

Economic & Market News

- There are several important U.S. economic reports scheduled for this week such as durable goods orders, new home sales, and the index of leading economic indicators. GDP for the fourth quarter is the biggest report scheduled for this week. The consensus forecast of economists predicts 3.0% growth during the quarter, well above the third quarter level of 1.8%.
- On Wednesday, the Federal Reserve will release the FOMC statement on interest rates and monetary policy. No change to the federal funds rate is expected. This will be the first quarterly release of the participant's view of the appropriate path for the federal funds rate.
- Europe's sovereign-debt crisis is expected to come back into focus this week as markets await the outcome of negotiations between Greece and its creditors. Markets are hopeful that a credit-swap deal aimed at preventing Greece from defaulting on a March 20 bond repayment will be decided by Monday's meeting of European finance ministers in Brussels.

S&P 1500 by Capitalization & Style

(As of January 20, 2012)

1-Week				Year-to-Date		
Value	Blend	Growth		Value	Blend	Growth
2.21%	2.06%	1.94%	Large	5.96%	4.70%	3.64%
2.73%	2.65%	2.58%	Mid	6.01%	5.90%	5.80%
3.03%	2.69%	2.36%	Small	7.16%	5.73%	4.36%

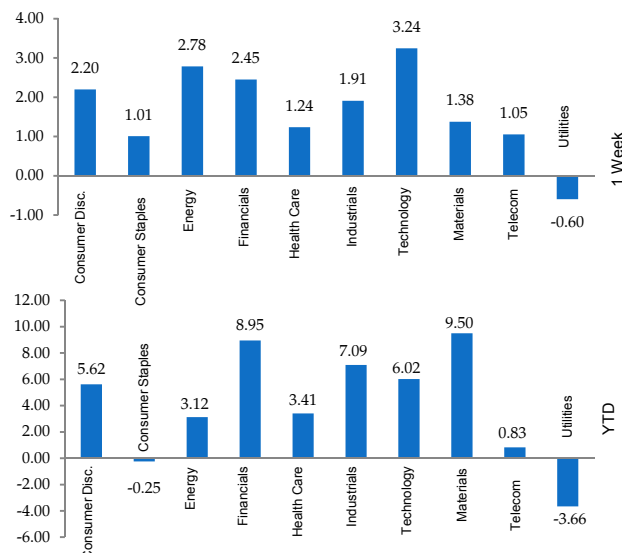
Please see important disclosures on next page.

Index Returns	1 Week	MTD	QTD	YTD
Russell Global Equity	3.15	5.27	5.27	5.27
S&P 500	2.06	4.70	4.70	4.70
S&P MidCap 400	2.65	5.90	5.90	5.90
S&P SmallCap 600	2.69	5.73	5.73	5.73
Russell Developed ex U.S.	3.94	4.57	4.57	4.57
Russell Emerging Markets	4.22	8.40	8.40	8.40
BarCap US Aggregate Bond	-0.50	-0.09	-0.09	-0.09
DJ UBS Commodity	0.52	0.40	0.40	0.40
FTSE NAREIT All Equity REITs	2.50	3.69	3.69	3.69

Bond Rates	Latest	1 month Ago	3 Months Ago	6 Months Ago
Fed Funds Target	0.08	0.08	0.06	0.07
2-Year Treasury	0.24	0.25	0.27	0.37
10-Year Treasury	2.03	1.93	2.18	2.93
3-Month LIBOR	0.56	0.57	0.42	0.25
10-Year Municipal	2.29	2.54	3.04	3.28
U.S. Inv. Grd. Corporate	3.66	3.82	3.84	3.65
U.S. High Yield	7.78	8.53	8.89	7.20

Commodities	Latest	1 month Ago	3 Months Ago	6 Months Ago
Oil (\$/barrel)	\$98.33	\$97.24	\$86.07	\$98.40
Gold (\$/oz)	\$1,664.00	\$1,618.00	\$1,612.20	\$1,597.30
Gasoline (\$/gallon)	\$2.78	\$2.58	\$2.65	\$3.15

S&P 500 Sector Returns



Note: All returns represent total return including dividends.
All data is as of January 20, 2012.

Equity Index Characteristics	P/E Ratio (TTM)	P/B Ratio (TTM)	P/CF Ratio (TTM)	Avg Mkt Cap (billions)
Russell Global Equity	13.82	1.63	7.99	4.26
S&P 500	13.71	2.00	8.45	49.14
S&P MidCap 400	16.60	1.84	9.37	3.10
S&P SmallCap 600	17.15	1.69	9.86	1.01
Russell Developed ex U.S.	13.49	1.31	7.41	4.32
Russell Emerging Markets	11.27	1.55	9.00	3.45

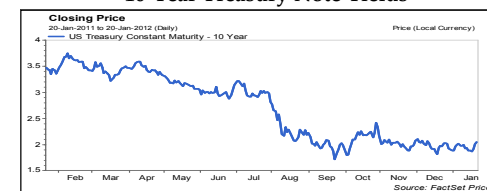
Upcoming Economic Events

Date	Indicator	Period	Consensus	Last
Wednesday (1-25-2012)	FOMC Policy Announcement			
	Continuing Jobless Claims	01/14		3,432K
	Initial Claims	01/21	370K	352K
Thursday (1-26-2012)	Durable Orders	DEC	1.8%	3.8%
	New Home Sales	DEC	0.320M	0.315M
	Leading Indicators	DEC	0.7%	0.5%
Friday (1-27-2012)	GOP Advance Report	Q4	3.0%	1.8%
	Michigan Sentiment Final	JAN	74.0	74.0

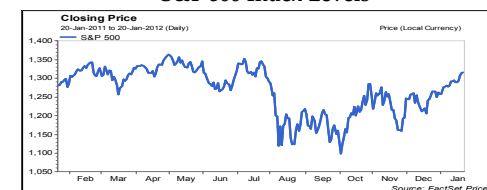
Currencies

Currencies	Latest	1 Month Ago	3 Months Ago	6 Months Ago
Euro (\$/€)	\$1.29	\$1.31	\$1.37	\$1.42
Pound (\$/£)	\$1.55	\$1.57	\$1.57	\$1.61
Yen (¥/\$)	¥77.12	¥77.74	¥76.87	¥78.87

10-Year Treasury Note Yields



S&P 500 Index Levels



Economic & Market News provided by Sterling Capital Management Asset Allocation Committee.

S&P 1500: An investable U.S. equity benchmark, the S&P Composite 1500 combines three leading indices, the S&P 500®, the S&P MidCap 400, and the S&P SmallCap 600 to cover approximately 90% of the U.S. market capitalization. It is designed for investors seeking to replicate the performance of the U.S. equity market or benchmark against a representative universe of tradable stocks.

Capitalization/Style Returns: Capitalization/Style returns are based on the S&P Indexes. All values are cumulative total return for stated period including the reinvestment of dividends. The indexes used from left to right, top to bottom are as follows: S&P 500 Value Index, S&P 500 Index, S&P 500 Growth Index, S&P Mid Cap 400 Value Index, S&P Mid Cap 400 Index, S&P Mid Cap 400 Growth Index, S&P Small Cap 600 Value Index, S&P Small Cap 600 Index, S&P Small Cap 600 Growth Index. The S&P 500® Index is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P® Composite includes 500 of the largest stocks (in terms of stock market value) in the United States; prior to March 1957 it consisted of 90 of the largest stocks. The S&P Midcap 400 is designed to measure the performance of the middle capitalization sector of the U.S. equities market. This market capitalization weighted index was created in June of 1991 and consists of 400 domestic stocks from the NYSE, NASDAQ, and AMEX chosen for market size, liquidity and industry group representation. The S&P SmallCap 600 is designed to measure the performance of the small capitalization sector of the U.S. equities market. This index consists of 600 domestic stocks chosen for market size, liquidity, (bid-asked spread, ownership, share turnover and number of no trade days) and industry group representation. The S&P Style indices measure growth and value along two separate dimensions, with three factors each used to measure growth and value. The Growth factors are 3 Year Change in Earnings per Share over Price per Share, 3 Year Sales per Share Growth Rate, and Momentum. The Value factors are Book Value to price Ratio, Earnings to Price Ratio, and Sales to Price Ratio.

Index Returns: Prices reflect closing price level for each stated date.

The Russell Global Equity Index measures the performance of the global equity market based on all investable equity securities. All securities in the Russell Global Index are classified according to size, region, country, and sector. As a result the Index can be segmented into thousands of distinct benchmarks. The Russell Global Index is constructed to provide a comprehensive and unbiased barometer for the global segment and is completely reconstituted annually to accurately reflect the changes in the market over time.

S&P 500: The S&P 500® Index is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P® Composite includes 500 of the largest stocks (in terms of stock market value) in the United States; prior to March 1957 it consisted of 90 of the largest stocks.

S&P Small Cap 600: The S&P SmallCap 600 is designed to measure the performance of the small capitalization sector of the U.S. equities market. This index consists of 600 domestic stocks chosen for market size, liquidity, (bid-asked spread, ownership, share turnover and number of no trade days) and industry group representation.

The Russell Developed ex U.S. Index captures the opportunity set for equity investing in developed markets outside the United States.

BarCap US Aggregate Bond Index: The Barclays Capital U.S. Aggregate Bond Index is an unmanaged, market-value-weighted index of taxable investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage backed securities, with maturities of one year or more.

The Russell Emerging Markets Index measures the performance of the largest investable securities in emerging countries globally, based on market capitalization. The index covers 20% of the investable global market.

DJ UBS Commodity: The DJ-UBSCI is composed of futures contracts on physical commodities. Unlike equities, which typically entitle the holder to a continuing stake in a corporation, commodity futures contracts normally specify a certain date for the delivery of the underlying physical commodity. In order to avoid the delivery process and maintain a long futures position, nearby contracts must be sold and contracts that have not yet reached the delivery period must be purchased. This process is known as "rolling" a futures position. The DJ-UBSCI is composed of commodities traded on U.S. exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange (LME).

FTSE NAREIT All Equity REITs: The FTSE NAREIT® US Real Estate Index Series ("Index Series") is designed to provide the most comprehensive assessment of overall industry performance, and includes all tax-qualified real estate investment trusts (REITs) that are listed on the New York Stock Exchange, the NYSE AMEX Equities or the NASDAQ National Market List.

Bond Rates: Fed Funds Target, FactSet; 2-Year Treasury, FactSet; 10-Year Treasury, FactSet; 10-Year Municipal, FactSet; High Yield, FactSet

Commodities: Oil, FactSet; Gold, FactSet; Gasoline, FactSet

Sector Returns: Sectors are based on the GICS Classification model. Return data are calculated by Morningstar Direct using constituents and weights as provided by Standard and Poor's. Returns are cumulative total return for the stated period, including reinvestment of dividends.

Equity Index Characteristics: Price-to-earnings ratio, price-to-book ratio, and price-to-cash flow ratio for S&P 500, S&P MidCap 400, and S&P Small Cap 600 taken from Morningstar Direct and based on a trailing 12-month period. Price-to-earnings ratio, price-to-book ratio, and price-to-cash flow ratio for Russell Global Equity, Russell Global Developed ex U.S. and Russell Emerging Markets taken from Bloomberg and based on a trailing 12-month period.

Currencies: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet

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