





**STERLING**  
CAPITAL FUNDS

# Ultra Short Bond Fund

Morningstar Style Box



12.31.2025

## Portfolio Management

### Mark Montgomery, CFA®

Senior Managing Director | Co-Portfolio Manager  
Mark joined SCM in 1997 and has co-managed the Fund since 2008. He has investment experience since 1990. Mark received a B.S. in Marketing with a minor in Public Administration from West Chester University and a M.B.A. from Drexel University. He holds the CFA® designation.

### Byron Mims, CFA®

Executive Director | Co-Portfolio Manager  
Byron joined SCM in 2012 and has co-managed the Fund since February 2016. He has investment experience since 2006. Byron is a summa cum laude graduate of North Carolina State University where he received a B.S. in Economics and was recognized as valedictorian. He holds the CFA® designation.

### Jeff Ormsby, CFA®

Executive Director | Co-Portfolio Manager  
Jeff joined SCM in 2011 and has co-managed the Fund since February 2016. He has investment experience since 2006. Jeff is a summa cum laude graduate of North Carolina State University where he received a B.S. in Economics and was recognized as valedictorian. He received a M.B.A. from UNC's Kenan-Flagler Business School, where he was the Norman Block Valedictorian Award recipient. 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.

## 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 12.31.2025. It includes the reinvestment of dividends and capital gains.

## Top Ten Holdings

BX 2021-ACNT A 144A	1.50%
BofA Corp. 1.734% 22-jul-2027	1.39%
MS 2016-bnk2 3.049% 18-nov-2049	1.34%
VDC 2020-2A A2 11/15/25 144A	1.33%
Comm 2017-cor2 Mtg 3.51% 12-sep-2050	1.31%
FHLMC REMIC Series 4571 CA	1.31%
Tricon Res. 2025-sfr1 4.836% 19-mar-2042	1.28%
MS BofA ML 2016-c29 3.325% 17-may-2049	1.22%
BX 2021-RISE A 144A	1.18%
Csail 2016-c7 Comm Mtg 3.502% 18-nov-2049	1.18%

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

## Lipper Ultra-Short Obligation Category Based on Total Return as of 12.31.2025

	1Y	3Y	5Y	10Y
Lipper Ranking/Number of Funds in Category	60/178	60/162	40/152	21/92
Lipper Quartile (Percentile)	2nd (34%)	2nd (38%)	2nd (27%)	1st (23%)

## Morningstar U.S. Ultrashort Bond Category For the Period Ended 12.31.2025

	Overall Rating	1Y	3Y	5Y	10Y
Institutional Shares Morningstar Rating™	★★★	---	★★★	★★★★★	★★★
Morningstar Ranking/Number of Funds in Category	208	80/245	82/208	53/181	38/109
Morningstar Quartile (Percentile)	2nd (33%)	2nd (37%)	2nd (29%)	2nd (35%)	

**Note: Morningstar Ratings are based on risk-adjusted returns. Morningstar Rankings are based on total return.**

**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 ICE BofA 0-1 Year U.S. Treasury Index tracks the performance of USD-denominated sovereign debt publicly issued by the U.S. government in its domestic market with maturities less than one year. Qualifying securities must have at least one month and less than one year remaining to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$1B.

The Lipper Ultra-Short Obligation Index reflects the average time-weighted rate of return of a representative group of U.S. ultra-short obligation funds over time. Refinitiv™ Lipper® defines a U.S. ultra-short obligation fund as a fund that invests primarily in investment-grade debt issues (or better) and maintains a portfolio dollar-weighted average maturity between 91-365 days. Lipper ensures that no restricted track record extensions are permitted, meaning only real histories represent the independently collected data. Source: Refinitiv Lipper.

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 risk-adjusted 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 risk-adjusted 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.

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Technical Terms: **Effective Duration** calculates 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. **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. (Sources: Corporate Finance Institute; Investopedia.)

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