

Intermediate U.S. Government Fund



A Shares
(BGVAX)
Inception 10.09.1992

C Shares
(BIUCX)
Inception 02.01.2001

Inst'l Shares
(BBGVX)
Inception 10.09.1992

STERLING
CAPITAL FUNDS

09.30.2022

Philosophy and Process

The fund invests, under normal market conditions, in U.S. Government Securities, some of which may be subject to repurchase agreements, or in "high grade" (rated at the time of purchase in one of the three highest rating categories by a nationally recognized statistical rating organization or are determined by the portfolio manager to be of comparable quality) mortgage-backed securities, including collateralized mortgage obligations.

Fund Facts

Investment Objective:

Seeks current income consistent with the preservation of capital.

Total Net Assets	\$16,680,718
Number of Holdings	76
Average Life	5.55 Years
Effective Duration	4.37 Years
Turnover	16%

Total Expense Ratio

	Net	Gross
A Shares (BGVAX)	0.75%	0.86%
C Shares (BIUCX)	1.50%	1.61%
Inst'l Shares (BBGVX)	0.50%	0.61%

The Advisor has contractually agreed to limit certain fees paid by the Fund from February 1, 2022 through January 31, 2023. Performance would have been lower without limitations in effect.

Dividend Distribution

Month	Rates/A Share
July	\$0.0161
August	\$0.0163
September	\$0.0162
September NAV	\$8.51

Effective Duration Breakdown

0-1 Yr.	7.2%
1-2 Yr.	3.6%
2-3 Yr.	19.5%
3-5 Yr.	32.3%
5-10 Yr.	37.4%

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

30-Day SEC Yield

	With Waivers	Without Waivers
A Shares (BGVAX)	2.35%	2.12%
Inst'l Shares (BBGVX)	2.65%	2.41%

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 2.00% Sales Charge	-5.65%	-12.38%	-12.90%	-3.43%	-1.03%	-0.26%	3.39%
A Shares without Sales Charge	-3.75%	-10.57%	-11.12%	-2.78%	-0.64%	-0.06%	3.46%
Institutional Shares	-3.79%	-10.41%	-10.90%	-2.57%	-0.41%	0.18%	3.72%
Bloomberg Int. Govt. Index	-3.05%	-8.65%	-9.18%	-1.71%	0.18%	0.59%	3.83%
Lipper Intermediate U.S. Govt Median	-4.91%	-12.16%	-12.41%	-2.87%	-0.52%	0.22%	--

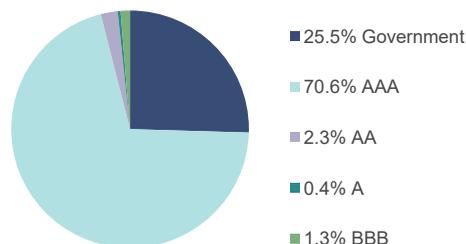
Year-End Returns	2015	2016	2017	2018	2019	2020	2021
A Shares without Sales Charge	0.02%	0.45%	1.24%	0.42%	5.15%	4.96%	-2.03%
Institutional Shares	0.28%	0.70%	1.50%	0.67%	5.41%	5.12%	-1.78%
Bloomberg Int. Govt. Index	1.18%	1.05%	1.14%	1.43%	5.20%	5.73%	-1.69%

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 Bloomberg Intermediate U.S. Government Bond Index** is a component of the Bloomberg Government Index with sectors including Treasuries and Agencies. Securities must have a maturity from 1 year up to (but not including) 10 years. Securities must have at least one year to final maturity regardless of call features; must be rated investment grade (Baa3/BBB- or higher) by at least two of the following ratings agencies: Moody's, S&P, Fitch; must have at least \$250 million par outstanding; must be dollar denominated, non-convertible and publicly issued.

The Lipper Intermediate U.S. Government Index reflects the average time-weighted rate of return of a representative group of intermediate U.S. government bond funds over time. Refinitiv™ Lipper® defines an intermediate U.S. government bond fund as a fund that invests primarily in securities issued or guaranteed by the U.S. government, its agencies, or its instrumentalities, with dollar-weighted average maturities of five to ten years. 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.

Portfolio Composition*	Fund	Index
Corporate	2.1%	--
Financial Institutions	1.7%	--
Utility	0.4%	--
Government Related	13.5%	3.5%
Agency	12.7%	3.5%
Local Authority	0.8%	--
Securitized	67.3%	--
ABS	2.0%	--
CMBS	23.6%	--
CMO	14.2%	--
MBS Passthrough	27.5%	--
Treasury	12.7%	96.5%
Treasury	12.7%	96.5%
Cash	4.4%	--
Total	100.0%	100.0%

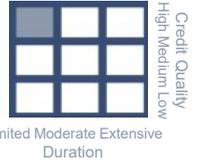
Investors should consider the investment objectives, risks, charges and expenses carefully before investing. For a prospectus or summary prospectus with this and other information about the fund, please call 888.228.1872 or visit our website at www.sterlingcapital.com. Read the prospectus carefully before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



STERLING
CAPITAL FUNDS

Intermediate U.S. Government Fund

Morningstar Style Box



09.30.2022



Portfolio Management

Michael Z. Sun, CFA®

Executive Director
Co-Portfolio Manager

Michael joined Sterling Capital in 2009 and has co-managed the fund since February 2014. He has investment experience since 1998. Michael received a MA in Economics from Bowling Green State University, a MS in Urban and Regional Study from Beijing University, and a BS in Geography from Nanjing University. He holds the Chartered Financial Analyst® designation.

Jeffrey D. Ormsby, CFA®

Executive Director
Co-Portfolio Manager

Jeff joined Sterling Capital in 2011 and has co-managed the fund since July 2022. He has investment experience since 2006. Jeff is a summa cum laude graduate of North Carolina State University where he received a BS in Economics and was recognized as valedictorian. He received a MBA from UNC's Kenan-Flagler Business School, where he was the Norman Block Valedictorian Award recipient. He 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.

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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.)

Sterling Capital Management LLC, a separate subsidiary of Truist Financial Corporation, serves as investment adviser to the Sterling Capital Funds and is paid a fee for its services. Shares of the Sterling Capital Funds are not deposits or obligations of, or guaranteed or endorsed by, Truist Bank or its affiliates. The Funds are not insured by the FDIC or any other government agency. The Funds are distributed by Sterling Capital Distributors LLC, which is not affiliated with Truist Bank or its affiliates.

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 Holdings

1.U.S. Treasury 0.25% 30-Sep-2025	8.00%
2.Fnma 6.25% 15-May-2029	6.67%
3.U.S. Treasury 1.125% 15-Feb-2031	4.71%
4.Fnma 7.125% 15-Jan-2030	3.48%
5.Fnma-Aces, Series 2015-M17, Class A2	3.16%
6.Fhlmc Remic Series K-061 3.347% 25-Nov-2026	2.79%
7.Federal Home Loan Bank System 1.2% 30-Dec-2024	2.70%
8.Fnma Remic Trust 2017-M7	2.26%
9.Fnma Remic Trust 2018-M10	2.15%
10.Fnma 20Yr Pool 1.500% 01-Dec-2040	1.90%

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

Lipper Intermediate U.S. Govt 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	7 / 60	20 / 58	21 / 55	25 / 47
Lipper Quartile (Percentile)	1st (12%)	2nd (34%)	2nd (38%)	3rd (53%)

Morningstar Intermediate Government 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	225	13 / 238	49 / 225	57 / 214	84 / 178
Morningstar Quartile (Percentile)		1st (10%)	1st (20%)	2nd (35%)	3rd (55%)

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 and an investor may lose money. The fund may invest in mortgage backed securities which tend to be more sensitive to changes in interest rates. The fund invests in U.S. Government securities or its agencies (such as Fannie Mae or Freddie Mac securities). Although U.S. Government Securities issued directly by the U.S. Government are guaranteed by the U.S. Treasury, other U.S. Government Securities issued by an agency or instrumentality of the U.S. government may not be. No assurance can be given that the U.S. government would provide financial support to its agencies and instrumentalities if not required to do so by law.