



## Press Release

### S&P Expects Large-Cap Funds to Lead the Charge in 2004

*Independent Research Provider Releases Year-End Mutual Fund Review*

**New York, January 7, 2004** – Standard & Poor's, a leading provider of independent investment research, ratings and indices, released today its 2003 year-end review of domestic equity mutual funds via its Web-based service, *Fund Advisor*. In the review Standard & Poor's Mutual Fund Strategist, Rosanne Pane, noted that history has shown that large-cap stocks tend to outperform in the second year of a bull market and expects 2004 to be no exception. Large-cap mutual funds returned 28.14% in 2003 versus a return of 28.47% for the S&P 500.

"Standard & Poor's expects large-cap funds to have a banner year in 2004," notes Pane. "In addition to history showing that large-cap stocks tend to outperform small-caps in the second year of a bull market, a widely expected weak dollar should also lend its hand to better large-cap performance in the year ahead." Last year - the first year of a bull market - saw more aggressive, small-cap funds outperforming their large-cap rivals by a significant margin. The average small-cap mutual fund returned 43.16%, fifteen percentage points better than the average large-cap fund.

Overall, U.S. stock funds enjoyed stellar gains in 2003, with Standard & Poor's database showing the average domestic equity fund rising 32.91%. The gains were broad based across the nine domestic equity fund styles, ranging from a 27.51% gain for large-cap blend funds to 44.29% for small-cap growth funds. The surging economy, accompanied by strong corporate profits, was a key factor behind these gains.

Although growth outpaced value in the mid- and small-cap fund styles, the value segments trailed growth by modest amounts. While growth stocks generally outperform in the early stages of a bull market, the disparity between growth and value may currently be more muted as a result of sharp declines in the bear market.

Tables showing the average 2003 return for the nine domestic fund styles, as well as the top performing funds for each, can be found at the end of this release. *Fund Advisor's* 2003 review of domestic equity mutual funds can be found by accessing [www.standardandpoors.com](http://www.standardandpoors.com), and clicking on "Funds" in the main tab at the top of the page.

| Fund Investment Style | Average Returns 2003 (%) |
|-----------------------|--------------------------|
| Large-Cap Growth      | +28.22%                  |
| Large-Cap Value       | +28.70%                  |
| Large-Cap Blend       | +27.51%                  |
| Mid-Cap Growth        | +35.83%                  |
| Mid-Cap Value         | +34.75%                  |
| Mid-Cap Blend         | +36.38%                  |
| Small-Cap Growth      | +44.29%                  |
| Small-Cap Value       | +41.97%                  |
| Small-Cap Blend       | +43.23%                  |

|                        |         |
|------------------------|---------|
| Domestic Equity Funds* | +32.91% |
| S&P 500                | +28.47% |

| Domestic Equity Funds* -- 2003 Returns |   |             |  |             |
|--|---|-------------|--|-------------|
|  | Best Performers   | Returns (%) | Worst Performers   | Returns (%) |
| Large-Cap Growth                       | <a href="#">Reynolds Fund</a> (REYFX)                                     | +121.9%     | <a href="#">Regions Morgan Keegan Sel Capital Growth/A</a> (MKCGX) | +3.9%       |
| Large-Cap Value                        | <a href="#">Hillman Aggressive Equity Fund</a> (HCMAX)                    | +55.1%      | <a href="#">Copley Fund</a> (COPLX)                                | +14.3%      |
| Large-Cap Blend                        | HW All Cap Value/A (HWAAX)  | +69.6%      | <a href="#">Howard Capital Appreciation Fund</a> (HEFGX)           | +4.0%       |
| Mid-Cap Growth                         | <a href="#">Legg Mason Inv Tr:Opportunity Tr/Prim</a> (LMOPX)             | +67.4%      | <a href="#">Ameritor Investment Fund</a> (AIVTX)                   | -10.5%      |
| Mid-Cap Value                          | <a href="#">RS Investment Trust: Contrarian Value Fund</a> (RSCOX)        | +66.0%      | <a href="#">Wisdom Fund/B</a> (WSDBX)                              | +17.0%      |
| Mid-Cap Blend                          | <a href="#">Fidelity Leveraged Company Stock</a> (FLVCX)                  | +96.3%      | <a href="#">Old Westbury Capital Opportunity Fund</a> (OWCOX)      | +16.1%      |
| Small-Cap Growth                       | <a href="#">Apex Mid Cap Growth Fund</a> (BMCGX)                          | +165.3%     | <a href="#">Frontier Funds: Equity Fund Portfolio</a> (FEFPX)      | -44.2%      |
| Small-Cap Value                        | <a href="#">Dreyfus Growth &amp; Value Fds: Small Co Value Fd</a> (DSCVX) | +86.6%      | <a href="#">Scudder Small Cap/Invest</a> (BTSCX)                   | +22.1%      |
| Small-Cap Blend                        | <a href="#">Bridgeway Fund:Ultra Small Company Fund</a> (BRUSX)           | +88.2%      | Potomac Warwick/Inv (PWARX)  | -6.4%       |

\*Excluding sector and balanced funds.

Source: Standard & Poor's. Total returns include reinvested dividends. Data as of 12/31/03.

#### About Standard & Poor's

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