. He is a CFA<sup>®</sup> charterholder.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Adam B. Bergman has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Adam B. Bergman has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Adam B. Bergman has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of the Equity Opportunities Team. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: George F. Shipp, Senior Managing Director, 757-417-4907

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## **Colin R. Ducharme, CFA<sup>1</sup>**

Executive Director

Portfolio Manager – Focus & Focus Equity

### **Educational Background and Business Experience**

Colin R. Ducharme, CFA<sup>1</sup>, (Born 1978), Executive Director, joined the CHOICE Asset Management team of BB&T Scott & Stringfellow in 2011. In January 2013, the CHOICE team integrated with Sterling Capital Management and was renamed as the firm's Equity Opportunities Group. Colin has investment experience since 2004 and is an equity portfolio manager. Prior to joining Sterling, he was a Vice President at Chase Investment Counsel, an independent registered investment advisor. Colin received his B.A. in Physics from the University of Virginia, and his M.B.A. and S.M. in Materials Science and Engineering from the Massachusetts Institute of Technology. He is a CFA<sup>®</sup> charterholder.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Colin R. Ducharme has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Colin R. Ducharme has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Colin R. Ducharme has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of the Equity Opportunities Team. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: George F. Shipp, Senior Managing Director, 757-417-4907

<sup>1</sup>MINIMUM QUALIFICATIONS FOR CFA - The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.



## **Joshua L. Haggerty, CFA<sup>1</sup>**

Executive Director

Portfolio Manager – SMID Opportunities

### **Educational Background and Business Experience**

Joshua L. Haggerty, CFA<sup>1</sup>, (Born 1976), Executive Director, joined the CHOICE Asset Management team of BB&T Scott & Stringfellow in 2005. In January 2013, the CHOICE team integrated with Sterling Capital Management and was renamed as the firm's Equity Opportunities Group. Josh has investment experience since 1998 and is an equity portfolio manager. Prior to joining the team, he worked for Vantage Consulting Group where his responsibilities included managing a long/short hedge fund. Josh received his B.B.A. in Finance from James Madison University. He is a CFA<sup>®</sup> charterholder.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Joshua L. Haggerty has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Joshua L. Haggerty has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Joshua L. Haggerty has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of the Equity Opportunities Team. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: George F. Shipp, Senior Managing Director, 757-417-4907

<sup>1</sup>MINIMUM QUALIFICATIONS FOR CFA - The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.



## **Charles J Wittmann, CFA<sup>1</sup>**

Executive Director

Portfolio Manager – Global Leaders

### **Educational Background and Business Experience**

Charles J. Wittmann, CFA<sup>1</sup>, (Born 1966), Executive Director, joined Sterling Capital Management in 2014 and has investment experience since 1995. Chip is an equity portfolio manager. Prior to joining Sterling, he worked for Thompson Siegel & Walmsley as a portfolio manager and (generalist) analyst. Prior to TS&W, he was a founding portfolio manager and analyst with Shockoe Capital, an equity long/short hedge fund. Chip received his B.A. in Economics from Davidson College and his M.B.A. from Duke University's Fuqua School of Business. He is a CFA<sup>®</sup> charterholder.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Charles J. Wittmann has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Charles J. Wittmann has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Charles J. Wittmann has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of the Equity Opportunities Team. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: George F. Shipp, Senior Managing Director, 757-417-4907

<sup>1</sup> *MINIMUM QUALIFICATIONS FOR CFA - The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.*



## **Timothy P. Beyer, CFA<sup>1</sup>**

Managing Director  
Portfolio Manager-Mid-Cap Value

### **Educational Background and Business Experience**

Timothy P. Beyer, CFA<sup>1</sup>, (Born 1966), Managing Director, joined Sterling Capital Management in 2004 and has investment experience since 1991. Tim is the portfolio manager of Sterling's Equity Mid Cap Value Portfolios. Prior to joining Sterling, he served as portfolio manager of the AIM Midcap Basic Value Fund for AIM Investments. Prior to AIM, he worked at USAA managing the USAA Value Fund and USAA Balanced Fund. Before USAA, he had a 12-year career at Bank of America co-managing the Nations Value Fund and also served as director of asset allocation. He served on the Council of Examiners for the CFA<sup>®</sup> Institute for four years and was a CFA<sup>®</sup> grader for seven years. Tim received his B.S.B.A. in Finance from East Carolina University. He is a CFA<sup>®</sup> charterholder.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Timothy P. Beyer has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Timothy P. Beyer has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Timothy P. Beyer has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of Timothy P. Beyer. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: Robert W. Bridges, Senior Managing Director, 704-927-4101

<sup>1</sup>MINIMUM QUALIFICATIONS FOR CFA - The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.



## **Patrick W. Rau, CFA<sup>1</sup>**

Managing Director  
Portfolio Manager-Mid-Cap Value and Small-Cap Value

### **Educational Background and Business Experience**

Patrick W. Rau, CFA<sup>1</sup>, (Born 1967), Managing Director, joined Sterling Capital Management in 2001 and has investment experience since 1993. Patrick is the portfolio manager for Sterling's Equity Small Cap Value strategy and the co-portfolio manager for Sterling's Equity Mid-Cap Value strategy. Prior to joining Sterling, he worked at Bank of America Capital Management where he co-managed the Nations Convertible Securities Fund. Patrick received his A.B. in Political Science from Duke University and his M.B.A. from Vanderbilt University. He is a CFA<sup>®</sup> charterholder.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Patrick W. Rau has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Patrick W. Rau has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Patrick W. Rau has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of Patrick W. Rau. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: Robert W. Bridges, Senior Managing Director, 704-927-4101

<sup>1</sup> *MINIMUM QUALIFICATIONS FOR CFA - The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.*



## **Lee D. Houser, CFA<sup>1</sup>**

Executive Director

Associate Portfolio Manager-Mid-Cap Value and Small Cap Value

### **Educational Background and Business Experience**

Lee D. Houser, CFA<sup>1</sup>, (Born 1970), Executive Director, joined Sterling Capital Management in 2006 and has investment experience since 1999. Lee is an associate portfolio manager for Sterling's Equity Mid Cap Value and Small Cap Value strategies. Prior to joining Sterling, he worked for ICM Asset Management as a senior research analyst. Previous work experience includes analyst positions at Redchip Research, Raymond James Financial, Inc. and also as a software engineer with Bell Atlantic Corp. Lee received his B.S. in Mathematics and Economics from James Madison University, where he was a summa cum laude graduate, and his M.B.A. from Duke University's Fuqua School of Business. He holds the Chartered Financial Analyst® designation.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Lee D. Houser has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Lee D. Houser has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Lee D. Houser has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of Lee D. Houser. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: Robert W. Bridges, Senior Managing Director, 704-927-4101

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## **William C. Smith, CFA<sup>1</sup>**

Executive Director

Associate Portfolio Manager-Mid-Cap Value and Small Cap Value

### **Educational Background and Business Experience**

William C. Smith, CFA<sup>1</sup>, (Born 1980), Executive Director, joined Sterling Capital Management in 2015 and has investment experience since 2007. Will is an associate portfolio manager for Sterling's Equity Mid Cap Value and Small Cap Value strategies. Prior to joining Sterling, he was an executive director with Goldman Sachs in London as the lead sell side analyst covering the global media and telecommunications sector. Prior to Goldman Sachs, he worked for Jefferies International as the lead sell side analyst covering the global media sector. Will received his B.E. in Structural Engineering from Vanderbilt University and his M.B.A. from the London Business School. He holds the Chartered Financial Analyst® designation.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. William C. Smith has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. William C. Smith has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. William C. Smith has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of William C. Smith. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: Robert W. Bridges, Senior Managing Director, 704-927-4101

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## **Gerald M. Van Horn, CFA<sup>1</sup>**

Executive Director

Portfolio Manager-Stratton Small Cap Value

### **Educational Background and Business Experience**

Gerald M. Van Horn, CFA<sup>1</sup>, (Born 1978), Executive Director, joined the Stratton Funds team of Stratton Management Company in 1998 and Sterling Capital Management as part of a business acquisition in 2015. He has investment experience since 1996. Jerry is portfolio manager of the Stratton Small Cap Value strategy. Prior to joining Stratton, he served as an economic research analyst at Righttime Econometrics. Jerry received his B.A. in Economics from the College of New Jersey. He is a CFA<sup>®</sup> charterholder and is a member of the CFA<sup>®</sup> Society of Philadelphia and the CFA<sup>®</sup> Institute.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Gerald M. Van Horn has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Gerald M. Van Horn has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Gerald M. Van Horn has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of Gerald M. Van Horn. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: Robert W. Bridges, Senior Managing Director, 704-927-4101

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## **Andrew T. DiZio, CFA<sup>1</sup>**

Director

Portfolio Manager-Stratton Real Estate

### **Educational Background and Business Experience**

Andrew T. DiZio, CFA<sup>1</sup>, (Born 1980), Director, joined the Stratton Funds team of Stratton Management Company in 2012 and Sterling Capital Management as part of a business acquisition in 2015. He has investment experience since 2003. Andy is the lead Portfolio Manager of the Stratton Real Estate product and Associate Portfolio Manager of the Stratton Small Cap Value and Mid Cap Value products. Prior to joining Stratton, he was vice president at Janney Montgomery Scott where he served as a Real Estate Investment Trust sector analyst. Andy received his B.S. in Finance with a minor in Economics from Pennsylvania State University. He is a CFA<sup>®</sup> charterholder and is a member of the CFA<sup>®</sup> Society of Philadelphia and the CFA<sup>®</sup> Institute.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Andrew T. DiZio has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Andrew T. DiZio has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Andrew T. DiZio has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of Andrew T. DiZio. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: Gerald M. VanHorn, Executive Director, 610-260-6815

<sup>1</sup> *MINIMUM QUALIFICATIONS FOR CFA - The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.*



## **Shawn M. Gallagher, CFA<sup>1</sup>**

Director

Portfolio Manager-Stratton Mid Cap Value

### **Educational Background and Business Experience**

Shawn M. Gallagher, CFA<sup>1</sup>, (Born 1980), Director, joined the Stratton Funds team of Stratton Management Company in 2005 and Sterling Capital Management as part of a business acquisition in 2015. He has investment experience since 2003. Shawn is the lead Portfolio Manager of the Stratton Mid Cap Value product and Associate Portfolio Manager of the Stratton Small Cap Value and Stratton Real Estate products. Prior to joining Stratton, he served as an analyst in AT&T's Financial Leadership Program. Shawn received his B.S. in Finance from Pennsylvania State University. He is a CFA<sup>®</sup> charterholder and is a member of the CFA<sup>®</sup> Society of Philadelphia and the CFA<sup>®</sup> Institute.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Shawn M. Gallagher has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Shawn M. Gallagher has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Shawn M. Gallagher has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of Shawn M. Gallagher. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: Gerald M. VanHorn, Executive Director, 610-260-6815

<sup>1</sup>MINIMUM QUALIFICATIONS FOR CFA - The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.



## **James C. Willis, CFA<sup>1</sup>**

Managing Director  
Director of Advisory Solutions

### **Educational Background and Business Experience**

James C. Willis, CFA<sup>1</sup>, (Born 1972), Managing Director, joined BB&T Asset Management in 2003 and Sterling Capital Management through merger in 2010. He has investment experience since 1996. As head of Advisory Solutions, Jim is responsible for investment manager search and selection and the oversight of Sterling's comprehensive open architecture platform. Jim received his B.A. in Economics and Political Science from Rice University and his M.B.A. from Georgetown University. He is a CFA® charterholder.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. James C. Willis has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. James C. Willis has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. James C. Willis has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of the Advisory Solutions Team. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at scmcompliance@sterlingcapital.com.

Supervisor: Alexander W. McAlister, President, 704-927-4175

<sup>1</sup>MINIMUM QUALIFICATIONS FOR CFA - The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.



## Jeffrey J. Schappe, CFA<sup>1</sup>

Managing Director  
Chief Market Strategist

### Educational Background and Business Experience

Jeffrey J. Schappe, CFA<sup>1</sup>, (Born 1961), Managing Director, joined BB&T Asset Management in 2004 and Sterling Capital Management through merger in 2010. He has investment experience since 1991. As chief market strategist, Jeff chairs Sterling's Investment Committee and manages BB&T's Corporate Defined Benefit Pension Plan. Prior to joining BB&T, he served as CIO and portfolio manager at Citizens Advisers and as Director of Research and portfolio manager at Conseco Capital Management. Jeff received his B.A. in Journalism and his M.B.A. in Finance, Investments and Banking from the University of Wisconsin - Madison. He is a CFA<sup>®</sup> charterholder.

### Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Jeffrey J. Schappe has no information to report under this item.

### Other Business Activities

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Jeffrey J. Schappe has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### Additional Compensation

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Jeffrey J. Schappe has no information to report under this item.

### Supervision

Several different areas are included in the oversight of the Advisory Solutions Team. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: James C. Willis, Managing Director, 919-716-6260

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## **Kevin J. Stoll, CFA<sup>1</sup>**

Managing Director  
Head of Quantitative Research

### **Educational Background and Business Experience**

Kevin J. Stoll, CFA<sup>1</sup>, (Born 1976), Managing Director, first worked at Sterling Capital Management from 2004 to 2007 and rejoined the firm in 2013. He has investment experience since 1998. Kevin is head of quantitative research and is responsible for developing and applying quantitative analytics used in the investment and risk management process. Kevin also leads Sterling's asset allocation process. Prior to joining Sterling, he worked at Smith Breeden Associates where he was director of quantitative research and analytics. Kevin also has prior investment experience as an analyst at Jones Lang LaSalle. Kevin received his B.A. in Economics and Mathematical Methods in the Social Sciences from Northwestern University and his M.B.A. from Duke University's Fuqua School of Business. He is a CFA® charterholder.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Kevin J. Stoll has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Kevin J. Stoll has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Kevin J. Stoll has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of the Advisory Solutions Team. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: Mark M. Montgomery, Senior Managing Director, 704-927-4175

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## **Shane A. Burke**

Director  
Portfolio Manager

### **Educational Background and Business Experience**

Shane A. Burke, (Born 1980), Director, joined Sterling Capital Management in 2013 and has investment experience since 2002. Shane is a portfolio manager on Sterling's Advisory Solutions team with a focus on fixed income and also serves as co-portfolio manager of the Sterling Capital Diversified Income Fund. Prior to joining Sterling, he worked as a senior analyst at New England Pension Consultants (NEPC) and as a portfolio accountant with State Street Corporation. Shane received his B.S. in Finance from the University of North Carolina at Wilmington and his M.B.A. from San Francisco - Golden Gate University.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Shane A. Burke has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Shane A. Burke has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Shane A. Burke has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of the Advisory Solutions Team. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: James C. Willis, Managing Director, 919-716-6260



## **Brandon W. Carl, CFA<sup>1</sup>**

Director  
Portfolio Manager

### **Educational Background and Business Experience**

Brandon W. Carl, CFA<sup>1</sup>, (Born 1978) Director, joined BB&T Asset Management in 2001 and Sterling Capital Management through merger in 2010. He has investment experience since 2001. Brandon is a portfolio manager on Sterling's Advisory Solutions team with a focus on equity and also serves as co-portfolio manager of the Sterling Capital Diversified Income Fund. Previously, he graduated from the BB&T Leadership Development Program and was an equity analyst covering the healthcare and consumer staples sectors for BB&T Asset Management. Brandon received his B.S. in Finance and Management from the University of South Carolina. He is a CFA® charterholder.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Brandon W. Carl has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Brandon W. Carl has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Brandon W. Carl has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of the Advisory Solutions Team. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: James C. Willis, Managing Director, 919-716-6260

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## **J. Travis Pollack, CFA<sup>1</sup>**

Director

Investment Analyst

### **Educational Background and Business Experience**

J. Travis Pollack, CFA<sup>1</sup>, (Born 1976) Director, joined BB&T Asset Management in 2005 and Sterling Capital Management through merger in 2010. He has investment experience since 2001. Travis is an investment analyst on the Advisory Solutions team responsible for coverage of alternative investments and private markets. He also supports the team with performance analytics and analysis. Prior to joining BB&T, he worked for State Street Corporation as a senior mutual fund accountant. Travis received his B.S. and M.B.A. from the University of South Carolina. He is a CFA<sup>®</sup> charterholder.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. J. Travis Pollack has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. J. Travis Pollack has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. J. Travis Pollack has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of the Advisory Solutions Team. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at scmcompliance@sterlingcapital.com.

Supervisor: James C. Willis, Managing Director, 919-716-6260

<sup>1</sup>MINIMUM QUALIFICATIONS FOR CFA - The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.



## **Rusty A. Woodward, CFA<sup>1</sup>**

Director

Investment Analyst

### **Educational Background and Business Experience**

Rusty A. Woodward, CFA<sup>1</sup>, (Born 1988) Director, joined Sterling Capital Management in 2019. He has investment experience since 2011. Rusty is an investment analyst on the Advisory Solutions Team. Prior to joining Sterling, he worked for BB&T in various roles, most recently as a corporate credit analyst. Rusty received his B.B.A. in finance and economics from the University of Georgia. He is a CFA<sup>®</sup> charterholder.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Rusty A. Woodward has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Rusty A. Woodward has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Rusty A. Woodward has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of the Advisory Solutions Team. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: James C. Willis, Managing Director, 919-716-6260

<sup>1</sup>MINIMUM QUALIFICATIONS FOR CFA - The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.



## **Scarlett Guo**

Associate Director  
Quantitative Research Analyst

### **Educational Background and Business Experience**

Jialei (Scarlett) Guo, (Born 1993) Associate Director, joined Sterling Capital Management in 2018 and has investment experience since 2018. Scarlett is a quantitative research analyst. Scarlett received her B.A. in Economics from the Sichuan University (Chengdu, China) and her M.A. in Financial Economics from Duke University.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Scarlett Guo has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. Scarlett Guo has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. Scarlett Guo has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of the Advisory Solutions Team. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: Kevin J. Stoll, Managing Director, 919-716-9478



## **George M. Carbaugh**

Associate

Quantitative Research Analyst

### **Educational Background and Business Experience**

George M. Carbaugh, (Born 1995) Associate, joined Sterling Capital Management in 2018 and has investment experience since 2018. George is a quantitative research analyst. George received his B.S. in Business Administration, Financial Services from The Citadel, Military College of South Carolina, where he was a magna cum laude graduate.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. George M. Carbaugh has no information to report under this item.

### **Other Business Activities**

Registered investment advisers are required to disclose any other business activity or occupation in which the supervised person is actively engaged. George M. Carbaugh has no other business activities to report that represent a substantial amount of the supervised person's time and income where it would potentially create a conflict of interest to clients.

### **Additional Compensation**

Registered investment advisers are required to disclose any economic benefit provided to the supervised person for advisory services by someone who is not a client. George M. Carbaugh has no information to report under this item.

### **Supervision**

Several different areas are included in the oversight of the Advisory Solutions Team. The Compliance Department is responsible for monitoring personal trading, and other aspects of the Code of Ethics, for all employees. In addition, the Compliance Department, in conjunction with various investment team leaders, monitors compliance with clients' investment guidelines. Charles Durham is the firm's Chief Compliance Officer, and can be contacted at [scmcompliance@sterlingcapital.com](mailto:scmcompliance@sterlingcapital.com).

Supervisor: Kevin J. Stoll, Managing Director, 919-716-9478