



PROSPECTUS

EQUITY INDEX FUND

INSTITUTIONAL SHARES: BIEQX

MAY 1, 2010

Questions?

Call 1-800-228-1872
or your investment representative.

The Securities and Exchange Commission ("SEC") has not approved or disapproved the shares described in this prospectus or determined whether this prospectus is accurate or complete. Anyone who tells you otherwise is committing a crime.



SUPPLEMENT DATED JUNE 25, 2010 TO THE BB&T FUNDS

CLASS A, CLASS B AND CLASS C SHARES PROSPECTUS, INSTITUTIONAL SHARES PROSPECTUS AND STATEMENT OF ADDITIONAL INFORMATION, EACH DATED FEBRUARY 1, 2010, AS AMENDED, AND THE BB&T EQUITY INDEX FUND CLASS A, CLASS B, AND CLASS C SHARES PROSPECTUS, INSTITUTIONAL SHARES PROSPECTUS AND STATEMENT OF ADDITIONAL INFORMATION, EACH DATED MAY 1, 2010, AS AMENDED

This Supplement provides the following amended and supplemental information and supersedes any information to the contrary in the BB&T Funds' Class A, Class B and Class C Shares Prospectus, Institutional Shares Prospectus (the "Prospectuses") and Statement of Additional Information, each dated February 1, 2010, as amended, and the BB&T Equity Index Fund Class A, Class B, and Class C Shares Prospectus, Institutional Shares Prospectus, and Statement of Additional Information, each dated May 1, 2010, as amended:

All BB&T Funds

BB&T Corporation ("BB&T") has entered into an agreement whereby it will modify its relationship with Sterling Capital Management ("Sterling"). To implement this new arrangement, the Sterling management group has entered into an agreement with BB&T that will reduce and restructure management's interest (the "Transaction"). Under the Transaction, management will continue to have a substantial profits interest. Following the Transaction, it is expected that BB&T Asset Management, Inc. ("BB&TAM"), a wholly owned subsidiary of BB&T, will merge with and into Sterling (the "Merger" and, together with the Transaction, the "Reorganization"). The Reorganization has been deemed to constitute a change of control of Sterling and BB&TAM.











BB&TAM currently serves as investment adviser to all of the BB&T Funds (except the Sterling Capital Small Cap Value Fund). Sterling currently serves as investment adviser to the Sterling Capital Small Cap Value Fund and as investment sub-adviser to the BB&T Mid Cap Value Fund and the BB&T Total Return Bond Fund. BB&TAM also has entered into investment sub-advisory agreements with each of Artio Global Management LLC ("Artio"), Federated Investment Management Company ("Federated"), and Scott & Stringfellow LLC ("Scott & Stringfellow") (collectively, the "Sub-Advisers") to provide sub-advisory services to certain BB&T Funds. The Transaction (in the case of the Sterling Capital Small Cap Value Fund, the BB&T Mid Cap Value Fund, and the BB&T Total Return Bond Fund) and the Merger (in the case of all BB&T Funds except the Sterling Capital Small Cap Value Fund) automatically terminate the investment advisory and sub-advisory agreements between BB&TAM and Sterling and the respective BB&T Funds for which each serves as investment adviser or sub-adviser and the sub-advisory agreements between BB&TAM and the Sub-Advisers.

On June 23, 2010, the Board of Trustees of BB&T Funds (the "Board") approved a new investment advisory agreement between BB&T Funds, on behalf of each of its series, and Sterling. The Board also approved new investment sub-advisory agreements between Sterling and each of (i) Artio, with respect to BB&T International Equity Fund; (ii) Federated, with respect to BB&T National Tax-Free Money Market Fund and BB&T Prime Money Market Fund; and (iii) Scott & Stringfellow, with respect to BB&T Equity Income Fund and BB&T Special Opportunities Equity Fund. The new investment advisory and sub-advisory agreements will become effective with respect to a BB&T Fund upon approval by shareholders of the Fund. The Board of Trustees also approved interim investment advisory and sub-advisory agreements between BB&TAM and Sterling and the respective BB&T Funds for which each serves as investment adviser or sub-adviser and interim sub-advisory agreements between Sterling and each of the Sub-Advisers (the "Interim Agreements"). The Interim Agreements will become effective only if shareholder approval of a new investment advisory or sub-advisory agreement has not been obtained with respect to a Fund before the closing of the Transaction or the Merger, as applicable.

BB&T Intermediate U.S. Government Fund, BB&T Short U.S. Government Fund, and BB&T Total Return Bond Fund

Effective immediately, the disclosure in each Prospectus under the heading "Additional Investment Strategies and Risks – All Taxable Bond Funds" (including certain minimum credit guidelines for mortgage-backed securities) is deleted.

INVESTORS SHOULD RETAIN THIS SUPPLEMENT WITH THE PROSPECTUS AND STATEMENT OF ADDITIONAL INFORMATION FOR FUTURE REFERENCE

<i>Carefully review this important section which summarizes the Fund's objectives, fees, principal investment strategies and risks, past performance, management, how to buy and sell fund shares, tax information and payments to broker-dealers.</i>	 	Fund Summary	3 Equity Index Fund
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<i>Review this section for details on how shares are valued, how to purchase, sell and exchange shares, related charges, and payments of dividends and distributions.</i>	 	Shareholder Information	14 Choosing a Share Class 15 Pricing of Fund Shares 16 Purchasing and Adding to Your Shares 18 Selling Your Shares 19 General Policies on Selling Shares 21 Distribution Arrangements/Sales Charges 22 Exchanging Your Shares 23 Market Timing Policies 23 Dividends, Distributions and Taxes 24 Additional Information About the Fund
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**Investment Objective**

The Fund seeks to provide investment results that correspond as closely as practicable, before fees and expenses, to the total return of the broad range of stocks represented in the Standard & Poor's 500® Index (the "S&P 500® Index").

Fee Table

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees¹ (fees paid directly from your investment)

	Institutional Shares
Maximum Sales Charge (load) on Purchases (as a % of offering price)	None
Maximum Deferred Sales Charge (load) (as a % of the lesser of the cost of your shares or their net asset value at the time of redemption)	None
Redemption Fee	None

Annual Fund Operating Expenses¹ (expenses that you pay each year as a percentage of the value of your investment)

	Institutional Shares
Management Fees	0.05%
Distribution and Service (12b-1) Fees	0.00%
Other Expenses	0.70%
Total Annual Fund Operating Expenses	0.75%

¹ The Shareholder Fees and Annual Fund Operating Expenses tables reflect the expenses of both the S&P 500® Stock Master Portfolio (the "Master Portfolio") and the Fund.

Example¹

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year, and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Institutional Shares	\$77	\$240	\$417	\$930

You would pay the following expenses if you did not redeem your shares:

	1 Year	3 Years	5 Years	10 Years
Institutional Shares	\$77	\$240	\$417	\$930

¹ The Example reflects the expenses of both the Master Portfolio and the Fund.

Strategy, Risks and Performance

Portfolio Turnover

The Master Portfolio pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when the Master Portfolio shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Master Portfolio’s portfolio turnover rate was 5% of the average value of its portfolio.

Principal Strategy

To pursue its investment objective, the Fund presently invests all of its assets in the Master Portfolio, which is a series of Master Investment Portfolio, an open-end, management investment company. The Master Portfolio has substantially the same investment objective as the Fund. For simplicity’s sake, all discussions of the Fund’s investment objective, strategies, and risks refer also to the Master Portfolio’s objective, strategies, and risks, unless otherwise indicated.

The Master Portfolio seeks to replicate the total return performance of the S&P 500® Index, which is a widely used measure of large U.S. company stock performance. The S&P 500® Index consists of the common stocks of 500 major corporations selected according to:

- Size
- Frequency and ease of stock trading, and
- Representation of the size and diversity of the American economy.

The weightings of stocks in the S&P 500® Index are based on each stock’s relative total market capitalization, that is, its market price per share times the number of shares outstanding. The percentage of the Fund’s assets invested in a given stock is approximately the same as the percentage such stock represents in the S&P 500® Index. Consequently, the Fund, through its investment in the Master Portfolio, is invested in all the securities that make up the S&P 500® Index and holds those securities in amounts that match their weighting in the S&P 500® Index.

Principal Risks

All investments carry a certain amount of risk and the Fund cannot guarantee that it will achieve its investment objective. An investment in the Fund is not a deposit or obligation of any bank, is not endorsed or guaranteed by any bank and is not insured by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. You may lose money by investing in the Fund. Below are all of the principal risks of investing in the Fund.

Index Investing: The Fund attempts to track the performance of the S&P 500® Index. Therefore, securities may be purchased, retained and sold by the Fund at times when an actively managed fund would not do so. If the value of securities that are heavily weighted in the index changes, you can expect a greater risk of loss than would be the case if the Fund were not fully invested in such securities. The Fund reserves the right to concentrate its investments with respect to investments in any industry in which the S&P 500® Index becomes concentrated to the same degree during the same period. To the extent the Fund concentrates in a particular industry, it may be more susceptible to economic conditions and risks affecting that industry. Imperfect correlation between the Fund’s portfolio securities and those in the S&P 500® Index, Fund fees and expenses, maintenance of cash balances to meet redemption requests, rounding of prices and changes to an index and regulatory policies may cause tracking error, which is the divergence of the Fund’s performance from that of the Fund’s benchmark index.

Market Risk: The possibility that the Fund’s stock holdings will decline in price because of a broad stock market decline. Markets generally move in cycles, with periods of rising prices followed by periods of falling prices. The value of your investment will tend to increase or decrease in response to these movements.

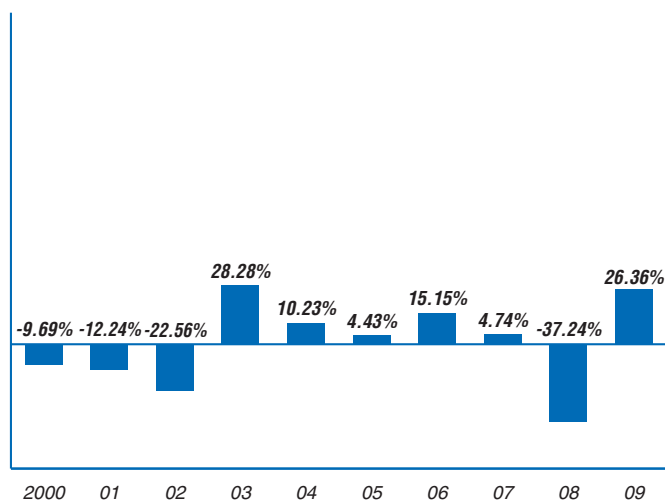
Investment Style Risk: The possibility that the market segment on which this Fund focuses – stocks in the S&P 500® Index – will underperform other kinds of investments or market averages.

For more information about the Fund’s risks, please see the Fund’s prospectus or Statement of Additional Information (“SAI”).

Performance

The following bar chart and table provide some indication of the risks of investing in the Fund. The bar chart shows changes in the Fund’s performance from year to year. The table shows how the Fund’s average annual returns for 1, 5, and 10 years and since the Fund’s inception compared with those of a broad measure of market performance. The Fund’s past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. *Updated performance information is available at no cost by visiting www.bbfunds.com or by calling 1-800-228-1872.*

Institutional Shares Annual Total Returns for years ended 12/31¹



Best quarter:	15.86%	06/30/09
Worst quarter:	-21.93%	12/31/08

Average Annual Total Returns as of December 31, 2009¹

	1 Year	5 Years ¹	10 Years ¹	Since Inception ¹
Institutional Shares				
Return Before Taxes	26.36%	-0.02%	-1.42%	(5/1/07) 7.10%
Return After Taxes on Distributions	26.05%	-0.27%	-1.67%	6.93%
Return After Taxes on Distributions and Sale of Fund Shares	17.47%	-0.01%	-1.26%	6.35%
S&P 500® Index				
(reflects no deductions for fees, expenses, or taxes)	26.46%	0.42%	-0.95%	(6/30/93) 7.69%

¹ Institutional Shares commenced operations on May 1, 2007. For the period from September 11, 2000 to April 30, 2007, the performance data includes the performance of the Fund's Class A Shares. Institutional and Class A Shares of the Fund would have substantially similar performance because the Shares are invested in the same portfolio of securities. Annual returns will differ only to the extent that the Classes or the Master Portfolio have different expenses.

After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns are not relevant to investors who hold their Fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

Management**Investment Adviser**

BB&T Asset Management, Inc.
("BB&T Asset Management" or the "Adviser")

Investment Adviser to the Master Portfolio

BlackRock Fund Advisors ("BFA")

Portfolio Managers¹

Diane Hsiung
Senior Portfolio Manager at BFA
Portfolio Manager of the Master Portfolio since January 2008

Greg Savage, CFA
Senior Portfolio Manager at BFA
Portfolio Manager of the Master Portfolio since January 2008

Edward Corallo
Head of Portfolio Management in the Index Equity Group at BFA
Portfolio Manager of the Master Portfolio since May 2009

Christopher Bliss, CFA
Senior Portfolio Manager at BFA
Portfolio Manager of the Master Portfolio since May 2009

Jennifer Hsui
Senior Portfolio Manager at BFA
Portfolio Manager of the Master Portfolio since May 2009

¹ The Fund invests all of its assets directly in the Master Portfolio, for which BFA serves as investment adviser. Mses. Hsiung and Hsui and Messrs. Savage, Corallo, and Bliss, employees of BFA, are responsible for coordinating the portfolio management of the Master Portfolio.

Purchase and Sale of Fund Shares

Account Type	Minimum Initial Investment*	Minimum Subsequent Investment
Regular Account	\$1,000,000	\$0

* Investors and employees of BB&T Asset Management, Inc. purchasing shares through Branch Banking and Trust Company, its affiliates or other financial service providers or intermediaries approved by the Distributor are not subject to a minimum initial investment requirement.

You may buy Institutional Shares of the Funds through procedures established by the Distributor in connection with the requirements of fiduciary, advisory, agency, custodial and other similar accounts maintained by or on behalf of customers of Branch Banking and Trust Company or one of its affiliates or other financial service providers or intermediaries approved by the Distributor. These parties are responsible for transmitting orders by close of business. Consult your investment representative or institution for specific information. Institutional Shares also are available for purchase at www.bbtffunds.com.

Tax Information

The Fund's distributions are generally taxable to you as ordinary income or capital gains, unless you are investing through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's Web site for more information.



Equity Index Fund

The Fund and the Master Portfolio invest in a variety of securities and employ a number of investment techniques. Each security and technique involves certain risks. The following sections describe the securities and techniques the Fund and Master Portfolio use, as well as the main risks they pose. Equity securities are subject mainly to market risk. You may also consult the SAI for additional details regarding these and other permissible investments.

Principal Strategies

The following descriptions provide additional information about the Fund's principal investment strategies or practices.

Tracking. The Fund seeks to achieve its investment objective by investing all of its assets in the Master Portfolio. Under normal market conditions, at least 90% of the Master Portfolio's net assets, including any borrowing for investment purposes, is invested in securities comprising the S&P 500® Index. The Master Portfolio attempts to achieve, in both rising and falling markets, a correlation of at least 95% between the total return of its net assets before expenses and the total return of the S&P 500® Index. It does not seek to "beat" the market it tracks. BFA makes no attempt to apply economic, financial, or market analysis when managing the Master Portfolio. It selects securities because they will help the Master Portfolio achieve returns corresponding to index returns. Including a security among the Master Portfolio's holdings implies no opinion as to its attractiveness as an investment.

As a matter of non-fundamental policy, under normal circumstances, the Fund will invest at least 80% of its net assets plus borrowings for investment purposes in the securities comprising an equity index selected by BB&T Asset Management or another investment company that invests substantially all of its assets in such an index. This policy will not be changed without at least 60 days' written notice to shareholders.

Investing in Indexes. Investors often look to indexes as a standard of performance. Indexes are model portfolios, groups of stocks or bonds selected to represent not actual securities, but an entire market. One way an index fund can seek to match an index's performance, before fees and expenses, is through buying all the index's securities in the same proportion as they are reflected in the index. This is what the Master Portfolio does with regard to the S&P 500® Index.

Master/Feeder Structure. While BB&T Asset Management is the Fund's named investment adviser, BB&T Asset Management receives no management fee, and has no day-to-day management duties while the Fund is fully invested in a separate open-end management investment company, such as the Master Portfolio, that has a substantially similar investment objective as the Fund. BFA serves as investment adviser for the Master Portfolio. The Master Portfolio may accept investments from other feeder funds.

Master/Feeder Fund Expenses. The feeder funds that invest in the Master Portfolio bear the Master Portfolio's expenses in proportion to the amount of assets each invests in the Master Portfolio. Each feeder can set its own transaction minimums, fund-specific expenses, and conditions. Because the Fund invests all of its assets in the Master Portfolio, the Fund and its shareholders will bear the fees and expenses for the Fund and the Master Portfolio, with the result that the Fund's expenses may be higher than those of other mutual funds that invest directly in securities.

Feeder Fund Rights. Under the master/feeder structure, BB&T Asset Management, the Fund's Adviser, may withdraw the Fund's assets from the Master Portfolio if the Fund's Board of Trustees determines that doing so is in shareholders' best interests. If the Adviser withdraws the Fund's assets, it would then consider whether it should assume day-to-day management, invest in another master portfolio, or recommend other action to the Fund's Board of Trustees.

Additional Investment Strategies and Risks

Non-Principal Strategies

The following descriptions provides additional information about the Fund's non-principal investment strategies or practices.

The Master Portfolio may invest in Exchange Traded Funds ("ETFs"), futures contracts and options on futures contracts, including stock index futures and options thereon, to remain fully invested while keeping cash on hand, either in anticipation of shareholder redemptions or because it has not yet invested new shareholder money. The Master Portfolio may invest in high-quality money market instruments to provide liquidity. Information about these investments and the risks associated with these investments is included below.

Instrument

Derivatives: Instruments whose value is derived from an underlying contract, index or security, or any combination thereof, including futures, options (e.g., puts and calls), options on futures, swap agreements, and some mortgage-backed securities.

Exchange Traded Funds ("ETFs"): Open or closed-end mutual funds that are traded on exchanges continuously throughout the day, including some for which BFA serves as investment advisor.

Futures and Related Options: A contract providing for the future sale and purchase of a specified amount of a specified security, class of securities, or an index at a specified time in the future and at a specified price.

Reverse Repurchase Agreement: The sale of a security and the simultaneous commitment to buy the security back at an agreed upon price on an agreed upon date. This is treated as a borrowing by the Fund.

Securities Lending: The lending of up to 33⅓% of the Fund's total assets, including the assets received by the Fund as collateral for securities loaned. In return the Fund will receive cash, other securities, and/or letters of credit as collateral.

Risk Type

Management
Market
Credit
Liquidity
Derivatives
Interest Rate

Management
Market

Management
Market
Credit
Liquidity
Derivatives

Market
Leverage

Market
Derivatives
Liquidity
Credit

Investment Risks

Below is a more complete discussion of the types of risks inherent in the securities and investment techniques listed above as well as those risks discussed in "Strategy, Risks and Performance." Because of these risks, the value of the securities held by the Fund and the Master Portfolio may fluctuate, as will the value of your investment in the Fund. Certain investments are more susceptible to these risks than others.

Principal Risks

The following are principal risks for the Fund.

Index Investing. The Fund attempts to track the performance of the S&P 500® Index. Therefore, securities may be purchased, retained and sold by the Fund at times when an actively managed fund would not do so. If the value of securities that are heavily weighted in the index changes, you can expect a greater risk of loss than would be the case if the Fund were not fully invested in such securities. The Master Portfolio reserves the right to concentrate its investments to approximately the same extent that the S&P 500® Index concentrates in a particular industry. To the extent the Master Portfolio concentrates in a particular industry, it may be more susceptible to economic conditions and risks affecting that industry. Imperfect correlation between the Master Portfolio's portfolio securities and those in the S&P 500® Index, Fund fees and expenses, maintenance of cash balances to meet redemption requests, rounding of prices and changes to an index and regulatory policies may cause tracking error, which is the divergence of the Master Portfolio's performance from that of the Fund's benchmark index.

Additional Investment Strategies and Risks

Investment Style Risk. The risk that returns from a particular class or group of stocks (*e.g.*, value, growth, small cap, large cap) will trail returns from other asset classes or the overall stock market.

Groups or asset classes of stocks tend to go through cycles of doing better or worse than common stocks in general. These cycles can last for periods as long as several years. Additionally, a particular asset class or group of stocks could fall out of favor with the market, causing the Fund to underperform funds that focus on other types of stocks.

Market Risk. The risk that the market value of a security may move up and down, sometimes rapidly and unpredictably. These fluctuations may cause a security to be worth less than the price originally paid for it, or less than it was worth at an earlier time. Market risk may affect a single issuer, industrial sector of the economy or the market as a whole. Finally, key information about a security or market may be inaccurate or unavailable.

Non-Principal Risks

The following are non-principal risks for the Fund.

Credit Risk. The risk that the issuer of a security, or the counterparty to a contract, will default or otherwise become unable to honor a financial obligation. Credit risk is generally higher for non-investment grade securities. The price of a security can be adversely affected prior to actual default as its credit status deteriorates and the probability of default rises.

ETF Risk. The risk associated with the risks of owning the underlying securities the ETF is designed to track. Lack of liquidity in an ETF could result in it being more volatile than the underlying portfolio of securities. When a Fund invests in an ETF, in addition to directly bearing expenses associated with its own operations, it will bear a pro rata portion of the ETF's expenses. As a result, it may be more costly to own an ETF.

Interest Rate Risk. The risk that debt prices overall will decline over short or even long periods due to rising interest rates. A rise in interest rates typically causes a fall in values, while a fall in rates typically causes a rise in values. Interest rate risk should be modest for shorter-term securities, moderate for intermediate-term securities, and high for longer-term securities. Generally, an increase in the average maturity of the Fund will make it more sensitive to interest rate risk. The market prices of securities structured as zero coupon or pay-in-kind securities are generally affected to a greater extent by interest rate changes. These securities tend to be more volatile than securities which pay interest periodically.

Derivatives Risk. The Fund may use derivatives in connection with its investment strategies. Derivatives may be riskier than other types of investments because they may be more sensitive to changes in economic or market conditions than other types of investments and could result in losses that significantly exceed the Fund's original investment. Derivatives are subject to the risk that changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index. The use of derivatives may not be successful, resulting in losses to the Fund, and the cost of hedging may reduce the Fund's returns. Derivatives also expose the Fund to the credit risk of the derivative counterparty. In addition, use of derivatives for non-hedging purposes increases the Fund's potential for loss.

Investing in derivatives will result in a form of leverage. Leverage involves special risks. There is no assurance that the Fund will leverage its portfolio or, if it does, that the Fund's leveraging strategy will be successful. The Fund may be more volatile than if the Fund had not been leveraged because the leverage tends to exaggerate any effect of the increase or decrease in the value of the Fund's portfolio securities. The Fund cannot assure you that the use of leverage will result in a higher return on your investment, and using leverage could result in a net loss on your investment. Registered investment companies such as the Fund are limited in their ability to engage in derivative transactions and are required to identify and earmark assets to provide asset coverage for derivative transactions.

Liquidity Risk. The risk that certain securities may be difficult or impossible to sell at the time and the price that would normally prevail in the market. The seller may have to lower the price, sell other securities instead or forego an investment opportunity, any of which could have a negative effect on portfolio management or performance. This includes the risk of foregoing an investment opportunity because the assets necessary to take advantage of it are tied up in less advantageous investments.

Management Risk. The risk that a strategy used by the Fund or Master Portfolio's management may fail to produce the intended result. This includes the risk that changes in the value of a hedging instrument will not match those of the asset being hedged. Incomplete matching can result in unanticipated risks.

Securities Lending Risk. Securities lending involves counterparty risk, including the risk that the loaned securities may not be returned in a timely manner and/or a loss of rights in the collateral if the borrower or the lending agent defaults or enters into bankruptcy. The risk is increased when a Fund's loans are concentrated with a single or limited number of borrowers. In addition, a Fund bears the risk of loss in connection with its investment of the cash collateral it receives from the borrower. To the extent that the value or return of a Fund's investment of the cash collateral declines below the amount owed to a borrower, the Fund may incur losses that exceed the amount it earned on lending the security.



The Investment Adviser

Adviser to the Fund. BB&T Asset Management is the investment adviser for the Fund. BB&T Asset Management, located at 434 Fayetteville Street Mall, 5th Floor, Raleigh, NC 27601, is a wholly-owned subsidiary of BB&T Corporation (“BB&T”), a financial holding company that is a North Carolina corporation, headquartered in Winston-Salem, North Carolina. Through its subsidiaries, BB&T operates more than 1,800 financial centers in the Carolinas, Virginia, West Virginia, Kentucky, Georgia, Tennessee, Maryland, Florida, Alabama, Indiana, Texas, Nevada and Washington, D.C., providing a broad range of financial services to individuals and businesses.

In addition to general commercial, mortgage and retail banking services, BB&T also provides trust, investment, and retail and wholesale insurance services. BB&T has provided investment management services through its Trust and Investment Management Division since 1912. BB&T Asset Management employs an experienced staff of professional portfolio managers and traders who use a disciplined investment process that focuses on maximization of risk-adjusted investment returns. BB&T Asset Management and its predecessors have managed common and collective investment funds for its fiduciary accounts for more than 20 years. As of December 31, 2009, BB&T Asset Management had approximately \$17 billion under management.

Under its Investment Advisory Agreement with respect to the Equity Index Fund, BB&T Asset Management exercises general oversight over the investment performance of the Fund. BB&T Asset Management will advise the Board of Trustees if investment of all of the Fund’s assets in shares of the Master Portfolio is no longer an appropriate means of achieving the Fund’s investment objective. The Fund may withdraw its investment in the Master Portfolio at any time, if the Board of Trustees of the Fund determines that such action is in the best interests of the Fund and its shareholders. For periods in which all the Fund’s assets are not invested in the Master Portfolio, BB&T Asset Management may receive an investment advisory fee from the Fund. BB&T Asset Management has waived that fee through April 30, 2011. If BB&T Asset Management assumes active management of the Fund, after April 30, 2011, the investment advisory fee may be increased to 0.50% of average net assets under BB&T Asset Management’s investment advisory agreement with the Fund.

A discussion regarding the basis for the Board of Trustees of BB&T Funds approving the Investment Advisory Agreement with BB&T Asset Management is available in the Fund’s annual report to shareholders for the period ended December 31, 2009.

Adviser to the Master Portfolio. BFA is located at 400 Howard Street, San Francisco, CA 94105. It is a wholly-owned subsidiary of BlackRock Institutional Trust Company, N.A. (“BTC”), which in turn is indirectly wholly-owned by BlackRock, Inc. Prior to December 1, 2009, BFA was known as Barclays Global Fund Advisors (“BGFA”) and BTC was known as Barclays Global Investors, N.A. (“BGI”). As of December 31, 2009, BTC and its affiliates, including BFA, had approximately \$3.346 trillion in investment company and other portfolio assets under management. BFA, BTC, BlackRock Execution Services, BlackRock, Inc. and their affiliates deal, trade and invest for their own accounts in the types of securities in which the Master Portfolio invests. BFA is entitled to receive monthly fees at the annual rate of 0.05% of the average daily net assets of the Master Portfolio as compensation for its advisory services.

Portfolio Managers

BFA uses a team (the “Portfolio Management Team”) to manage the Master Portfolio to reflect, to the extent feasible, the investment characteristics of its benchmark index, and BFA employs a combination of proprietary investment management systems and procedures to validate the consistent application of its investment methods. This team approach to portfolio management brings together many disciplines and leverages BFA’s extensive resources. The five members of the Portfolio Management Team for the Master Portfolio that have the most significant responsibility for the day-to-day management are listed below. The team members listed below act collaboratively with the other members on all aspects concerning the Master Portfolio. Each member of the Portfolio Management Team, including the five below-listed members, is responsible for various functions related to portfolio management, including, but not limited to, investing cash inflows, coordinating with members of his or her team to focus on certain asset classes, implementing investment strategies, researching and reviewing investment strategies, and overseeing members of his or her Portfolio Management Team with more limited responsibilities, but each member of each Portfolio Management Team has appropriate limitations on his or her authority for risk management and compliance purposes.

The five members of the Portfolio Management Team for the Master Portfolio that have the most significant day-to-day management responsibility are: Diane Hsiung, Greg Savage, Edward Corallo, Christopher Bliss and Jennifer Hsui.

Diane Hsiung is employed as a senior portfolio manager at BFA and BTC since 2009. Ms. Hsiung was previously a senior portfolio manager with BGI and BGFA from 2007 to 2009 and a portfolio manager for BGFA and BGI from 2002 to 2006. Ms. Hsiung has been one of the portfolio managers primarily responsible for the day-to-day management of the Master Portfolio since January 2008.

Greg Savage, CFA is employed as a senior portfolio manager at BFA and BTC since 2009. Mr. Savage was previously a senior portfolio manager for BGFA and BGI from 2006 to 2009 and a portfolio manager for BGFA and BGI from 2001 to 2006. Mr. Savage has been one of the portfolio managers primarily responsible for the day-to-day management of the Master Portfolio since January 2008.

Edward Corallo is employed as the head of portfolio management in the Index Equity Group at BFA and BTC since 2009. Previously, Mr. Corallo was the head of portfolio management in the Index Equity Group at BGI and BGFA from 2007 to 2009. Prior to that time, he was a senior portfolio manager for BGFA and BGI from 2001 to 2007. Mr. Corallo has been one of the portfolio managers primarily responsible for the day-to-day management of the Master Portfolio since May 2009.

Christopher Bliss, CFA is employed as a senior portfolio manager at BFA and BTC since 2009. Mr. Bliss previously was a senior portfolio manager for BGI 2005 to 2009 and a portfolio manager for BGI from 2004 to 2005. Mr. Bliss has been one of the portfolio managers primarily responsible for the day-to-day management of the Master Portfolio since May 2009.

Jennifer Hsui is employed as a senior portfolio manager at BFA and BTC since 2009. Ms. Hsui was previously a senior portfolio manager for BGI 2007 to 2009 and a portfolio manager for BGI from 2006 to 2007. Prior to joining BGI, Ms. Hsui was a research analyst for RBC Capital Markets from 2003 to 2006. Ms. Hsui has been one of the portfolio managers primarily responsible for the day-to-day management of the Master Portfolio since May 2009.

The Fund's SAI provides additional information about the compensation of the above-listed members of the Portfolio Management Team, other accounts they manage and their ownership of shares of the Master Portfolio.

The Administrator and Distributor

BB&T Asset Management (the "Administrator"), 434 Fayetteville Street Mall, 5th Floor, Raleigh, NC 27601, serves as the Fund's administrator. The administrative services of the Administrator include providing office space, equipment and clerical personnel to the Funds and supervising custodial, auditing, valuation, bookkeeping, legal and dividend disbursing services. PNC Global Investment Servicing (U.S.) Inc. ("PNC Global Investment Servicing"), 301 Bellevue Parkway, Wilmington, DE 19809, serves as the Fund's sub-administrator.

BB&T AM Distributors, Inc. (the "Distributor"), 760 Moore Road, King of Prussia, PA 19406, serves as the principal underwriter of the Fund's shares. The Distributor may use the 12b-1 fees that it receives from the Fund to defray the costs of advancing commissions to brokers and to provide financial assistance in connection with marketing and distribution expenses such as pre-approved seminars, conferences and advertising to the extent permitted by applicable state or self-regulatory agencies, such as the Financial Industry Regulatory Authority.

The SAI has more detailed information about the Adviser and other service providers.



Choosing a Share Class

BB&T Funds offer different classes of Fund shares, which have different expenses and other characteristics. Only one class of Fund shares, Institutional Shares, is offered in this prospectus. To choose the one that is best suited to your needs and goals, consider the amount of money you want to invest, how long you expect to invest it and whether you plan to make additional investments. The following are some of the main characteristics of the Institutional Shares:

Institutional Shares

- No sales charges.
- No distribution and shareholder service (12b-1) fees.
- Available only to Branch Banking and Trust Company and its affiliates and other financial service providers or intermediaries approved by the Distributor for the investment of funds for which they act in a fiduciary, advisory, agency, custodial or similar capacity; to individuals or corporations investing \$1,000,000 or more; or to employees of BB&T Asset Management.

Investment Amounts

The minimum initial investment in Institutional Shares of the Funds offered by this Prospectus is \$1,000,000*. An Institutional shareholder's minimum investment can be calculated by combining all accounts he/she maintains with BB&T Funds.

* Investors and employees of BB&T Asset Management purchasing shares through Branch Banking and Trust Company, its affiliates or other financial service providers or intermediaries approved by the Distributor are not subject to a minimum initial investment requirement.

If your account falls below \$1,000,000, the Fund may ask you to increase your balance. If it is still below \$1,000,000 after 60 days, the Fund may close your account and send you the proceeds at the current net asset value ("NAV").

For actual past expenses of the Institutional Shares, see the Average Annual Total Returns Table provided earlier in this Prospectus.

The Fund also offers Class A and Class C Shares, each of which has its own expense structure. Class B Shares are closed to new purchases. Class A and Class C Shares are available to investors who are fiduciary clients of Branch Banking and Trust Company and who are not otherwise eligible for Institutional Shares. Call the Funds for more information (see back cover of this Prospectus).

Generally, expenses applicable to the Fund are allocated to each share class of the Fund on the basis of the relative net assets of each class. Expenses applicable to a particular share class, such as distribution and shareholder service (12b-1) fees, are borne solely by that share class.

Pricing of Fund Shares

How NAV is Calculated

The per share NAV of the Fund is calculated by adding the total value of the Fund's investments and other assets, subtracting all of its liabilities and then dividing that figure by the number of outstanding shares of the Fund:

$$\text{NAV} = \frac{\text{Total Assets} - \text{Total Liabilities}}{\text{Number of Shares Outstanding}}$$

NAV is calculated separately for each class of shares.

The NAV for the Fund is determined and its shares are priced at the close of regular trading on the New York Stock Exchange ("NYSE"), normally at 4:00 p.m. Eastern time on days the NYSE is open. On any day that the bond or stock markets close early, such as days in advance of or following holidays or in the event of an emergency, the Fund reserves the right to advance the time NAV is determined and by which purchase, redemption, and exchange orders must be received on that day.

Your order for purchase, sale or exchange of shares is priced at the next NAV calculated after your order is accepted by the Fund. This is what is known as the offering price.

The Fund intends to invest all of its assets in the Master Portfolio, in which case the Fund's net asset value is calculated based upon the net asset value of the Master Portfolio. The registration statement for the Master Portfolio explains the circumstances under which it will use fair value pricing and the effects of using fair value pricing. Although it does not presently intend to do so, to the extent that the Fund holds other securities, the Fund's securities are generally valued at current market prices. If market quotations are not readily available, or if available market quotations are determined not to be reliable, or if a security's value has been materially affected by events occurring after the close of trading on the exchange or market on which the security is traded, but before the Fund's NAV is calculated, prices will be based on fair value as determined by BB&T Funds' Pricing Committee (the "Pricing Committee") pursuant to procedures established by BB&T Funds' Board of Trustees. For further information regarding the methods used in valuing the Fund's investments, please see "Additional Information – Fair Value Pricing Policies" on page 24.

Purchasing and Adding to Your Shares

You may purchase Institutional Shares of the Fund through procedures established by the Distributor in connection with the requirements of fiduciary, advisory, agency, custodial and other similar accounts maintained by or on behalf of customers of Branch Banking and Trust Company or one of its affiliates or other financial service providers or intermediaries approved by the Distributor.

These parties are responsible for transmitting orders by close of business. Consult your investment representative or institution for specific information. Institutional Shares also may be purchased online at www.bbtffunds.com.

All purchases must be in U.S. dollars. A fee will be charged for any checks that do not clear. Third-party checks, money orders, credit card convenience checks, cash, traveler's checks, and checks drawn on foreign currencies are not accepted. The Fund or the transfer agent has the right to reject cashier's checks and official checks. In addition, bank starter checks are not accepted for initial purchase into the Fund.

Automatic Investment Plan

You can make automatic investments in Institutional Shares of the Fund from your bank account, through payroll deduction or from your federal employment, Social Security or other regular government checks. Automatic investments can be as little as \$25, once you've invested the minimum amount required to open the account.*

To invest regularly from your bank account:

- Complete the Automatic Investment Plan portion on your account application or the supplemental sign-up form.
- Make sure you note:
 - Your bank name, address and account number
 - The amount you wish to invest automatically (minimum \$25)
 - How often you want to invest (every month, 4 times a year, twice a year or once a year)
- Attach a voided personal check.

Call 1-800-228-1872 for an enrollment form or consult the SAI for additional information.

* Investors and employees of BB&T Asset Management, Inc. purchasing shares through Branch Banking and Trust Company, its affiliates or other financial service providers or intermediaries approved by the Distributor are not subject to a minimum initial investment requirement.

Shareholder Information

Avoid Tax Withholding

The Fund is required to withhold a percentage of taxable dividends, capital gains distributions and redemptions paid to shareholders who have not provided the Fund with their certified Taxpayer Identification Number or have otherwise failed to comply with IRS rules. Shareholders are urged to read the additional information concerning withholding provided in the SAI and provide a correct Taxpayer Identification Number (Social Security Number for most investors) on the account application.

Anti-Money Laundering Program

The Fund's transfer agent is required by law to obtain certain personal information from you (or a person acting on your behalf) in order to verify your (or such person's) identity. If this information is not provided, the transfer agent may not be able to open your account. If the transfer agent is unable to verify your identity (or that of another person authorized to act on your behalf), or believes it has identified potentially criminal activity, the Fund, the Distributor and the transfer agent each reserve the right to refuse to open your account, to close your account or to take such other action as they deem reasonable or required by law.

Dividends and Distributions

All dividends and distributions will be automatically reinvested unless you request otherwise. There are no sales charges for reinvested distributions. Income dividends for the Fund are declared and paid quarterly to the extent they exceed a de minimis amount set by the Board of Trustees.

Distributions are made on a per share basis regardless of how long you have owned your shares. The distribution will be taxable to you even if it is paid from income or gains earned by the Fund before your investment (and thus was included in the price you paid).

Shareholder Information

Selling Your Shares

You may sell your shares at any time. Your sales price will be the next NAV after your sell order is received by the Fund, its transfer agent, or your investment representative. Normally you will receive your proceeds within a week after your request is received. For more information, see “General Policies on Selling Shares” on page 19.

Withdrawing Money from Your Fund Investment

As a mutual fund shareholder, you are technically selling shares when you request a withdrawal in cash. This is also known as redeeming shares or a redemption of shares.

Instructions for Selling Shares

If selling your shares through your financial adviser or broker, you should inquire about redemption procedures. Your adviser and/or broker may have transaction minimums and/or transaction times which will affect your redemption. For all other sales transactions, follow the instructions below.

By Telephone (unless you have declined telephone sales privileges)

1. Call 1-800-228-1872 with instructions as to how you wish to receive your funds (mail, wire, electronic transfer). (See “General Policies on Selling Shares – Verifying Telephone and Online Redemptions” on page 19).

By Mail

1. Call 1-800-228-1872 to request redemption forms or write a letter of instruction indicating:
 - your Fund and account number
 - amount you wish to redeem
 - address where your check should be sent
 - account owner signature
2. Mail to: BB&T Funds, P.O. Box 9762, Providence, RI 02940-9762.

By Overnight Service (See “General Policies on Selling Shares — Redemptions in Writing Requirements” on page 19)

1. See instruction 1 above for selling your shares by mail.
2. Mail to: BB&T Funds, c/o PNC Global Investment Servicing, 101 Sabin Street, Pawtucket, RI 02860.

By Wire Transfer

You must indicate this option on your application.

The Fund may charge a \$7 wire transfer fee for each wire transfer request. As of the date of this prospectus, BB&T Funds has waived the \$7 wire transfer fee. This waiver is voluntary and may be discontinued at any time. *Note: Your financial institution may also charge a separate fee.*

Call 1-800-228-1872 to request a wire transfer.

If you call by 4 p.m. Eastern time, your payment will normally be wired to your bank on the next business day.

Electronic Redemptions

Your bank must participate in the Automated Clearing House and must be a U.S. bank.

Your bank may charge a fee for this service.

Call 1-800-228-1872 to request an electronic redemption.

If you call by 4 p.m. Eastern time, the NAV of your shares will normally be determined on the same day and the proceeds credited within 7 days.

Online

1. Using an internet browser, go to www.bbtffunds.com and sign in to your account.
2. Select the account and fund you wish to sell.

Shareholder Information

Selling Your Shares continued

3. Enter the number of shares you wish to redeem. You may have your redemption proceeds mailed to the address of record or sent to your bank account via electronic transfer (ACH). Electronic transfers are only allowed if the banking privilege was previously set up on your account. (See “General Policies on Selling Shares – Verifying Telephone and Online Redemptions” on page 19).

Auto Withdrawal Plan for Institutional Shares

You can receive automatic payments from your Institutional Shares account on a monthly, quarterly, semi-annual or annual basis. The minimum withdrawal is \$25. To activate this feature:

- Complete the supplemental sign-up form which you may obtain by calling 1-800-228-1872.
- Include a voided personal check.
- Your account must have a value of \$5,000 or more to start withdrawals.
- If the value of your account falls below \$1,000, you may be asked to add sufficient funds to bring the account back to \$1,000, or the Fund may close your account and mail the proceeds to you.

General Policies on Selling Shares

Redemptions In Writing Requirements

You must request redemption in writing if:

- You are requesting redemption from an Individual Retirement Account (“IRA”).

You must request redemption in writing and obtain a Medallion Signature Guarantee if:

- Your account registration or the name(s) on your account has changed within the last 10 business days; or
- The check is not being mailed to the address on your account; or
- The check is not being made payable to the owner(s) of the account; or
- Your account address has changed within the last ten business days; or
- The redemption proceeds are being transferred to another Fund account with different registration; or
- The redemption proceeds are being wired to bank instructions currently not on your account.

A Medallion Signature Guarantee can be obtained from a financial institution, such as a bank, broker-dealer, or credit union, or from members of the STAMP (Securities Transfer Agents Medallion Program), MSP (New York Stock Exchange Medallion Signature Program) or SEMP (Stock Exchanges Medallion Program). Members are subject to dollar limitations which must be considered when requesting their Medallion Signature Guarantee. The transfer agent may reject any Medallion Signature Guarantee if it believes the transaction would otherwise be improper.

Verifying Telephone and Online Redemptions

The Fund makes every effort to ensure that telephone and online redemptions are made only by authorized shareholders. All telephone calls are recorded for your protection and you will be asked for information to verify your identity. Similarly, the online purchasing and redemption system uses a password and symbol authentication system to verify your identity and to attempt to prevent unauthorized use. Given these precautions, unless you have specifically indicated on your application that you do not want the telephone or online redemption features, you may be responsible for any fraudulent telephone or online orders. If appropriate precautions have not been taken, the transfer agent may be liable for losses due to unauthorized transactions. Telephone and online transaction privileges, including purchases, redemptions and exchanges by telephone instructions or facsimile instructions, may be revoked at the discretion of the Fund without advance notice to shareholders. In such cases, and at times of peak activity when it may be difficult to place requests by phone or online, transaction requests may be made by regular mail.

Shareholder Information

General Policies on Selling Shares

continued

Redemptions Within 15 Business Days of Investment

When you have made an investment by check or ACH, the proceeds of your redemption may be held up to 15 business days until the transfer agent is satisfied that the funds have cleared. You can avoid this delay by purchasing shares with a certified check or federal funds wire.

Postponement of Redemption Request

Payment for shares may be delayed under extraordinary circumstances as permitted by the SEC in order to protect remaining shareholders. If you experience difficulty making a telephone redemption during periods of drastic economic or market change, you can send the Fund your redemption request by standard or express mail.

Redemption in Kind

The Fund reserves the right to make payment in securities rather than cash, known as “redemption in kind.” This could occur under extraordinary circumstances, such as a very large redemption that could affect Fund operations (for example, more than 1% of the Fund’s net assets). If payment is made in securities, the Fund will value the securities selected in the same manner in which it calculates its NAV. When you convert these securities to cash, you will pay brokerage charges.

Undeliverable Distribution Checks

For any shareholder who chooses to receive distributions in cash:

If distribution checks (1) are returned and marked as “undeliverable” or (2) remain uncashed for six months, your account will be changed automatically so that all future distributions are reinvested in your account. Checks that remain uncashed for six months will be canceled and the money will be reinvested in the Fund at the current NAV.

Distribution Arrangements/Sales Charges

Distribution and Shareholder Servicing Arrangements — Revenue Sharing

The Adviser and/or its affiliates may pay out of their own assets compensation to financial intermediaries and other persons for the sale and distribution of the shares and/or for the servicing of the shares. These additional cash incentives, sometimes referred to as “revenue sharing arrangements” are payments over and above any sales charges (including Rule 12b-1 fees) and service fees paid by the Fund, which are disclosed elsewhere in this Prospectus. These additional cash payments made by the Adviser may be made to supplement commissions reallocated to dealers, and may take the form of (1) due diligence payments for a financial intermediary’s examination of the Fund and payments for employee training and education relating to the Fund; (2) listing fees for the placement of the Fund on a financial intermediary’s list of mutual funds available for purchase by its clients; (3) fees for providing assistance in promoting the sale of shares; (4) payments in connection with attendance at sales meetings for the promotion of the sale of shares; and (5) payments for the sale of shares and/or the maintenance of share balances. These payments, which may be different for different financial institutions, will not change the price an investor will pay for shares or the amount that the Fund will receive for the sale of shares.

Networking and Sub-Transfer Agency Fees

The Fund may also directly enter into agreements with financial intermediaries pursuant to which the Fund will pay the financial intermediary for services such as networking or sub-transfer agency. Payments made pursuant to such agreements are generally based on either (1) a percentage of the average daily net assets of clients serviced by such financial intermediary up to a set maximum dollar amount per shareholder account serviced, or (2) the number of accounts serviced by such financial intermediary. Payments made pursuant to such agreements may include fees in addition to, rather than in lieu of, Rule 12b-1 fees the financial intermediary may also be receiving pursuant to agreements with the Distributor.

Exchanging Your Shares

You can exchange your shares in the Fund for shares of the same class of another BB&T Fund, usually without paying additional sales charges (see “Notes on Exchanges” on page 22). You must meet the minimum investment requirements for the Fund into which you are exchanging. Exchanges from one BB&T Fund to another are taxable. Institutional Shares may be exchanged for Class A Shares of the same Fund if you cease to be eligible to purchase Institutional Shares. Institutional Shares of each Fund may not be exchanged for Class B or Class C Shares. No transaction fees are currently charged for exchanges. However, the exchange of Institutional Shares for Class A Shares will require payment of the sales charge applicable to Class A Shares unless the sales charge is waived.

Instructions for Exchanging Shares

Exchanges may be made by sending a written request to BB&T Funds, P.O. Box 9762, Providence, RI 02940-9762, or by calling 1-800-228-1872. Please provide the following information:

- Your name and telephone number,
- The exact name on your account and account number,
- Taxpayer identification number (usually your Social Security number),
- Dollar value or number of shares to be exchanged,
- The name of the Fund from which the exchange is to be made, and
- The name of the Fund into which the exchange is being made.

See “Selling Your Shares” on page 19 for important information about telephone and online transactions.

Notes on Exchanges

- When exchanging from a BB&T Fund that has no sales charge or a lower sales charge to a BB&T Fund with a higher sales charge, you will pay the difference.
- The registration and tax identification numbers of the two accounts must be identical.
- The exchange privilege (including systematic exchanges) may be changed or eliminated at any time upon 60 days’ notice to shareholders.
- Be sure to read carefully the Prospectus of any BB&T Fund into which you wish to exchange shares.

Market Timing Policies

Excessive short-term trading or other abusive trading practices may disrupt portfolio management strategies and hurt Fund performance. Such practices may dilute the value of Fund shares, interfere with the efficient management of a Fund's investments, and increase brokerage and administrative costs. To prevent disruption in the management of the Fund due to market timing strategies, we have adopted certain policies and procedures. We reserve the right to close any account or limit exchange activity for any account in which we have identified a pattern of excessive or abusive trading. We cannot guarantee that we will detect every market timer due to the limitations inherent in our technological systems; as a result, some shareholders may be able to market time while others bear the effect of market timing activity. For example, certain accounts, which are known as omnibus accounts, include multiple investors and such accounts typically provide the Fund with a net purchase or redemption order on any given day where purchasers of Fund shares and redeemers of Fund shares are netted against one another and the identity of individual purchasers and redeemers are not known by the Fund. While the Fund seeks to monitor for market timing activities in the omnibus accounts and may restrict purchases or exchanges of Fund shares held in such omnibus accounts pursuant to Rule 22c-2 shareholder information agreements between the Fund and the financial intermediaries holding such omnibus accounts, the netting effect limits the Fund's ability to locate and eliminate individual market timers. In addition to the Fund's frequent trading policies, the Fund may permit financial intermediaries to utilize their own policies and procedures to identify market timers holding Fund shares through omnibus accounts. These policies and procedures may be different than those utilized by the Fund.

We will apply our policies and procedures consistently to all Fund shareholders, except with respect to trades that occur through omnibus accounts at financial intermediaries as described above. We reserve the right to modify our policies and procedures at any time without prior notice as we deem in our sole discretion to be in the best interests of Fund shareholders, or to comply with state or federal legal requirements.

Dividends, Distributions and Taxes

Please consult your tax adviser regarding your specific questions about federal, state, local, foreign or other taxes applicable to you. Below we have summarized some important U.S. federal tax issues that affect the Fund and its shareholders. Your investment in the Fund may have other tax implications. This summary is based on current tax laws, which may change.

The Fund intends to elect to be treated and to qualify each year as a regulated investment company. A regulated investment company is not subject to tax at the corporate level on income and gains from investments that are distributed in a timely manner to shareholders. However, the Fund's failure to qualify as a regulated investment company would result in corporate level taxation, and consequently, a reduction in income available for distribution to shareholders.

Distributions. Generally, for federal income tax purposes, Fund distributions of investment income are taxable as ordinary income. Taxes on distributions of capital gains are determined by how long the Master Portfolio owned the investments that generated them, rather than how long you have owned your shares. Distributions of net capital gain (that is, the excess of net long-term capital gains from the sale of investments owned by the Master Portfolio for more than one year over net short-term capital losses) that is allocable to the Fund will be taxable as long-term capital gains if those distributions are properly designated by the Fund as capital gain dividends. Distributions of gains allocable to the Fund from the sale of investments that the Master Portfolio owned for one year or less will generally be taxable as ordinary income. For taxable years beginning before January 1, 2011, distributions of investment income designated by the Fund as derived from "qualified dividend income" will be taxed at the rates applicable to long-term capital gains, provided holding period and other requirements are met at each of the shareholder, Fund and Master Portfolio levels. Long-term capital gains rates applicable to individuals have been reduced, in general to 15%, with a 0% rate applicable to taxpayers in the 10% and 15% rate brackets, for taxable years beginning before January 1, 2011. It is currently unclear whether Congress will extend these tax rates for taxable years beginning on or after January 1, 2011.

Distributions are taxable whether you receive them in cash or reinvest them in additional shares. Distributions are also taxable to you even if they are paid from income or gains earned by the Fund before your investment (and thus were included in the price you paid for your shares). Distributions of investment income and capital gains may be subject to state and local taxes as well.

BB&T Funds will send you a statement each year showing the tax status of all your distributions. Distributions may vary considerably from year to year.

Special Considerations for Non-U.S. Shareholders. In general, dividends other than capital gain dividends paid to a shareholder that is not a “United States person” within the meaning of the Code are subject to withholding of U.S. federal income tax at a rate of 30% (or lower applicable treaty rate). However, effective for taxable years of the Fund beginning before January 1, 2010, the Fund is generally not required to withhold any amounts with respect to distributions of (i) U.S.-source interest income that in general would not be subject to U.S. federal income tax if earned directly by an individual foreign person, and (ii) net short-term capital gains in excess of net long-term capital losses, in each case to the extent such distributions are properly designated by the Fund. The Fund generally intends to make such designations, but may opt not to do so. It is currently unclear whether Congress will extend these exemptions for one additional year, *i.e.*, for dividends with respect to taxable years beginning on or after January 1, 2010 but before January 1, 2011.

Non-U.S. investors also may be subject to U.S. estate tax.

Sales, Exchanges and Redemptions of Shares. A sale, exchange or redemption of your Fund shares is a taxable event. Any gain resulting from a sale, exchange or redemption of your Fund shares will generally be subject to tax as capital gains. Any loss from the sale, exchange or redemption of your Fund shares will generally be treated as a capital loss.

General. Generally, the Fund’s Adviser does not consider taxes when deciding to buy or sell securities.

The tax information in this Prospectus is provided as general information and will not apply to you if you are investing through a tax-deferred account such as an IRA or a qualified employee benefit plan. Shareholders are urged to consult with their tax advisers to determine the tax considerations that are relevant in their own particular circumstances, including possible state, local, and foreign taxes.

More information about taxes is in the Fund’s SAI.

Additional Information About the Fund

Fair Value Pricing Policies

The Fund will fair value price its securities when market quotations are not readily available or if available market quotations are determined not to be reliable. Generally, this would include securities for which trading has been halted, securities whose value has been materially affected by the occurrence of a significant event (as defined below), securities whose price has become stale (*i.e.*, the market price has remained unchanged for five business days), and other securities where a market price is not available from either a national pricing service or a broker. In these situations, the Pricing Committee will employ certain Board-approved methodologies to determine a fair value for the securities. Fair valuations will be reviewed by the Board of Trustees on a quarterly basis. Fair value pricing may result in a different determination of a Fund’s NAV price than other valuation methods.

A “significant event” is one that occurred prior to the Fund’s valuation time, is not reflected in the most recent market price of a security, and materially affects the value of a security. Generally, such “significant events” relate to developments in foreign securities that occur after the close of trading in their respective markets. The Fund’s accounting agent may obtain fair value prices of foreign securities through utilization of a Fair Value Pricing Service previously approved by the Board where a movement in the U.S. equities market is sufficiently large to constitute a trigger established by the Pricing Committee. For information regarding the Master Portfolio’s fair value pricing policies, see the SAI.

Disclosure of Portfolio Holdings

Information regarding both the Fund and the Master Portfolio’s policies and procedures regarding the disclosure of portfolio holdings is contained in the Fund’s SAI.

Householding

In order to reduce shareholder expenses, we may, unless you instruct otherwise, mail only one copy of a Fund’s prospectus and each annual and semi-annual report to those addresses shared by two or more accounts. This process is commonly known as “householding.” If you do not wish to receive individual copies of these documents, please call 1-800-228-1872, or if your shares are held through a financial institution, please contact them directly. We will begin sending your individual copies to you within 30 days of our receipt of your request to discontinue householding.



Financial Highlights

The financial highlights table is intended to help you understand the Fund's financial performance for the period of the Fund's operations. Certain information reflects financial results for a single Fund share. The total returns in the table represent the rate that an investor would have earned (or lost) on an investment in the Fund (assuming reinvestment of all dividends and distributions). This information has been audited by KPMG LLP, independent registered public accounting firm of the Fund, whose report, along with the Fund's financial statements, is incorporated by reference in the SAI, which is available upon request.

	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Period May 1, 2007 to December 31, 2007 (a)
INSTITUTIONAL CLASS SHARES			
Net Asset Value, Beginning of Period	\$ 6.02	\$ 9.81	\$ 9.95
Investment Activities:			
Net investment income(b)(c)	0.10	0.17	0.12
Net realized and unrealized gains from investments(b)	1.47	(3.79)	(0.13)
Total from Investment Activities	1.57	(3.62)	(0.01)
Distributions:			
Net investment income	(0.10)	(0.17)	(0.13)
Return of capital	(0.01)	(0.00)(d)	—
Total Distributions	(0.11)	(0.17)	(0.13)
Net Asset Value — End of Period	\$ 7.48	\$ 6.02	\$ 9.81
Total Return(e)	26.36%	(37.24)%	(0.11)%
Ratios/Supplementary Data:			
Net Assets, End of Period (000's)	\$3,343	\$47,259	\$73,382
Ratio of net expenses to average net assets(b)(f)	0.72%	0.30%	0.41%
Ratio of net investment income to average net assets(b)(f)	1.66%	2.08%	1.79%
Ratio of expenses to average net assets*(b)(f)	0.72%	0.30%	0.41%
Portfolio turnover rate(e)(g)	5%	8%	7%

* During the period certain fees were reduced. If such fee reductions had not occurred, the ratios would have been as indicated.

- (a) Period from commencement of operations. The Class I shares of the Equity Index Fund commenced operations on May 1, 2007.
- (b) The per share amounts and percentages reflect income and expenses assuming inclusion of the Fund's proportionate share of the income and expenses of the S&P 500 Stock Master Portfolio.
- (c) Per share net investment income has been calculated using the daily average shares method.
- (d) Less than (0.01) per share.
- (e) Not annualized for periods less than one year.
- (f) Annualized for periods less than one year.
- (g) This rate represents the portfolio turnover rate of the S&P 500 Stock Master Portfolio.

For more information about the Fund, the following documents are available free, upon request:

Annual/Semi-Annual Reports (Reports):

The Fund's annual and semi-annual reports to shareholders contain additional information on the Fund's investments. In the annual report, you will find a discussion of the market conditions and investment strategies that significantly affected the Fund's performance during its last fiscal year.

Statement of Additional Information (SAI):

The SAI provides more detailed information about the Fund, including its operations and investment policies. It is incorporated by reference and is legally considered a part of this Prospectus.

You can get free copies of annual and semi-annual reports and the SAI, Prospectuses of other members of the BB&T Funds Family, or request other information and discuss your questions about the Fund by contacting a broker or bank that sells the Fund. Or contact the Fund at:

BB&T Funds
P.O. Box 9762
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* The Fund's Website is not part of this Prospectus.

You can review the Fund's annual and semi-annual reports and SAIs at the Public Reference Room of the SEC (for information call 1-202-551-8090). You can get text-only copies:

- For a fee, by writing the Public Reference Section of the SEC, Washington, D.C. 20549-6009, or by electronic request: publicinfo@sec.gov.
- Free from the SEC's Website at <http://www.sec.gov>.

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