



Why Mid-Cap?

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Mid-cap stocks have often been left out of basic asset allocation models, to the detriment of long-term investors. Although they make up approximately 27% of the domestic equity universe, only 15% of mutual fund assets invested in Morningstar's domestic equity style box are invested in funds that are classified as mid-cap (as of 12/31/10)¹.

Mid-caps have outpaced large and small caps over the past 30+ years, and have beaten them in a majority of rolling periods within it. They have generally protected the downside better than small caps going into recessions and bounced back faster than large caps coming out – providing a risk-adjusted return that has been superior to both. A portfolio that included a specific allocation to mid-cap stocks had a better risk/reward relationship than a portfolio without over both short and long time periods.

Those who invested in funds benchmarked to the Russell 1000 Index in an attempt to satisfy mid-cap exposure have generally not realized the full benefits of mid-caps. The mega-caps within the Russell 1000 (Russell 200 Index) have had a disproportionate impact on the returns of the Russell 1000 over the past 30 years, dampening the positive impact of the mid-caps in the index.

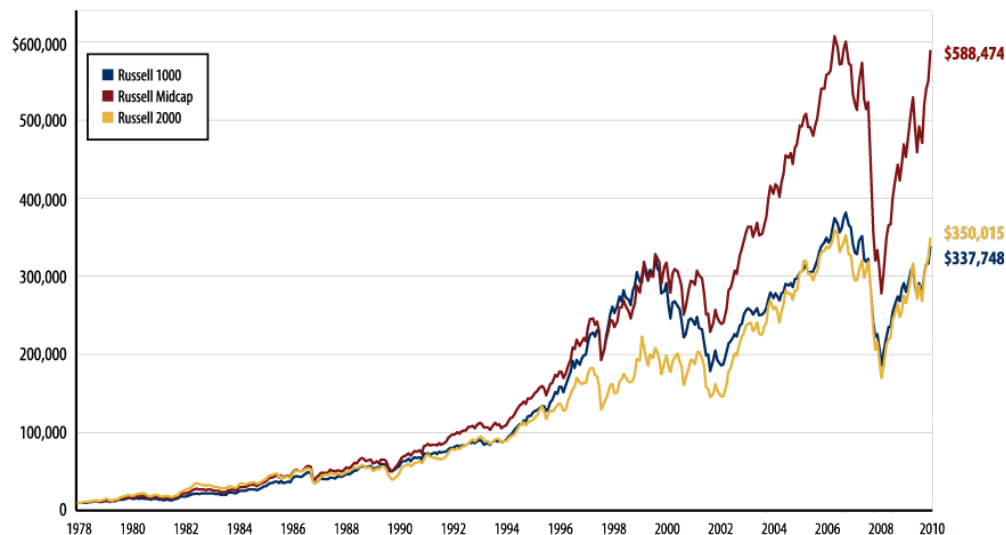
If an investor has not made a specific allocation to mid-caps, now may be an opportune time to add them as they have provided a long record of outperformance.

A Long Record of Outperformance

An investment in mid-caps in 1979 would have significantly outpaced large and small caps over the next three decades. (See *Exhibit 1*) A \$10,000 investment in mid-caps would have grown to \$588,474 — \$238,000+ greater than either large or small caps.

Growth of a \$10,000 Investment in Select Russell Indices Since 1979

January 1979 — December 2010



Source: Russell Family of Indexes, Fact Set, 12/31/10 **Past performance does not guarantee future results.**

Download the [Full White Paper](#) and visit www.addmidcap.com for additional resources.



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Equity securities (stocks) are more volatile and carry more risk than other forms of investments. Mid capitalization funds typically carry additional risks since smaller companies generally have a higher risk of failure.

¹Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe, representing approximately 27% of the total market capitalization of the Russell 1000 companies. The percentage of mutual fund assets is a basic calculation of mid-cap assets invested in Morningstar's domestic equity style box as of 12/31/10.

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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