# Aggressive Growth Stock Fund

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EQUITY COMMENTARY

## Subadviser

Zevenbergen Capital Investments LLC (ZCI) - an aggressive growth equity manager founded in 1987 and based in Seattle, Washington.

| Quarterly Return (%) | Fund | Benchmark* |
|---|---|---|
| I Shares | -11.20 | -11.55 |
| A Shares (w/load) | -16.43 | -11.55 |

**Past performance is no guarantee of future results.**

| Sector Weights (%) | Fund | Benchmark* |
|---|---|---|
| Consumer Discretionary | **23.48** | 16.64 |
| Consumer Staples | *0.00* | 7.72 |
| Energy | *2.07* | 9.84 |
| Financial Services | **9.05** | 6.27 |
| Health Care | **13.94** | 11.66 |
| Materials And Processing | *2.25* | 5.33 |
| Producer Durables | *6.11* | 13.83 |
| Technology | **33.08** | 28.32 |
| Utilities | **4.75** | 0.39 |

*Russell 3000 Growth

**Overweight** / *Underweight* / Neutral

Portfolio composition is subject to change.

## Biggest Contributors

Netflix Incorporated
Cognizant Technology Solutions Corporation
Portfolio Recovery Associates Incorporated
MercadoLibre Corporation
F5 Networks Incorporated

## Biggest Detractors

Blackrock Incorporated
priceline.com Incorporated
Amazon.com Incorporated
QUALCOMM Incorporated
Google Incorporated (Cl A)

## Performance Update – Benchmark and Fund

U.S. equities retreated for the quarter, first moderately under duress from the escalating European debt crisis and then profoundly on risks of waning global economic strength, likely from Europe's implementation of austerity measures and lowered growth indicators in China. High market volume and volatility (low levels previously) ruled the day, with risk aversion spread across all regions and products. The RidgeWorth Aggressive Growth Stock Fund I Shares narrowly outperformed in a decidedly negative market, posting -11.20% compared to -11.55% return for the Russell 3000® Growth benchmark. For the Russell complex, clear leadership was limited to small capitalization at the expense of large cap, while the style winner was difficult to discern as both growth and value indices placed at the top of the "best of the worst". Sector returns fell across the board, with the majority posting double-digit declines. The highest weights in the benchmark, Technology, Health Care and Consumer Discretionary, all declined over 11%, while Financial Services, Energy and Materials & Processing posted the largest absolute declines. Consumer Staples and Utilities (traditionally defensive sectors) were the relative winners for the benchmark.

## Contributors to Performance

Like the benchmark, all Fund sectors returned negatively. Yet, stock selection was additive in two sectors, and those selections made the difference in the Fund's modest outperformance in the quarter. Top-weighted Technology benefited from positive returns in the computer technology industry group and relative outperformance in computer software/services and semiconductors. Energy holdings also outperformed as a single issue in energy equipment (solar) declined slightly compared to a considerable decline for the benchmark's industry. Only 12 Fund issues gained during Q2 and the Fund's top contributors to return for the quarter include: Netflix, Inc. (+47%), Apple Inc. (+7%), and Portfolio Recovery Associates, Inc. (+22%).

## Detractors from Performance

Similar to the benchmark, top weights in Technology, Health Care and Consumer Discretionary Fund sectors were the greatest detractors to return contribution. Whereas positive stock selection in Technology was key to Fund outperformance, allocation and selection effects had little impact in explaining attribution for Consumer Discretionary which produced the Fund's largest aggregate loss. Select retail, leisure and printing/copying holdings declined, likely on soft consumer-focused macro data (employment and spending). Health Care issues had three of the top ten-performing stocks for the Fund, but weak stock selection in pharmaceuticals proved the sector's undoing. Lack of exposure to the traditionally defensive nature of Consumer Staples also hindered the Fund's overall performance. Individually, BlackRock, Inc. (-34%), Google Inc. (-22%) and Amazon.com, Inc. (-20%) were among the most significant aggregate detractors.

## Performance Attribution

| (In Percents **Positive** / *Negative*) | Sector Weight Impact | Stock Selection Impact | Total Impact |
|---|---|---|---|
| Consumer Discretionary | *-0.01* | **0.04** | **0.03** |
| Consumer Staples | *-0.31* | -- | *-0.31* |
| Energy | **0.08** | **0.25** | **0.32** |
| Financial Services | *-0.12* | *-0.20* | *-0.32* |
| Health Care | **0.05** | *-0.15* | *-0.10* |
| Materials & Processing | **0.04** | *-0.15* | *-0.11* |
| Producer Durables | *-0.08* | *-0.12* | *-0.20* |
| Technology | *-0.02* | **1.50** | **1.48** |
| Utilities | **0.09** | *-0.33* | *-0.24* |
| Total | *-0.27* | **0.84** | **0.57** |

Performance attribution does not incorporate the effects of cash, unclassified securities or expenses. The total impact may not equal the difference between Fund and Benchmark returns.

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| **Performance vs. Benchmark and Peers (%)** As of 6/30/10 | QTD | 1 year | 3 year | 5 year | Since Inception |
|---|---|---|---|---|---|
| Aggressive Growth Stock Fund – I Shares* | -11.20 | 19.83 | -4.14 | 3.47 | 3.03 |
| Aggressive Growth Stock Fund – A Shares* (w/ 5.75% load) | -16.43 | 12.58 | -6.33 | 1.93 | 1.76 |
| Russell 3000 Growth Index | -11.55 | 13.95 | -6.97 | 0.44 | 0.74 ** |
| Morningstar Large Growth Funds | -12.11 | 12.41 | -8.11 | -0.18 | — |

*Inception date is 2/23/04.

***Return from 2/23/04.*

**Because equity markets may be volatile in the short-term, resulting in unusually high or low performance, investors should evaluate long-term performance before making an investment.**

The Morningstar Mutual Funds Average is an equally weighted average of the mutual funds within their respective investment objectives, adjusted for the reinvestment of capital gains distributions and income dividends.

***Past performance does not guarantee future results.* The performance quoted represents past performance and current returns may be higher or lower. The investment return and net asset value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. To obtain RidgeWorth Funds performance information current to the most recent month end, visit www.ridgeworth.com.**

**The expense ratios for I and A Shares are 1.18% and 1.48%, respectively.**

## Strategy and Outlook

With a nod to a recent soft patch of economic data and European debt issues, the investing backdrop remains constructive--the economy is arguably in recovery mode; corporate earnings are improving and cash levels are at notable highs; and by many measures, equities are attractively valued. Until many, if not all, of the salient investing challenges are solved or overcome, the markets are likely to remain cautious and gains in equity values muted, but attractive nonetheless for those with long-term conviction. ZCI will continue to spend the time searching out companies where fundamental acceleration should transform into sustainable earnings/revenue growth that the equity market recognizes and correspondingly rewards—irrespective of economic vagaries.

## Important Information and Investment Concerns

Securities mentioned (% of portfolio): Netflix Incorporated (2.16), Cognizant Technology Solutions Corporation (5.47), Portfolio Recovery Associates Incorporated (1.86), MercadoLibre Corporation (1.96), F5 Networks Incorporated (1.87), Blackrock Incorporated (3.79), priceline.com Incorporated (2.02), Amazon.com Incorporated (5.10), QUALCOMM Incorporated (4.06), Google Incorporated (Cl A) (4.88), Apple Incorporated (6.08).

Stocks are more volatile and carry more risk and return potential than other forms of investments. Mutual fund investing involves risk,including the possible loss of principal. Investments in smaller companies may involve greater risks than those in larger, more well-known companies.

De-leveraging means to reduce the debt to capital ratio.

The Russell 3000 Growth Index measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. Investors cannot invest directly in an index.

The views expressed by the Fund's managers are as of the quarter-end specified. This information is subject to change without notice as market conditions change, and is not intended to predict the performance of any individual security, market sector, or RidgeWorth Fund.

***Past performance does not guarantee future results.***

***An investor should consider the fund's investment objectives, risks, and charges and expenses carefully before investing or sending money. This and other important information about the RidgeWorth Funds can be found in the fund's prospectus. To obtain a prospectus, please call 1-888-784-3863 or visit www.ridgeworth.com. Please read the prospectus carefully before investing.***



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RFFC-AG-0610