

Short-Term Bond Fund

A Shares (BSGAX)
Inception Date 11/30/92

C Shares (BBSCX)
Inception Date 02/01/12

I Shares (BBSGX)
Inception Date 11/30/92

Fund Statistics

TOTAL NET ASSETS:	\$56,980,469
Average Life	2.12 years
Turnover Rate ¹	132.00%
Capture Ratio Up ² (I Shares)	93.95%
Capture Ratio Down ² (I Shares)	149.95%
Effective Duration ³	2.05
Number of Holdings	115

Total Expense Ratio

A Shares (BSGAX)	0.79%
C Shares (BBSCX)	1.54%
I Shares (BBSGX)	0.54%

Dividend Distributions

Month	Rates/A Share
December	\$0.0301
November	\$0.0301
October	\$0.0288

Effective Maturity Breakdown

0-1 Year	8.45%
1-2 Years	32.09%
2-3 Years	39.89%
3-4 Years	19.07%
7-8 Years	0.50%

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	1.06%	1.58%	1.58%	1.89%	3.21%	2.82%	4.03%
A Shares with 2.50% Sales Charge	-1.47%	-1.02%	-1.02%	1.03%	2.69%	2.57%	3.89%
I Shares	1.12%	1.83%	1.83%	2.11%	3.46%	3.06%	4.27%
Barclays Capital 1-3 Yr Gov't Index	0.21%	1.56%	1.56%	1.79%	3.80%	3.40%	-
BofA Merrill Lynch 1-3 Yr U.S. Corp Gov't Bond Index	0.24%	1.56%	1.56%	2.73%	3.94%	3.57%	-
Short Inv Grade Debt Funds Median	0.41%	1.22%	1.22%	4.60%	3.22%	3.20%	-
Lipper Ranking / Funds in Category	-	90/254	90/254	199/211	97/191	76/102	-
Lipper Quartile (Percentile)	-	2 (36%)	2 (36%)	4 (94%)	3 (51%)	3 (74%)	-

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.

Effective February 1, 2011, the Fund's investment strategy and benchmark were changed to reflect a broader mandate. The benchmark was changed from the Barclays Capital 1-3 Year Government Index to the B of A Merrill Lynch 1-3 Year US Corporate Government Bond Index because it provided a better comparison in light of the Fund's new investment strategy. It is important to note that the performance from 2/1/2011 reflects the fund's current management style rather than the previous fund's focus on U.S. Government securities.

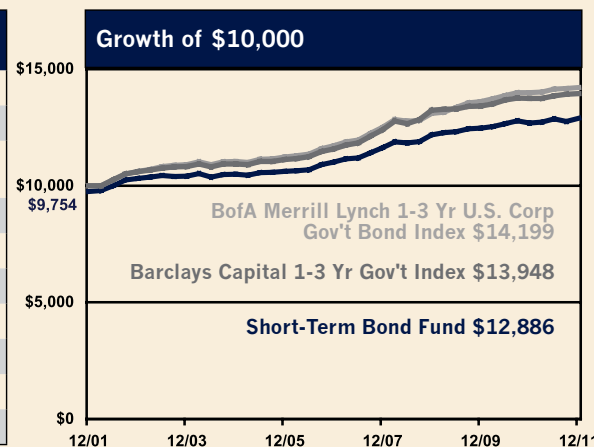
Year-End Returns	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
A Shares w/out Sales Charge	5.67%	0.91%	0.83%	1.17%	3.70%	5.62%	4.81%	2.29%	1.81%	1.58%
I Shares	5.90%	1.23%	0.98%	1.43%	3.85%	5.99%	5.07%	2.44%	2.06%	1.83%
Barclays Capital 1-3 Yr Gov't Index	6.01%	2.01%	1.07%	1.73%	4.12%	7.10%	6.66%	1.41%	2.40%	1.56%
BofA Merrill Lynch 1-3 Yr U.S. Corp Gov't Bond Index	6.10%	2.74%	1.21%	1.75%	4.25%	6.87%	4.69%	3.84%	2.82%	1.56%

Top Ten Holdings	Weighting
1. GNMA, Series 2010-34, Class AD 2.50% 10/20/32	2.45%
2. Energy Transfer Partners LP 8.50% 4/15/14	2.33%
3. Northern California Transmission Agcy Rev, Ser B 5.37% 5/1/15	1.93%
4. Brunswick Cnty Enterprise Sys Rev 3.3% 4/1/15	1.87%
5. JPMorgan Chase & Co. 5.13% 9/15/14	1.86%
6. General Electric Capital Corp. 4.80% 5/1/13	1.84%
7. NY Urban Dev, Corp Rev, Ser B 2.63% 12/15/14	1.83%
8. Illinois Build America Bonds 4.20% 7/1/14	1.83%
9. Colonial Realty LP 6.15% 4/15/13	1.80%
10. ABN Amro Bank NV 3.00% 1/31/14	1.75%

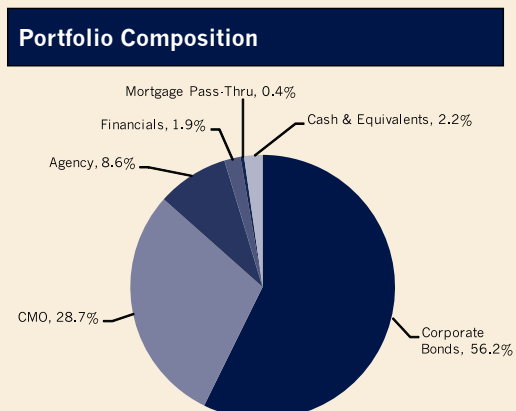
Current and future portfolio holdings are subject to change and risk.

Quality Distribution			
Aaa	27.04%	BBB	21.44%
Aa	19.73%	BB	4.15%
A	25.84%	B	1.80%

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

Mark M. Montgomery, CFA

Sterling Capital Management LLC

Mark has co-managed the Sterling Capital Short-Term Bond Fund since 2010 and also co-manages the Sterling Capital Total Return Bond Fund. He received his BS from West Chester University and an MBA from Drexel University. Mark has investment experience since 1990. He is a CFA Charterholder.

Richard T. LaCoff

Sterling Capital Management LLC

Rick has co-managed the Sterling Capital Short-Term Bond Fund since 2010 and also co-manages the Sterling Capital Total Return Bond Fund. He received his BS from Villanova University and an MBA from Drexel University. Rick has investment experience since 1991.

The Investment Team for the Sterling Capital Short-Term Bond Fund includes 18 investment professionals with an average of more than 16 years industry experience.

“This high-quality bond fund is geared toward investors looking for current income to meet their short-term needs, with limited fluctuations in principal. We seek to provide value by rotating among different sectors of the taxable, fixed-income market-Treasuries, mortgage-backed securities, agency paper and corporate debt-purchasing securities that offer the most potential for relative outperformance, and limiting 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

In managing the fund, the portfolio management team employs a multi-faceted approach to generate excess return and uses a combination of top-down and bottom-up analysis, quantitative vs. qualitative analysis and fundamentals vs. valuation. There is a strong emphasis on risk management and an adherence to certain core investment beliefs:

- “If you cannot measure it; you cannot manage it.”
- Avoid unintended exposures
- Average duration between 1-3 years with focus on high quality and risk management
- Have flexibility in creating higher yielding total return portfolio while reducing interest rate sensitivity, protecting principal and allowing for return potential
- Achieve risk-adjusted performance over time

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. The Fund may invest in more aggressive investments such as foreign securities which may expose the fund to currency and exchange rate fluctuations; derivatives (futures and swaps); mortgage backed securities sensitive to interest rates and high yield debt (also known as junk bonds) all of which may cause greater volatility and less liquidity. Derivatives may be more sensitive to changes in market conditions and may amplify risks.

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 Upside / Downside Capture Ratio used in this document is calculated since inception.

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