

Ultra Short Bond Fund

A Shares
(BUSRX)
Inception 11.30.2012

Inst'l Shares
(BUSIX)
Inception 11.30.2012



STERLING
CAPITAL FUNDS

12.31.2022

Overall Morningstar Rating™



Overall rating against 218 Morningstar U.S. Fund Ultrashort Bond Funds as of 12.31.2022, derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. (BUSIX)

Philosophy and Process

To pursue its investment objective, the fund invests, under normal circumstances, at least 80% of its net assets plus borrowings for investment purposes in fixed income securities (bonds). The fund will maintain an average duration of 18 months or less. The fund is generally structured to target a dollar-weighted average maturity of 0-24 months.

Strategy Summary: The team's multi-faceted approach uses a combination of top-down and bottom-up analysis, quantitative vs. qualitative analysis and fundamentals vs. valuation in order to generate excess return. Emphasis is placed on risk management through asymmetric risk/return profiles, quantifying risk and assessing return (return potential secondary to risk assessment) and analyzing investment risk within the context of the portfolio and on a stand-alone basis. The team firmly believes in no unintended exposures, consistent risk-adjusted performance over time and the idea that "if you cannot measure it, you cannot manage it."

Fund Facts

Investment Objective:

Seeks to provide current income and competitive total return.

Total Net Assets	\$29,204,813
Number of Holdings	124
Average Life	0.70 Years
Effective Duration	0.45 Years
Turnover	51%

Total Expense Ratio

	Net	Gross
A Shares (BUSRX)	0.52%	0.75%
Inst'l Shares (BUSIX)	0.27%	0.50%

The Advisor has contractually agreed to limit certain fees paid by the Fund from February 1, 2023 through January 31, 2024. Performance would have been lower without limitations in effect.

Dividend Distribution

Month	Rates/A Share
October	\$0.0180
November	\$0.0211
December	\$0.0231
December NAV	\$9.59

Effective Duration Breakdown

0-1 Yr.	88.1%
1-2 Yr.	12.0%

The composition of the fund's holdings is subject to change.

30-Day SEC Yield

	With Waivers	Without Waivers
A Shares (BUSRX)	3.67%	3.38%
Inst'l Shares (BUSIX)	3.92%	3.63%

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 12.31.2022	QTR	YTD	1 Year	3 Years	5 Years	Since Inception
A Shares without Sales Charge	1.07%	0.17%	0.17%	0.72%	1.29%	0.91%
Institutional Shares	1.03%	0.32%	0.32%	0.93%	1.54%	1.16%
FTSE Treasury Bill 6-Month Index	0.81%	1.46%	1.46%	0.77%	1.32%	0.81%
Lipper Ultra-Short Obligations Median	0.97%	0.14%	0.14%	0.58%	1.29%	--

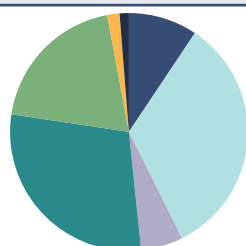
Year-End Returns	2015	2016	2017	2018	2019	2020	2021	2022
A Shares without Sales Charge	0.19%	1.08%	1.12%	1.41%	2.90%	2.03%	-0.04%	0.17%
Institutional Shares	0.45%	1.33%	1.37%	1.66%	3.27%	2.16%	0.31%	0.32%
FTSE Treasury Bill 6-Month Index	0.10%	0.40%	0.88%	1.91%	2.38%	0.80%	0.06%	1.46%

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.

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 **FTSE U.S. 6-Month Treasury Bill Index** is an average of the last six 6-month Treasury bill month-end rates. This family of indices measures return equivalents of yield averages and the instruments are not marked to market.

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. 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.

Quality Breakdown



Credit quality ratings using S&P's ratings symbols reflect the credit quality of the underlying bonds in the fund portfolio and not of the fund itself. Securities are rated by S&P's, Moody's and Fitch; when ratings vary the highest rating available for each security is applied. Credit quality ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). "NR" is used to classify securities for which a rating is not available. Bond quality ratings are subject to change.

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

Portfolio Composition*	Fund	Index
Commercial Paper	1.0%	--
Corporate	50.4%	--
Financial Institutions	21.2%	--
Industrial	19.6%	--
Utility	9.6%	--
Securitized	35.2%	--
ABS	19.8%	--
CMBS	14.9%	--
CMO	0.5%	--
Treasury	9.3%	100.0%
Treasury	9.3%	100.0%
Cash	4.2%	--
Total	100.0%	100.0%

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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12.31.2022

Portfolio Management

Mark M. 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 G. Mims, CFA®

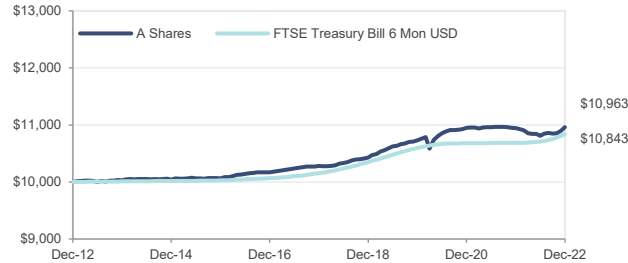
Executive Director | Co-Portfolio Manager
Byron joined SCM in 2012 and has co-managed the fund since February 2016. He has investment experience since 2006. Byron is a summa cum laude graduate of North Carolina State University where he received a B.S. in Economics and was recognized as valedictorian.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

Jeffrey D. 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 12.31.2022. It includes the reinvestment of dividends and capital gains.

Top Ten Holdings

1. U.S. Treasury 1.75% 15-May-2023	5.93%
2. U.S. Treasury 1.375% 15-Feb-2023	3.42%
3. Avis Budget Rental Car 3.7% 20-SEP-2024	1.78%
4. Chesapeake Funding 0.87% 15-AUG-2032	1.43%
5. Ford Credit Auto Owner Tr 3.47% 15-JAN-2030	1.35%
6. GS Mortgage Securities Tr 1.335% 12-JUN-2046	1.25%
7. GS Mortgage Securities Tr 4.243% 10-AUG-2046	1.24%
8. Ares Capital Corp 3.5% 10-FEB-2023	1.21%
9. CT Light and Power Company 2.5% 15-JAN-2023	1.21%
10. Bank of America Corp FRN 24-OCT-2024	1.19%

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

Lipper Ultra-Short Obligations Category Based on Total Return as of 12.31.2022

	1 Year	3 Years	5 Years
Lipper Ranking / Number of Funds in Category	75 / 170	17 / 159	17 / 124
Lipper Quartile (Percentile)	2nd (44%)	1st (11%)	1st (14%)

Morningstar Ultrashort Bond Category Based on Risk-Adjusted Returns as of 12.31.2022

	Overall Rating	1 Year	3 Years	5 Years
Institutional Shares Morningstar Rating™	★★★★	--	★★★★	★★★★
Morningstar Ranking / Number of Funds in Category	218	94 / 237	23 / 218	28 / 180
Morningstar Quartile (Percentile)		2nd (45%)	1st (14%)	1st (20%)

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; mortgage-backed and asset-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. The fund invests in securities issued or guaranteed by the U.S. government or its agencies. These guarantees do not apply to the fund. Investments in municipal obligations may be subject to more risk depending on economic, political and other conditions within the state and municipality. The fund may trade securities actively, which could increase its transaction costs thereby lowering its performance.

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.

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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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Not a deposit • Not FDIC insured • May lose value • Not guaranteed by the bank • Not insured by any government agency