



## Hallmark Large-Cap Growth Fund

(formerly the Reserve Large-Cap Growth Fund) A NO-LOAD FUND

*Portfolio Manager*  
Richard D. Steinberg, CFA

Steinberg Global Asset Management, Ltd.  
Boca Raton, Florida

Richard D. Steinberg is President, Chief Investment Officer and co-founder of Steinberg Global Asset Management, sub-adviser to the Hallmark Large-Cap Growth Fund. Mr. Steinberg began his career at E.F. Hutton, was a research analyst at Delphi Management, and managed accounts at Moseley Securities and Credit Lyonnais Securities before forming Steinberg Global in 1993. In all, Mr. Steinberg has more than 16 years of investment expertise, specializing in the areas of large-cap growth and value. He is a member of the South Florida Society of Security Analysts and Association for Investment Management and Research, and is a graduate of Emory University.

Steinberg Global Asset Management has offices in Boca Raton, Florida and Boston, Massachusetts. They currently manage assets for retirement and pension plans, private corporations and high net-worth individuals.

### Investment Objective

The Hallmark Large-Cap Growth Fund's objective is to seek long-term capital appreciation through investment in a portfolio of high-quality, U.S.-based companies whose aggregate market value is \$5 billion or more at the time of purchase. The Fund is designed for investors seeking above average long-term growth, and seeks to achieve its objective by investing in large capitalization, brand name companies. Additionally, candidates are believed to be in a growth phase or are entering a growth phase in their marketplace and have pricing flexibility, the potential to increase volume of unit sales, and control over production and distribution. Steinberg Global relies on both outside analysts and internal research capabilities to screen potential securities for the Fund.

- Hallmark Funds:
- Capital Appreciation
  - Informed Investors Growth
  - International Equity
  - International Small-Cap
  - Large-Cap Growth**
  - Small-Cap Growth
  - Strategic Growth

Investment Minimum		
Class R	Initial \$1,000	Subsequent \$100
Class I	\$250,000	\$10,000

CUSIP Number
40624L873
40624L881

NASDAQ Symbol
HLVAX
HLCGX

### Overview of the Hallmark Funds

This Fund was established in 1996 and is one of the seven no-load, open-end mutual funds that comprise the Hallmark Funds. The funds are diverse and exhibit distinct characteristics and singular strategies – yet together, they can form a comprehensive, well-rounded, and propitious approach to equity mutual fund investing. The Hallmark Funds makes it possible to work with some of the most exclusive investment managers in the industry, at an affordable minimum investment. Each manager has a specific forte and is widely noted for his or her expertise and integrity. This high level of money management is usually restricted to a select few, requiring substantial investments of \$1,000,000 to \$10,000,000.

*You should carefully consider the investment objectives, risks and charges and expenses of the Fund before investing. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The Fund's Prospectus contains this and other information about the Fund. You should read the Prospectus carefully before you invest.*

*The Fund's Prospectus may be obtained by writing to Hallmark Funds, 1250 Broadway, New York, New York 10001-3701, or by calling 888-823-2867 and pressing "0.", or visit our website at [www.hallmarkfunds.com](http://www.hallmarkfunds.com).*

# Hallmark Large-Cap Growth Fund

## Average Annual Total Return ending 6/30/04 Class R

17.98% one year	-5.45% three year	-9.40% five year	4.16% since inception
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## Total Return Class R

41.44% since inception, 1/2/96
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Performance data quoted represents past performance and is not a guarantee of how the Fund will perform in the future. The investment return and principal value of an investment in the Fund will fluctuate so that Fund shares, when redeemed, may be worth more or less than their original cost. The Fund's current performance may be lower or higher than the performance shown. For more recent Fund performance, visit us online at [www.hallmarkfunds.com](http://www.hallmarkfunds.com) or call 1-888-823-2867 and press "0."

## Portfolio Statistics

P/E <sup>1</sup> N/A	Turnover Ratio <sup>2</sup> 63%	Average Capitalization <sup>3</sup> (\$MM) 53,042	Standard Deviation <sup>4</sup> 19.71
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## Top 10 Holdings as of June 30, 2004

Pepsico, Inc	3.95%
Costco Wholesale Corp.	3.84%
Ebay, Inc.	3.66%
Medtronic, Inc	3.57%
Zimmer International, Inc	3.56%
Cintas Corp.	3.49%
United Parcel Services-CL	3.48%
Microsoft Corp.	3.43%
General Electric Co.	3.29%
Best Buy Company	3.17%

Portfolio holdings are subject to change at any time without notice.

Number of Holdings 30

Asset Allocation 93.94% Common Stock  
6.06% Cash

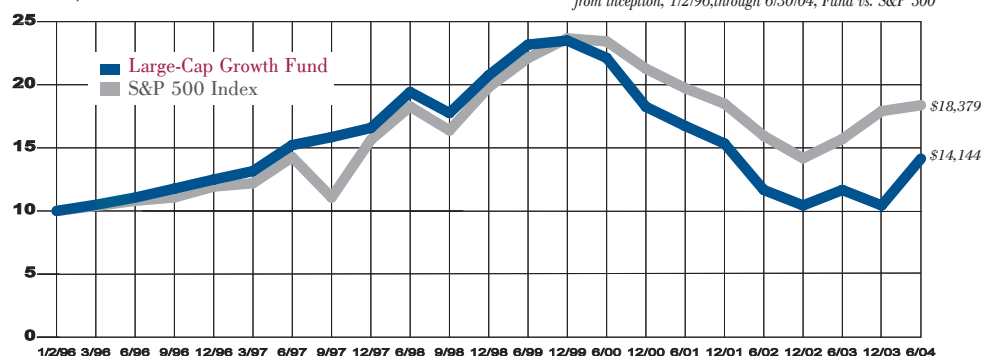
## Top 5 Industries as of June 30, 2004

Drugs & Health Care	9.62%
Cable-TV	9.04%
Industrial-Conglomerates	6.97%
Semiconductor	6.72%
Financial	5.95%

## Hallmark Large-Cap Growth Fund (Class R) return vs. S&P 500\*\*

\$ thousands

Total return (semi-annually by month end) on a \$10,000 investment from inception, 1/2/96, through 6/30/04, Fund vs. S&P 500



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\*\* All graphs are for illustrative purposes only. The Standard and Poor's 500 Stock Index is an unmanaged index generally representative of the U.S. stock market. The information set forth is believed to be reliable. However, Standard and Poor's makes no representation as to its accuracy or completeness.

1 P/E Ratio shows the relationship between a stock's price and a company's earnings, indicating how much investors are paying for earning power.

2 Turnover Ratio measures a fund's trading activity in the last fiscal year, and is computed by taking the lesser of purchases or sales (excluding all securities with maturities of less than one year) and dividing by the monthly average of the market value of portfolio securities owned during the period.

3 Median Capitalization is the average market capitalization of the companies in a fund's portfolio.

4 Standard Deviation is a statistical measurement of dispersion about an average, which, for a mutual fund, depicts how widely the returns varied over a certain period of time. Investors use the standard deviation of historical performance to try to predict the range of return that are most likely for a given fund. When a fund has a high standard deviation, the predicted range of performance is wide, implying greater volatility.