

Small Cap Value Fund



A Shares (STSNX)
Inception 11.16.2015

C Shares (STSOX)
Inception 11.16.2015

Inst'l Shares (STSCX) R6 Shares* (SCSIX)
Inception 04.12.1993 Inception 02.03.2020

STERLING
CAPITAL FUNDS

06.30.2023

Philosophy and Process

The Fund uses a value investment approach to invest primarily in common stock of small capitalization companies (those with market capitalizations that are below the market capitalization of the largest company in the Russell 2000® Index). We believe that undervalued companies with good earnings prospects have superior appreciation potential with reasonable levels of risk. Quantitatively, we focus on a stock's fundamental valuation relative to its peers. Qualitatively, we seek to identify business catalysts which will serve to drive future earnings growth, increase investor interest and expand valuation. In addition to outperforming the broad market over longer periods of time, we believe that the Small Cap segment of the U.S. equity market, given its less efficient nature, offers significant opportunity to add value through active portfolio management. A combination of a larger investment universe, less research coverage, and strong growth potential creates a favorable backdrop for investment in select under-followed and/or underappreciated small companies.

Fund Facts

Investment Objective:

Seeks long-term capital appreciation.

Total Net Assets	\$291,842,779
Number of Holdings	42
Wtd. Median P/E	18.4x
Wtd. Median P/B	2.5x
Wtd. Average Mkt. Cap	\$9.48B
Active Share	96.2%
Turnover	1%

Total Expense Ratio

	Net	Gross
A Shares (STSNX)	1.25%	1.25%
C Shares (STSOX)	2.00%	2.00%
Inst'l Shares (STSCX)	1.00%	1.00%
R6 Shares* (SCSIX)	0.90%	1.00%

The Fund Administrator, Sterling Capital Management LLC, has contractually agreed to waive its administrative fees, pay Fund operating expenses, and/or reimburse the Fund .10% of the Class R6 avg. daily net assets for the period February 1, 2023 through January 31, 2024. Performance would have been lower without limitations in effect.

Risk/Return Statistics vs. Russell 2000® Value Index

10-Year

Alpha	1.63
Beta	0.9
R-Squared	93.55
Standard Deviation	18.67
Sharpe Ratio	0.4
Capture Ratio Up	92.31%
Capture Ratio Down	88.24%

30-Day SEC Yield

	With Waivers	Without Waivers
A Shares (STSNX)	0.36%	0.34%
Inst'l Shares (STSCX)	0.62%	0.60%

SEC Yield is an annualization of the fund's total net investment income per share for the 30-day period ended on the last day of the month.

Fund Performance 06.30.2023	QTR	YTD	1 Year	3 Years	5 Years	10 Years
A Shares with 5.75% Sales Charge	-0.35%	2.17%	6.85%	13.97%	4.60%	7.52%
A Shares without Sales Charge	5.74%	8.40%	13.36%	16.25%	5.85%	8.16%
Institutional Shares	5.81%	8.56%	13.67%	16.53%	6.12%	8.36%
Russell 2000® Value Index	3.18%	2.50%	6.01%	15.43%	3.54%	7.29%
Bloomberg U.S. 2000 Value	3.46%	3.97%	9.80%	20.26%	5.06%	8.37%
Lipper Small-Cap Core Median	4.08%	6.85%	12.39%	15.11%	5.19%	8.16%

Year-End Returns	2015	2016	2017	2018	2019	2020	2021	2022
A Shares without Sales Charge	-4.15%	24.97%	12.90%	-14.66%	24.20%	2.91%	31.29%	-14.66%
Institutional Shares	-4.14%	25.25%	13.20%	-14.46%	24.51%	3.19%	31.61%	-14.46%
Russell 2000® Value Index	-7.47%	31.74%	7.84%	-12.86%	22.39%	4.63%	28.27%	-14.48%
Bloomberg U.S. 2000 Value	-7.79%	31.33%	8.54%	-16.34%	20.92%	9.71%	31.49%	-11.70%

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 and information on other share classes, please visit www.sterlingcapital.com. Performance for periods greater than one year is annualized.

Performance for Class A is based on the performance of the Institutional Shares of the Predecessor Fund. Class A Shares and Institutional Shares of the Fund would have substantially similar performance because the Shares are invested in the same portfolio of securities and the performance would differ only to the extent that the Classes have different expenses.

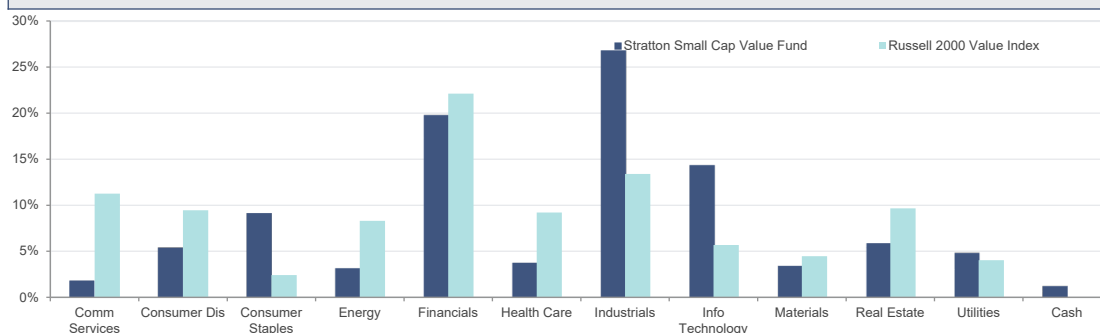
A Note on Indices: The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index.

The Russell 2000® Value Index measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000® companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2000® Value Index is constructed to provide a comprehensive and unbiased barometer for the small-cap value segment. The index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect value characteristics.

The Bloomberg U.S. 2000 Value Index is a float market-cap-weighted benchmark of the lower 2000 in capitalization of the Bloomberg U.S. 3000 Index that provides exposure to companies with superior value factor scores based on their earnings yield, valuation, dividend yield, and growth.

The Lipper Small-Cap Core Index reflects the average time-weighted rate of return of a representative group of small-cap core funds over time. Refinitiv™ Lipper® defines a small-cap core fund as a fund that, by portfolio practice, invests at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) below Refinitiv Lipper's USDE small-cap ceiling. Small-cap core funds have more latitude in the companies in which they invest. These funds typically have average characteristics compared with the S&P SmallCap 600® Index. The funds that comprise the index are intended to be employed as a good representation of combined peer group performance, acting as relevant benchmarks to measure single fund manager performance and rankings within that peer group. Lipper ensures that no restricted track record extensions are permitted, meaning only real histories represent the independently collected data. Source: Refinitiv Lipper.

Sector Allocation



Allocations are based on the current weight to funds in the cited Sector. The composition of the fund's holdings is subject to change.

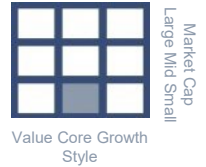
Investors should consider the investment objectives, risks, charges and expenses carefully before investing. For a prospectus or summary prospectus with this and other information about the fund, please call 888.228.1872 or visit our website at www.sterlingcapital.com. Read the prospectus carefully before investing.



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Small Cap Value Fund

Morningstar Style Box



06.30.2023

Portfolio Management

Gerald M. Van Horn, CFA®

Executive Director | Portfolio Manager

Jerry joined the Relative Value team in 1998 and SCM as part of a business acquisition in August 2015. He has investment experience since 1996. Jerry received a B.A. in Economics from the College of New Jersey. He holds the CFA® designation.

Shawn M. Gallagher, CFA®

Executive Director | Associate Portfolio Manager

Shawn joined the Relative Value team in 2005 and SCM as part of a business acquisition in August 2015. He has investment experience since 2003. Shawn received a B.S. in Finance from Pennsylvania State University and holds the CFA® designation.

Andrew T. DiZio, CFA®

Executive Director | Associate Portfolio Manager

Andy joined the Relative Value team in 2012 and SCM as part of a business acquisition in August 2015. He has investment experience since 2003 and received a B.S. in Finance with a minor in Economics from Pennsylvania State University. He holds the CFA® designation.

The Chartered Financial Analyst® (CFA) charter is a graduate-level investment credential awarded by CFA Institute, the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

Ratings and Rankings would have been lower for Class A shares due to fees and expenses. Lipper and Morningstar rankings are based on total return, including the reinvestment of dividends and capital gains but do not include sales charges for the periods indicated. Rankings shown are for Class I Shares and may be lower for Class A Shares due to higher fees and expenses. Mutual funds are assigned a rank within a universe of funds, relative to a peer group and similar in investment objective as determined by Lipper and Morningstar. The lower the number rank, the better the fund performed compared to other funds in the classification group. Lipper and Morningstar also calculate a percentile measure for each fund ranging from 1% (best) to 100% (worst).

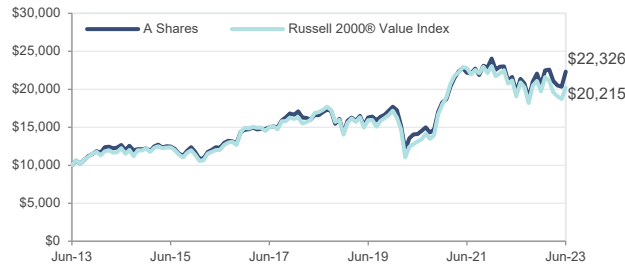
The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product 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 managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. ©2023 Morningstar. 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 any use of this information. Past performance is no guarantee of future results.

Technical Terms: **Active Share** measures the percentage of stock holdings in a manager's portfolio that differ from the benchmark index. **Alpha** measures the performance of an investment as compared to a suitable benchmark index. An alpha of one (the baseline value is zero) shows that the return on the investment during a specified time frame outperformed the overall market average by 1%. A negative alpha number reflects an investment that is underperforming as compared to the market average. **Beta** measures the volatility of returns relative to the entire market. It is used as a measure of risk and is an integral part of the capital asset pricing model. A company with a higher beta has greater risk and also greater expected returns. **Portfolio Turnover Rate** measures a fund's annual trading activity. It is a percentage used to demonstrate how many holdings in a mutual fund were replaced within the year. **R-Squared** 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. **Sharpe Ratio** is commonly used to gauge the performance of an investment by adjusting for its risk. The higher the ratio, the greater the investment return relative to the amount of risk taken, and thus, the better the investment. The ratio can be used to evaluate a single stock or investment, or an entire portfolio. **Standard Deviation** measures the magnitude of deviations between the values of the observations contained in the dataset. From a financial standpoint, the standard deviation can help investors quantify how risky an investment is and determine their minimum required return on the investment. **Upside/Downside Capture Ratio** represents fund's cumulative return divided by its benchmark's cumulative return during positive and negative market periods. **Weighted Average P/B** compares 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. **Weighted Median P/E** compares the price of a fund's stocks with their per-share earnings, with a higher ratio indicating the market believes that a company has the ability to increase its earnings. (Sources: Corporate Finance Institute; Investopedia.)

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Growth of \$10,000



The Growth of \$10,000 chart is hypothetical based upon the performance of A Shares without sales charge for the period ended 06.30.2023. It includes the reinvestment of dividends and capital gains.

Top Ten Equity Holdings

1. United Rentals, Inc.	4.13%
2. Mastec, Inc.	4.09%
3. Caci International, Inc.	4.06%
4. ON Semiconductor Corp.	3.93%
5. Casey's General Stores, Inc.	3.92%
6. Belden, Inc.	3.84%
7. West Pharmaceutical Services, Inc.	3.83%
8. First Industrial Realty Trust, Inc.	3.73%
9. Selective Insurance Group, Inc.	3.72%
10. Enersys	3.53%

Current and future portfolio holdings are subject to change and risk. Based on Market Value of securities.

Lipper Small-Cap Core Category Based on Total Return as of 06.30.2023

	1 Year	3 Years	5 Years	10 Years
Lipper Ranking / Number of Funds in Category	373 / 921	296 / 882	254 / 820	255 / 592
Lipper Quartile (Percentile)	2nd (41%)	2nd (34%)	2nd (31%)	2nd (44%)

Morningstar Small Blend Category Based on Risk-Adjusted Returns as of 06.30.2023

	Overall Rating	1 Year	3 Years	5 Years	10 Years
Institutional Shares Morningstar Rating™	★★★★	--	★★★★	★★★★	★★★
Morningstar Ranking / Number of Funds in Category	596	261 / 617	97 / 596	162 / 551	190 / 380
Morningstar Quartile (Percentile)		2nd (43%)	1st (20%)	2nd (34%)	3rd (53%)