

Intermediate U.S. Government Fund

A Shares (BGVAX)
Inception Date 10/09/92

C Shares (BIUCX)
Inception Date 02/01/01

I Shares (BBGVX)
Inception Date 10/09/92

Fund Statistics

TOTAL NET ASSETS: \$173,805,805

Average Life	5.11 years
Turnover Rate ¹	84.00%
Capture Ratio Up ² (I Shares)	96.90%
Capture Ratio Down ² (I Shares)	64.18%
Effective Duration ³	4.10
Number of Holdings	55

Total Expense Ratio

A Shares (BGVAX)	0.96%
C Shares (BIUCX)	1.71%
I Shares (BBGVX)	0.71%

Dividend Distributions

Month	Rates/A Share
December	\$0.0238
November	\$0.0255
October	\$0.0252

Effective Duration Breakdown

0-1	4.56%
1-3	29.36%
3-4	10.35%
4-6	10.21%
6-8	19.78%
8+	25.73%

The composition of the Fund's holding is subject to change.

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	10 Years	Since Inception
A Shares without Sales Charge	0.97%	5.99%	5.99%	4.09%	5.39%	4.68%	5.36%
A Shares with 5.75% Sales Charge	-4.85%	-0.10%	-0.10%	2.06%	4.15%	4.06%	5.03%
I Shares	1.13%	6.35%	6.35%	4.38%	5.65%	4.94%	5.62%
Barclays Capital Interm Gov't Index	0.69%	6.08%	6.08%	3.54%	5.86%	4.89%	5.61%
Intermediate U.S. Gov't Funds Median	0.65%	6.83%	6.83%	4.48%	5.65%	4.78%	-
Lipper Ranking / Funds in Category	-	53/69	53/69	43/61	36/57	25/45	-
Lipper Quartile (Percentile)	-	4 (76%)	4 (76%)	3 (70%)	3 (63%)	3 (55%)	-

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. Lipper Rankings are based on A Shares.

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.

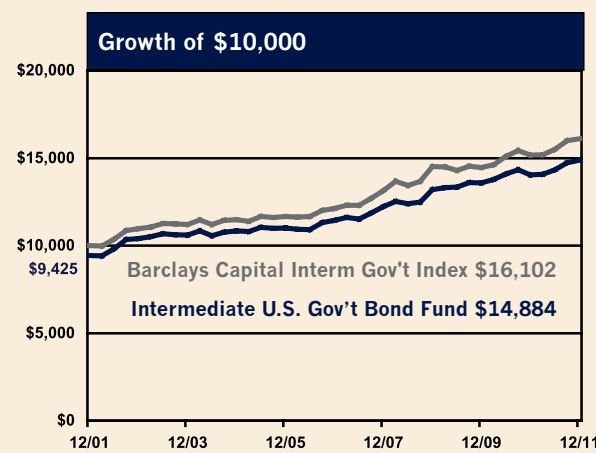
Year-End Returns	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
A Shares w/out Sales Charge	10.38%	2.01%	2.10%	1.64%	3.96%	6.75%	7.97%	2.94%	3.38%	5.99%
I Shares	10.75%	2.17%	2.35%	1.89%	4.32%	6.90%	8.23%	3.19%	3.64%	6.35%
Barclays Capital Interm Gov't Index	9.64%	2.29%	2.33%	1.68%	3.85%	8.47%	10.43%	-0.33%	4.98%	6.08%

Top Ten Holdings	Weighting
1. FFCB 5.05% 12/21/21	9.78%
2. FFCB 4.67% 2/27/18	6.81%
3. U.S. Treasury Bonds 6.25% 8/15/23	4.13%
4. U.S. Treas Notes, Infl Protected 2.00% 4/15/12	3.88%
5. U.S. Treasury Notes 3.63% 8/15/19	3.34%
6. Private Export Funding Corp. 4.55% 5/15/15	3.24%
7. FNMA 1.00% 7/27/21	2.90%
8. FNMA, Ser 1 3.00% 7/27/26	2.89%
9. FHLMC, Pool #G14007 3.50% 12/1/25	2.79%
10. Private Export Funding Corp. 4.97% 8/15/13	2.69%

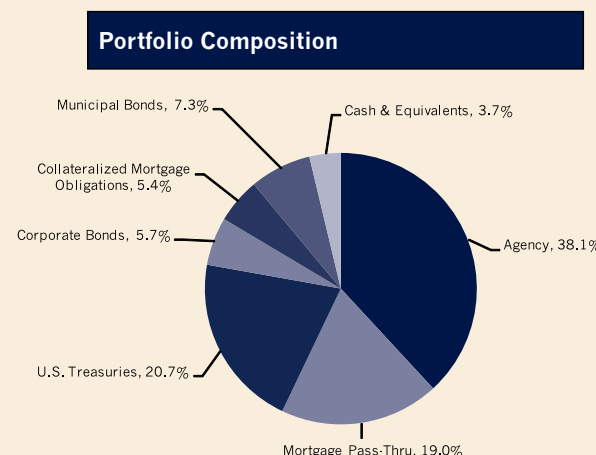
Current and future portfolio holdings are subject to change and risk.

Quality Distribution	
Aaa	53.90%
Aa	9.30%
A	4.10%
Baa	1.30%
Not-Rated	31.40%

Moody's Quality Bond ratings reflect the credit quality of the underlying bonds in the fund portfolio and not of the Fund itself. The percentages are based on a weighted average calculation. Securities not rated by Moody's may be rated by S&P or Fitch. The Fund invests primarily in investment grade quality bonds at the time of purchase. Please see the prospectus for more details. Bond quality ratings are subject to change.



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.



Portfolio Management

Brad D. Eppard, CFA

Sterling Capital Management LLC

Brad joined Sterling Capital Management in 2003. He has investment experience since 1985. He has been the Portfolio Manager for the Sterling Intermediate U.S. Government Fund since 2003. Brad is a graduate of Radford University where he received his BS in Business Administration/Accounting. He is a CFA Charterholder.

The Investment Team for the Sterling Capital Intermediate U.S. Government Fund includes 18 investment professionals with an average of more than 16 years industry experience.

“This high-quality bond fund should be attractive to investors seeking to capture the total return available from intermediate-term, U.S. government bonds. Our process attempts to identify those securities and sectors that are most attractively priced and offer the best potential for relative out performance. We seek to provide value by strategically investing along the yield curve and rotating among sectors-Treasuries, mortgage-backed securities and agency paper-while keeping movements in the portfolio’s duration within a relatively tight range.”

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.

Investment Objective

- The Fund seeks current income consistent with the preservation of capital.
- The Fund invests, under normal market conditions, in U.S. Government Securities, some of which may be subject to repurchase agreements, or in “high grade” (rated at the time of purchase in one of the three highest rating categories by a nationally recognized statistical rating organization or are determined by the portfolio manager to be of comparable quality) mortgage-backed securities, including collateralized mortgage obligations.

Investment Considerations

The Fund is subject to the same risks as the underlying bonds in the portfolio such as credit, prepayment, call and interest rate risk. As interest rates rise the value of bond prices will decline and an investor may lose money. The Fund may invest in mortgage backed securities which tend to be more sensitive to changes in interest rates. The Fund invests in U.S. Government securities or its agencies (such as Fannie Mae or Freddie Mac securities). Although U.S. Government Securities issued directly by the U.S. Government are guaranteed by the U.S. Treasury, other U.S. Government Securities issued by an agency or instrumentality of the U.S. government may not be. No assurance can be given that the U.S. government would provide financial support to its agencies and instrumentalities if not required to do so by law.

¹**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.

²**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. The Intermediate U.S. Government Fund Capture Ratios are based on 3 year calculations.

³**Effective Duration:** A calculation of the average life of individual bonds within a bond fund, and serves as a useful measure of the entire portfolio’s sensitivity to rising and falling interest rates. An Effective Duration of 2.00 means that with a 1% decline in interest rates, the principal value should rise by 2%, and vice versa.

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