

2Q23 Review



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Sterling Capital Management

Providing Investment Expertise Since 1970

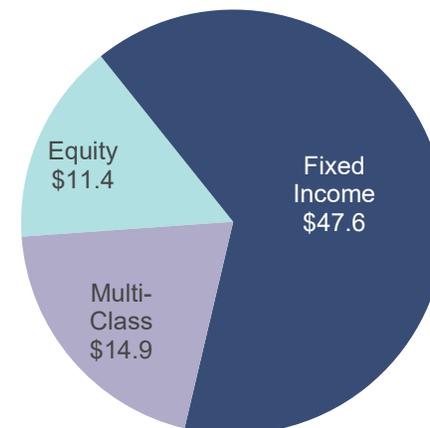
The Firm

- Institutional investment advisor headquartered in Charlotte with additional offices in Raleigh, Virginia Beach, Jupiter, FL, Philadelphia & San Francisco
- \$73 Billion in Assets Under Management and Assets Under Advisement¹
- Independently-managed subsidiary of Truist Financial Corporation

The People

- 181 seasoned investment professionals, client service and administrative teammates
- Highly-motivated personnel with varied experience to act as subject matter experts:
 - 48 CFA[®] designees in the firm²
 - Independent fundamental equity and credit research
 - Quantitative proprietary risk modeling

Total Assets (\$Billions)



43 Portfolio Managers	18 Investment Analysts	4 Traders	28 Client Strategists	15 Client Analysts	53 Operations	7 Compliance	11 Staff
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Diversified Investment Strategies

Key Professionals	Experience	Fixed Income	Multi-Class Portfolios	Equity
Portfolio Managers	21 Years	<ul style="list-style-type: none"> ▪ Multi-Sector ▪ Securitized ▪ High Yield ▪ TIPS 	<ul style="list-style-type: none"> ▪ Governmental ▪ Municipal ▪ Floating Rate 	<ul style="list-style-type: none"> ▪ Total Return ▪ Risk-Based ▪ Liability-Driven ▪ Yield-Focused
Investment Analysts	17 Years			<ul style="list-style-type: none"> ▪ Large Cap ▪ Small Cap ▪ Opportunistic ▪ Active/Factor
Traders	23 Years			<ul style="list-style-type: none"> ▪ Mid Cap ▪ All Cap ▪ International ▪ Real Estate
Client Strategists	22 Years			

Data is as of 06.30.2023. ¹Sterling's preliminary "AUA" (Assets Under Advisement) differs from our regulatory "AUM" (Assets Under Management) for which we provide continuous and regular investment management services as disclosed in our ADV. AUA generally refers to non-discretionary assets for which Sterling provides advice or consultation for which Sterling does not have authority to effectuate transactions. Such services include model portfolios and assets Sterling advises as an outsourced Chief Investment Officer on a non-discretionary basis. ²The Chartered Financial Analyst[®] (CFA) charter is a graduate-level investment credential awarded by the CFA Institute, the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.



Episcopal Diocese of North Carolina

Balanced Objective

The primary structural objective of the Fund, which is determined by the Trustees, is to provide a commingled pool of long-term assets that will enable Fund Participants, which include individual parishes, churches, and institutions as well as Diocese funds (the “Fund Participants”), to gain access to a level of investment counsel and advice, take advantage of certain economies of scale, and capitalize on investment opportunities that would otherwise not be available to them. The Fund is designed to include long-term assets with limited scheduled withdrawals consistent with the spending objective outlined below. This will allow the Fund to make opportunistic investments including a limited exposure to illiquid investments while also enabling the Fund to withstand short-term market fluctuations, given its long-term investment horizon.

The overall financial objectives of the Fund, which are determined by the Trustees, are (a) to provide support for the current and future operations of the Fund Participants and the EDNC and (b) to grow and preserve the real value of the Fund over time.

The spending objective is to distribute approximately 4.0% of the Fund’s market value (calculated as a trailing 12 quarter average) to Fund Participants each fiscal year.

The primary investment objective of the Fund is to earn a total real return (on average and net of all fees) of at least 5.0% per year over rolling 10-year periods. It is recognized that the real return objective may not be achieved in every 10-year period, but should be achievable over a series of 10-year periods. The Fund will also be measured against a policy benchmark comprising 70% MSCI All Country World Investable Market Index (the “MSCI ACWI IMI”) and 30% Bloomberg Barclays US Aggregate Bond Index.

Investment Objectives & Guidelines

Objective

- Achieve consistent asset and income growth over the long-term investment horizon (5.0% per year over rolling 10-year periods)

Performance Goals

- 70% MSCI ACWI IMI; 30% Bloomberg Barclays U.S. Aggregate Bond Index; Prior to 7/1/18, 70% Russell Global Equity Index; 30% Bloomberg Barclays U.S. Aggregate Bond Index

Guidelines & Restrictions – Equity Securities

- Traditional, long-only security investments (common stocks) as well as hedging investments
- No individual security may represent more than 8% of the Fund's total equity exposure
- No single major industry shall represent more than 30% of the Fund's total equity exposure
- Hedging investments may be both opportunistic and core investments

Guidelines & Restrictions – Fixed Income Securities

- Overall average quality will be BBB-/Baa3 or higher
- Non-investment grade securities shall be limited to 15% of total fixed income exposure
- Obligations issued or guaranteed by the U.S. Government will have no limit
- All securities should be well diversified with respect to type, industry, and issuer in order to minimize default exposure
- Foreign currency denominated bonds shall be limited to 50% of total fixed income exposure

Guidelines & Restrictions – Cash & Equivalents

- Eligible investments may include; money market instruments, readily marketable bank CDs, repurchase agreements, commercial paper, short-term corporate notes, government and government agency obligations, and other similar instruments, all with a duration typically less than one year

Guidelines & Restrictions – Liquidity

- Minimum of 35% of portfolio market value should mature in less than 45 days. Minimum of 40% of portfolio market value should mature in less than one year. Minimum of 75% of portfolio market value should mature in less than three years

Performance & Portfolio Values

Episcopal Diocese of North Carolina

Total Portfolio Market Values

Beginning Market Value (3.31.22).....	\$44,132,903
Net Capital Contributions.....	(434,474)
Quarter Investment Return.....	1,640,078
Ending Market Value (6.30.23).....	\$45,338,507

Performance

	3 Months Ending 6.30.23	YTD Ending 6.30.23	1 Year Ending 6.30.23	Annualized		
				3 Years Ending 6.30.23	5 Years Ending 6.30.23	Since Inception*
						(12/31/16)
Portfolio - Gross	3.84%	10.14%	12.42%	6.88%	6.11%	7.51%
Portfolio - Net	3.77	10.01	12.13	6.61	5.83	7.24
70% MSCI ACWI IMI / 30% BBg Barclays U.S. Agg Bond Index**	3.86	9.84	10.94	6.49	5.85	7.01

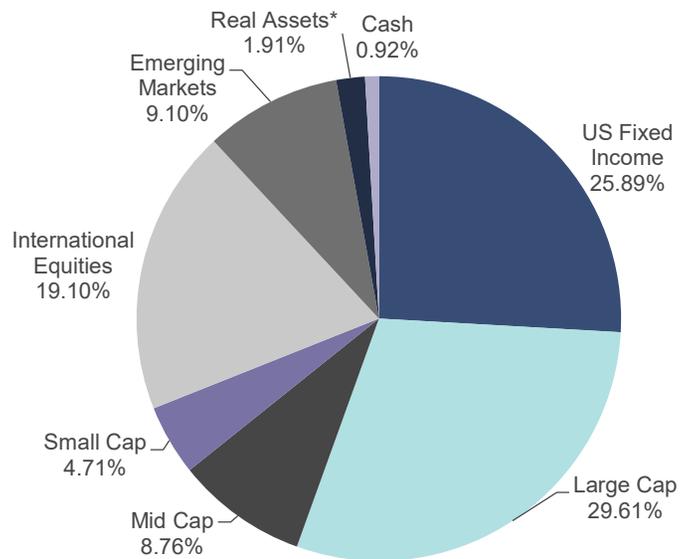
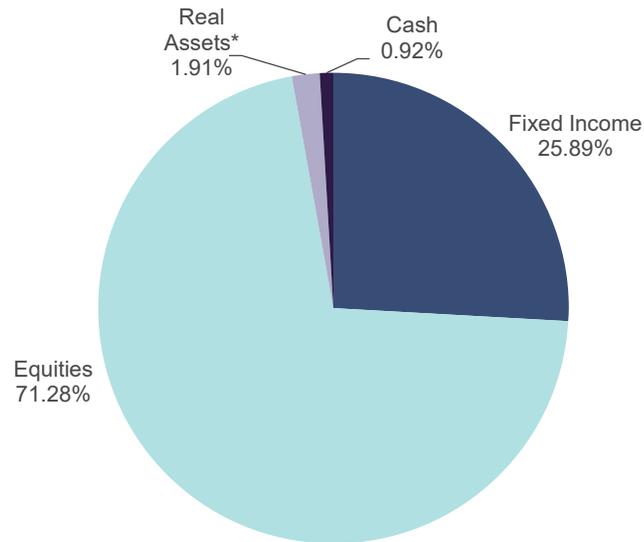
*Since Inception performance as of 6.30.23.

**Effective 7.1.18: 70% MSCI ACWI IMI / 30% Bloomberg Barclays U.S. Aggregate Bond Index. Prior to 7.1.18: 70% Russell Global Equity Index / 30% Bloomberg Barclays U.S. Aggregate Bond Index.



Portfolio Breakdown

Episcopal Diocese of North Carolina



Manager Name	Allocation	Expense Ratio	Trailing 12-Month Performance
Sterling Capital Equity Income	6.05%	0.35%	8.85%
Vanguard S&P 500 ETF	14.74%	0.03%	19.54%
Loomis Sayles - LCG	8.82%	0.35%	40.24%
Touchstone Mid Cap Value Fund	6.23%	0.84%	8.42%
Touchstone Mid Cap Growth Fund	2.53%	0.79%	20.02%
Hotchkis & Wiley Small Cap Diversified Value	1.66%	0.76%	12.54%
Federated MDT Small Cap Growth Fund	3.05%	0.88%	17.34%
Causeway International Value ADR	6.11%	0.35%	30.12%
iShares Core MSCI Intl Developed ETF	4.04%	0.04%	16.55%
Harding Loevner – Intl ADR	6.17%	0.35%	16.84%
Allspring International Small Cap ETF	2.78%	0.96%	15.58%
Principal Origin Emerging Markets Fund	3.42%	0.99%	0.98%
iShares Core MSCI Emerging Markets ETF	2.26%	0.09%	2.89%
Victory Sophus Emerging Markets Fund	3.42%	0.89%	3.99%
Total Equities	71.28%		
Sterling Capital Funds Total Return R6	7.20%	0.35%	-0.52%
Guggenheim Total Return Bond I	5.46%	0.52%	0.55%
Hartford Total Return Bond ETF	4.55%	0.29%	0.62%
Neuberger Berman Strategic Income I	2.52%	0.60%	6.07%
Prudential Total Return Bond Z	5.18%	0.39%	0.71%
Payden Emerging Markets Bond	0.33%	0.69%	9.75%
Vanguard Short-Term Treasury Index	0.65%	0.04%	0.13%
Total Fixed Income	25.89%		
Real Assets*	1.91%		
Cash	0.92%		
Total	100.00%	0.42%	12.42%

Sources: Sawtooth, Morningstar, Sterling Capital Analytics.

*MA Real Assets Fund data as of 3.31.22 all other data as of 6.30.23.



Portfolio Positioning

Asset Allocation 3Q23

Global Equities vs. Fixed Income

- Moving to neutral from overweight position in Global Equities versus Fixed Income. Global Equities again produced solid returns in the second quarter, resulting in richer valuation metrics and lower expected returns. While still negative, the Fixed Income forecast improved on higher Treasury yields. The lower expected return advantage to Global Equities versus Fixed Income leads us to remove our overweight.

Equities

- Maintain neutral weight to U.S. Equities in total.
- Reduced underweight to Large-Cap stocks. Expected returns to Large-Cap stocks have declined less than Mid- and Small-Cap stocks, partly due to momentum effects.
- Initiate underweight to Mid-Cap Value. Despite a relative valuation advantage, negative relative momentum has brought the Mid-Cap Value forecast in line with Large-Cap stocks.
- Mid-Cap Growth remains largest underweight within the U.S., but at a slightly reduced level.
- Small-Cap growth remains largest overweight within the U.S., but at a slightly reduced level.
- Maintain underweight to International Developed on continued low return expectations in Europe. Maintained overweight to Emerging Markets on relative value advantages and low growth in company real debt levels.

Fixed Income

- Initiating overweight to U.S. TIPS as lower breakeven inflation levels have improved excess return expectations.
- Reducing overweight to Emerging Markets Debt as positive second quarter performance resulted in lower spreads and reduced expected excess returns.
- Reduced overweight to Short U.S. Government segment. Treasury yields increased in the second quarter, leading us to reduce our underweight to duration or interest rate risk by reducing our allocation to short government bonds.

Portfolio Positioning

Manager Additions/Removals 3Q23

- **No manager additions or removals in quarter.**

Asset Allocation

Commentary

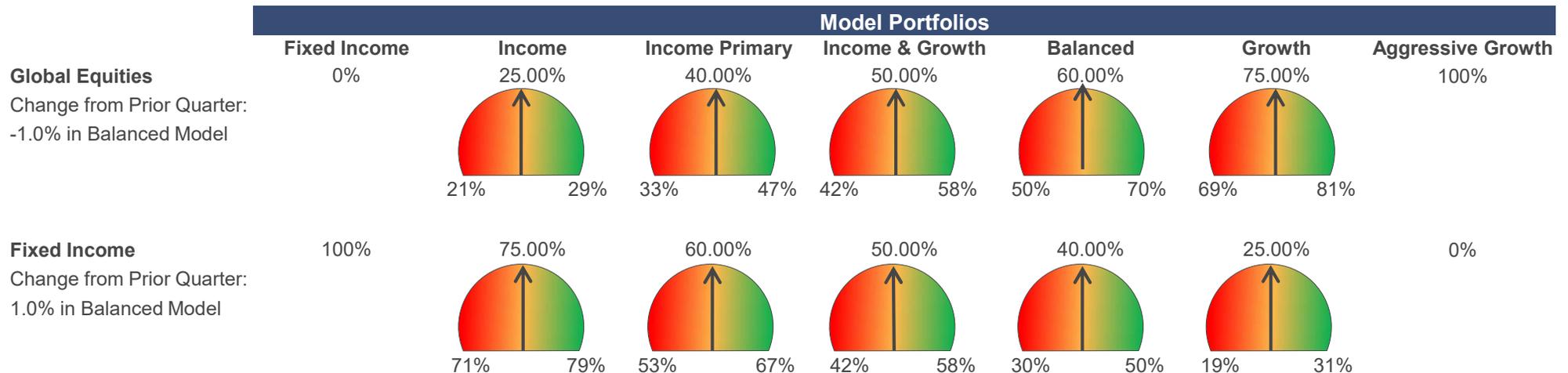
Global Equity/Fixed Income Allocations Across Model Portfolios as of 07.12.2023

Neutral Global Equities vs. Fixed Income: During the second quarter, equity markets produced positive returns as fears of a potential U.S. recession seemed to have moderated amid stronger-than-expected economic results. After a volatile first quarter that included the failure of Silicon Valley Bank and other lenders, investors now seem more at ease with equity market risk. For example, the VIX Index, which measures near-term option implied expected volatility of the S&P 500® Index, dipped below 13 in the second quarter, a level last reached in January 2020 before the COVID-19-induced drop in equity prices. The second quarter rise in equity prices has resulted in richer valuation metrics and lower forecasted returns, despite the partially offsetting positive of lower trailing inflation in the U.S. The low level of the VIX also contributes to a lower Global Equity forecast as it is a potential indicator of compressed risk premiums and/or market complacency. Meanwhile, Fixed Income forecasted returns have improved due to the increase in Treasury yields over the last quarter. Unlike equity markets, interest rate volatility has remained high, both on a trailing and forward implied basis. Economic resilience, improving but still stubbornly-high inflation, and indications that the Federal Reserve will continue to raise short term interest rates have all contributed to higher interest rates and continued rate volatility. While our forecast analytics continue to predict higher Treasury yields, forecasted increases have moderated as Treasury yields are now closer to our estimates of fair value. In total, forecasted excess returns for Global Equities are positive but low, and in our view no longer supportive of an overweight to Global Equities, particularly given stretched valuation metrics. While Fixed Income return forecasts from our analytics remain negative, higher Treasury yields offer an opportunity to add back Fixed Income exposure while reducing Global Equity risk. Additionally, the Fixed Income portfolio will continue to be positioned to have less duration or interest rate risk than the benchmark.

Global Equity Model Forecast



U.S. Aggregate Fixed Income Model Forecast



Model Forecast Graphs display forecasted Sharpe Ratios for each sector within a range of -1.5 to 1.5. Net of Benchmark weights calculated as of 07.12.2023. Net weights will change over time due to differences in index and portfolio returns and other factors. Forecasted returns generated by Sterling Capital Advisory Solutions' analytics contain a high degree of uncertainty, are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Actual results may vary widely from projections, and may not account for extreme negative scenarios that are not well represented by model estimation samples. All investing is subject to risk, including possible loss of principal.

For illustrative purposes only. The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods will be successful. Past performance does not guarantee future results.



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Asset Allocation

Commentary

Global Equity Allocation Summary as of 07.12.2023

	Total Allocation	Net of Benchmark Allocation	Change from Prior Quarter	Model Forecast	Summary of Allocations and Model Forecasts
<u>U.S. Equities</u>	61.15%	0.00%	0.00%		Overall Neutral, Overweight Small Cap and Underweight Large and Mid Cap: We continue to overweight Small Cap equities and to concentrate this overweight in the Small Cap Growth segment. Our analytics point to a notable relative valuation advantage in the Small Cap Growth segment based on sales-to-firm value and book-to-market ratios. We have slightly reduced our overweight to Small Cap Growth, however, with a corresponding mild decrease in the underweight to Mid Cap Growth as the forecasted return differential between these two segments has decreased since last quarter. We continue to underweight Large-Cap stocks but at a reduced level as momentum effects may have helped large-cap stock forecasts relative to other segments. We've initiated an underweight to Mid Cap Value as this segment's forecast is largely in line with the Large Cap segments. In total, we maintain a neutral weight to U.S. equity segments.
Large Cap Value	16.79%	-0.50%	0.25%		
Large Cap Growth	25.96%	-0.50%	0.25%		
Mid Cap Value	9.51%	-0.50%	-0.50%		
Mid Cap Growth	2.60%	-1.50%	0.25%		
Small Cap Value	2.40%	0.75%	0.00%		
Small Cap Growth	3.89%	2.25%	-0.25%		
<u>International Developed</u>	25.89%	-2.00%	0.00%		Underweight to Large Value and Growth: We remain underweight largely due to negative excess return forecasts in Europe. Return forecasts in Europe appear to be challenged by stretched valuation metrics and negative growth in dividend payout ratios.
Value	10.88%	-1.00%	0.00%		
Growth	11.16%	-1.00%	0.00%		
Small Cap	3.84%	0.00%	0.00%		
<u>Emerging Markets</u>	12.97%	2.00%	0.00%		Overweight: Emerging Markets maintain a relative value advantage as measured by sales and dividend ratios. Additionally, real debt growth in the segment remains moderate. Therefore, we are maintaining our overweight to Emerging Markets.

Model Forecast Graphs display forecasted Sharpe Ratios for each sector within a range of -1.5 to 1.5. Net of Benchmark weights calculated as of 07.12.2023. Net weights will change over time due to differences in index and portfolio returns and other factors. Forecasted returns generated by Sterling Capital Advisory Solutions' analytics contain a high degree of uncertainty, are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Actual results may vary widely from projections, and may not account for extreme negative scenarios that are not well represented by model estimation samples. All investing is subject to risk, including possible loss of principal.

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Asset Allocation

Commentary

Fixed Income Allocation Summary as of 07.12.2023

	Total Allocation	Net of Benchmark Allocation	Change from Prior Quarter	Model Forecast	Summary of Allocations and Model Forecasts	
<u>Expectations vs. U.S. Treasuries¹</u>						
U.S. Aggregate Fixed Income	95.75%	-4.25%	-0.50%		<p>Overweight to Emerging Market Debt, Short U.S. Government Bonds, and TIPS. Underweight U.S. Aggregate Fixed Income: Treasury yields moved significantly higher during the second quarter, with increases in the 2-, 10- and 30-year yields of 81, 33, and 18 basis points, respectively. The rise in Treasury yields brings rates closer to, but still well below, our estimates of fair value. As a result, we are maintaining an underweight to duration, or interest rate risk, but at a reduced level. Specifically, we have reduced our overweight to the Short U.S. Government segment to achieve a reduced underweight to duration. We have also reduced our overweight to Emerging Markets Debt as strong second quarter performance has brought spreads below their historical average. Our analytics now forecast lower but still positive returns to the segment. Finally, during the second quarter, TIPS' breakeven inflation levels, which are determined by the difference between nominal Treasury yields and TIPS' real yields, moved lower. Our analytics project positive returns to TIPS versus nominal Treasuries as the TIPS segment may benefit from either a rebound in market inflation expectations or if future realized inflation exceeds the lower levels now priced into the TIPS market.</p>	
U.S. High Yield	0.00%	0.00%	0.00%			
U.S. TIPS	1.50%	1.50%	1.50%			
International Fixed Income (Hedged)	0.00%	0.00%	0.00%			
Emerging Markets Debt	0.75%	0.75%	-0.50%			
<u>U.S. Treasury Bonds</u>						
U.S. Government: Short	2.00%	2.00%	-0.50%			
U.S. Government Intermediate	0.00%	0.00%	0.00%			
U.S. Government: Long	0.00%	0.00%	0.00%			
<u>Total U.S. Aggregate Fixed Income²</u>						

¹Model forecasts in this section are based on expected risk and return after controlling for and excluding the expected impact of changes in U.S. Treasury Yields on returns. U.S. Treasury Yield exposure (Duration) is measured and managed at the portfolio level and thus, excluded from consideration at the individual asset class level. The U.S. Government Bond asset classes can be utilized to manage duration to target levels.

²The Total U.S. Aggregate Fixed Income model forecast is inclusive of the expected impact of changes in U.S. Treasury Yields on returns.

Model Forecast Graphs display forecasted Sharpe Ratios for each sector within a range of -1.5 to 1.5. Net of Benchmark weights calculated as of 07.12.2023. Net weights will change over time due to differences in index and portfolio returns and other factors. Forecasted returns generated by Sterling Capital Advisory Solutions' analytics contain a high degree of uncertainty, are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Actual results may vary widely from projections, and may not account for extreme negative scenarios that are not well represented by model estimation samples. All investing is subject to risk, including possible loss of principal.

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Sterling Capital Advisory Solutions Monthly Update

July 2023

Asset Allocation Update	
<ul style="list-style-type: none"> We recommend a neutral weight to global equities versus fixed income. Within the equity allocation, we recommend an overweight to emerging markets and underweight to international developed equities. Within the fixed income allocation, we recommend overweights to emerging market debt, short U.S. Government bonds and Treasury Inflation-Protected Securities (TIPS). 	
Equity Market Highlights	Fixed Income Market Highlights
<ul style="list-style-type: none"> Constituents of the equity opportunity set generated positive results in June, with market breadth improving relative to the previous three months. The Russell Mid Cap Value Index was the top performer with a return of 8.67% and was followed closely by the Russell 2000® Growth Index, which returned 8.29%. The MSCI World ex USA Small Cap Index, which returned 3.02% during the month, was the worst performer in the opportunity set. Year to date, U.S. Large Blend active managers appear to have generally struggled to outperform relative to their passive counterparts as mega-cap index constituents, which many active managers are underweight, have generated outsized returns. On average, active strategies have posted better relative results in the U.S. Small Cap and Emerging Markets categories. On a rolling five-year basis, U.S. growth outperformance relative to value was largely unchanged from the previous month. Growth's year-to-date outperformance has been partially driven artificial intelligence exuberance and peak inflation/interest rate hopes. 	<ul style="list-style-type: none"> The broad market, as represented by the Bloomberg U.S. Aggregate Bond Index, declined by 0.36% over the month of June. U.S. Government securities and Agency MBS were the largest drivers of the negative returns, while credit was largely positive. The Bloomberg High Yield Index was the top performer over the month, up 1.67%, followed by the Bloomberg Emerging Market Debt Index, up 1.49%. Ten-year government bond yields of select countries were largely higher for the month of June. With the U.S. 10-year yield increasing by 18 basis points to 3.81%, other countries saw their yield rise, including the U.K. (rates up 23 basis points), Germany (up 13 basis points) and France (up 10 basis points). Municipal/Treasury ratios declined in June. Overall, shorter-dated ratios declined the most with two-, three- and five-year tenors declining by at least ten basis points. Ratios remain below five-year averages.

Stock Indices YTD		Bond Indices YTD		Other Indices YTD		U.S. Treasury Yields		Rates/Commodities	
MSCI ACWI IMI	13.25%	Bloomberg US Aggregate	2.09%	US Fund Multialternative	3.04%	6-month	5.46%	Prime Rate	8.25%
Russell 3000	16.17%	Bloomberg Gbl Treas xUS Hdg	3.86%	DJ Equity All REIT	3.01%	1-year	5.42%	LIBOR (3 Mo)	5.55%
S&P 500	16.89%	Bloomberg US TIPS	1.87%	Bloomberg Commodity	-7.79%	3-year	4.49%	Oil Price (\$/barrel)	\$70.64
MSCI EAFE	11.67%	Bloomberg US High Yield	5.38%			5-year	4.13%	Gold (\$/t oz)	\$1,807.90
MSCI EM	4.89%	Bloomberg EM Aggregate	3.30%			10-year	3.81%		
						30-year	3.85%		

Data is as of 06.30.2023. Sources: Morningstar; FactSet; Russell Investments; Bloomberg L.P.; U.S. Department of Treasury. Asset allocation and diversification do not assure a profit or protect against loss in declining financial markets. For illustrative purposes only. The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods will be successful. Past performance is no guarantee of future results.



Maintaining a Long-Term Perspective

Time, Diversification, and the Volatility of Returns

Range of stock, bond, and blended total returns Annual total returns, 1926 - 2022



¹The performance shown does not represent actual trading by Sterling Capital Management, but represents returns based on IA SBB[®] constituent securities. Performance reflects the reinvestment of interest income and dividends and realized capital gains.

Data is as of 12.31.2022. Source: Morningstar Direct. Returns shown are based on calendar year returns from 1926-2022. Past performance is not indicative of future results. Any type of investing involves risk and there are no guarantees that these methods will be successful. Market conditions vary from year to year and can result in a decline in market value due to material market or economic conditions. Returns for periods greater than one year are annualized. ²Stocks represent the IA SBB[®] U.S. Large Stock Index and Bonds represent the IA SBB[®] U.S. Intermediate Government Index. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index.



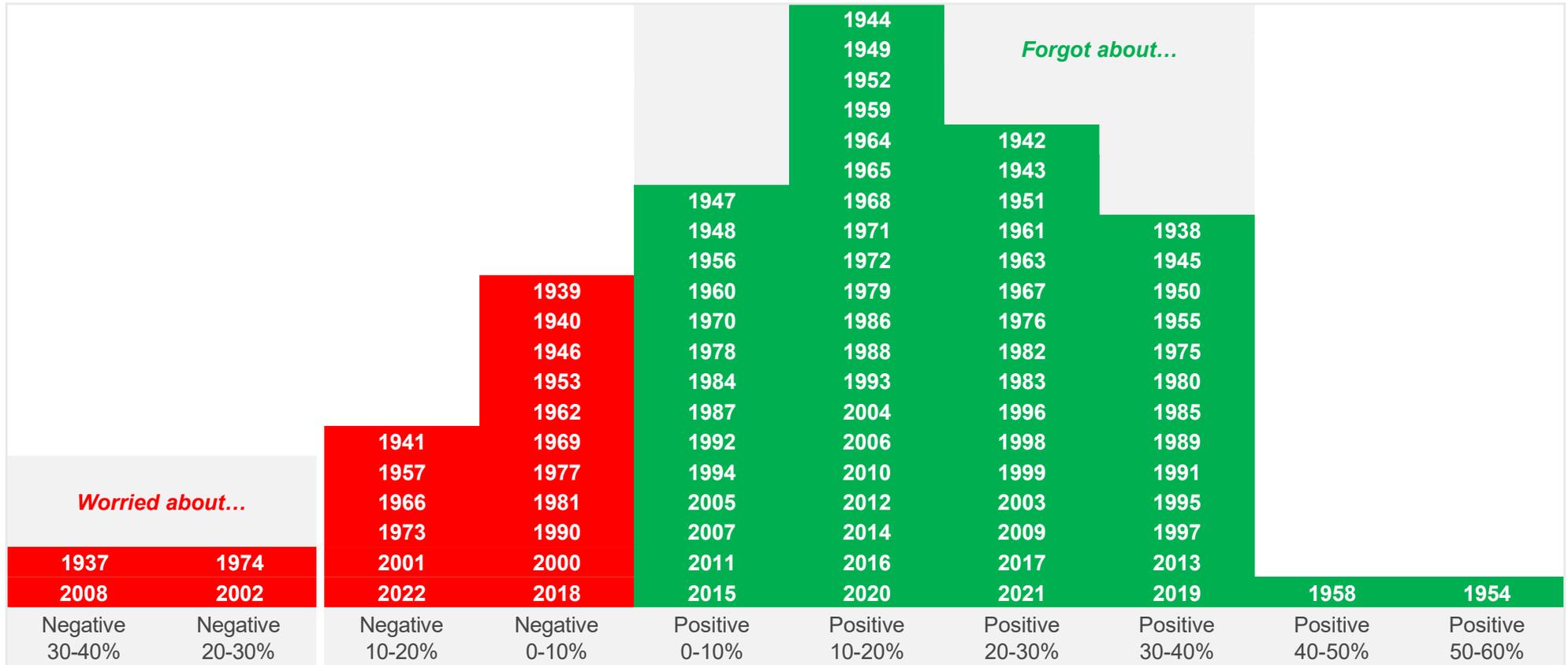
Time in the Market vs. Timing the Market

Over the long term, the stock market's calendar-year performance has been more positive than negative.

Favorable Odds: Distribution of Returns of the S&P 500®

1937-2022

65 "Up" Years (76%) vs. 21 "Down" Years (24%)



Data is as of 12.31.2022. Source: S&P; Morningstar Direct. This chart is for illustrative and educational purposes only and does not represent the performance of any Sterling Capital strategies. The views expressed represent the opinions of Sterling Capital Management. Past performance is not indicative of future results. Any type of investing involves risk and there are no guarantees that these methods will be successful. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index.



Appendix

Important Information

Indices & Disclosures

Past performance is not indicative of future results. Any type of investing involves risk and there are no guarantees that these methods will be successful. Economic charts are provided for illustrative purposes only. The information provided herein is subject to market conditions and is therefore expected to fluctuate.

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Sterling Capital does not provide tax or legal advice. You should consult with your individual tax or legal professional before taking any action that may have tax or legal implications.

Model Assumptions: Assumptions, opinions and estimates are provided for illustrative purposes only. They should not be relied upon as recommendations to buy or sell securities. Forecasts of financial market trends that are based on current market conditions constitute our judgment and are subject to change without notice. We believe the information provided here is reliable, but do not warrant its accuracy or completeness.

Expected return estimates are subject to uncertainty and error. Expected returns for each asset class can be conditional on economic scenarios; in the event a particular scenario comes to pass, actual returns could be significantly higher or lower than forecasted.

This information is not intended as a recommendation to invest in any particular asset class or strategy or product or as a promise of future performance. Note that these asset class assumptions are passive, and do not consider the impact of active management.

Important Information

Indices & Disclosures

The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index.

The Bloomberg Emerging Markets Hard Currency Aggregate Index is a flagship hard currency Emerging Markets debt benchmark that includes USD-denominated debt from sovereign, quasi-sovereign, and corporate EM issuers.

The Bloomberg Global Treasury ex US Index is a subset of the flagship Global Treasury Index that does not have any exposure to US debt. This multi-currency benchmark includes investment grade, fixed-rate bonds issued by governments in their native currencies.

The Bloomberg U.S. Aggregate Bond Index is an unmanaged index composed of securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. It is not possible to invest in the Bloomberg U.S. Aggregate Bond Index, which is unmanaged and does not incur fees and charges.

The Bloomberg U.S. Corporate High Yield Index measures the U.S. corporate market of non-investment grade, fixed-rate corporate bonds. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below.

The Bloomberg U.S. Treasury Inflation-Linked Bond Index (Series-L) measures the performance of the U.S. Treasury Inflation Protected Securities (TIPS) market. Federal Reserve holdings of U.S. TIPS are not index eligible and are excluded from the face amount outstanding of each bond in the index.

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The MSCI ACWI Investable Market Index (IMI) captures large, mid and small cap representation across 23 Developed Markets (DM) and 26 Emerging Markets (EM) countries. With 8,768 constituents, the index is comprehensive, covering approximately 99% of the global equity investment opportunity set. DM countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the U.K. and the U.S. EM countries include: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

The MSCI World ex USA Investable Market Index (IMI) captures large, mid and small cap representation across 22 of 23 Developed Markets (DM) countries excluding the United States. With 3,490 constituents, the index covers approximately 99% of the free float-adjusted market capitalization in each country.

The MSCI World ex USA Large Cap Index captures large cap representation across 22 of 23 Developed Markets (DM) countries excluding the United States. With 411 constituents, the index covers approximately 70% of the free float-adjusted market capitalization in each country.

The MSCI World ex-USA Small Cap Index captures small cap representation across 22 of 23 Developed Markets (DM) countries (excluding the United States). With 2,529 constituents, the index covers approximately 14% of the free float-adjusted market capitalization in each country.

The Russell 2000® Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000® companies with higher price-to-value ratios and higher forecasted growth values. The Russell 2000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the small-cap growth segment. The index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect growth characteristics.

The VIX Index is a calculation designed to produce a measure of constant, 30-day expected volatility of the U.S. stock market, derived from real-time, mid-quote prices of S&P 500® Index (SPXSM) call and put options.

Important Information

Indices & Disclosures

The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index.

The Russell 2000® Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000® is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

The Russell 2000® Value Index measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000® companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2000® Value Index is constructed to provide a comprehensive and unbiased barometer for the small-cap value segment. The index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect value characteristics.

The Russell 3000® Index measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market. The Russell 3000® Index is constructed to provide a comprehensive, unbiased and stable barometer of the broad market and is completely reconstituted annually to ensure new and growing equities are included.

The Russell Midcap® Growth Index measures the performance of the midcap growth segment of the U.S. equity universe. It includes those Russell Midcap® Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell Midcap® Growth Index is constructed to provide a comprehensive and unbiased barometer of the mid-cap growth market. The index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap growth market.

The Russell Midcap® Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap® Index is a subset of the Russell 1000® Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap® Index represents approximately 31% of the total market capitalization of the Russell 1000® companies. The Russell Midcap® Index is constructed to provide a comprehensive and unbiased barometer for the mid-cap segment. The index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap opportunity set.

The Russell Midcap® Value Index measures the performance of the midcap value segment of the U.S. equity universe. It includes those Russell Midcap® Index companies with lower price-to-book ratios and lower forecasted growth values. The Russell Midcap® Value Index is constructed to provide a comprehensive and unbiased barometer of the mid-cap value market. The index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true midcap value market.

The Russell Top 200® Growth Index measures the performance of the especially large cap segment of the U.S. equity universe represented by stocks in the largest 200 by market cap. It includes Russell Top 200® Index companies with higher growth earning potential as defined by Russell's leading style methodology.

The Russell Top 200® Index is an index of the largest 200 companies in the Russell 3000 index. It is commonly used as a benchmark index for U.S.-based ultra large-cap (mega-cap) stocks with the average member commanding a market capitalization of upwards of \$200 billion.

The Russell Top 200® Value Index measures the performance of the especially large cap segment of the US equity universe represented by stocks in the largest 200 by market cap that exhibit value characteristics. It includes Russell Top 200® companies that are considered more value oriented relative to the overall market as defined by Russell's leading style methodology.

The S&P 500® Index is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P 500 Composite includes 500 of the largest stocks (in terms of stock market value) in the United States and covers approximately 80% of available market capitalization.

Important Information

Disclosures & Technical Terms

Past performance is not indicative of future results. Any type of investing involves risk and there are no guarantees that these methods will be successful.

Economic charts are provided for illustrative purposes only. The information provided herein is subject to market conditions and is therefore expected to fluctuate.

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Core Consumer Price Index: a measure of the aggregate price level in an economy, excluding certain volatile items.

Option Adjusted Spread (OAS): A bond's yield spread over comparable maturity government bonds, adjusted for any embedded options.

Real GDP: Real gross domestic product (GDP) is an inflation-adjusted measure that reflects the value of all goods and services produced by an economy in a given year, expressed in base-year prices.

Nonfarm payroll refers to the number of jobs in the private sector and government agencies. It excludes farm workers, private household employees, proprietors, non-profit employees, and actively serving military.

Revenue to Firm Value: Total Index Revenues of the past 12 months divided by the sum of equity market value and the value of total debt. This is a measure of total sales generated on the total value (debt plus equity) of firms in the index.

TIPS Breakeven: The inflation rate implied by the spread in yield between U.S. TIPS (Treasury Inflation Protected Securities) and nominal U.S. Government Bonds of equal maturity.

U.S. 3-Year Real Revenue Growth, Russell 3000 Non-Financials: For the Russell 3000 excluding financial firms, the percentage change in trailing 12-month inflation adjusted revenue over 12-month inflation adjusted revenue three years prior.

U.S. Cyclically Adjusted Earnings Yield: The 10-year average of annual, inflation adjusted earnings divided by the current inflation adjusted price of the S&P 500 index. This measure is the inverse of the Shiller CAPE Ratio.

YOY U.S. Productivity Growth: The year-over-year growth in real U.S. output produced per hour worked for non-farm workers.

Capitalization/Style Returns: Capitalization/Style returns are based on the S&P Indexes. All values are cumulative total return for stated period including the reinvestment of dividends. The indexes used from left to right, top to bottom are as follows: S&P 500 Value Index, S&P 500 Index, S&P 500 Growth Index, S&P Mid Cap 400 Value Index, S&P Mid Cap 400 Index, S&P Mid Cap 400 Growth Index, S&P Small Cap 600 Value Index, S&P Small Cap 600 Index, S&P Small Cap 600 Growth Index. The S&P 500[®] Index is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P[®] Composite includes 500 of the largest stocks (in terms of stock market value) in the United States; prior to March 1957 it consisted of 90 of the largest stocks. The S&P Midcap 400 is designed to measure the performance of the middle capitalization sector of the U.S. equities market. This market capitalization weighted index was created in June of 1991 and consists of 400 domestic stocks from the NYSE, NASDAQ, and AMEX chosen for market size, liquidity and industry group representation. The S&P SmallCap 600 is designed to measure the performance of the small capitalization sector of the U.S. equities market. This index consists of 600 domestic stocks chosen for market size, liquidity, (bid-asked spread, ownership, share turnover and number of no trade days) and industry group representation. The S&P Style indices measure growth and value along two separate dimensions, with three factors each used to measure growth and value. The Growth factors are 3 Year Change in Earnings per Share over Price per Share, 3 Year Sales per Share Growth Rate, and Momentum. The Value factors are Book Value to price Ratio, Earnings to Price Ratio, and Sales to Price Ratio.



Important Information

Index Definitions & Disclosures

A Note on Indices: The volatility of an index varies greatly; all indices are unmanaged and investments cannot be made directly in an index. Indices are shown for illustrative purposes only and do not represent the performance of any specific investment. The indices selected by Sterling Capital Management to measure performance are representative of broad asset classes. Sterling Capital Management retains the right to change representative indices at any time.

The **Bloomberg Emerging Markets Hard Currency Aggregate Index** is a flagship hard currency Emerging Markets debt benchmark that includes USD-denominated debt from sovereign, quasi-sovereign, and corporate EM issuers.

The **Bloomberg Global Treasury Ex U.S. Hedged Index** is comprised of securities issued by developed ex. U.S. and emerging market governments. The index is hedged against constituent currencies versus the U.S. dollar.

The **Bloomberg U.S. Aggregate Bond Index** is an unmanaged index composed of securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. It is not possible to invest in the Bloomberg U.S. Aggregate Bond Index, which is unmanaged and does not incur fees and charges.

The **Bloomberg U.S. Corporate High Yield Index** measures the U.S. corporate market of non-investment grade, fixed-rate corporate bonds. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below.

The **Bloomberg U.S. Credit Index** measures the investment grade, U.S. dollar-denominated, fixed-rate, taxable corporate and government related bond markets. It is composed of the U.S. Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supnationals and local authorities.

The **Bloomberg U.S. Government Index** is comprised of securities issued by the U.S. government and its agencies with at least one year until final maturity.

The **Bloomberg U.S. MBS Index** covers the mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). It is formed by grouping the universe of individual fixed rate MBS pools into generic aggregates.

The **Bloomberg U.S. Treasury Inflation-Linked Bond Index (Series-L)** measures the performance of the U.S. Treasury Inflation Protected Securities (TIPS) market. Federal Reserve holdings of U.S. TIPS are not index eligible and are excluded from the face amount outstanding of each bond in the index.

The **Bloomberg Commodity Index** and related sub-indices are composed of futures contracts on physical commodities and represents 22 separate commodities traded on U.S. exchanges, with the exception of aluminum, nickel and zinc.

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The **Dow Jones Equity All REIT Index** is designed to measure all publicly traded real estate investment trusts in the Dow Jones U.S. stock universe classified as equity REITs according to the S&P Dow Jones Indices REIT Industry Classification Hierarchy. These companies are REITs that primarily own and operate income-producing real estate.

The **MSCI ACWI Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.

The **MSCI EAFE Index** is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada.

The **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

The **MSCI Emerging Markets Growth Index** captures large and mid cap securities exhibiting overall growth style characteristics across 26 Emerging Markets (EM) countries. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend.

The **MSCI Emerging Markets Value Index** captures large and mid cap securities exhibiting overall value style characteristics across 26 Emerging Markets (EM) countries. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield.

The **MSCI ACWI ex USA Growth Index** captures large and mid cap securities exhibiting overall growth style characteristics across 22 Developed Markets (DM) countries and 26 Emerging Markets (EM) countries.

Important Information

Index Definitions & Disclosures

A Note on Indices: The volatility of an index varies greatly; all indices are unmanaged and investments cannot be made directly in an index. Indices are shown for illustrative purposes only and do not represent the performance of any specific investment. The indices selected by Sterling Capital Management to measure performance are representative of broad asset classes. Sterling Capital Management retains the right to change representative indices at any time.

The **MSCI World ex USA Small Cap Index** captures small cap representation across 22 of 23 Developed Markets (DM) countries (excluding the United States). With 2,529 constituents, the index covers approximately 14% of the free float-adjusted market capitalization in each country.

The **MSCI World ex USA Value Index** captures large and mid cap securities exhibiting overall value style characteristics across 22 of 23 Developed Markets countries.

The **Russell 2000® Growth Index** measures the performance of growth style of investing in small cap U.S. stocks. The Growth Index contains those Russell 2000 securities with greater-than-average growth orientation.

The **Russell 2000® Value Index** measures the performance of value style of investing in small cap U.S. stocks. The Value Index contains those Russell 2000 securities with less-than-average growth orientation. Securities in the Value Index generally have lower price-to-book and price-to-earnings ratios than those in the Growth Index.

The **Russell 3000® Index** measures the performance of the 3,000 largest U.S. companies based on total market capitalization.

The **Russell Midcap® Growth Index** measures the performance of growth styles of investing in Mid Cap U.S. stocks. The Growth Index contains those Russell Mid Cap securities with greater-than-average growth orientation.

The **Russell Midcap® Value Index** measures the performance of value style of investing in Mid Cap U.S. stocks. The Value Index contains those Russell Mid Cap securities with less-than-average growth orientation. Securities in the Value Index generally have lower price-to-book and price-to-earnings ratios than those in the Growth Index.

The **Russell Top 200® Growth Index** offers measures the performance of the especially large cap segment of the U.S. equity universe represented by stocks in the largest 200 by market cap. It includes Russell Top 200® Index companies with higher growth earning potential as defined by Russell's leading style methodology.

The **Russell Top 200® Index** is an index of the largest 200 companies in the Russell 3000 index. It is commonly used as a benchmark index for U.S.-based ultra large-cap (mega-cap) stocks with the average member commanding a market capitalization of upwards of \$200 billion.

The **S&P® 500 Index** is an unmanaged capitalization-weighted index of 500 U.S. stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

S&P Small Cap 600® Index: The S&P SmallCap 600® Index is designed to measure the performance of the small capitalization sector of the U.S. equities market. This index consists of 600 domestic stocks chosen for market size, liquidity, (bid-asked spread, ownership, share turnover and number of no trade days) and industry group representation.

S&P Mid Cap 400® Index: The S&P MidCap 400® Index is designed to measure the performance of the mid capitalization sector of the U.S. equities market. This index consists of 400 domestic stocks chosen for market size, liquidity, (bid-asked spread, ownership, share turnover and number of no trade days) and industry group representation.

S&P 1500: An investable U.S. equity benchmark, the S&P Composite 1500 combines three leading indices, the S&P 500®, the S&P MidCap 400, and the S&P SmallCap 600 to cover approximately 90% of the U.S. market capitalization. It is designed for investors seeking to replicate the performance of the U.S. equity market or benchmark against a representative universe of tradable stocks.

The **Trade-Weighted U.S. Dollar Index**, also known as the broad index, is a measure of the value of the United States dollar relative to other world currencies. It is a trade weighted index that improves on the older U.S. Dollar Index by using more currencies and the updating the weights yearly.