

## RAINIER INTERMEDIATE FIXED INCOME PORTFOLIO (RIMFX)



### A Fixed Income Strategy For All Markets

Since the inception of Rainier's Intermediate Fixed Income Portfolio in 1994, the investing landscape has undergone significant changes. The United States has endured two recessions, technology and housing bubbles, and a severe credit crisis. Leverage and derivatives have become increasingly popular among fixed income managers. Throughout this time, Rainier has *remained true* to the principles of our investment philosophy. Our approach has demonstrated that excessive risk is not required for attractive returns and has shown that emphasizing quality and yield, while being mindful of downside risk, has been a *successful strategy* for long-term investors.

Rainier Investment Management  
601 Union Street, Suite 2801  
Seattle, WA 98101  
800.436.4640  
[www.rainierfunds.com](http://www.rainierfunds.com)  
Seattle/New York

# A fixed income strategy that seeks to maximize risk-adjusted returns over the long-term by emphasizing quality and yield.

## RAINIER INTERMEDIATE FIXED INCOME PORTFOLIO

### Our Philosophy

- **Focus on Yield**

*Yield is a key driver of long-term total returns*

Yield is the primary element and most predictable component of total return. We seek to construct a portfolio with higher yields than the overall market.

- **High Credit Quality**

*An emphasis on capital preservation*

Independent, fundamental research on corporate bond issuers allows us to focus on individual security selection and discover undervalued securities. Expertise in sector and credit analysis has long been a characteristic of our firm.

- **Long-Term Investment Horizon**

*Seeks to maximize long-term risk-adjusted returns*

Our 3-5 year outlook can help minimize volatility. The portfolio remains fully invested at all times.

### Investment Process

#### 1. Top-Down

The investment process begins with a thorough analysis of multiple top-down factors, including monetary and fiscal policy, macro-economic indicators, and geopolitical events.

#### 2. Bottom-Up

We employ a rigorous bottom-up analysis with both a quantitative and qualitative component.

*Quantitative component:* Intensive analysis of financial statements to identify companies whose debt securities could be attractive candidates for the portfolio.

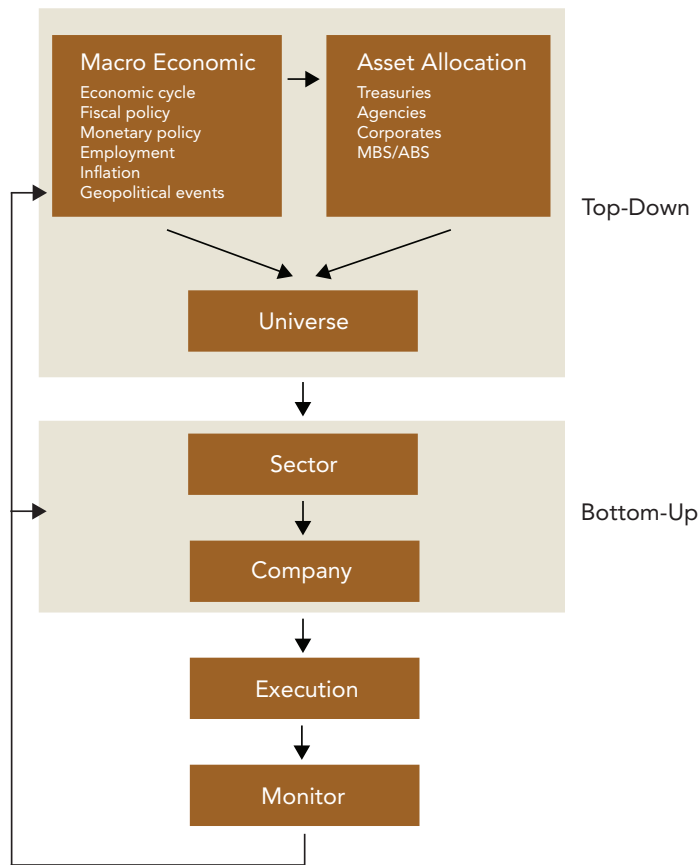
*Qualitative component:* Assessments of company management through one-on-one meetings, earnings calls, and analysis of overall company strategy. We also leverage the expertise of our equity team for specific insights into the overall health of companies and sector dynamics.

#### 3. Risk Controls

We consistently employ risk controls including duration bands, exposure limits and quality constraints to help to mitigate the downside risk from an adverse event in a specific sector or company or a sharp move in interest rates.

#### 4. Monitoring of the Portfolio

Constant monitoring of the portfolio by a seasoned team of investment professionals. Economic and market data, earnings, and portfolio structure are monitored and reviewed daily.



*Performance data quoted represents past performance, which does not guarantee future results. 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. Current performance may be higher or lower than quoted. Performance data current to the most recent month-end may be obtained by calling 800.280.6111 or by visiting [www.rainierfunds.com](http://www.rainierfunds.com).*

Duration is a commonly used measure of the potential volatility of the price of a debt security, or the aggregate market value of a portfolio of debt securities, prior to maturity. Securities with a longer duration generally have more volatile prices than securities of comparable quality with a shorter duration.

# Rainier believes that the preservation of capital is just as important as the growth of capital.

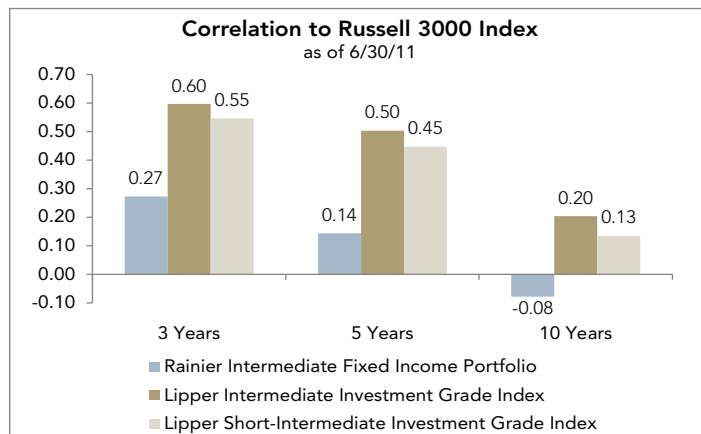
## A FIXED INCOME STRATEGY FOR ALL MARKETS

### Bonds Should Not Behave Like Stocks

Diversification is important for investors seeking to minimize the volatility of their invested assets.

Using the Russell 3000 Index as a proxy for an investor's allocation to equities, the table to the right demonstrates that Rainier's Intermediate Fixed Income Portfolio has had a lower correlation to equities than both the Lipper Intermediate and Lipper Short-Intermediate Investment Grade Indexes over trailing 3, 5, and 10 year time periods.

In fact, for the 10 year period the portfolio actually had a negative correlation to equities.



### Downside Protection is Vital in Turbulent Markets

Rainier's Intermediate Fixed Income Portfolio has a clear objective that we believe sets us apart from many competitors: the preservation of capital is just as important as the growth of capital.

This core belief leads Rainier's fixed income portfolio managers to focus on high-quality corporate bonds. The Portfolio invests only in investment-grade bonds, does not trade derivatives or utilize leverage, and maintains a focus on independent, fundamental research.

The financial crisis in 2008 was an excellent example of this, as the Lipper Intermediate Investment Grade Index experienced negative returns, while the return for our Intermediate Fixed Income Portfolio was positive (see figure at right).

It is in times of market turmoil that downside protection matters the most. In 2008, our commitment to quality helped differentiate Rainier when compared to the Lipper Intermediate Investment Grade Index. While the Lipper Index fell -4.71%, Rainier Intermediate Fund had a positive return of 2.71%. Although the Lipper Index bounced back in subsequent calendar years and the 3 year returns are comparable, these years are an example of the consistent returns that Rainier seeks to provide investors.

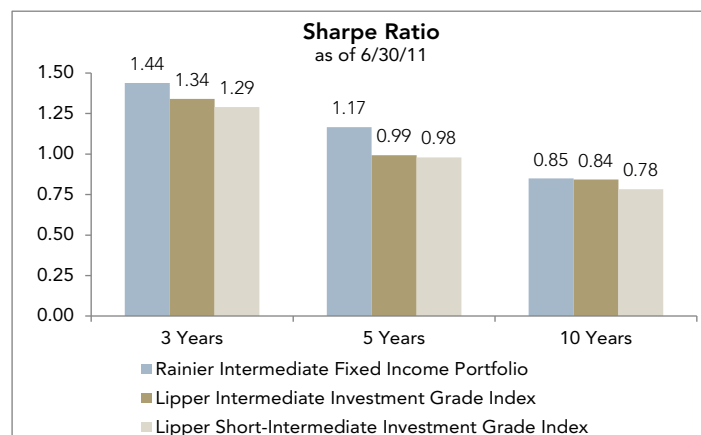
	Rainier Intermediate Fixed Income Portfolio	Lipper Intermediate Investment Grade Index
2008	2.73%	-4.71%
2009	8.80%	14.30%
2010	5.79%	8.62%
3 Yrs ending 12/31/10*	5.74%	5.76%

\* Annualized

### Superior Risk-Adjusted Returns

This focus on quality manifests itself in our history of the lower volatility of the Intermediate Fixed Income Portfolio compared to its intermediate-duration peers. Compared to the Lipper Short-Intermediate Investment Grade Index, the return an investor received per unit of risk (as measured by the Sharpe ratio) was greatest for the Intermediate Fixed Income Portfolio over 3, 5, and 10 year time horizons.

Rainier's fixed income team has a proven ability to identify opportunities in the credit markets that can maximize the return received per unit of risk. When market volatility increases unexpectedly, this can become even more important.



Gross Expense Ratio is 0.71% as of 6/30/11. Average Annual Total Returns (%) as of 6/30/11:

	Rainier Intermediate Fixed Income Portfolio	Barclays Capital U.S. Intermediate Government/Credit Bond Index	Lipper Intermediate Investment Grade Index
1 Year	4.15	3.78	5.63
5 Years	5.98	6.09	6.24
10 Years	4.99	5.34	5.51
Inception (5/10/94)	5.62	6.10	6.20

### Diversification does not assure a profit nor protect against loss in a declining market.

The Sharpe ratio is used to measure risk-adjusted performance. The Sharpe ratio is calculated by subtracting the risk-free rate - in this case the Citigroup 3-month T-bill - from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns.

Correlation is a statistical measure that measures how two securities or investments move in relation to one another. Correlations range from -1 to +1, and can be used to measure how effective investments are as diversification tools when combined with another in a portfolio.

## RAINIER INVESTMENT MANAGEMENT, INC.®

**Boutique Managers Offer Distinct Advantages**

One of the many advantages of being a smaller investment manager in the fixed income space is speed in turning ideas into action. For larger portfolios, positions may have to be much more significant on an absolute basis to have an impact on performance.

At Rainier, we are able to consider a much larger opportunity set because of the size of our Portfolio. A large position for our Portfolio may be miniscule for larger portfolios, and despite the potential return and valuation characteristics, a small position like this may not be worth their time. Smaller position sizes are also more liquid, increasing our ability to sell quickly when necessary and minimize the impact on the market.

Additionally, our size and proximity encourage collaboration and efficiency in communication and execution. The team is seated next to our equity portfolio managers and traders, providing additional communication and insights into the overall market, sectors, and individual companies.

**Fixed Income Portfolio Managers**

**Matt Kennedy, CFA**  
**Principal, Director of Fixed Income**

Matt Kennedy is Rainier Investment Management's Director of Fixed Income. He began his investment career in 1995 with GE Financial Assurance in Seattle. During his years at GE Financial Assurance, he served as a senior analyst and made investment recommendations for Investment Grade, High Yield and Private Placement Portfolios. From 1991 through 1994, Matt was a CPA and auditor with Deloitte & Touche in Seattle.



**James H. Hentges, CFA**  
**Fixed Income Portfolio Manager**

James began his investment career in 1990 with GE Financial Assurance. During his years there, he served as a Senior Analyst for high-yield securities in oil service, homebuilding and supermarket industries. From the year 2000, James worked with AIG Investments as a Portfolio Manager and then assumed the Managing Director's position for their collateralized debt obligations portfolios backed by investment grade corporate credits.

**About Rainier**

Rainier Investment Management is an employee-owned institutional investment management firm dedicated to enhancing client returns through insightful and disciplined research and analysis.

Independently owned since 1991, Rainier remains a boutique firm focused on providing high-value-added U.S. equity and fixed income portfolio management. Our experienced and highly collaborative approach facilitates the construction of our clients' portfolios.

Rainier is headquartered in Seattle, Washington with an office in New York City. The firm currently manages \$18.1 billion in assets as of 6/30/2011, including separate accounts and the Rainier Funds.

**FOR FURTHER INFORMATION, CONTACT:****Advisor Platform Services:**

Ron Alvares 206.518.6742

Mark Wolff 206.518.6698

Adam Ostermiller 206.518.6790

**Subadvisory Services:**

Mark Lee 646.340.1122

**Defined Contribution Investment Only:**

Steve Sundberg 206.518.6762

**Phone:** 1.800.280.6111

**E-mail:** Funds.Advisory@rainierfunds.com

The Barclays Capital U.S. Intermediate Government/Credit Bond Index is an unmanaged index composed of all bonds covered by the Barclays Capital U.S. Intermediate Government/Credit Bond Index with maturities between one and 9.99 years. Lipper Intermediate Investment Grade Index consists of funds that invest in investment-grade debt issues (rated in the top four grades) with dollar-weighted average maturities of five to ten years. The Lipper Intermediate Investment Grade Index tracks the total return performance of the 30 largest funds in the category. You cannot invest directly in an index. The Russell 3000 Index is a market cap talization-weighted benchmark index made up of the 3000 largest US stocks, which represent about 98% of the US equity market. The Lipper Short Intermediate Investment Grade Index is an unmanaged index of funds that invest at least 65% of their assets in investment grade debt issues (rated in top four grades) with dollar-weighted average maturities of one to five years, considered representative of short-intermediate investment grade debt funds

*The fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectus contain this and other important information about the investment company, and may be obtained by calling 800-280-6111 or by visiting [www.rainierfunds.com](http://www.rainierfunds.com). Please read carefully before investing.*

Mutual fund investing involves risk. Principal loss is possible. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investments in asset backed and mortgage backed securities include additional risks that investors should be aware of such as credit risk, prepayment risk, possible illiquidity and default, as well as increased susceptibility to adverse economic developments.

The Rainier Funds are distributed by Quasar Distributors, LLC.