

Equity Income Fund

A Shares (BAEIX)
Inception Date 06/30/04

C Shares (BCEGX)
Inception Date 06/30/04

I Shares (BEGIX)
Inception Date 06/30/04

Fund Statistics

TOTAL NET ASSETS: \$860,688,282

Weighted Average P/E ¹	13.82
Weighted Average P/B ²	5.32
Average Market Capitalization	\$69.1B
Turnover Rate ³	17.00%
Number of Stock Holdings	30

Total Expense Ratio

A Shares (BAEIX)	1.21%
C Shares (BCEGX)	1.96%
I Shares (BEGIX)	0.96%

Risk/Return vs. S&P 500

Since Inception

Alpha ⁴	8.91
Beta ⁵	0.62
R-Squared ⁶	0.73
Standard Deviation ⁷	11.44
Sharpe Ratio ⁸	0.92
Capture Ratio Up ⁹ (I Shares)	90.32%
Capture Ratio Down ⁹ (I Shares)	66.88%

Investors should consider the investment objectives, risks, charges and expenses carefully before investing. For a prospectus with this and other information about the Fund, please call (888) 228-1872 or visit our web site at www.sterlingcapitalfunds.com. Read the prospectus carefully before investing.

Fund Performance	Qtr	YTD	1 Year	3 Years	5 Years	Since Inception
A Shares without Sales Charge	11.91%	7.95%	7.95%	15.47%	4.57%	9.16%
A Shares with 5.75% Sales Charge	5.46%	1.73%	1.73%	13.19%	3.34%	8.31%
I Shares	12.03%	8.19%	8.19%	15.77%	4.83%	9.44%
Morningstar Rating / Funds in Category	-	-	-	5/1127	5/996	-
S&P 500 Index	11.82%	2.11%	2.11%	14.11%	-0.25%	3.47%
Lipper Equity Income Median	11.95%	3.29%	3.29%	13.03%	0.60%	-
Lipper Ranking / Funds in Category	-	30/285	30/285	38/248	7/212	-
Lipper Quartile (Percentile)	-	1 (11%)	1 (11%)	1 (16%)	1 (4%)	-

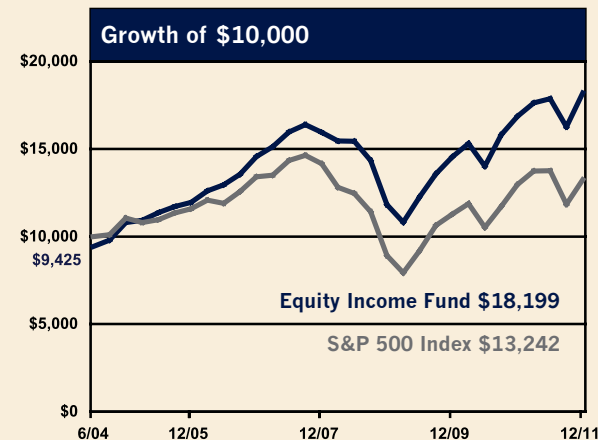
Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. To obtain performance information current to the most recent month end, please visit www.sterlingcapitalfunds.com. Morningstar Ratings and Lipper Rankings are based on A Shares.

For each fund with at least a 3-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-year, 5-year and 10-year Morningstar Rating™ metrics. ©2011 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from the use of this information.

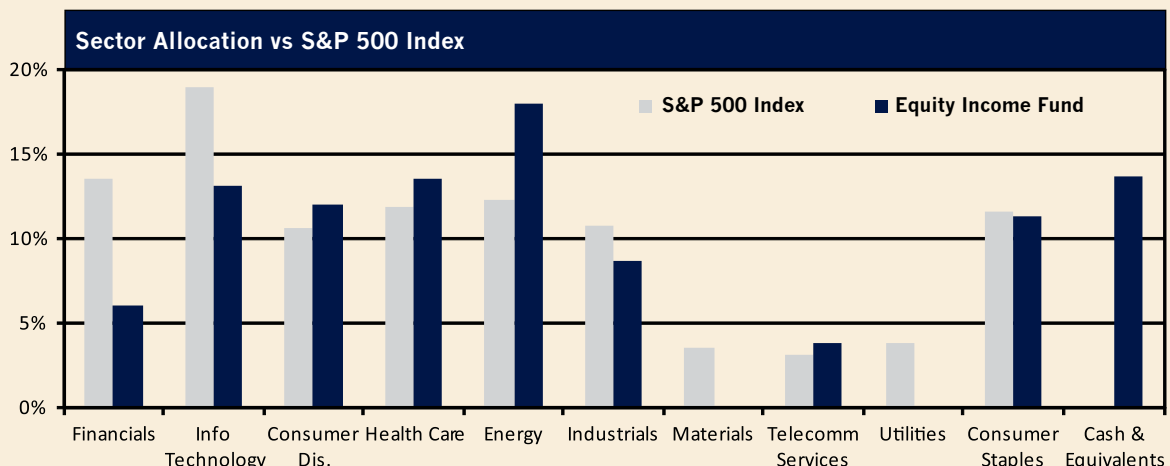
Lipper rankings are based on average annual total returns, including the reinvestment of dividends and capital gains (not including sales charges) for the periods indicated and compare total return performance with that of other funds in the category.

Year-End Returns	2005	2006	2007	2008	2009	2010	2011
A Shares w/out Sales Charge	10.69%	21.83%	9.58%	-25.87%	22.92%	16.01%	7.85%
I Shares	11.01%	22.18%	9.82%	-25.73%	23.29%	16.34%	8.19%
S&P 500 Index	4.91%	15.79%	5.49%	-37.00%	26.46%	15.06%	2.11%

Top Ten Holdings	Weighting
1. Kinder Morgan Management, LLC	4.79%
2. Pepsico, Inc.	3.87%
3. Travelers Cos., Inc., (The)	3.81%
4. Baxter International, Inc.	3.79%
5. Abbott Laboratories	3.79%
6. Rogers Communications, Inc.	3.75%
7. McDonald's Corp.	3.74%
8. Target Corp.	3.65%
9. Chevron Corp.	3.53%
10. Emerson Electric Co.	3.51%



Current and future portfolio holdings are subject to change and risk. The Growth of \$10,000 chart is hypothetical based upon the performance of A Shares less the maximum sales charge for the period ended 12/31/11. It includes the reinvestment of dividends and capital gains. It does not reflect the deduction of other fees and expenses, in which case the performance would have been lower.



The composition of the Fund's holdings is subject to change. Percentages are based on securities at market value.



Portfolio Management

George F. Shipp, CFA

Chief Investment Officer

Scott & Stringfellow, LLC (subadviser)

George has been the Sterling Capital Equity Income Fund manager since inception (2004) and also manages the Sterling Capital Special Opportunities Fund. He has investment experience since 1982. George is a graduate of the University of Virginia and received his MBA at the Darden Graduate School of Business.

The Investment Team supporting the Sterling Capital Equity Income Fund has more than 123 combined years of investment experience:

- Adam B. Bergman, CFA
- Joshua L. Haggerty, CFA
- R. Griffith Jones, Jr.
- Farley C. Shiner, CFA
- Colin R. Ducharme, CFA
- Guy W. Ford, CFA
- Michael S. Peasley, CFA

“Our investment process is driven by a search for both growth and income. We believe that stocks offer long-term investors the best chance for creating and preserving wealth, and offsetting the erosive effects of inflation. At the same time, we buy only stocks with growing dividend streams, since above-average yields may both generate current income and potentially moderate stock market volatility. This flexible, balanced approach enables us to focus on our very best investment ideas, and we remain open to attractive opportunities wherever they arise.”

Firm Overview

Sterling Capital Management LLC is a registered investment advisor founded in 1970. An investment firm, Sterling is an independently operated subsidiary of BB&T Corporation, one of the nation's largest financial services holding companies. Sterling is headquartered in Charlotte, NC with offices in Raleigh, NC, Atlanta, GA, Washington, D.C., and San Francisco, CA. As of 12/31/11, Sterling has over \$34 billion in assets under management overseen by 83 investment and client service professionals.

Choice Asset Management is an investment advisory division of Scott & Stringfellow LLC, a Registered Investment Advisor and Broker-Dealer, and is a wholly owned nonbank subsidiary of BB&T Corporation. Founded in 2000, Choice has over \$4 billion in assets under management overseen by a team of 8 investment professionals with significant depth and industry experience. Sterling Capital has hired Choice to sub-advise both the Sterling Capital Equity Income and Special Opportunities Funds.

Investment Objective

The Fund's management team utilizes fundamental analysis overlaid with top-down macroeconomic trends. They look for the best ideas that include companies with strong balance sheets that are reasonably valued and have shown market share/sales gains over time with a credible plan to continue such growth in the future. Valuation is key to the management of the Fund and the management team evaluates on the front end and buys basic businesses that are in demand all the time, have done well in past market downturns and where management has a vested interest in the value per share of the stock. The Fund represents a concentrated portfolio utilizing “best ideas” with typical number of holdings between 24 to 30 common stocks/ADRs.

Dividends matter to the management team and they only include companies that have raised their dividends for the last three consecutive years or for six of the last 10 years. They target stocks with dividend yields greater than 2%.

Investment Considerations

The Fund invests primarily in dividend-paying securities but also in convertible securities in search of yield. These securities may be undervalued not performing as anticipated and its value could be negatively affected by a rise in interest rates. The Fund may engage in writing covered call options. By selling covered call options, the Fund limits its opportunity to profit from an increase in the price of the underlying stock above the exercise price, but continues to bear the risk of a decline in the stock. While the Fund receives premiums for writing the call options, the price it realizes from the exercise of an option could be substantially below a stock's current market price.

¹**Weighted Average P/E:** A weighted average ratio used to compare the price of a fund's stocks with their per-share earnings. A higher price per earnings ratio indicates the market has belief that a company has the ability to increase its earnings.

²**Weighted Average P/B:** A weighted average ratio used to compare the book value of fund's stocks with their market value. The price to book ratio indicates how much an investor is paying for a company's assets based on historical valuations. It does not reflect current market value.

³**Portfolio Turnover Rate:** A measure of how frequently assets within a fund are bought and sold by the managers. The Turnover Rate used in this document is calculated for one year as of 12/31/11.

⁴**Alpha:** Alpha measures performance on a risk-adjusted basis by comparing it to the benchmark index.

⁵**Beta:** Beta attempts to measure the relative risk. A Beta rating above 1.0 indicates greater volatility than the market. A Beta rating below 1.0 indicates lower volatility than the market.

⁶**R-Squared:** A statistical measure that represents what amount of a fund's movements can be explained by movements in its benchmark index. A high R-Squared (between 85 and 100) indicates the fund's performance patterns have been in line with the index.

⁷**Standard Deviation:** A statistical measurement showing how widely the returns varied over a certain period of time. When a fund has a high standard deviation, the predicted range of performance implies greater volatility.

⁸**Sharpe Ratio:** The measurement of a fund's excess return. This helps determine if a fund's returns are due to sound investment decisions or excess risk. The greater a fund's Sharpe ratio, the better its risk-adjusted performance has been.

⁹**Upside/Downside Capture Ratio:** The measurement of a fund's cumulative return divided by its benchmark's cumulative return during positive and negative market periods.

Sterling Capital Management LLC a separate subsidiary of BB&T Corporation, serves as investment adviser to the Sterling Capital Funds and is paid a fee for its services. Shares of the Sterling Capital Funds are not deposits or obligations of, or guaranteed or endorsed by, Branch Banking and Trust Company or its affiliates. The Funds are not insured by the FDIC or any other government agency. The Funds are distributed by Sterling Capital Distributors, Inc., which is not affiliated with Branch Banking and Trust Company or its affiliates.

Not a deposit • Not FDIC insured • May lose value • Not guaranteed by the bank • Not insured by any government agency