

Real Estate Fund

(Formerly the Stratton Real Estate Fund)

A Shares (STMMX)
Inception 11.16.2015

C Shares (STMOX)
Inception 11.16.2015

Inst'l Shares (STMDX) R6 Shares* (SCREX)
Inception 05.30.1980 Inception 02.03.2020



STERLING
CAPITAL FUNDS

09.30.2022

Philosophy and Process

Under normal circumstances, the fund seeks to achieve its objective by investing at least 80% of its assets in securities of real estate and real estate related companies, or in companies which own significant real estate assets at the time of purchase ("real estate companies") including Real Estate Investment Trusts ("REITs"). REITs were created to enable investors to seek the benefits of owning income-producing real estate. REITs own many different types of properties, including apartment complexes, office buildings, hotels, health care facilities, shopping centers and shopping malls.

Overall Morningstar Rating™



Overall rating based on risk-adjusted returns against 234 Morningstar US Fund Real Estate Funds as of 09.30.2022, derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. (STMDX)

Fund Facts

Investment Objective:

Seeks total return through investment in real estate securities.

Total Net Assets	\$74,728,875
Number of Holdings	33
Wtd. Average P/FFO	0.0x
Wtd. Average P/ReNAV	0.0x
Wtd. Average Market Cap	\$29.69B
Active Share	49.6%
Turnover	13%

Total Expense Ratio

	Net	Gross
A Shares (STMMX)	1.07%	1.07%
C Shares (STMOX)	1.82%	1.82%
Inst'l Shares (STMDX)	0.82%	0.82%
R6 Shares* (SCREX)	0.73%	0.82%

The Fund Administrator, Sterling Capital Management LLC, has contractually agreed to waive its administrative fees, pay Fund operating expenses, and/or reimburse the Fund .09% of the Class R6 avg. daily net assets for the period February 1, 2022 through January 31, 2023. Performance would have been lower without limitations in effect.

Risk/Return Statistics vs. FTSE NAREIT All Equity REIT Index

10-Year	
Alpha	0.07
Beta	0.98
R Squared	98.59
Standard Deviation	16.01
Sharpe Ratio	0.39
Capture Ratio Up	100.54%
Capture Ratio Down	100.82%

30-Day SEC Yield

	With Waivers	Without Waivers
A Shares (STMMX)	2.15%	2.15%
Inst'l Shares (STMDX)	2.56%	2.56%

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 09.30.2022	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
A Shares with 5.75% Sales Charge	-15.91%	-33.49%	-23.27%	-2.92%	2.90%	6.13%	9.24%
A Shares without Sales Charge	-10.78%	-29.44%	-18.60%	-0.99%	4.12%	6.76%	9.39%
Institutional Shares	-10.73%	-29.31%	-18.39%	-0.73%	4.39%	6.95%	9.43%
FTSE NAREIT All Equity REIT Index	-10.83%	-27.93%	-16.27%	-1.10%	4.10%	6.99%	11.18%
Bloomberg US 3000 REIT	-10.90%	-28.11%	-16.55%	-1.06%	4.10%	3.30%	0.00%
Lipper Real Estate Median	-10.75%	-29.02%	-17.59%	-1.31%	3.32%	5.83%	--

Year-End Returns	2015	2016	2017	2018	2019	2020	2021
A Shares without Sales Charge	1.83%	7.98%	7.54%	-3.04%	26.54%	-0.84%	38.14%
Institutional Shares	1.85%	8.22%	7.81%	-2.78%	26.87%	-0.57%	38.48%
FTSE NAREIT All Equity REIT Index	2.83%	8.63%	8.67%	-4.04%	28.66%	-5.12%	0.06%

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.

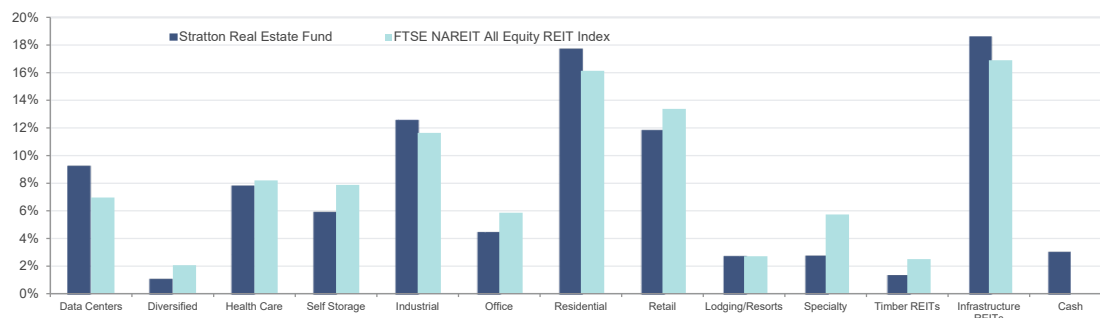
Performance for Class A is based on the performance of the Institutional Shares of the Predecessor Fund. Class A Shares and Institutional Shares of the Fund would have substantially similar performance because the Shares are invested in the same portfolio of securities and the performance would differ 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 FTSE NAREIT All Equity REITS Index** contains all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property that also meet minimum size and liquidity criteria. The FTSE NAREIT U.S. Real Estate Index Series is designed to present investors with a comprehensive family of REIT performance indexes that spans the commercial real estate space across the U.S. economy. The index series provides investors with exposure to all investment and property sectors. In addition, the more narrowly focused property sector and sub-sector indexes provide the facility to concentrate commercial real estate exposure in more selected markets.

The Bloomberg U.S. REIT Index is a float market-capitalization-weighted index that provides exposure to companies classified as per the Bloomberg Industry Classification System (BICS) with a level 3 sub-industry of REIT.

The Lipper Real Estate Index reflects the average time-weighted rate of return of a representative group of real estate funds over time. Refinitiv™ Lipper® defines a real estate fund as a fund that strategically invests in equity securities of companies engaged in the real estate industry. 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.

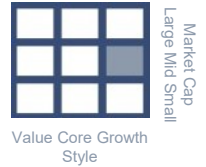
Investors should consider the investment objectives, risks, charges and expenses carefully before investing. For a prospectus or summary prospectus with this and other information about the fund, please call 888.228.1872 or visit our website at www.sterlingcapital.com. Read the prospectus carefully before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



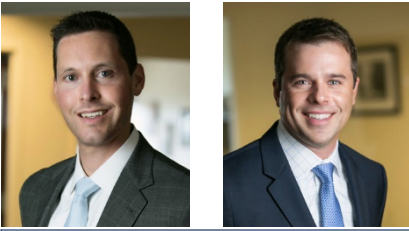
STERLING CAPITAL FUNDS

Real Estate Fund

Morningstar Style Box



09.30.2022



Portfolio Management

Andrew T. DiZio, CFA®

Executive Director
Co-Portfolio Manager

Andy joined the Stratton Funds team of Stratton Management Company in 2012 and Sterling Capital Management as part of a business acquisition in August 2015. He has investment experience since 2003 and received a BS in Finance with a minor in Economics from Pennsylvania State University. He holds the Chartered Financial Analyst® designation.

Shawn M. Gallagher, CFA®

Executive Director
Co-Portfolio Manager

Shawn joined the Stratton Funds team of Stratton Management Company in 2005 and Sterling Capital Management as part of a business acquisition in August 2015. He has investment experience since 2003. Shawn received a BS in Finance from Pennsylvania State University and holds the Chartered Financial Analyst® 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).

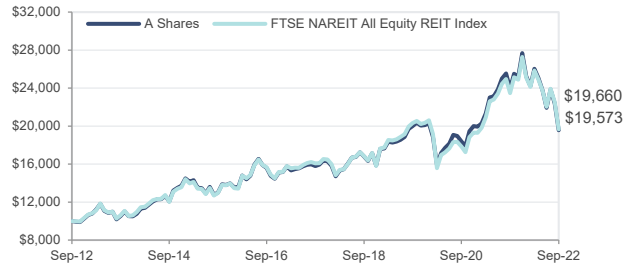
The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual 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. ©2022 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: **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/FFO**: Funds from operations, or FFO, is considered by industry analysts as an appropriate measure of earnings performance for an equity REIT. Generally, FFO adjusts net income for non-cash charges such as depreciation and amortization of rental properties, impairment charges, gains/losses on sales of real estate, and extraordinary items. FFO is not a generally accepted account principle (GAAP), but has been defined by the National Association of Real Estate Investment Trusts (NAREIT) as a standard measure since 1991. **Weighted Average P/ReNAV**: Real Estate Net Asset Value, or ReNAV, is a commonly used metric to estimate the adjusted book value of a Real Estate Investment Trust (REIT). NAV is the mark-to-market value of a company's common equity calculated by applying an estimate of private market values to the company's real estate and other assets and deducting all liabilities. NAV is often presented on a per-share basis. (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 09.30.2022. It includes the reinvestment of dividends and capital gains.

Top Ten Equity Holdings

1. American Tower Corp.	8.11%
2. Crown Castle International Corp.	5.93%
3. Equinix, Inc.	5.87%
4. SBA Communications Corp.	4.74%
5. Prologis, Inc.	4.46%
6. Invitation Homes, Inc.	4.13%
7. UDR, Inc.	3.87%
8. Mid-America Apartment	3.77%
9. Welltower, Inc.	3.74%
10. Digital Realty Trust, Inc.	3.56%

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

Lipper Real Estate Category

Based on Total Return as of 09.30.2022

	1 Year	3 Years	5 Years	10 Years
Lipper Ranking / Number of Funds in Category	150 / 251	89 / 235	44 / 208	18 / 148
Lipper Quartile (Percentile)	3rd (60%)	2nd (38%)	1st (22%)	1st (13%)

Morningstar Real Estate Category

Based on Risk-Adjusted Returns as of 09.30.2022

	Overall Rating	1 Year	3 Years	5 Years	10 Years
Institutional Shares Morningstar Rating™	★★★★	--	★★★★	★★★★	★★★★
Morningstar Ranking / Number of Funds In Category	234	155 / 253	90 / 234	44 / 206	19 / 150
Morningstar Quartile (Percentile)		3rd (62%)	2nd (34%)	1st (20%)	1st (14%)

Investment Considerations

Real Estate Funds may be subject to a higher degree of market risk because of concentration in a specific industry or geographic sector. Risks include declines in value of real estate, general and economic conditions, changes in the value of the underlying property and defaults by borrowers.