



06.30.2019

**FUND FACTS**

**Investment Objective:**

Seeks to maximize total return.

|                    |              |
|--------------------|--------------|
| Total Net Assets   | \$35,072,920 |
| Number of Holdings | 122          |
| Average Life       | 5.47 Years   |
| Effective Duration | 4.22 Years   |
| Turnover           | 20%          |

**TOTAL EXPENSE RATIO**

|                       | Net   | Gross |
|-----------------------|-------|-------|
| A Shares (SCSSX)      | 0.83% | 0.87% |
| C Shares (SCSTX)      | 1.58% | 1.62% |
| Inst'l Shares (SCSPX) | 0.58% | 0.62% |

The Advisor has contractually agreed to limit management fees paid by the Fund from February 1, 2019 through January 31, 2020. Performance would have been lower without limitations in effect.

**DIVIDEND DISTRIBUTION**

| Month    | Rates/A Share |
|----------|---------------|
| April    | \$0.0235      |
| May      | \$0.0239      |
| June     | \$0.0232      |
| June NAV | \$10.01       |

**EFFECTIVE DURATION BREAKDOWN**

|           |      |
|-----------|------|
| 0-1 Yr.   | 15.7 |
| 1-2 Yrs.  | 12.5 |
| 2-3 Yrs.  | 8.2  |
| 3-5 Yrs.  | 25.7 |
| 5-10 Yrs. | 28.8 |
| 10+ Yrs.  | 9.1  |

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

**30-DAY SEC YIELD**

|                       | With Waivers | Without Waivers |
|-----------------------|--------------|-----------------|
| A Shares (SCSSX)      | 2.68%        | 2.64%           |
| Inst'l Shares (SCSPX) | 2.97%        | 2.93%           |

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**

In managing the fund, the portfolio management team employs a multi-faceted approach to generate excess return and uses a combination of top-down and bottom-up analysis, quantitative vs. qualitative analysis and fundamentals vs. valuation. There is a strong emphasis on risk management and an adherence to certain core investment beliefs: (1) "if you cannot measure it, you cannot manage it;" (2) avoid unintended exposures; (3) average duration is expected to be within 1.5 years of the duration of the Fund's index; (4) participate in longer term trends - don't buy on short-term trends or try to time what is going on in the market; and (5) attempts to achieve risk-adjusted performance over time.

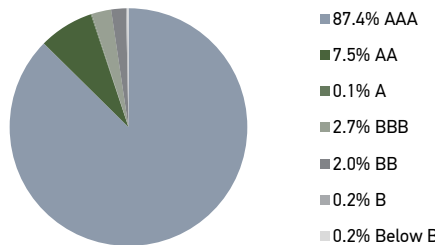
| Fund Performance 06.30.2019      | QTR   | YTD   | 1 Year | 3 Years | 5 Years | Since Inception |
|----------------------------------|-------|-------|--------|---------|---------|-----------------|
| A Shares with 2.00% Sales Charge | 0.31% | 2.37% | 4.42%  | 1.76%   | 2.36%   | 2.65%           |
| A Shares without Sales Charge    | 2.35% | 4.47% | 6.58%  | 2.46%   | 2.77%   | 2.91%           |
| Institutional Shares             | 2.41% | 4.48% | 6.72%  | 2.74%   | 3.02%   | 3.12%           |
| BBgBarc US MBS Index             | 1.96% | 4.17% | 6.22%  | 2.06%   | 2.56%   | 2.65%           |
| Lipper U.S. Mortgage Median      | 2.09% | 4.26% | 5.89%  | 1.98%   | 2.38%   | --              |

| Year-End Returns              | 2012  | 2013   | 2014  | 2015  | 2016  | 2017  | 2018  |
|-------------------------------|-------|--------|-------|-------|-------|-------|-------|
| A Shares without Sales Charge | 4.42% | -1.87% | 5.44% | 1.33% | 2.40% | 2.84% | 1.13% |
| Institutional Shares          | 4.42% | -1.65% | 5.81% | 1.48% | 2.76% | 3.09% | 1.48% |
| BBgBarc US MBS Index          | 2.59% | -1.41% | 6.08% | 1.51% | 1.67% | 2.47% | 0.99% |

**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). Performance is annualized for periods greater than one year.**

**Performance for Class A Shares and Institutional Shares for periods prior to inception on February 1, 2013 is based on performance of Class S Shares of the Fund which were re-designated as Institutional Shares as of February 1, 2013. The inception date for Class S Shares was June 30, 2011. 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.**

**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         |
|-------------------------------|---------------|---------------|
| <i>Corporate</i>              | 1.0%          | --            |
| Industrial                    | 1.0%          | --            |
| <i>Securitized</i>            | 95.8%         | 100.0%        |
| ABS                           | 21.7%         | --            |
| CMBS                          | 25.8%         | --            |
| CMO                           | 24.2%         | --            |
| MBS Passthrough               | 24.1%         | 100.0%        |
| <i>Cash &amp; Equivalents</i> | 3.2%          | --            |
| Cash & Equivalents            | 3.2%          | --            |
| <b>Total</b>                  | <b>100.0%</b> | <b>100.0%</b> |

Allocations are based on the current weight to funds in the cited category. 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.**



**SECURITIZED OPPORTUNITIES FUND**

**Portfolio Management**

**Michael Z. Sun, CFA®**  
Executive Director  
Co-Portfolio Manager

Michael joined Sterling Capital in 2009 and has been a Co-Portfolio Manager of the Fund since February 2014. He has investment experience since 1998. Michael is a graduate of Bowling Green State University where he received his MA in Economics. He received his MS in Urban & Regional Study at Beijing University, and he received his BS in Geography at Nanjing University. He is a CFA® charterholder.

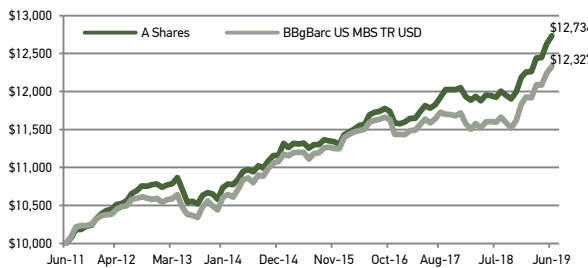
**Byron G. Mims, CFA®**  
Director  
Co-Portfolio Manager

Byron joined Sterling Capital in 2012 and has been a Co-Portfolio Manager of 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 his BS in Economics and was recognized as Valedictorian. He is a CFA® charterholder.

**Jeffrey D. Ormsby, CFA®**  
Director  
Co-Portfolio Manager

Jeffrey joined Sterling Capital in 2011 and has been a Co-Portfolio Manager of the Fund since February 2016. He has investment experience since 2006. Jeffrey is a summa cum laude graduate of North Carolina State University where he received his BS in Economics and was recognized as Valedictorian. He received his MBA from UNC's Kenan-Flagler Business School, where he was the Norman Block Valedictorian Award recipient. He is a CFA® charterholder.

**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 06.30.2019. It includes the reinvestment of dividends and capital gains.

**Top Ten Holdings**

|   |       |
|---|-------|
| 1. Wells Fargo Commercial Mortgage Trust 2010-C1 5.276% 18-NOV-2043               | 2.23% |
| 2. Hertz Vehicle Financing LLC Series 2015-3 2.67% 25-SEP-2021                    | 2.14% |
| 3. Citibank Credit Card Issuance Trust 2007-A3 6.15% 15-JUN-2039                  | 1.75% |
| 4. FNMA, Pool #A17487   | 1.73% |
| 5. FNMA, Series 2013-30, Class PY   | 1.71% |
| 6. Freddie Mac Remics   | 1.67% |
| 7. GS Mortgage Securities Trust 2012-GCJ7 4.085% 12-MAY-2045                      | 1.63% |
| 8. Freddie Mac Gold Pool  | 1.58% |
| 9. FHLMC, Series 4508, Class UZ   | 1.55% |
| 10. Morgan Stanley Bank of America Merrill Lynch Trust 2016-C32 3.72% 17-DEC-2049 | 1.53% |

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

**Lipper U.S. Mortgage Category**

Based on Total Return as of 06.30.2019

|  | 1 Year    | 3 Years   | 5 Years   |
|--|-----------|-----------|-----------|
| Lipper Ranking / Number of Funds in Category | 21 / 123  | 29 / 113  | 17 / 95   |
| Lipper Percentile                            | 1st (17%) | 2nd (26%) | 1st (18%) |

**Morningstar Intermediate-Term Bond Category**

Based on Risk-Adjusted Returns as of 06.30.2019

|   | Overall Rating | 1 Year    | 3 Years   | 5 Years   |
|---|----------------|-----------|-----------|-----------|
| Institutional Shares Morningstar Rating™          | ★★★            | --        | ★★★       | ★★★       |
| Morningstar Ranking / Number of Funds in Category | 539            | 494 / 623 | 315 / 539 | 172 / 453 |
| Morningstar Quartile (Percentile)                 |                | 4th (78%) | 3rd (58%) | 2nd (42%) |

**Firm Overview**

Sterling Capital Management LLC is a registered investment adviser founded in 1970, and 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; Washington, D.C.; Philadelphia, PA; San Francisco, CA; Richmond, VA; and Virginia Beach, VA. We are driven by our commitment to pursue performance excellence and provide exceptional client service. Our seasoned investment teams aim to generate long-term consistent investment performance in line with specific fund objectives. What matters most to you matters most to us.

**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; derivatives (futures and swaps); mortgage 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. Derivatives may be more sensitive to changes in market conditions and may amplify risks.

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.

© 2019 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: **Effective Duration:** A calculation of 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:** A measure of how frequently assets within a fund are bought and sold by the managers.

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.