Sensible Investing for Generations®

BB&T Funds
Sensible Investing for Generations®

The virtues of
ASSET ALLOCATION

Starting your investment program now, instead of years down the road, is one of the most important decisions you can make. Another is taking steps to try to reduce your portfolio's overall volatility.

ASSET ALLOCATION

Is the process of spreading your investment dollars among the major asset classes — including stocks, bonds and cash — according to your specific goals, time horizon and risk tolerance.

Potential benefit: Asset allocation may help you capture the maximum return potential relative to the amount of risk you're comfortable taking.

REBALANCING

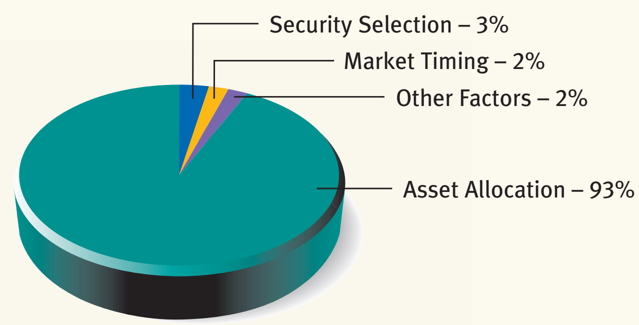
Involves periodically adjusting your portfolio to keep your investments properly aligned with your original target allocations.

Potential benefit: By removing the emotion from your investment decisions, rebalancing can objectively maintain your target allocations to ensure your portfolio remains true to your asset allocation and diversification strategy.

Working together, these tools can create a powerful strategy for pursuing your investment goals. How powerful?

As the chart below illustrates, when it comes to determining an investment portfolio's volatility, security selection and market timing actually have very little impact. The most important factor — accounting for 93% a of portfolio's volatility — is asset allocation.

ASSET ALLOCATION ACCOUNTS FOR 93% OF PORTFOLIO PERFORMANCE



Past performance does not guarantee future results. This chart is illustrative and educational in nature and is not representative of any of the BB&T Funds. Source: Financial Analysts Journal, May/June 1991. Gary P. Brinson, Brian D. Singer and Gilbert L. Beebower, "Determinants of Portfolio Performance II, An Update."

Investment Considerations: Please keep in mind that the use of asset allocation, diversification and rebalancing do not guarantee a profit nor protect against a loss.

6/08