Short Term Government/Credit A or Better Taxable SMA

03.31.2024

STERLING CAPITAL

Investment Philosophy

- Multi-faceted process adds value
- Conservative approach to fixed income management
- Bond market inefficiencies offer opportunities for selective investors
- Fundamental research drives security selection

Investment Process

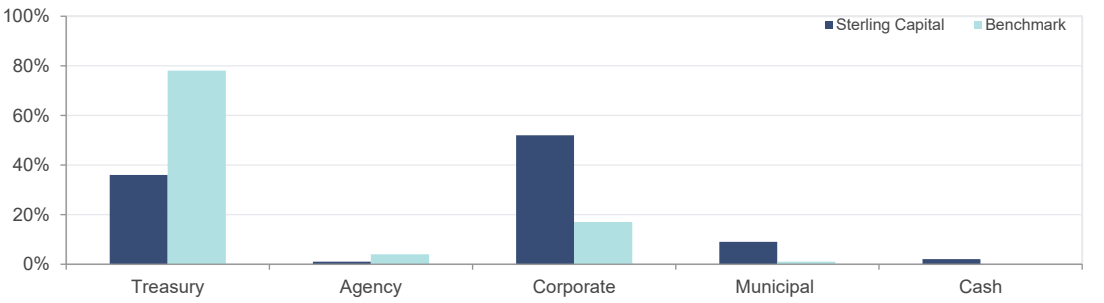
- **Top-down analysis:**
  - Duration management
  - Yield curve analysis
  - Sector analysis
- **Bottom-up analysis:**
  - Proprietary analysis
  - Fundamental research
  - Security selection

Performance[1]	QTR	YTD	1Y	3Y	5Y	10Y	ITD[1]
Short Term Government/Credit A or Better Taxable SMA (Gross)	0.35%	0.35%	3.55%	-0.05%	1.51%	1.61%	1.59%
Short Term Government/Credit A or Better Taxable SMA (Net)	-0.02%	-0.02%	2.02%	-1.53%	0.00%	0.10%	0.08%
Bloomberg U.S. 1-5Y A+ Govt/Credit Bond Index	0.06%	0.06%	2.80%	-0.51%	1.09%	1.26%	1.19%

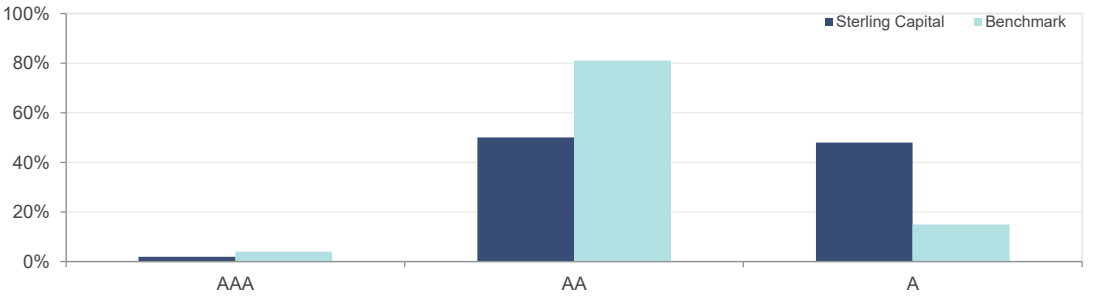
Portfolio Characteristics[2]	Portfolio	Index
Yield-to-Worst	4.83%	4.60%
Yield-to-Maturity	4.86%	4.62%
Current Yield	2.64%	2.81%
Average Coupon	2.50%	2.64%
Average Life	2.69 Yrs	2.73 Yrs
Effective Duration	2.50 Yrs	2.55 Yrs
Average Quality	A+	AA

Duration Distribution[3]	Portfolio	Index
0-1 Year	9.94%	0.62%
1-2 Years	20.89%	34.93%
2-3 Years	31.84%	26.67%
3-4 Years	27.93%	24.08%
4-5 Years	9.40%	13.70%
Total	**100.00%**	**100.00%**

Sector Allocation[3]



Credit Quality Allocation[3]



[1]The performance inception date is 09.01.2011. Performance is preliminary and is annualized for periods longer than one year. Net of fees performance returns are presented net of the SMA bundled fee, which includes all charges for trading costs, advisory services, portfolio management, custody and other administrative fees. Gross of fees performance returns reflect the deduction of trading costs: a client's return will be reduced by the management fees and other expenses it may incur. Investment management fees are described in Sterling's Form ADV 2A. Performance reflects the reinvestment of interest income and dividends and realized capital gains. The performance presented represents past performance and is no guarantee of future results. Performance is compared to an index, however, the volatility of an index varies greatly and investments cannot be made directly in an index. Market conditions vary from year to year and can result in a decline in market value due to material market or economic conditions. Performance for periods greater than one year is annualized. Please refer to the attached GIPS Composite Report for additional disclosures. The benchmark is the Bloomberg U.S. 1-5Y A+ Govt/Credit Bond Index. [2]Yields are subject to market conditions and are therefore expected to fluctuate. [3]Portfolio characteristics totals may not equal 100% due to rounding. The Bloomberg 1-5 Year U.S. Government/Credit A+ Index is a component of the Bloomberg U.S. Government/Credit Index with sectors including Treasuries, Agencies, and Corporates. Securities must have a maturity from 1 year up to (but not including) 5 years. Securities must have at least one year to final maturity regardless of call features; must be rated investment grade (A3/A- or higher) by at least two of the following ratings agencies: Moody's, S&P, Fitch; must have at least $250 million par outstanding; must be dollar denominated, non-convertible and publicly issued. Sources: Bloomberg L.P.; FactSet; Sterling Capital Management Analytics. Credit rating source: Bloomberg L.P.

Sterling Capital Short-Term Government/Credit A or Better SMA

	Total Gross Return	Total Net Return	Benchmark Return	3Y Composite Std. Dev. (Gross)	3Y Benchmark Std. Dev.	Composite Dispersion	Number of Portfolios	Composite Assets (MM)	Total Firm Assets (MM)	Percent Wrap
2023	4.82%	3.28%	4.65%	2.78%	3.06%	Not Calculable	9	$12	$66,746	22%
2022	-4.81%	-6.23%	-5.48%	2.39%	2.49%	Not Calculable	8	$10	$62,842	25%
2021	-0.91%	-2.38%	-1.09%	1.54%	1.51%	Not Calculable	6	$11	$75,309	0%
2020	5.00%	3.45%	4.56%	1.46%	1.53%	Not Calculable	6	$11	$70,108	0%
2019	5.16%	3.61%	4.59%	1.25%	1.39%	Not Calculable	6	$11	$58,191	0%
2018	1.41%	-0.09%	1.47%	1.20%	1.38%	Not Calculable	4	$10	$56,889	0%
2017	1.45%	-0.05%	1.00%	1.18%	1.32%	Not Calculable	3	$11	$55,908	0%
2016	1.64%	0.14%	1.24%	1.22%	1.36%	Not Calculable	2	$8	$51,603	0%
2015	1.37%	-0.12%	1.03%	1.12%	1.17%	Not Calculable	5	$24	$51,155	0%
2014	1.51%	0.01%	1.34%	1.09%	1.03%	Not Calculable	2	$12	$47,539	0%

Benchmark: Bloomberg 1-5 Year U.S. Government/Credit A+ Index Composite Creation Date: 10.01.2011 Inception Date: 09.01.2011

1. Consists of all bundled fee-paying, discretionary SMA fixed income accounts that are measured against the Bloomberg 1-5 Year U.S. Government/Credit A+ or similar index and average maturity for the portfolio ranging from 2- 4 years. Portfolios must have a minimum credit rating of A3/A-.
2. Sterling Capital Management LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Sterling Capital Management LLC has been independently verified for the periods 01/01/2001 to 12/31/2022. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. Benchmark returns are not covered by the report of the independent verifiers. GIPS® is a registered trademark of the CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.
3. Sterling Capital Management LLC (SCM) is a registered investment advisor with the SEC. Registration does not imply a certain level of skill or training. Sterling manages a variety of equity, fixed income and balanced assets. Prior to January 2001, Sterling was a wholly owned subsidiary of United Asset Management (UAM). In January 2001, Sterling Capital Management LLC purchased all the assets and business of Sterling Capital Management Company from UAM to become an employee owned firm. In April 2005, BB&T Corporation purchased a majority equity ownership stake in Sterling Capital Management LLC. In October 2010, the management group of Sterling Capital entered into an agreement with BB&T Corporation that reduced and restructured management's interest in Sterling Capital Management. Additionally, BB&T Asset Management merged into Sterling Capital Management. In January 2013, CHOICE Asset Management merged into Sterling Capital Management. In August 2015, eight new employees joined Sterling Capital Management via Stratton Management Company following the close of BB&T's purchase of Susquehanna Bancshares. In December 2019, BB&T Corporation and SunTrust Banks, Inc. Holding Company merged as equals to form Truist Financial Corporation. Sterling Capital Management LLC is a wholly owned subsidiary of Truist Financial Corporation. In August 2020, new employees joined Sterling Capital Management via the Investment Advisory Group of SunTrust Advisory Services. This reorganization aligns all of the discretionary fixed income asset management activities within Truist under Sterling.
4. The performance presented represents past performance and is no guarantee of future results. Market and economic conditions vary from year to year and can result in a decline in market value due to material market or economic conditions. Please refer to the slide titled "Performance" for the one-, five-, and ten-year returns of the composite.
5. A complete list of all of SCM's composites and SCM's broad distribution pooled funds and their descriptions is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS Composite Reports are available upon request.
6. Performance reflects reinvested interest income and dividends and realized and unrealized capital gains and losses. All portfolios utilize trade-date and accrued income accounting. Valuations and performance are reported in U.S. dollars. Periodic time weighted returns are geometrically linked. Returns are not calculated net of non-reclaimable withholding taxes due to immaterial dollar amounts. Effective 1/1/22, composite returns are calculated by weighting the individual portfolio returns using beginning of period market values. Prior to 1/1/22, composite returns were based on the aggregate method and were calculated monthly using the Modified Dietz method. Composite returns were adjusted for daily-weighted external cash flows.
7. Gross of fees returns are presented before management fees but after all trading costs. Net of fees returns are calculated by deducting the highest applicable wrap fee of 1.50% annually from the gross of fees composite return. As of 6/30/23, the composite model fee was updated to 1.50% annually for all periods presented. Prior to this change, effective 1/1/20, the net of fees returns reflected a a maximum SMA or bundled external platform fee of 1.47% annually and included Sterling's actual management fee of 0.12%. The SMA fee includes all charges for portfolio management, custody and other administrative fees. Prior to 1/1/20, net of fees returns were calculated by subtracting the following bundled SMA fee (inception through 6/30/18 = 0.75% on an annual basis and beginning 7/1/18 = 0.30% on an annual basis) from the gross return.
8. Effective 1/1/24, portfolios are removed from the composite for flows 10% or greater of prior month portfolio market value. Portfolio remains out of the composite for the month of the flow and for two additional time periods. For 1/1/22 through 12/31/23, portfolios were removed from the composite for flows 15% or greater of prior month portfolio market value. Portfolio remained out of the composite for the month of the flow and for two additional time periods. For 1/1/21 through 12/31/21, portfolios were not removed from the composite for flows. For 1/1/18 through 12/31/20, portfolios were removed from the composite for flows greater than 10% of prior month composite market value. Portfolio remained out of the composite until cash was invested or withdrawn and portfolio was fully repositioned back to strategy, typically within 1-2 months. For 1/1/15 through 12/31/17, portfolios were removed from the composite for flows greater than 20% of prior month portfolio market value. Portfolio remained out of the composite until cash was invested or withdrawn and portfolio was fully repositioned back to strategy, typically within 1-2 months. Prior to 1/1/15, portfolios were not removed from the composite for flows.
9. The appropriate benchmark is the Bloomberg 1-5 Year Govt/Credit A+ Index. This index is a component of the Bloomberg U.S. Government/Credit Index with sectors including Treasuries, Agencies, and Corporates. Securities must have a maturity from 1 year up to (but not including) 5 years. Securities must have at least one year to final maturity regardless of call features; must be rated investment grade (A3/A- or higher) by at least two of the following ratings agencies: Moody's, S&P, Fitch; must have at least $250 million par outstanding; must be dollar denominated, non-convertible and publicly issued. Effective 1/1/14, minimum portfolio size for inclusion in the composite was removed. From 9/1/11 through 12/31/13, the minimum initial portfolio size for inclusion in the composite is $1,000,000. Prior to 12/31/13, portfolios were excluded from the composite when the asset value fell below the minimum for a period of 3 consecutive months.
10. The annual composite dispersion presented is measured by an equal weighted standard deviation calculation method of all portfolios in the composite for the entire year, and is calculated using gross of fee returns. It is not meaningful when there have been less than six portfolios in composite for entire calendar year. The three year annualized standard deviation measures the variability of the composite and benchmark returns over the preceding 36-month period. The composite 3-year standard deviation is calculated using gross of fee returns. It is not required to be presented when a full three years of composite performance is not yet available.