



Average annual total returns as of 6/30/08:

	One Year	Three Years	Five Years	Ten Years
Rainier Large Cap Equity Portfolio	-4.64%	9.14%	10.73%	4.96%
S&P 500 Index	-13.12%	4.41%	7.58%	2.88%
Average Morningstar Large Growth Fund	-6.02%	5.88%	7.81%	2.61%

Gross Expense Ratio is 1.07% as of 3/31/08.

*Performance data quoted represent 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 of the fund may be lower or higher than the performance quoted. Most recent month-end performance is available by visiting [www.rainierfunds.com](http://www.rainierfunds.com).*

The opinions expressed are those of the author and are subject to change, are not guaranteed and should not be considered recommendations to buy or sell any security.

The S&P 500 Index is an unmanaged index of 500 common stocks that is generally considered representative of the U.S. stock market. The Russell 1000 Growth Index is an unmanaged index composed of the equities of companies ranging in value from \$1.4 to \$19.1 billion as of May 31, 2008. You cannot invest directly in an index.

The advisor has an agreement in place to limit expenses. However, the expense limits currently have not been exceeded. **Growth stocks typically are more volatile than value stocks; however, value stocks have a lower expected growth rate in earnings and sales.**

As of June 30, 2008, the following securities comprised these respective percentages of the Rainier Large Cap Equity Portfolio: General Electric 1.37%, Procter and Gamble 2.39%, PepsiCo 2.01%, Pioneer Natural Resources 1.85%, Mosaic Company 1.74% and Merck 1.41%. Fund holdings and sector weightings are subject to change. References to specific securities or industries should not be considered a recommendation to buy or sell any security.

Each Morningstar Category Average represents a universe of Funds with similar investment objectives.

This information is authorized for use when preceded or accompanied by a current prospectus. Please read it carefully before investing. **Mutual fund investing involves risk; loss of principal is possible.**

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# Rainier Large Cap Equity RIMEX

**Morningstar's Take** | 07-18-08 | by Bridget B. Hughes, CFA

## Rainier Large Cap Equity is quietly exceptional.

A glance at this large-growth fund's portfolio would hardly trigger a response. With roughly 100 stocks—just one position taking up more than 3% of assets—and no one sector consuming more than 20% of assets, the fund is well-diversified. Some of its stock picks are common and well-known, like top holdings General Electric GE, Procter & Gamble PG, and PepsiCo PEP. Others are less-known, such as mid-cap Pioneer Natural Resources PXD. Some are market darlings (if there is such a thing these days), including The Mosaic Company MOS, while some others are more controversial, such as Merck MRK. Even the fund's investment approach is hardly notable: It buys companies that the managers think will grow faster than industry peers over the foreseeable future (one to four quarters), but at valuations that are no more than average. It's a strategy shared by many large-growth managers.

While the team's strategy and portfolio may seem ordinary, the fund is more special. We've talked regularly about the fact that the managers have executed the strategy well. One, they stick to what they know—superior growth characteristics—never tempted by a turnaround story or cheap valuations for their own sake. Two, they divide and conquer: Each team member specializes by industry or sector.

The fund's performance reflects that adept execution. While the offering isn't consistently atop the category, it regularly outshines its peers and rarely falls to the bottom rungs of the category performance ladder. Its broadly diversified portfolio and attention to valuations have also helped it control volatility. Over the long haul, it has easily outpaced the typical large-growth offering, as well as its benchmark, the S&P 500 Index.

We have no reservations about recommending this one.

*Bridget B. Hughes, CFA, is a senior analyst with Morningstar.*

## Morningstar Rating

★★★★

## Kudos

- Consistently applied strategy.
- Stable management.

## Risks

- This is a small fund company, so it doesn't have the deepest research team (even though each member is quite experienced in his field).
- This fund's benchmark is the S&P 500 Index; many rivals use the Russell 1000 Growth Index. The latter has hefty tech and health-care stakes. When those sectors rally, this fund may lag many peers.

## Strategy

A traditional growth-at-a-reasonable-price philosophy lies at the heart of this fund's strategy. The main difference is that management doesn't make long-term forecasts, but instead concentrates on earnings in the next quarter or next year. The fund holds a considerable stake in mid-cap stocks.

## Management

Comanagers Jim Margard, Peter Musser, and Mark Dawson have worked together on this fund since 1996. Comanagers Daniel Brewer and Mark Broughton joined in 2000 and 2002, respectively. All have earned the CFA designation. This management team also works together on two other Rainier funds with similar strategies.

## Inside Scoop

This fund has been able to stay one step ahead of the S&P 500 by focusing on near-term earnings and changes to earnings forecasts. Management has a definite preference for growth over value, as it seeks to buy companies that can beat current Wall Street projections.

## Role in Portfolio

Core

## Rainier Large Cap Equity RIMEX

Year	Total Return (%)	+/-Category
YTD	-8.51	1.87
2008	—	—
2007	16.39	3.04
2006	12.25	5.20
2005	11.34	4.63

Data through 06-30-08