

CLIENT RELATIONSHIP SUMMARY (CRS) FORM

ADV PART 3

INTRODUCTION

Sterling Capital Management, Inc. ("Sterling Capital Management," "SCM" the "Adviser," "Firm," "Company," "we," "us" or "our") is an **investment adviser** registered with the Securities and Exchange Commission (the "SEC") pursuant to the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Brokerage and investment advisory services and fees differ. It is important for you to understand differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

What is the difference between a Broker and an Adviser (like Sterling Capital Management), and how do fees differ?

An **investment adviser** is generally any entity that provides investment advice or conducts securities analysis in exchange for a fee, typically based on the portfolio's total value. In contrast, a **broker-dealer** is a firm that acts as an intermediary between buyers and sellers of securities for which they will usually receive a commission, which is paid per transaction.

RELATIONSHIPS AND SERVICES

What investment services and advice can you provide me?

- Sterling Capital Management, Inc. ("Firm" or "Sterling") provides investment management and consulting services (financial planning) to individuals, high net-worth individuals, corporations and non-profits ("Clients"). Sterling manages segregated portfolios for its Clients. While Client portfolios may hold similar securities, each portfolio is individually tailored.
- If you open an advisory account, you will pay an on-going asset-based fee for our services. We will offer you advice on a regular basis. We will discuss your investment goals design with you a strategy to achieve your investment goals, and regularly monitor your account. We will contact you (by phone or e-mail) on a continuing basis.
- You can choose an account that allows us to buy and sell investments in your account without asking you in advance (a "discretionary account") or we may give you advice and you decide what investments to buy and sell (a "non-discretionary account"). Our investment advice will cover a limited selection of investments. Other firms could provide advice on a wider range of choices, some of which might have lower costs.
- **Discretionary Investment Management**, except as otherwise set forth in any applicable Client Agreement. Our clients authorize the Firm to investigate, purchase, and sell on behalf of Client, various securities and investments. The Firm is authorized to execute purchases and sales of securities on Client's behalf without consulting Client regarding each sale or purchase. Client may, however, terminate the discretionary authority of the Firm immediately upon written notice. **Non-Discretionary Investment Management**. In these types of Client Agreements, the Firm is authorized to execute purchases and sales of securities only after securing permission from Client regarding each transaction.

For additional information, please see Items 4, 7, 8, 13 and 16 of our Form ADV Part 2A brochure here:

<https://adviserinfo.sec.gov/firm/summary/106822>

Conversation Starters:

Questions you may wish to ask our financial professionals.

"Given my financial situation, should I choose an investment advisory service? Why or why not?"

"How will you choose investments to recommend to me?"

"What is your relevant experience, including your licenses and other qualifications? What do these qualifications mean?"

FEES, COSTS, CONFLICTS, AND STANDARDS OF CONDUCT

What fees will I pay?

The fees for investment management are based on an annual percentage of assets under management and are applied to the household asset value on a pro rata basis. For separately managed accounts the advisors fee is based on the clients as it's under management typically 2% per year. These are negotiable. The clients should refer to their investment advisory agreement for the fee schedule applicable to them. The firm charges a fixed fee for financial planning services typically \$350 an hour. The advisor may modify, leave, or otherwise charge a flat fee for service. Subject to the written approval from the client, fees are deducted it from client accounts quarterly. Fees paid to the advisor for an exclusive of all custodial fees, brokerage commissions and transaction costs paid to the client's custodian, brokers or other third-party as well as any fees and taxes on brokerage accounts and securities transactions. Addition to the fees described our clients may incur other fees, charges and expenses as outlined below.

Clients and also pay brokerage charges that include commissions charged by a broker to make a stock or country. In connection with the purchase or sale of income securities, the broker may charge a markup or a mark down. In some instances, there may be a transactional commission charge by a broker to purchase or sell load or no-load mutual Funds. Broker is often reduced, discount, or may waive commission fees completely. Clients we have option to purchase investment products that the firm recommends through other brokers for agents that are not affiliated with the firm. Please see Item 5- *Fees and Compensation* of the Form ADV Part 2A Brochure for a complete listing of the various fees charged per service type. *You will pay fees and costs whether you make or lose*

money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

For additional information, please see Item 5 of our Form ADV Part 2A brochure here:

<https://adviserinfo.sec.gov/firm/summary/106822>

Conversation Starters:

Questions you may wish to ask our registered representatives.

"Help me understand how these fees and costs might affect my investments."

"If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?"

CONFLICTS OF INTEREST

What is your legal obligation to me when providing recommendations as my investment adviser?

How else does the firm make money and what conflicts of interest do you have?

Tom Portz, the Chief Executive Officer of the Firm, also owns Sterling Financial, Inc., a financial services company. This company sells mutual funds, annuities, insurance products and receives commission assignments from personnel of the Firm, acting in their capacity as registered representatives. This may present a conflict that this firm, or its personnel, sells products and services to advisory clients which result in additional income to personnel of the Advisor. This product placement and trade execution also requires time. The Advisor believes these conflicts are mitigated and more than offset by the comprehensive and seamless assistance in easily acquiring and servicing specific investment products. Tom Portz has also been awarded 10 U.S. patents and 6 Canadian Industrial Design Certificates (patents). Mr. Portz has also formed a corporation called Luminex Corporation to further develop such patents. In addition, Tim Portz, serves as President and is affiliated with Sterling Financial Inc. The Advisor believes these conflicts are mitigated and more than offset by the comprehensive and seamless assistance in easily acquiring and servicing specific investment products. To date, there are no revenues and no conflicts exist. Allocation of Investment Opportunities: Sterling acts as investment adviser to more than one Client that may have similar investment objectives and pursue similar strategies. Certain investments identified by Sterling may be appropriate for multiple Clients. When it is determined by Sterling that it would be appropriate for more than one Client to participate in an investment opportunity, Sterling will generally allocate such investment opportunity among the Clients in proportion to the relative amounts of capital available for new investments, taking into account such other factors as it may, in its sole discretion determine appropriate.

For additional information, please see Items 4, 5, 6, 10, and 11 of our Form ADV Part 2A brochure here:

<https://adviserinfo.sec.gov/firm/summary/106822>

Conversation Starters:

How might your conflicts of interest affect me, and how will you address them?

These are only examples of our conflicts of interest. For additional information about our conflicts of interest, please speak with your financial professional.

HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

Neither Sterling Capital Management nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds. For an additional discussion of other compensation, please refer to *Item 14 – Client Referrals* and Other Compensation of our Form ADV Part 2A Brochure: <https://adviserinfo.sec.gov/firm/summary/106822>

DISCIPLINARY HISTORY

Do you or your financial professional have any legal or disciplinary history?

No. Visit www.investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Conversation Starters:

As a financial professional, do you have any disciplinary history? For what type of conduct?

For additional information, please see Item 9 of our Form ADV Part 2A brochure here <https://adviserinfo.sec.gov/firm/summary/106822>

ADDITIONAL INFORMATION

For additional information, see our Disclosure Brochure (Form ADV Part 2A) at <https://adviserinfo.sec.gov/firm/summary/106822>. Or you can reach us by phone at (262) 970-9700 or by email at tportz@moseco.com to request up-to-date information and a copy of this relationship summary.

Conversation Starters:

"Who is my primary contact person?" "Is he or she a representative of an investment-adviser or a broker-dealer?"

"Who can I talk to if I have concerns about how this person is treating me?"