



3rd Quarter 2024 Portfolio Review

Anthony G. DeLucia
Managing Director, Senior Client Strategist | 919.696.5617

James C. Willis, CFA[®]
Managing Director, Director of Advisory Solutions | 919.716.6260

John D. Barrett, AIF[®]
Director, Client Strategist | 919.810.9883



sterlingcapital.com

For use with Episcopal Diocese of North Carolina only. Not for further distribution.



STERLING
CAPITAL

A Guardian Capital Group Company

Sterling Capital Management

Providing Investment Expertise Since 1970

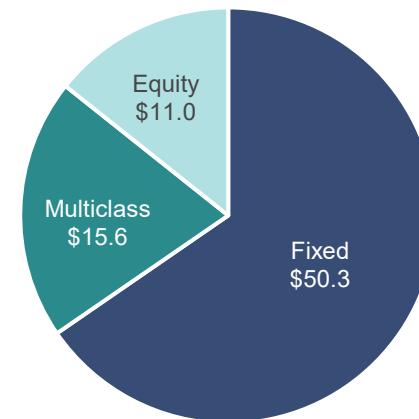
The Firm

- Institutional investment advisor headquartered in Charlotte with additional offices in Raleigh, Virginia Beach, Philadelphia & San Francisco
- Indirect, wholly-owned subsidiary of Guardian Capital Group Limited, a global investment management company servicing institutional, retail and private clients through its subsidiaries
- \$77 Billion in Assets Under Management and Assets Under Advisement¹

The People

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

Total Assets (\$Billions)



43 Portfolio Managers ▪ 19 Investment Analysts ▪ 5 Traders ▪ 27 Client Strategists ▪ 13 Client Analysts ▪ 54 Operations & IT ▪ 6 Compliance & Risk ▪ 12 Staff

Diversified Investment Strategies

Fixed Income	Multi-Class Portfolios	Equity
<ul style="list-style-type: none"> ▪ Multi-Sector ▪ Securitized ▪ High Yield ▪ TIPS 	<ul style="list-style-type: none"> ▪ Governmental ▪ Municipal ▪ Floating Rate ▪ Total Return ▪ Risk-Based ▪ Liability-Driven ▪ Yield-Focused 	<ul style="list-style-type: none"> ▪ Large Cap ▪ Small Cap ▪ Opportunistic ▪ Active/Factor ▪ Mid Cap ▪ All Cap ▪ International ▪ Real Estate

Key Professionals	Experience
Portfolio Managers	25 Years
Investment Analysts	18 Years
Traders	25 Years
Client Strategists	20 Years

Data is as of 09.30.2024. ¹SCM'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 SCM provides advice or consultation for which SCM does not have authority to effectuate transactions. Such services include model portfolios and assets SCM 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 (6/30/24)	\$48,961,333
Net Capital Contributions	(413,568)
Quarter Investment Return	2,952,830
Ending Market Value (9/30/24)	\$51,500,595

Performance

	1 Month Ending 9/30/24	3 Months Ending 9/30/24	YTD Ending 9/30/24	1 Year Ending 9/30/24	Annualized		
					3 Years Ending 9/30/24	5 Years Ending 9/30/24	Since Inception* (12/31/16)
Portfolio - Net	1.86%	6.07%	12.49%	23.58%	4.38%	8.42%	8.46%
70% MSCI ACWI IMI / 30% BBg Barclays U.S. Agg Bond Index**	2.01	6.35	13.70	24.90	4.87	8.54	8.45

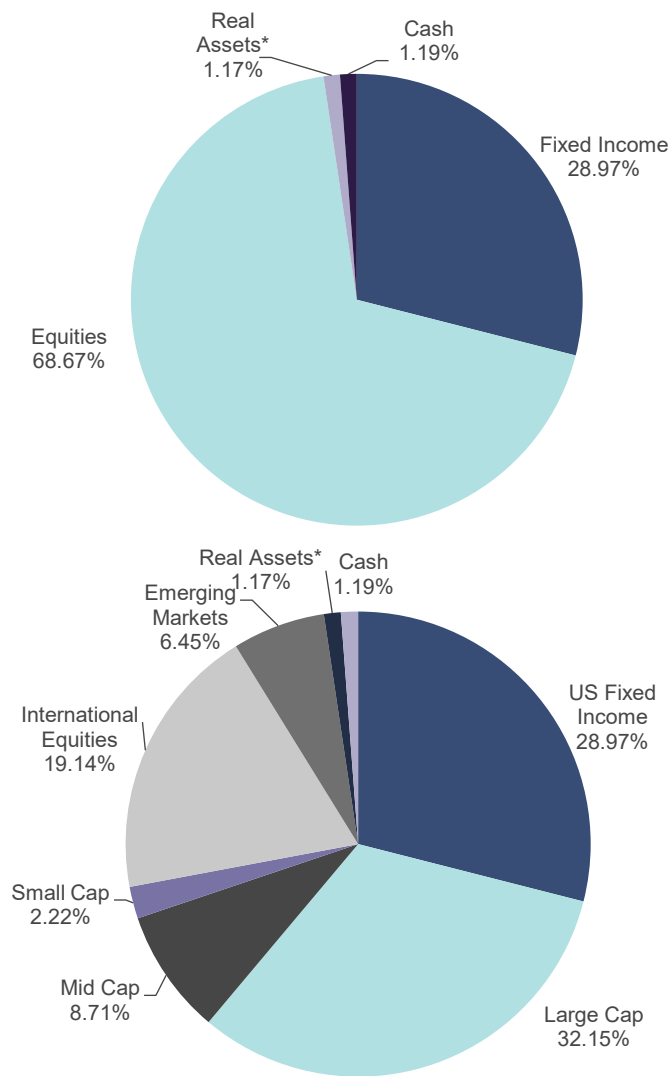
*Since Inception performance as of 09.30.2024.

**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 ¹
Sterling Capital Equity Income	6.33%	0.35%	25.11%
Vanguard S&P 500 ETF	16.05%	0.03%	36.32%
Loomis Sayles – LCG	9.77%	0.35%	41.11%
Touchstone Mid Cap Value Fund	5.31%	0.86%	20.52%
Touchstone Mid Cap Growth Fund	3.40%	0.78%	23.14%
Hotchkis & Wiley Small Cap Diversified Value	1.89%	0.76%	18.56%
Federated MDT Small Cap Growth Fund	0.33%	0.88%	29.16%
Causeway International Value ADR	5.94%	0.35%	27.26%
iShares Core MSCI Intl Developed ETF	3.94%	0.04%	25.54%
Harding Loevner – Intl ADR	6.08%	0.35%	27.01%
Allspring International Small Cap ETF	3.18%	0.96%	20.49%
Principal Origin Emerging Markets Fund	2.38%	1.00%	22.19%
iShares Core MSCI Emerging Markets ETF	1.67%	0.09%	24.01%
Victory Sophus Emerging Markets Fund	2.40%	0.89%	18.63%
Total Equities	68.67%		
Sterling Capital Funds Total Return R6	8.17%	0.36%	11.95%
Guggenheim Total Return Bond I	6.21%	0.62%	13.12%
Hartford Total Return Bond ETF	5.05%	0.29%	13.56%
Neuberger Berman Strategic Income I	2.83%	0.61%	14.30%
PIMCO Real Return Instl	0.29%	0.50%	10.42%
Vanguard Short-Term Treasury Index	0.56%	0.04%	6.76%
Prudential Total Return Bond Z	5.85%	0.39%	13.43%
Total Fixed Income	28.97%		
Real Assets²	1.17%		
Cash	1.19%		
Total³	100.00%	0.41%	23.58%

Sources: Sawtooth, Morningstar, Sterling Capital Analytics.

¹ Trailing 12-month performance reflects fund level returns and may differ from client statement.

² MA Real Assets Fund data as of 06.30.2024 all other data as of 09.30.2024.

³ Total Trailing 12-month performance excludes real assets and cash.



Asset Allocation

Summary Outlook

Economic and Market Comments

Global Equities and U.S. Fixed Income finished the third quarter with similarly positive returns as moderating inflation and solid economic results buoyed both markets. Both equity and fixed income markets responded positively to increasing expectations for Federal Reserve (Fed) interest rate cuts due to improved inflation results. The prospects for an economic soft landing also supported equity prices and credit spreads as the moderation in inflation has so far occurred without a large or sudden increase in unemployment. These economic developments have also positively impacted our analytic forecast results as lower trailing inflation is a positive indicator across equity and fixed income markets, while the increasing slope of the U.S. Treasury yield curve is a relative positive for equity and credit spread expectations. These positive economic developments, however, are offset to a certain degree by increasingly rich valuation metrics. In Global Equities, the net result is an improved but still low excess return forecast. The Fixed Income forecast, however, is little changed from the prior quarter as lower Treasury yields and tighter credit spreads offset the benefits of easier Fed policy and lower trailing inflation. With improved but still low expected excess returns to Global Equities relative to Fixed Income, we are moving to a reduced underweight to Global Equities versus Fixed Income.

Global Equity Positioning

Following outperformance of International Developed versus U.S. Equities in the third quarter, we are shifting to a U.S. overweight largely due to changes in relative value. Emerging Markets (EM) expectations continue to be hampered by negative 1-year trailing return momentum and high leverage as measured by debt-to-market ratios. Additionally, relative value metrics have diminished following strong performance late in the third quarter, leading us to increase our EM underweight.

Fixed Income Positioning

Exposure to interest rate risk, or duration, appears less attractive as Treasury yields rallied lower in the third quarter, further below our estimates of fair value. We, therefore, are increasing our allocation to low duration Short U.S. Government securities. Market inflation expectations as measured by TIPS breakeven rates also moved lower, leading us to add to our TIPS position, which could potentially benefit if actual or expected inflation rises above these lowered expectations. Our allocations to short U.S. Government securities and TIPS also leave us underweight credit risk exposure, which currently appears unattractive in part due to credit spreads that are below historical averages.

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.



For institutional and financial professional use only.

Portfolio Positioning

Manager Additions/Removals

▪ 3rd Quarter 2024

- There were no manager additions or removals during the quarter.

▪ 4th Quarter 2024

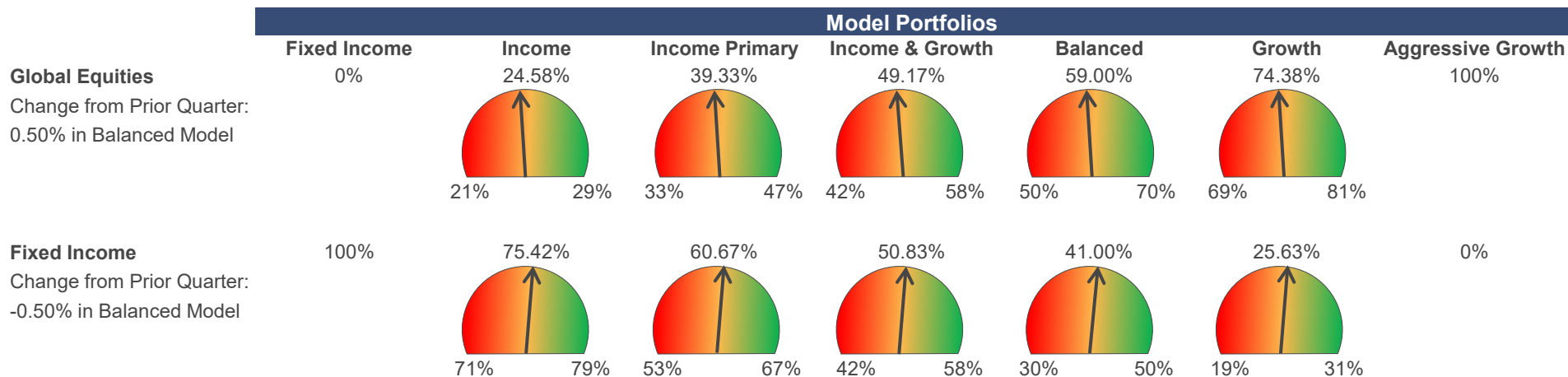
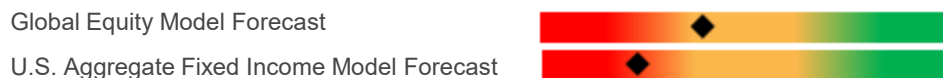
- Sterling Capital's Advisory Solutions Team has removed the Principal Origin Emerging Markets Fund from all applicable portfolios due to Origin Asset Management's (Origin) pending acquisition by Jupiter Asset Management, which was announced on October 3, 2024. As a result of this acquisition announcement, it's likely that Origin's role as subadvisor for the Principal Origin Emerging Markets Fund is at risk. In addition, the Principal Origin Emerging Markets Fund will be removed from the Advisory Solutions approved investment manager platform.
- The proceeds from the removal of the Principal Origin Emerging Fund will be reallocated to the iShares Core MSCI Emerging Markets ETF, which currently represents the passive emerging markets equity allocation within Sterling Capital Advisory Solutions portfolios.

Asset Allocation

Commentary

Global Equity/Fixed Income Allocations Across Model Portfolios as of 10.08.2024

Underweight Global Equities vs. Fixed Income: Global Equities and U.S. Fixed Income finished the third quarter with similarly positive returns. During the quarter, economic results were generally positive, and U.S. inflation moderated, leading to more optimistic expectations for Federal Reserve rate cuts, including a 50-basis point cut that occurred in September. Both equity and fixed income markets responded positively to the prospects for easier monetary policy, while equity prices and credit spreads were also supported by increased expectations of a soft landing for the economy. Economic developments in the third quarter have also positively impacted our analytic forecasts. Lower-trailing inflation is a positive indicator for both equity and interest rate markets, while the increased slope of the Treasury yield curve, including a now positive slope from 2- to 10-years, is a relative positive for equity and credit markets. Additionally, the move lower in interest rates, which implies lower discounting of future cash flows, is a positive for certain valuation metrics considered in our analytics, holding other factors equal. While economic developments have positively impacted excess return forecasts across markets, the move higher in prices and its impact on valuations has been an offsetting factor. For Global Equities, richer valuation metrics including lower earnings yields and sales-to-firm value ratios only partially offset the impact of other indicators, leaving the Global Equity excess return forecast still low, but higher than the prior quarter. In Fixed Income, the sharp move lower in U.S. interest rates and the continued move tighter in credit spreads have largely offset the positive impacts of easier monetary policy and lower-trailing inflation, leaving the total forecast little changed. With improved but still low expected excess returns to Global Equities relative to Fixed Income, we are moving to a reduced underweight to Global Equities versus Fixed Income.



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 10.07.2024. 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.



For institutional and financial professional use only.

Asset Allocation

Commentary

Global Equity Allocation Summary as of 10.08.2024

	Total Allocation	Net of Benchmark Allocation	Change from Prior Quarter	Model Forecast	Summary of Allocations and Model Forecasts
<u>U.S. Equities</u>	64.1%	1.25%	1.75%		<p>Overall Overweight; Overweight Small Cap Value and Mid Cap Growth; Underweight Mid Cap Value and Small Cap Growth: While valuation metrics remain rich, lower-trailing U.S. inflation, higher VIX and a steeper U.S. yield curve have resulted in improved, but still low, excess return forecasts for the U.S. Within the U.S., we have removed the underweight to Large-Cap Growth as the steeper U.S. yield curve and improved relative valuation have resulted in a more attractive relative return forecast. We remain underweight Mid-Cap Value as negative relative momentum continues to drag the segment forecast lower. Our largest over-weights are to Mid-Cap Growth and Small-Cap Value. Mid-Cap Growth benefits from better than normal free cash flow yields, while the Small-Cap Value forecast is pushed higher by above-average relative free cash flow growth and attractive relative value metrics in financials. Finally, we remain underweight to Small-Cap Growth largely due to below-average relative net margins.</p> <p>Mildly Overweight: Following outperformance in the prior quarter, we have reduced the total net weight to near neutral as expected returns now lag the U.S. in part due to diminished relative value metrics and normalization of the relative yield curve slope between Europe and the U.S. Within International Developed, we have moved from overweight to underweight the Growth segment as expected returns are hampered by certain relative value metrics. Additionally, risk-adjusted return prospects are more attractive within U.S. growth segments. The Small Cap segment continues to offer attractive relative value in our view, in part due to sales-to-firm value ratios in Europe.</p> <p>Underweight: Following significant market price increases in the latter part of the third quarter, relative value metrics in Emerging Markets have reverted close to historical averages. Meanwhile, an above average debt-to-market ratio and still negative return momentum on a trailing one-year basis both point to potential underperformance.</p>
Large Cap Value	18.8%	0.25%	-0.25%		
Large Cap Growth	28.0%	0.00%	1.00%		
Mid Cap Value	8.1%	-2.00%	0.00%		
Mid Cap Growth	5.2%	2.00%	0.25%		
Small Cap Value	3.5%	2.00%	0.75%		
Small Cap Growth	0.5%	-1.00%	0.00%		
<u>International Developed</u>	26.2%	0.25%	-1.25%		
Value	11.2%	0.00%	-0.25%		
Growth	10.6%	-0.50%	-0.75%		
Small Cap	4.4%	0.75%	-0.25%		
<u>Emerging Markets</u>	9.7%	-1.50%	-0.50%		

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 10.07.2024. 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.



For institutional and financial professional use only.

Asset Allocation

Commentary

Fixed Income Allocation Summary as of 10.08.2024

	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	95.5%	-4.50%	-1.50%		<p>Overweight Short U.S. Government and TIPS, Underweight U.S. Aggregate Fixed Income: Treasury yields rallied lower during the third quarter, taking them further below our estimates of fair value. As a result, we are removing interest rate risk, or duration, from portfolios by increasing our allocation to the Short U.S. Government segment. Market inflation expectations as measured by TIPS breakeven rates also moved lower during the quarter. As a result, U.S. TIPS appear more attractive as they stand to potentially benefit if actual or expected inflation rises above the market's reduced expectations. Our allocations to Short U.S. Government securities and TIPS also leave us underweight credit risk exposure, for which our analytics forecast negative excess returns due to tight credit spreads and a U.S. Treasury yield curve slope that is still inverted from 3-months to 10-years.</p>	
U.S. High Yield	0.00%	0.00%	0.00%			
U.S. TIPS	2.0%	2.0%	1.0%			
International Fixed Income (Hedged)	0.0%	0.0%	0.0%			
Emerging Markets Debt	0.00%	0.00%	0.00%			
<u>U.S. Treasury Bonds</u>						
U.S. Government: Short	2.5%	2.5%	0.5%			
U.S. Government Intermediate	0.0%	0.0%	0.0%			
U.S. Government: Long	0.0%	0.0%	0.0%			
<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 10.07.2024. 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.



For institutional and financial professional use only.

Sterling Capital Advisory Solutions Monthly Update

October 2024

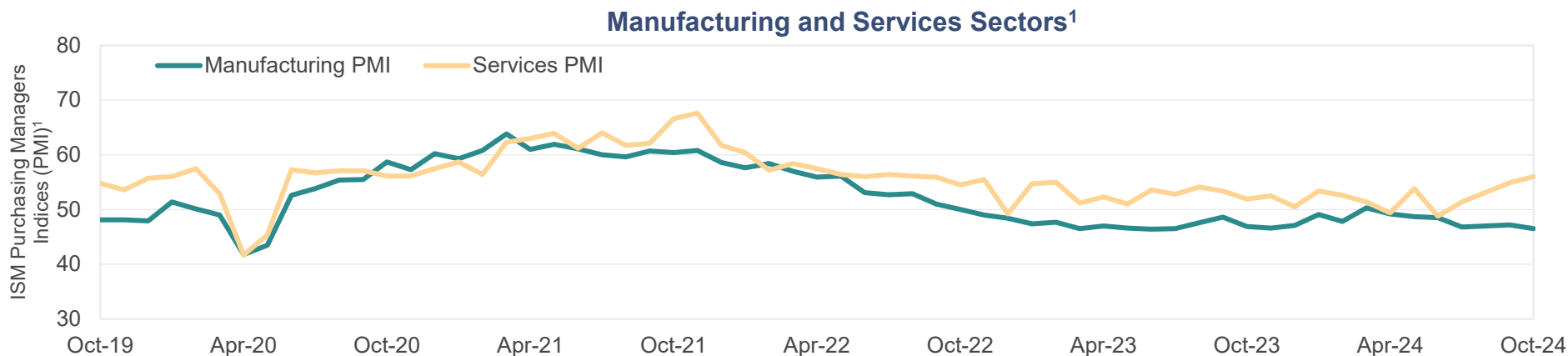
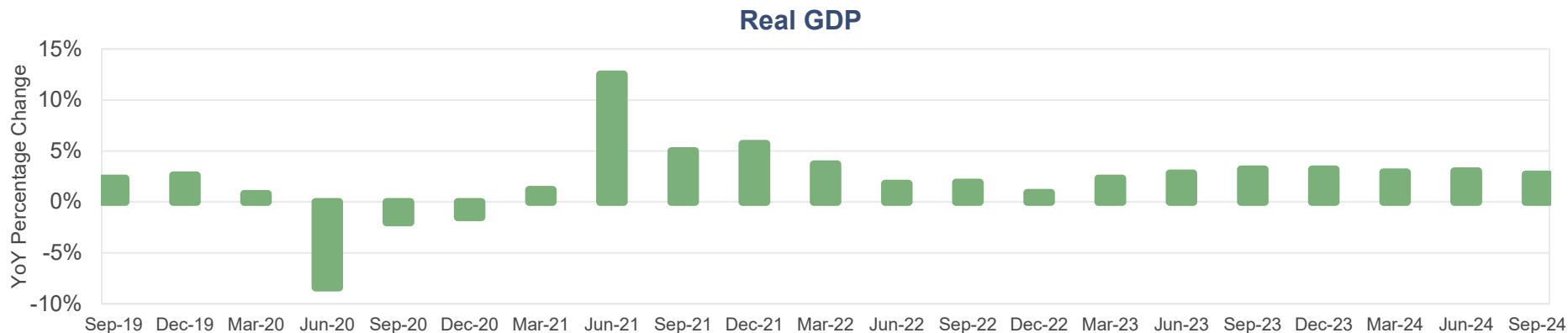
Asset Allocation Update	
<ul style="list-style-type: none"> We recommend an underweight to Global Equities versus Fixed Income. Within the equity allocation, we recommend overweight to U.S. equities and an underweight to Emerging Market equities. Within the fixed income allocation, we recommend overweight positions in the Short U.S. Government and U.S. TIPS segments. 	
Equity Market Highlights	Fixed Income Market Highlights
<ul style="list-style-type: none"> Global equities, as defined by the MSCI ACWI IMI, rose +2.34% in September with the Federal Reserve's 50 basis point (bps) federal funds rate cut serving as a catalyst for gains during the month. The Chinese government unleashed several monetary and fiscal stimulus measures in September, which helped to drive emerging markets outperformance during the month (MSCI EM IMI +6.23%). Growth (MSCI ACWI Growth +2.54%) outperformed value (MSCI ACWI Value +2.10%), driven by strong results in U.S. mid-cap growth (Russell Midcap® Growth +3.33%) and emerging markets growth (MSCI EM IMI Growth +6.96%). U.S. small-caps lagged the broad market during the month (the Russell 2000® Index +0.70%), driven partially by weakness in the small-cap financials and energy sectors. Consumer discretionary was the top performing global equity sector in September, while real estate underperformed. In aggregate, actively-managed U.S. small-cap strategies have generated outperformance year-to-date while active managers in the U.S. large-cap, mid-cap, and emerging markets segments have underperformed. On a rolling five-year basis, U.S. growth outperformance relative to value increased from the previous month. Rolling five-year growth returns have consistently been ahead of value returns since 2017. 	<ul style="list-style-type: none"> The broad market, as represented by the Bloomberg U.S. Aggregate Bond Index, returned +1.34% over the month of September. Within the opportunity set, credit sensitive sectors of emerging market debt (+1.76%), investment grade credit (+1.71%) and high yield (+1.62%) were the top performers. Global Treasuries ex.-U.S. (+1.00%), Agency mortgage-backed securities (+1.19%) and U.S. Governments (+1.20%) were the bottom performers. 10-year government bond yields of select countries were mostly lower month-over-month, with the exception of 10-year yields in the U.K. which were up +0.2%. Yields in Italy (down 22 bps), Germany (16 bps) and France (7 bps) all declined. Yields in the U.S. were lower in September with the yield on the 10-year Treasury declining by 13 bps from 3.92% to 3.79%. Municipal/treasury ratios were little changed in September with no ratio moving more than +0.78%. Ratios remain below 5-year averages.

Stock Indices YTD		Bond Indices YTD		Other Indices YTD		U.S. Treasury Yields		Rates/Commodities	
MSCI ACWI IMI	17.83%	Bloomberg US Aggregate	4.45%	US Fund Multialternative	5.47%	6-month	4.40%	Prime Rate	8.00%
Russell 3000	20.63%	Bloomberg Gbl Treas xUS Hdg	3.74%	DJ Equity All REIT	14.24%	1-year	4.00%	LIBOR (3 Mo)	4.85%
S&P 500	22.08%	Bloomberg US TIPS	4.85%	Bloomberg Commodity	5.86%	3-year	3.56%	Oil Price (\$/barrel)	\$68.17
MSCI EAFE	12.99%	Bloomberg US High Yield	8.00%			5-year	3.56%	Gold (\$/t oz)	\$2,634.69
MSCI EM	16.86%	Bloomberg EM Aggregate	8.17%			10-year	3.79%		
						30-year	4.13%		

Data is as of 09.30.2024. 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.



Economic Resilience



- The economy has outperformed expectations this year and is poised to accelerate further as both ISM indexes indicate stronger economic activity.
- Ongoing economic strength risks further monetary policy tightening later or a longer hold at peak fed funds relative to current market expectations.

Data for top chart is as of 09.30.2024. Source: Bureau for Economic Analysis. GDP = Gross Domestic Product. All data for bottom chart is as of 10.31.2024. Source: Institute for Supply Management (ISM). ¹The ISM Manufacturing Index (Manufacturing PMI) indicates the level of demand for products by measuring the amount of ordering activity at the nation's factories. The ISM Services Index The ISM Non-Manufacturing Index (Services PMI) measures business activity for the overall economy; above 50 indicating growth, while below 50 indicating contraction. Definitions are sourced from Investopedia. 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.



U.S. Economic Indicators



Source: Factset. For illustrative purposes only. Past performance is no guarantee of future results.



Appendix

Important Information

Designations

The **Accredited Asset Management Specialist® (AAMS)** is a professional designation awarded by the College for Financial Planning (CFP) to financial professionals who successfully complete a self-study program, pass an exam, and agree to comply with a code of ethics. To keep the privileges associated with the designation, AAMS professionals must complete 16 hours of continuing education every two years.

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.

The **Certified Financial Planner® (CFP)** certification is a graduate-level credential awarded by the CFP Board. To earn the CFP, candidates must: 1) take the required coursework; 2) meet educational requirements; 3) pass the examination; 4) have qualifying experience; and 5) agree to adhere to the CFP Board's standards of ethics and professional conduct.

The **Certified Investment Management Analyst® (CIMA)** credential is a graduate-level investment certification and is awarded by the Investment Management Consultants Association® (IMCA) - that sets global standards for the investment management consulting profession. To earn the CIMA designation, candidates must: 1) have at least three years of qualified financial experience; 2) Pass an extensive background check; 3) complete the two-step program of study; 4) pass the qualification and certification examinations; and 5) adhere to the IMCA's Ethics and other ongoing standards.

The **Certificate in Investment Performance Measurement® (CIPM)** program is a graduate-level investment performance and risk evaluation credential and is awarded by CFA Institute — the largest global association of investment professionals. To earn the CIPM, candidates must: 1) pass two sequential examinations; 2) have at least two years of qualified professional investment experience; 3) join CIPM Association; and 4) commit to comply with the CFA Institute Bylaws and Rules of Procedure.

The **Certified Public Accountant Licensure (CPA)** is a graduate-level accounting license and is awarded by the American Institute of CPAs (AICPA). To earn the CPA licensure, candidates must: 1) have at least two years of public accounting experience; and 2) pass the examination. Please note, every state has its own education and experience requirements that must be met.

The **Certified Regulatory and Compliance Professional™ (CRCP)** designation is a graduate-level compliance certification and is awarded by the Financial Industry Regulatory Authority (FINRA). To earn the CRCP designation, candidates must: 1) pass two weeklong residential courses; 2) pass the two consecutive examinations; and 3) meet continuing education requirements.

The **Certified Treasury Professional® (CTP)** designation is recognized as the leading credential in corporate treasury worldwide and awarded by the Association for Financial Professionals® (AFP). To earn the CTP designation, candidates must: 1) pass the examination, 2) have at least two years of qualified work/education/teaching experience, and 3) meet continuing requirements.

The **Chartered Alternative Investment Analyst® (CAIA)** charter is a graduate-level alternative investment credential awarded by the CAIA Association - a global provider of Alternative Investment education. To earn the CAIA, candidates must: 1) pass two sequential examinations.

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

The **Chartered Financial Consultant® (ChFC)** credential was introduced in 1982 as an alternative to the CFP® mark. This designation has the same core curriculum as the CFP® **designation**, plus two or three additional elective courses that focus on various areas of personal financial planning. To secure the designation, applicants must have three years of full-time business experience within the preceding five years and must complete nine college-level courses, equivalent to 27 semester credit hours (9 courses).

The **Chartered Retirement Planning Counselor® (CRPC)** designation is a retirement planning credential and is awarded by the College for Financial Planning. To earn the CRPC, candidates must: 1) complete the educational program; 2) pass the final examination; 3) complete the designation application.

The **Certified Trust and Fiduciary Advisor (CTFA)** designation is a professional designation offered by the American Bankers Association (ABA), which provides training and knowledge in taxes, investments, financial planning, trusts, and estates.

The **Accredited Investment Fiduciary® (AIF®)** designation is a professional certification that demonstrates an advisor or other person serving as an investment fiduciary has met certain requirements to earn and maintain the credential. The purpose of the AIF® Designation is to assure that those responsible for managing or advising on investor assets have a fundamental understanding of the principles of fiduciary duty, the standards of conduct for acting as a fiduciary, and a process for carrying out fiduciary responsibility



Important Information

Indices

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

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 ACWI 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) and 26 Emerging Markets (EM) countries.

The **MSCI Emerging Markets Investable Market Index (IMI)** captures large, mid and small cap representation across 24 Emerging Markets (EM) countries. With 3,165 constituents, the index covers approximately 99% of the free float-adjusted market capitalization in each country.

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 3,540 constituents, the index covers approximately 99% of the free float-adjusted market capitalization in each country.

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 ACWI Value Index** captures large and mid cap securities exhibiting overall value style characteristics across 23 Developed Markets countries and 24 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 Growth Index** captures large and mid cap securities exhibiting overall growth style characteristics across 23 Developed Markets (DM) countries and 24 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 ACWI Small Cap Index** captures small cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. With 6,256 constituents, the index covers about 14% of the free float-adjusted market capitalization in each country.

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.

The **MSCI ACWI ex USA Value Index** captures large and mid cap securities exhibiting overall value style characteristics across 22 Developed and 24 Emerging Markets 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 **Russell 3000 Index** measures the performance of the 3,000 largest U.S. companies based on total market capitalization.

The **Russell 3000® Growth Index** is a market capitalization-weighted index based on the Russell 3000 index. The Russell 3000 Growth Index includes companies that display signs of above-average growth. The index is used to provide a gauge of the performance of growth stocks in the United States.

The **Russell 3000® Value Index** is a market-capitalization weighted equity index maintained by the Russell Investment Group and based on the Russell 3000 Index, which measures how U.S. stocks in the equity value segment perform. Included in the Russell 3000 Value Index are stocks from the Russell 3000 Index with lower price-to-book ratios and lower expected growth rates.

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 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.

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.

"Bloomberg®" and the Bloomberg indices are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by Sterling Capital Management LLC and its affiliates. Bloomberg is not affiliated with Sterling Capital Management LLC or its affiliates, and Bloomberg does not approve, endorse, review, or recommend the product(s) presented herein. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the product(s) presented herein.

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.

Ism manufacturing index

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.

Important Information

Indices

A Note on Indices: The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index.

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. Treasury Index** measures the public obligations of the U.S. Treasury with a remaining maturity of one year or more. Securities must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following ratings agencies: Moody's, S&P, Fitch.

The **Bloomberg U.S. Corporate Bond Index** measures the investment-grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers. The U.S. Corporate Index is a component of the U.S. Credit and U.S. Aggregate Indices, and provided the necessary inclusion rules are met, U.S. Corporate Index securities also contribute to the multi-currency Global Aggregate Index.

The **Bloomberg U.S. Corporate High Yield Bond Index** measures the USD-denominated, high yield, fixed-rate corporate bond market. 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. Securitized Index** is comprised of predominantly MBS Agency securities, but also includes ABS, CMBS and covered securities. Bloomberg U.S. Treasury Strips 20+ Year Index tracks the performance of zero coupon U.S. Treasuries with a duration of 20 years or more.

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 Emerging Markets Aggregate Index** is a flagship hard currency Emerging Markets debt benchmark that includes fixed and floating-rate US dollar-denominated debt issued from sovereign, quasi-sovereign, and corporate EM issuers.

The **Bloomberg 1-3 Year U.S. Government/Credit 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. It is not possible to invest in the Bloomberg 1-3 Year U.S. Government/Credit Bond Index, which is unmanaged and does not incur fees and charges.

The **Bloomberg U.S. Intermediate Government/Credit Bond Index** measures the performance of U.S. Dollar denominated U.S. Treasuries, government-related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year and less than ten years.

The **Bloomberg Municipal Bond Index** is an unmanaged index considered representative of the tax-exempt bond market.

The **ICE Bank of America 2-17 Year Municipal Bond Index** is an unmanaged index composed of securities that are SEC-registered, tax-exempt, and dollar denominated. The index covers the intermediate U.S. investment grade fixed rate municipal bond market, with index components for municipal securities. It is not possible to invest in the Bank of America 2-17 Year Municipal Bond Index, which is unmanaged and does not incur fees and charges.

The **Credit Suisse Leveraged Loan Index** is a market-weighted index that tracks the performance of institutional leveraged loans. The index is calculated on a total return basis with dividends reinvested.

Bloomberg L.P. Information: "Bloomberg®" and the Bloomberg indices are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by Sterling Capital Management LLC and its affiliates. Bloomberg is not affiliated with Sterling Capital Management LLC or its affiliates, and Bloomberg does not approve, endorse, review, or recommend the product(s) presented herein. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the product(s) presented herein.

