RIDGEWORTH INSIGHTS: GROWTH EQUITY

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RIDGEWORTH FUNDS

RidgeWorth Large Cap Growth Stock
RidgeWorth Small Cap Growth Stock

EXECUTIVE SUMMARY

- Growth underperformed value amid higher stock market volatility.
- Investors were reacting more to fear and uncertainty than any specific change to the underlying fundamentals.
- Growth has slowed but has not disappeared.

Growth stocks rose modestly for the first quarter of 2016, although they underperformed value stocks and broader equity markets. The Russell 1000 Growth Index returned 0.74%, compared to a 1.64% gain for the Russell 1000 Value Index and a 1.35% return for the S&P 500 Index. Small-cap growth stocks fared less well, however, with the Russell 2000 Growth Index posting a loss of 4.68% compared to a gain of 1.70% for the Russell 2000 Value Index.

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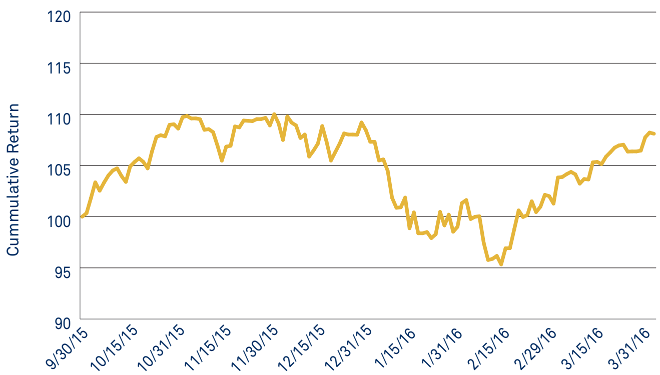
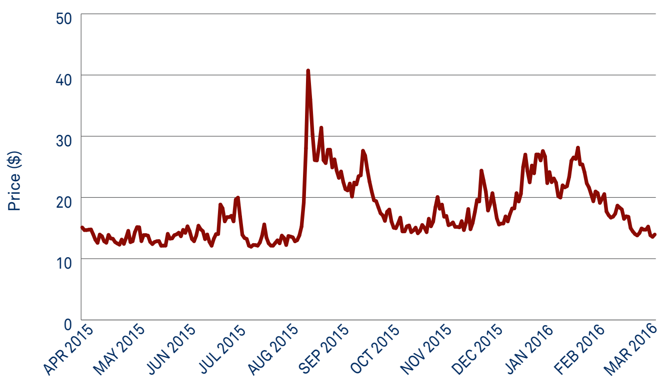
Exhibit 1: Russell 1000 Growth Index (past six months)



Source: FactSet, data pulled 4/20/16.

The first quarter experienced a notable increase in volatility. Growth stocks suffered early in the period, due in part to uncertainty about the Federal Reserve Bank's (Fed) interest rate policy and worries about the health of global economies, including China and Europe. A strong dollar and weak oil prices fed investors' fears, along with talk that the U.S. economy could be headed into a recession.

Exhibit 2: Historical Volatility (past 12 months)



Source: FactSet, data pulled 4/20/16.

In broad terms, stocks rallied late in the quarter amid a more dovish interest rate stance by the Fed. What's more, a rebound in prices for oil and other commodities and a statement by China that it would not aggressively devalue the yuan helped ease investors' concerns, pushing stocks higher. Growth stocks underperformed the broad market, however, as investors worried about valuations among such stocks, as growth stocks have outperformed their value-based counterparts since the 2008 financial crisis. Cyclical stocks also suffered the brunt of the downturn at the start of the quarter, while defensive stocks outperformed. The defensive-oriented Telecommunications and Utilities sectors posted the strongest gains for the quarter while financial and healthcare stocks posted the only losses for the period.

OPPORTUNITIES FOR GROWTH REMAIN

The Technology sector performed roughly in line with the Russell 1000 Growth Index. Leading internet technology stocks posted mixed returns, with Google and Facebook gaining while Netflix and Amazon struggled. Amazon share prices declined as the online retailer reinvested in additional fulfillment center capacity to meet growing demand. We believe there is a lot of opportunity still to be found in large cap technology stocks, particularly among internet-related names. A number of companies continue to gain market share, which is an important component to outperforming growth expectations.

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Although traditionally considered a defensive sector, Healthcare posted a loss for the period. The sector was dragged down by weak performance among biotechnology stocks, which were hard-hit by the ongoing media and political firestorm around drug pricing policies. Shares of companies with links to drug prices suffered as investor sentiment cooled toward the entire sector. However, we believe certain areas of the Healthcare sector—including healthcare service companies—continue to offer opportunities despite the broader sector struggles.

Residential and non-residential construction is another appealing area. The U.S. housing market continues to recover, which could continue to provide a boost to shares of small cap companies with exposure to the housing market through sectors such as industrials and consumer goods and services.

MARKET OUTLOOK

We are in the seventh year of an economic recovery, and an environment of slower economic growth is to be expected. Yet slow growth does not mean a contraction. Strong employment numbers, a relatively stable inflation rate and the general strength of the economy are not the typically precursors of a recession. As a result, we expect a continuation of the current trend of slow growth marked by relatively high volatility. As long as investors are driven by fear rather than changes in market fundamentals—most notably overseas geopolitical events that are impossible to predict—we believe markets will remain volatile.

CBOE Volatility Index (VIX) is a key measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices.

Russell 1000 Growth Index is an unmanaged index composed of securities in the Russell 1000 Index, with higher than average price-to-book ratios and higher than average forecasted growth values.

Russell 1000 Value Index is composed of the securities in the Russell 1000 Index with a lessthan- average growth orientation. Companies in this index generally have low price-to-book and price-to-earnings ratios, higher dividend yields, and lower forecasted growth values.

Russell 2000 Growth Index is composed of the securities found in the Russell 2000 Index with a greater-than-average growth orientation. Companies in this index tend to exhibit higher price-to-book and price-to-earnings ratios.

Russell 2000 Value Index is an unmanaged index which is composed of the securities in the Russell 2000 Index with a less-than-average growth orientation. Companies in this index generally have low price-to-book and price-to-earnings ratios.

Standard & Poor's 500 (S&P 500) Index is an unmanaged index of 500 selected common large capitalization stocks (most of which are listed on the New York Stock Exchange) that is often used as a measure of the U.S. stock market.

Investors cannot invest directly in an index.

Investment Risks:

Equity securities (stocks) may be more volatile and carry more risk than other forms of investments, including investments in high grade fixed income securities. The net asset value per share of a fund will fluctuate as the value of the securities in the portfolio changes. Small capitalization funds typically carry additional risks since smaller companies generally have a higher risk of failure Growth stocks typically are sensitive to market movements because their market prices tend to reflect future expectations. When it appears those expectations will not be met, the prices of growth stocks typically fall.

The views expressed herein are as of the quarter-end specified. This information is general in nature, provided as general guidance on the subject covered, and is not intended to be authoritative. It 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. All information contained herein is believed to be correct, but accuracy cannot be guaranteed. Investors are advised to consult with their investment professional about their specific financial needs and goals before making any investment decision.

Before investing, investors should carefully read the prospectus or summary prospectus and consider the fund's investment objectives, risks, charges and expenses. Please call 888.784.3863 or visit ridgeworth.com to obtain a prospectus or summary prospectus, which contains this and other information about the funds.

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ABOUT RIDGEWORTH INVESTMENTS

RidgeWorth Investments—a global investment management firm headquartered in Atlanta, Georgia with approximately $37.9 billion in assets under management as of March 31, 2016—offers investors access to a select group of boutique investment managers and subadvisers. RidgeWorth wholly owns three boutiques: Ceredex Value Advisors LLC, Seix Investment Advisors LLC and Silvant Capital Management LLC, and holds a minority ownership in Zevenbergen Capital Investments LLC. WCM Investment Management and Capital Innovations, LLC serve as subadvisers to the RidgeWorth Funds. Through these six investment managers, RidgeWorth offers a wide variety of fixed income and equity disciplines, providing investment management services to a growing client base that includes institutional, individual and high net worth investors.

For more information about RidgeWorth, its boutiques and its subadvisers, visit **ridgeworth.com**.

ABOUT SILVANT CAPITAL MANAGEMENT LLC

As RidgeWorth's growth equity boutique, Silvant Capital Management leverages the passion and talents of a diverse, experienced group of investment professionals. Guided by its belief that growth companies can be found in every corner of the economy, Silvant strives to evaluate positive secular trends and disruptive products and services that can change the business landscape, identifying those companies best positioned to exceed.

For more information about Silvant, visit **silvantcapital.com**.