



**STERLING**  
CAPITAL FUNDS

# BEHAVIORAL LARGE CAP VALUE EQUITY FUND

**A Shares  
(BBTGX)**  
Inception 10.09.1992

**C Shares  
(BCVCX)**  
Inception 02.01.2001

**Inst'l Shares  
(BBISX)**  
Inception 10.09.1992

**R6 Shares\*  
(STRAX)**  
Inception 02.01.2018

**09.30.2018**

## FUND FACTS

### Investment Objective:

Seeks maximum long-term total return, by investing primarily in equity securities of large companies.

Total Net Assets	\$312,849,849
Number of Holdings	103
Weighted Average P/E	14.20
Weighted Average P/B	2.35
Weighted Average Market Cap	\$109.12 B
Active Share	75.80
Turnover	128%

## TOTAL EXPENSE RATIO

	Net	Gross
A Shares (BBTGX)	0.89%	0.89%
C Shares (BCVCX)	1.64%	1.64%
Inst'l Shares (BBISX)	0.64%	0.64%
R6 Shares* (STRAX)	0.58%	0.64%

\*The Administrator has contractually agreed to waive its administrative fees, pay Fund operating expenses, and/or reimburse the Fund to keep R6 shares Net Expense Ratio to 0.58% from February 1, 2018 through January 31, 2019. Performance would have been lower without limitations in effect.

## RISK/RETURN STATISTICS VS. RUSSELL 1000® VALUE INDEX

### 10-Year

Alpha	-0.40
Beta	0.94
R Squared	94.26
Standard Deviation	14.80
Sharpe Ratio	0.57
Capture Ratio Up	94.74
Capture Ratio Down	98.59

## 30-DAY SEC YIELD

A Shares (BBTGX)	1.48%
Inst'l Shares (BBISX)	2.04%

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.

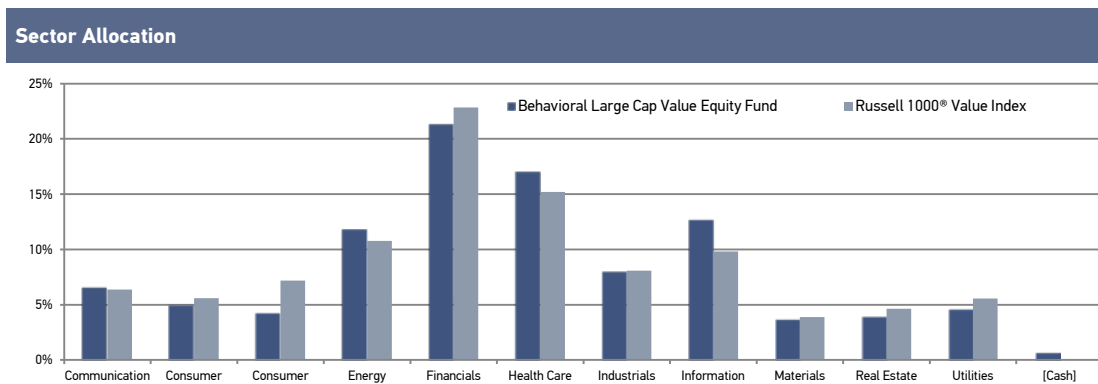
## Philosophy and Process

The portfolio management team applies "behavioral finance" principles in the construction of the fund's portfolio. Behavioral finance theorizes that investment decisions are often influenced by emotion, and that investors can be predictable (and, at times, irrational) in their decision making. These emotionally charged investment decisions can lead to stock price anomalies that create buying opportunities in the marketplace. The portfolio management team seeks to capitalize on these behaviorally driven market anomalies by employing a disciplined investment process that ranks companies in the fund's investment universe based on a number of factors, such as valuation, price momentum and earnings revisions, and also takes into account such factors as liquidity and sector exposure to construct a diversified portfolio. The team considers selling a security when the security's ranking becomes less attractive and/or in light of liquidity, sector exposure or diversification considerations.

Fund Performance 09.30.2018	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
A Shares with 5.75% Sales Charge	-0.89%	-1.95%	4.52%	10.53%	10.05%	7.85%	7.57%
A Shares without Sales Charge	5.16%	4.03%	10.87%	12.74%	11.36%	8.49%	7.82%
Institutional Shares	5.25%	4.21%	11.19%	13.02%	11.64%	8.77%	8.09%
Russell 1000® Value Index	5.70%	3.92%	9.45%	13.55%	10.72%	9.79%	10.19%
Lipper Large-Cap Value Median	5.93%	4.32%	10.24%	13.39%	10.21%	9.46%	--

Year-End Returns	2009	2010	2011	2012	2013	2014	2015	2016	2017
A Shares without Sales Charge	19.03%	11.47%	-4.08%	14.23%	26.77%	15.83%	-2.34%	10.41%	18.46%
Institutional Shares	19.35%	11.69%	-3.73%	14.52%	27.01%	16.08%	-2.08%	10.69%	18.82%
Russell 1000® Value Index	19.69%	15.51%	0.39%	17.51%	32.53%	13.45%	-3.83%	17.34%	13.66%

**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](http://www.sterlingcapital.com).**



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](http://www.sterlingcapital.com). Read the prospectus carefully before investing.**



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Morningstar Style Box



## BEHAVIORAL LARGE CAP VALUE EQUITY FUND



### Portfolio Management

**Robert W. Bridges, CFA®**  
Executive Director  
Co-Portfolio Manager

Bob joined Sterling Capital in 1996 and is co-head of the Behavioral Finance Equity group. He has investment experience since 1991. Bob is a graduate of Wake Forest University where he received a BS in Business. He is a CFA® charterholder.

**Robert O. Weller, CFA®**  
Executive Director  
Co-Portfolio Manager

Rob joined Sterling Capital in 2012 and is co-head of the Behavioral Finance Equity group. He has investment experience since 1996. Rob is a graduate of Loyola University Maryland where he received a BBA in Finance. He is a CFA® charterholder.

*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.

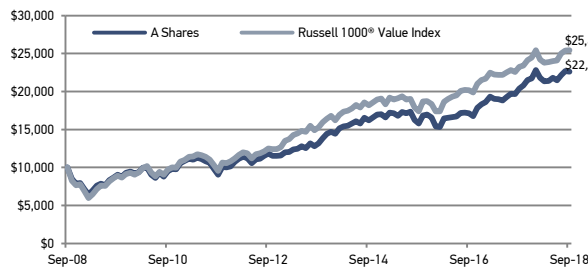
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Technical Terms:

**Weighted Average P/E:** A ratio used to compare the price of a fund's stocks with their per-share earnings, with a higher ratio indicating the market has belief that a company has the ability to increase its earnings.  
**Weighted Average P/B:** A weighted harmonic average ratio used to compare 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.  
**Active Share:** Measures the degree of active management by a portfolio manager represented as a percentage of the fund's holdings that differ from the benchmark.  
**Portfolio Turnover Rate:** A measure of how frequently assets within a fund are bought and sold by the managers.  
**Alpha:** measure of performance on a risk-adjusted basis by comparing it to the benchmark index.  
**Beta:** A measure of relative risk. A Beta rating above 1.0 indicates greater volatility than the market while below 1.0 indicates lower volatility.  
**R-Squared:** A statistical measure that 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.  
**Standard Deviation:** A statistical measurement showing how widely the returns varied over a certain period of time. When a fund has a high standard deviation, it may imply greater volatility.  
**Sharpe Ratio:** The measurement of a fund's excess return due to sound investment decisions or excess risk. The greater a fund's Sharpe ratio, the better its risk-adjusted performance has been.  
**Upside/Downside Capture Ratio:** The measurement of a fund's cumulative return divided by its benchmark's cumulative return during positive and negative market periods.

Sterling Capital Management LLC a separate subsidiary of BB&T 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, Branch Banking and Trust Company 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 Branch Banking and Trust Company 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 09.30.2018. It includes the reinvestment of dividends and capital gains.

### Top Ten Equity Holdings

1. JPMorgan Chase & Co., Series 1	4.30%
2. Pfizer, Inc.	3.39%
3. Verizon Communications, Inc.	3.17%
4. Exxon Mobil Corp.	2.53%
5. ConocoPhillips	2.26%
6. QUALCOMM, Inc.	2.16%
7. CVS Health Corp.	2.10%
8. Anthem, Inc.	2.06%
9. NextEra Energy, Inc.	1.99%
10. Target Corp.	1.95%

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

### Lipper Large-Cap Value Category Based on Total Return as of 09.30.2018

	1 Year	3 Years	5 Years	10 Years
Lipper Ranking / Number of Funds in Category	195/469	245/428	42/360	189/273
Lipper Quartile (Percentile)	2nd (42%)	3rd (58%)	1st (12%)	3rd (69%)

### Morningstar Large Value Category Based on Risk-Adjusted Returns as of 09.30.2018

	Overall Rating	1 Year	3 Years	5 Years	10 Years
Institutional Shares Morningstar Rating™	★★★	--	★★★	★★★★	★★
Morningstar Ranking / Number of Funds in Category	1,109	519/1,274	634/1,109	134/948	505/696
Morningstar Quartile (Percentile)		2nd (46%)	3rd (61%)	1st (19%)	4th (77%)

## Firm Overview

Sterling Capital Management LLC is a registered investment adviser founded in 1970. An investment firm, Sterling is an independently operated subsidiary of BB&T Corporation, one of the nation's largest financial services holding companies. Sterling is headquartered in Charlotte, NC with offices in Raleigh, NC; Atlanta, GA; Washington, D.C.; Philadelphia, PA; San Francisco, CA; Richmond, VA; and Virginia Beach, VA. As of 09.30.2018, Sterling has \$58 billion in assets under management overseen by 129 investment and client service professionals.

## Investment Considerations

The overall results of the Fund will be dependent on the process and ability of the Adviser to apply "behavioral finance" principles to recognize a company's value, earnings revisions and price momentum. The Fund may invest in undervalued securities which may not appreciate in value as anticipated or remain undervalued for longer than anticipated. The overall results of the fund will be dependent on the process and ability of the Adviser to recognize a company's value. The Fund may invest in REITs (Real Estate Investment Trusts), the value of which will be affected by conditions of the real estate industry and exchange-traded funds (ETFs), thus shareholders may bear additional costs and the ETF may not exactly replicate the performance it seeks to track.