

# RiverSource Short Duration U.S. Government Fund

## FUND DESCRIPTION

### Asset Class

Short Government

### Investment Category

Taxable Bond

### Objective

High level of current income and safety of principal

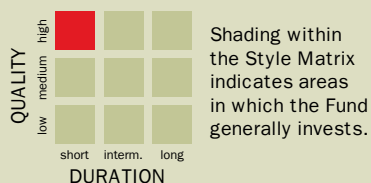
### Strategy

The Fund invests in short-term debt securities issued by the U.S. government and its agencies. Positions in these securities moderate risk and offer safety of principal consistent with investments in securities issued or backed by the U.S. government and its agencies. The Fund's target duration of one to three years makes the Fund less volatile when interest rates fluctuate.

## PORTFOLIO MANAGEMENT

	YEARS IN:	FIRM IND.
<b>Todd White</b>	2	24
<b>John McColley</b>	25	28

## STYLE MATRIX



## FUND DETAILS

	<b>Inception Date</b>
Class A	8/19/1985
Class B	3/20/1995
Class C	6/26/2000
	<b>Ticker CUSIP</b>
Class A	IFINX 76931X101
Class B	ISHOX 76931X200
Class C	AXFCX 76931X309

## TOTAL NET ASSETS

Fund Net Assets (\$M) 687.1

## FUND PERFORMANCE (%)

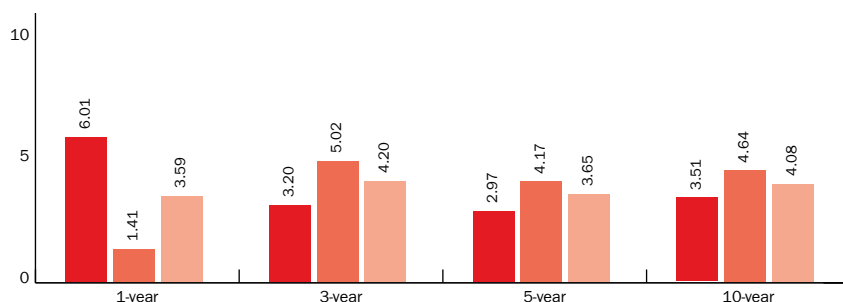
Without Sales Charges	1-year	3-year	5-year	10-year	Since Inception	Max Sales Charge	Maximum CDSC	* Expense Ratio Gross	** Expense Ratio Net
Class A	6.01	3.20	2.97	3.51	5.80	-	-	1.02	0.86
Class B	5.19	2.41	2.19	2.73	3.64	-	-	1.78	1.62
Class C	5.20	2.42	2.20	-	2.91	-	-	1.78	1.62
With Sales Charges									
Class A	2.82	2.16	2.35	3.20	5.67	3.00	-	1.02	0.86
Class B	0.19	1.45	1.83	2.73	3.64	-	5.00	1.78	1.62
Class C	4.20	2.42	2.20	-	2.91	-	1.00	1.78	1.62
Index 1	1.41	5.02	4.17	4.64	-	-	-	-	-
Index 2	3.59	4.20	3.65	4.08	-	-	-	-	-

The performance information shown represents past performance and is not a guarantee of future results. The investments return and principal value of your investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance information shown. You may obtain performance information current to the most recent month-end by visiting [riversource.com/investments](http://riversource.com/investments).

\*Fund expense ratios are calculated based on the Fund's average net assets during the Fund's most recently completed fiscal year, and have not been adjusted for current asset levels. If adjusted for any decrease or increase in assets, expense ratios would be higher or lower, respectively, than the numbers shown above. The expense ratios include the effect of acquired fund fees and expenses, if any. Please see the Fund's prospectus for a complete list of operating expenses.

\*\*The investment manager and its affiliates have contractually agreed to waive certain fees and to absorb certain expenses of the Fund, as described in the Fund's prospectus, unless sooner terminated at the discretion of the Fund's board. Any amount waived will not be reimbursed. Net expense ratios reflect this fee waiver/expense cap. Fee waivers/expense caps would limit the impact that any decrease in assets will have on net expense ratios in the current fiscal year.

■ Class A  
 ■ Index 1: Barclays Capital 1-3 Year Government Index  
 ■ Index 2: Lipper Short U.S. Government Funds Index



## CALENDAR YEAR RETURNS (%)

Class A without sales charges.

	2009	2008	2007	2006	2005
RiverSource Short Duration U.S. Government Fund CI A	6.01	-1.53	5.28	3.95	1.33
Barclays Capital 1-3 Year Government Index	1.41	6.66	7.09	4.12	1.72
Lipper Short U.S. Government Funds Index	3.59	3.46	5.56	4.02	1.68

It is not possible to invest directly in an index.

The Barclays Capital U.S. 1-3 Year Government Index, an unmanaged index, is made up of all publicly issued, non-convertible domestic debt of the U.S. government, or agency thereof, or any quasi-federal corporation. The index also includes corporate debt guaranteed by the U.S. government. Only notes and bonds with a minimum maturity of one year up to a maximum maturity of 2.9 years are included. The index reflects reinvestment of all distributions and changes in market prices.

The Lipper Short U.S. Government Funds Index includes the 30 largest short U.S. government funds tracked by Lipper Inc. The index's returns include net reinvested dividends.

NOT FDIC INSURED | MAY LOSE VALUE  
 NO BANK GUARANTEE

**PORTFOLIO STATISTICS**

	FUND
Number of Holdings	217
Duration (years)	1.66
Average Maturity (years)	2.16
Average Credit Quality	AAA
SEC Yield	1.53
Fund Fiscal Year End	5/31/10

**RISK MEASURES**

(3-year period)

	FUND	INDEX
Standard Deviation	1.88	1.83
Sharpe Ratio	1.01	1.54
Beta	0.25	1.00
Alpha	2.85	0.00
R-Squared	0.06	1.00

**CREDIT QUALITY (%)**

	FUND
Govt/Agency	69.47
AAA	17.82
AA	1.33
A	2.90
BBB	1.42
BB	0.00
B	0.05
CCC & Below	0.27
NR/Cash/Other	6.75

**MATURITY (%)**

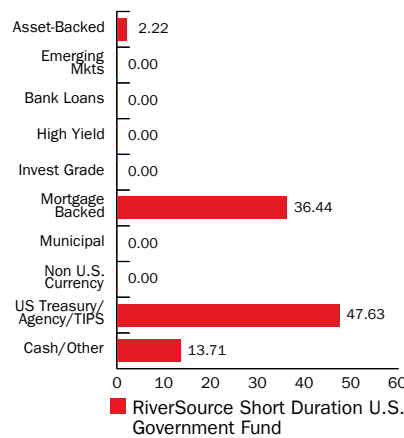
	FUND
0-1 Year	29.45
1-3 Years	42.86
3-7 Years	26.25
7-10 Years	1.33
10-15 Years	0.12
Above 15 Years	0.00

**COMPARATIVE INDEX**

Barclays U.S. 1-3 Year Government Index

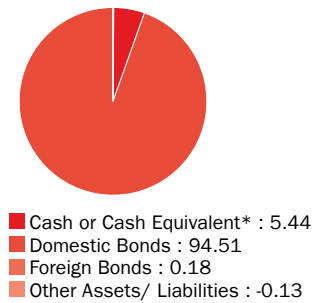
**SECTOR ALLOCATION (%)**

Subject to change.



**ASSET ALLOCATION (%)**

Subject to change.



\* Includes the effect of cash designated for the payment of securities that have been purchased by the Fund on a forward-commitment basis, if any.

**DEFINITIONS**

**Alpha**- measures the relationship between the Fund's performance and its beta over a three-year period. Alpha greater than 0.0 means an investment has performed better than the compared index given its level of risk. It can be viewed as a measure of the value added by the Fund manager.

**Average Credit Quality**- is the weighted average of the quality ratings of all bonds held in a portfolio.

**Average Maturity**- is a measure of investment risk; it is the weighted average of the maturities, or due dates, of all bonds held in a portfolio not considering other factors.

**Beta**- measures an investment's volatility relative to a market index. The index is equivalent to 1.0. An investment with a beta greater than 1.0 has been more volatile than the index while an investment with a beta less than 1.0 has been less volatile.

**Credit Quality**- Bond ratings apply to underlying holdings of the Fund and not the Fund itself. Whenever possible, the Standard and Poor's rating is used to determine the credit quality of a security. Standard and Poor's rates the creditworthiness of corporate bonds, with 15 categories ranging from AAA (highest) to D (lowest). Ratings from A to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. If Standard and Poor's doesn't rate a security, then Moody's rating is used. RiverSource rates a security using an internal rating system when Moody's doesn't provide a rating.

**Duration**- expressed in years, measures a bond portfolio's change in value for every 1% change in interest rates. Longer durations indicate higher rate sensitivities.

**R-Squared**- measures how closely the Fund's performance matches (or doesn't match) the performance of its benchmark Index.

**SEC Yield**- Computed under an SEC standardized formula representing the net investment income earned by a fund over the preceding 30 day period, expressed as an annual percentage rate based on the maximum public offer price (POP) per share on the last day of the period. The SEC yield should be regarded as an estimate of the Fund's rate of investment income reflecting an estimated yield to maturity (assuming all current portfolio holdings are held to maturity), and it may not equal the Fund's actual income distribution rate or the income paid to a shareholders account. The SEC Yield reflects fee waivers in effect, if any. In the absence of such waivers, yields would be reduced.

**Sharpe Ratio**- divides an investment's return in excess of the 90-day Treasury bill by the investment's standard deviation to measure risk-adjusted performance.

**Standard Deviation**- measures an investment's historical volatility in performance.

**You should consider the investment objectives, risks, charges and expenses of a mutual fund carefully before investing. For a free prospectus, which contains this and other important information about the funds, call 1(800) 221-2450. Read the prospectus carefully before investing.**

There are risks associated with an investment in a bond fund, including the impact of interest rates, credit, and inflation. In general, bond prices fall when interest rates rise and vice versa. This effect is usually more pronounced for longer-term securities.

Shares of this Fund are not insured or guaranteed by the U.S. government.

Not all products and all shares classes are available through all firms.

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