

Small Value Fund

A Shares (SPSAX)
Inception Date 02/01/10

C Shares (SPSDX)
Inception Date 02/01/10

I Shares (SPSCX)
Inception Date 01/02/97

Fund Statistics

TOTAL NET ASSETS:	\$79,174,705
Weighted Average P/E ¹	15.29
Weighted Average P/B ²	1.43
Average Market Capitalization	\$1.4B
Turnover Rate ³	59.00%
Total Number of Holdings	58

Total Expense Ratio

A Shares (SPSAX)	1.34%
C Shares (SPSDX)	2.09%
I Shares (SPSCX)	1.09%

10-Yr Risk/Return vs. Russell 2000 Value

Alpha ⁴	1.43
Beta ⁵	0.97
R-Squared ⁶	0.90
Standard Deviation ⁷	21.29
Sharpe Ratio ⁸	0.36
Capture Ratio Up ⁹ (I Shares)	88.00%
Capture Ratio Down ⁹ (I Shares)	97.58%

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	11.21%	-9.23%	-9.23%	20.84%	0.79%	6.23%	8.75%
A Shares with 5.75% Sales Charge	4.80%	-14.47%	-14.47%	18.46%	-0.40%	5.60%	8.33%
I Shares	11.27%	-9.00%	-9.00%	21.03%	0.89%	6.28%	8.79%
Russell 2000 Value Index	15.97%	-5.50%	-5.50%	12.36%	-1.87%	6.40%	7.98%
Lipper Small-Cap Value Median	16.40%	-4.73%	-4.73%	16.07%	-0.10%	7.06%	-
Lipper Ranking / Funds in Category	-	251/305	251/305	34/259	76/232	77/119	-
Lipper Quartile (Percentile)	-	4 (83%)	4 (83%)	1 (14%)	2 (33%)	3 (65%)	-

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 I Shares and differ from A Shares due to fees and expenses.

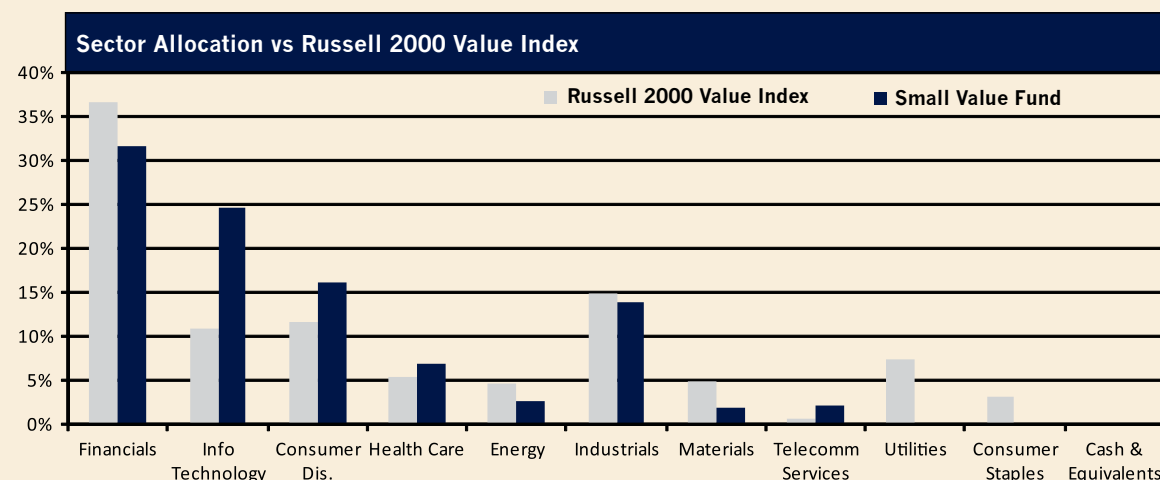
Lipper rankings are based on average annual total returns, including the reinvestment of dividends and capital gains (not including sales charges) for the periods indicated and compare total return performance with that of other funds in the category.

Year-End Returns	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
A Shares w/out Sales Charge	-17.03%	41.75%	21.72%	2.00%	20.45%	-12.51%	-32.63%	54.51%	25.81%	-9.23%
I Shares	-17.03%	41.75%	21.72%	2.00%	20.45%	-12.50%	-32.63%	54.51%	26.10%	-9.00%
Russell 2000 Value Index	-11.42%	46.03%	22.25%	4.71%	23.48%	-9.78%	-28.92%	20.58%	24.50%	-5.50%

Top Ten Holdings	Weighting
1. Meredith Corp.	4.69%
2. DST Systems, Inc.	3.99%
3. Earthlink, Inc.	3.16%
4. First American Financial Corp.	3.08%
5. Regis Corp.	3.04%
6. Fair Isaac Corp.	2.88%
7. Lexmark International, Inc., Class A	2.69%
8. Endurance Specialty Holdings, Ltd.	2.61%
9. Orbotech, Ltd.	2.26%
10. FTI Consulting, Inc.	2.26%



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

Eduardo A. Brea, CFA

Sterling Capital Management LLC

Ed joined Sterling Capital Management in 1995 and is an Equity Portfolio Manager and co-head of Sterling's equity investment team. He has investment experience since 1989. Ed is a graduate of the University of Florida where he received his BS in Finance. He received his MBA from University of South Florida. He is a CFA Charterholder.

The Investment Team supporting the Sterling Capital Small Value Fund has more than 97 combined years of investment experience and includes:

- Timothy P. Beyer, CFA,
Managing Director
- Brian R. Walton, CFA,
Managing Director
- Patrick W. Rau, CFA, Executive Dir.
- Robert W. Bridges, CFA, Director
- Lee D. Houser, CFA, Director

“Our approach to small-cap equity management is fundamental, bottom-up and value-oriented. We attempt to identify stocks of quality companies that are selling at large discounts to the underlying value of the business.”

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 purchases primarily U.S. traded companies that the portfolio manager believes are priced significantly below their intrinsic worth as well as those that demonstrate sustainable competitive advantage that drive growth in intrinsic value. The portfolio management team partners with shareholder-oriented company management that has demonstrated a track record of strong capital allocation and reinvestment.

The management process identifies investment opportunities from the broad equity universe using fundamental analysis, valuation and risk management to select 40 to 60 holdings within the fund.

Investment Considerations

The Fund may invest in undervalued securities which may not appreciate in value as anticipated or remain undervalued for longer than anticipated. Investments made in small to mid-capitalization companies are subject to greater risks than large company stocks due to limited resources and inventory as well as more sensitive to adverse conditions. The Fund may invest in foreign securities which may be more volatile and less liquid due to currency fluctuation, political instability, social and economic risks.

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