

# Money Market Funds Regulatory Reform

## Subadviser

StableRiver Capital Management LLC  
– a specialty fixed income manager  
based in Atlanta, Georgia.

## Current Market Environment

On Wednesday, June 17, 2009, the Obama administration proposed a number of financial regulatory reforms designed to restore confidence in the integrity of our financial system. As reported, the five key objectives of the proposal are summarized below:

- To promote robust supervision and regulation of financial firms by proposing the creation of a Financial Services Oversight Council that would be chaired by the Treasury and a new National Bank Supervisor to supervise all federally chartered banks.
- To establish comprehensive supervision and regulation of financial markets including stronger regulation of credit rating agencies.
- To protect consumers and investors from financial abuse by establishing a new Consumer Financial Protection Agency.
- To improve tools for managing financial crises.
- To raise international regulatory standards and improve international cooperation.

How this may impact Money Market Funds:

A component of these proposed reforms addresses the issue of the SEC moving forward with its plans to strengthen the regulatory framework around money market mutual funds in order to reduce the credit and liquidity risk profile of such funds.

- The SEC was encouraged to continue to explore potential reforms including: (i) requiring money market mutual funds to maintain substantial liquidity buffers; (ii) limiting the maximum weighted average maturity of money market mutual fund assets; (iii) limiting credit concentration in money market mutual funds; (iv) enhancing credit risk analysis within Money market mutual funds; (v) allowing money market mutual fund boards of directors to suspend redemptions of such funds in “extraordinary” circumstances.
- Further, they propose that the President’s Working Group on Financial Markets prepare a report considering fundamental changes to address the systemic risk potential of money market mutual funds, including (i) exploring the benefits of a stable net asset value and (ii) determining whether access to suitable emergency liquidity facilities should be required. This report is to be completed by September 15, 2009.

Prior to the recent announcements, in a resolution adopted March 17, 2009, the Investment Company Institute’s (ICI) Working Group issued its “Report of the Money Market Working Group.” ICI has stated they formed the Money Market Working Group last fall to develop recommendations to improve the functioning and regulation of the money market funds. The recommendations of this “Working Group” appear to address: (i) portfolio holding requirements; (ii) portfolio maturity limitations; (iii) credit risk analysis; (iv) assessment of client risk; (v) reducing investor/market confusion about money market funds and governmental oversight.

# Money Market Funds Regulatory Reform, cont.

The report suggests that the goal should be for all money market mutual funds to substantially implement these recommendations by September 18, 2009, when authorization for the Treasury's Temporary Guarantee Program for money market funds is currently scheduled to expire.

It is important to note that the final impact of the proposed regulatory reform is uncertain as it will be subject to extensive review, negotiation, and discussion by Congress as well as by financial regulators and industry experts. The outcome of this process may produce legislation that differs greatly from the administration's original proposal.

RidgeWorth continues to monitor news and developments surrounding these matters and will work towards keeping you apprised of any issues potentially impacting money market mutual funds as they occur. If you have any additional questions regarding these announcements, please contact your RidgeWorth representative. To learn more on the proposed recommendations please visit [www.financialstability.gov](http://www.financialstability.gov).

Thank you for your continued support and confidence in the RidgeWorth Funds.

Current and future portfolio holdings are subject to risk.

*An investment in money market funds is not guaranteed by the FDIC or any other government agency. Although the funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the funds.*

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

The views expressed by the Fund's managers are as of the date 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.

**This material must be preceded or accompanied by a prospectus. 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 more information, please call 1-888-784-3863 or visit [www.ridgeworthfunds.com](http://www.ridgeworthfunds.com). Please read the prospectus carefully before investing.**

©2009 RidgeWorth Funds. RidgeWorth Funds are distributed by RidgeWorth Distributors LLC. RidgeWorth Investments is the trade name for RidgeWorth Capital Management, Inc., the adviser to the RidgeWorth Funds, and is not affiliated with the distributor.

• Not FDIC Insured • No Bank Guarantee • May Lose Value