Quarterly Snapshot

Sterling Capital Small Cap Value Fund

STERLING CAPITAL MANAGEMENT LLC

Sterling Shares Class (SPSCX) — Data as of 12/31/09

Performance History[1]

	Aggregate Returns		Average Annual Returns					Capture Ratio (ITD)[2]	
	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Up	Down
Sterling Capital Small Cap Value Fund	2.75%	54.30%	54.30%	-3.18%	2.20%	7.90%	9.02%	115.24%	109.96%
Russell 2000 Value Index	3.63%	20.58%	20.58%	-8.22%	-0.01%	8.27%	7.99%	—	—
Lipper Median Small-Cap Value Funds	4.92%	30.14%	30.14%	-6.02%	1.01%	7.99%	NA	—	—

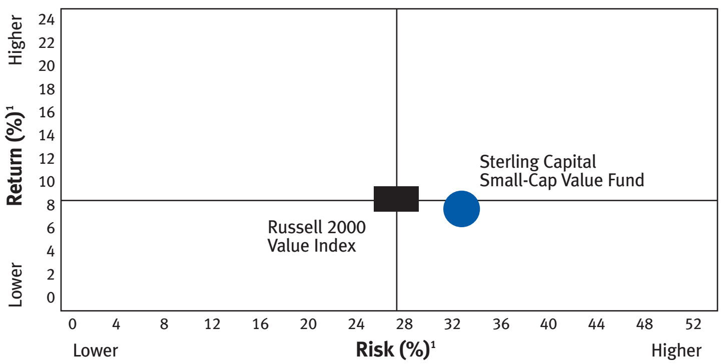
The gross expense ratio for Sterling Shares Class is 1.76%. The Fund's Adviser has contractually agreed to limit the management fee paid by the Fund for the period 2/1/09 through 1/31/10. Had this waiver not been in effect, the performance would have been lower. The net expense ratio for Sterling Shares Class is 1.66%.

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, please call 1-866-450-3722.

[1] **The inception date for the Fund is 1/2/97.**

[2] ITD is an abbreviation for Since Inception.

Risk/Reward Statistics



	Fund	Russell 2000 Value Index
Alpha (3 yr)[1]	7.45	0.00
Beta (3 yr)[2]	1.12	1.00
R-Squared (3 yr)[3]	0.89	1.00
Std. Deviation (3 yr)[4]	32.19	27.08
Sharpe Ratio (3 yr)[5]	-0.17	-0.39
Wtd. Avg. P/E	13.80	15.80
Wtd. Avg. P/B	1.30	1.30
Avg. Wtd. Mkt. Cap.	$1.5B	$934M
Turnover Ratio	67%	NA
Number of Stocks	53	1,393

The return measure reflects the average annual total return for the period 1/2/97 through 12/31/09. Risk is calculated using annualized standard deviation, a measure of how returns vary over time, for the same period. [1]Alpha measures performance on a riskadjusted basis by comparing the it to the benchmark index. [2]The Beta attempts to measure the relative risk. A beta rating above 1.0 indicates greater volatility than the market. A Beta rating below 1.0 indicates lower volatility than the market. [3]R-Squared is 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 in in line with the index. [4]Standard Deviation is a statistical measurement showing how widely the returns varied over a certain period of time. When a fund has a high standard deviation,the predicted range of performance implies greater volatility. [5]Sharpe Ratio measures a fund's excess return. This helps determine if a fund's returns are due to sound investment decisions or excess risk. The greater a fund's Sharpe ratio, the better its risk-adjusted performance has been.

Comparative Ratings and Rankings

Lipper Leaders Rating[1]

5

Consistent Return

(Lipper Leader out of 264 Small-Cap Value Funds)

Morningstar Rating[2]
Small-Cap Value Funds Category

Period	Rating	Funds in Category
Overall	★★★	310
3 Years	★★★	310
5 Years	★★★	245
10 Years	★★	131

Lipper Ranking[3]
Small-Cap Value Funds Category

Period	Quartile (Percentile)	Ranking/Funds
1 Year	1 (10%)	30 out of 310
3 Years	2 (27%)	71 out of 266
5 Years	2 (29%)	60 out of 209
10 Years	3 (54%)	55 out of 102

Past performance does not guarantee future results.

[1] Lipper Leaders for Consistent Return reflects a fund's historical risk-adjusted returns, adjusted for volatility, relative to its peer group. The highest 20% in each peer group are named Lipper Leaders, the next 20% receive a score of 2, the middle 20% receive a score of 3, the next 20% receive a score of 4 and the lowest 20% score 5. Lipper Leaders are subject to change every month, are not intended to predict future results and Lipper does not guarantee the accuracy of this information. The Small Cap Value Fund Sterling Shares Class received the following ratings for the 3 year, 5 year, 10 year and Overall periods, respectively: Consistent Return: Leader out of 264 funds; 2 out of 209 funds; 2 out of 99 funds; 3 out of 265 funds.

[2] For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each 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 fund is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year Morningstar Rating™ metrics. 2009 Morningstar, Inc. 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 the use of this information.

[3] Lipper rankings are based on average annual total returns, including the reinvestment of dividends and capital gains (not including sales charges) for the periods indicated and compare total return performance with that of other funds in the category.

Sterling Capital Small Cap Value Fund

STERLING CAPITAL MANAGEMENT LLC

Portfolio Composition

Sector Breakdown	Fund[1]	Russell 2000 Value Index
Consumer Discretionary	15.22%	12.55%
Consumer Staples	1.83%	2.66%
Energy	2.06%	5.27%
Financials	26.58%	33.98%
Health Care	6.44%	4.93%
Materials	8.50%	9.81%
Producer Durables	12.57%	14.80%
Technology	16.38%	9.24%
Utilities	6.89%	6.76%
Cash and Cash Equivalents	3.54%	0.00%

Top 10 Holdings	Fund[1]
Interpublic Group Cos. Inc.	3.6%
UTI Worldwide, Inc.	3.3%
First Citizens Bancshares, Inc.	3.3%
Exide Technologies	3.2%
Meredith Corp.	3.1%
Sensient Technology Corp.	3.0%
Compuware Corp.	2.9%
National Semiconductor Corp.	2.9%
Cleco Corp.	2.9%
Endurance Specialty Holdings Ltd.	2.7%

[1] The composition of the Fund's holdings is subject to change.

Portfolio Manager Highlights

- All sectors of the small cap value universe — as represented by the Russell 2000 Value Index — posted positive results during the fourth quarter.
- The health care sector advanced 10%, as fears regarding the profit impact for health care providers from potential health care legislation subsided. We believed the health care debate created value among select health insurers and took the opportunity to make timely investments in Health Net and Coventry Health Care, two well-financed managed care companies.
- Another noteworthy sector, materials and processing, which houses several commodity oriented industries, gained 9%, as investors shifted to a more optimistic outlook for economic recovery and increased commodities prices.
- The mergers-and-acquisitions market accelerated throughout 2009, and the Fund benefited from the announced acquisitions of ICT Group, IMS Health and Voyager Learning.
- We sold or trimmed back a number of securities with more limited upside due to their exceptional gains in 2009. The portfolio also took on a slightly more defensive tilt versus the index. We reduced many of our consumer discretionary stocks that had became fully valued, and we found new opportunities in health care and technology.
- In the technology sector, we purchased Compuware Corp., a software and professional services vendor that supports many of the world's largest IT organizations. Management has reallocated its free cash flow toward organic growth, complementary acquisitions and sizable share repurchases, and we believe the company has the potential to continue generating high levels of free cash flow.
- We believe 2010 will be more of a stock picker's year, given that many of the large macroeconomic imbalances have normalized. Historically, most of the Fund's outperformance has been from stock selection, so the projected environment should suit us well.

Portfolio Manager

Advised by Sterling Capital Management LLC — Managed by Eduardo Brea, CFA

- 20 years investment experience
- BS, University of Florida
- MBA, University of South Florida

Investment Style

- Small-cap value
- Research-driven
- Bottom-up approach
- Focused on intrinsic business value

Investment Process

Universe 1,500 Stocks

40-60 Stocks

Quantitative Analysis
- Strong, durable free cash flow
- High returns on invested capital

Valuation Analysis
- Present value of free cash flow
- Private market value
- Peer comparisons

Fundamental Analysis
- Durable competitive advantage
- Shareholder-oriented management

Sell Discipline
- Stocks that underperform their sector
- Stocks that fail to demonstrate fundamental progress

Investment Considerations: Small-capitalization funds typically carry additional risks since small-size companies generally have a higher risk of failure. Historically, small-size companies have experienced a greater degree of market volatility than large-company stocks on average. Equity securities (stocks) are more volatile and carry more risk than other forms of investments, including investments in high-grade fixed income securities and other forms of investments. Value investing often involves buying the stocks of companies that are currently out of favor and that may decline further.