

# RiverSource Diversified Equity Income Fund

## FUND DESCRIPTION

### Asset Class

U.S. Stock

### Investment Category

Large Value

### Objective

High level of current income and capital growth

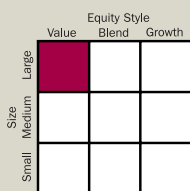
### Strategy

The Fund's management team employs a contrarian investment approach to try to identify good long-term investment ideas among companies that are disliked, forgotten or misunderstood. The Fund invests primarily in dividend paying large-cap stocks but may opportunistically invest in mid- and small-cap stocks as well. Leveraging a team of experienced analysts, the Fund uses a collaborative and interactive team approach to integrate valuation analysis, fundamental research and behavioral views.

## PORTFOLIO MANAGEMENT

	YEARS IN:	FIRM IND.
<b>Steve Schroll</b>	12	29
<b>Laton Spahr, CFA</b>	9	12
<b>Paul Stocking</b>	15	23

## MORNINGSTAR STYLE BOX™



The Morningstar Style Box™ reveals a fund's investment strategy. For equity funds, the vertical axis shows the market capitalization of the stocks owned, and the horizontal axis shows investment style (value, blend, or growth). Information shown is based on the most recent data provided by Morningstar.

## FUND DETAILS

	<b>Inception Date</b>
Class A	10/15/1990
Class B	3/20/1995
Class C	6/26/2000
	<b>Ticker</b>
Class A	INDZX
Class B	IDEBX
Class C	ADECX
	<b>CUSIP</b>
Class A	76931G504
Class B	76931G603
Class C	76931G702

## TOTAL NET ASSETS

Fund Net Assets (\$M) 4,059.9

NOT FDIC INSURED	MAY LOSE VALUE
NO BANK GUARANTEE	

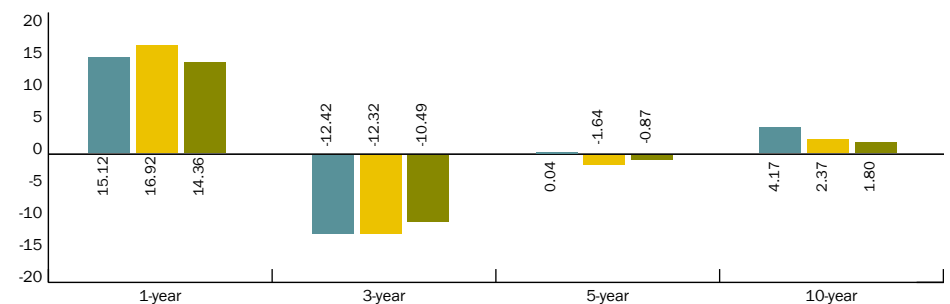
## FUND PERFORMANCE (%)

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	15.12	-12.42	0.04	4.17	9.14	-	-	0.99	-
Class B	14.03	-13.11	-0.76	3.36	6.52	-	-	1.76	-
Class C	14.28	-13.07	-0.73	3.37	3.22	-	-	1.75	-
With Sales Charges									
Class A	8.49	-14.13	-1.14	3.56	8.82	5.75	-	0.99	-
Class B	9.03	-13.87	-1.06	3.36	6.52	-	5.00	1.76	-
Class C	13.28	-13.07	-0.73	3.37	3.22	-	1.00	1.75	-
Index 1	16.92	-12.32	-1.64	2.37	-	-	-	-	-
Index 2	14.36	-10.49	-0.87	1.80	-	-	-	-	-

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, adjusted for the change in the Fund's transfer agent, and have not been adjusted for current asset levels, including any increase or decrease in assets, which, if adjusted, would result in expense ratios that are higher or lower, respectively, than those that are expressed herein. Any 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: Russell 1000 Value Index  
 ■ Index 2: Lipper Equity Income Funds Index



## CALENDAR YEAR RETURNS (%)

Class A without sales charges.

	2009	2008	2007	2006	2005
RiverSource Diversified Equity Income Fund CI A	26.89	-40.41	7.99	19.66	13.33
Russell 1000 Value Index	19.69	-36.85	-0.16	22.21	7.04
Lipper Equity Income Funds Index	23.85	-35.40	2.98	18.40	5.80

It is not possible to invest directly in an index.

The Russell 1000 Value Index is an unmanaged list of large capitalization common stocks used to measure the performance of value-oriented large capitalization U.S. companies and is not necessarily similar to our institutional portfolios.

The Lipper Equity Income Funds Index includes the 30 largest equity income funds tracked by Lipper Inc. The index's returns include net reinvested dividends. The Fund's performance is currently measured against this index for purposes of determining the performance incentive adjustment.

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**PORTFOLIO STATISTICS**

	FUND	INDEX
Price-to-Earnings Ratio	13.63	13.05
Price-to-Book Ratio	1.55	1.36
Wtd. Avg Mkt Cap (\$B)	61.87	62.94
Number of Holdings	127	668
Fund Fiscal Year End	9/30/10	

**MARKET CAPITALIZATION (%)**

	FUND	INDEX
\$7.0 Billion & Above	88.85	81.62
\$1.0 Billion - \$7.0 Billion	10.60	18.36
\$0 - \$1.0 Billion	0.55	0.02

**RISK MEASURES**

(3-year period)

	FUND	INDEX
Standard Deviation	22.85	22.28
Sharpe Ratio	-0.56	-0.62
Beta	1.01	1.00
Alpha	1.14	0.00
R-Squared	0.97	1.00

**TOP HOLDINGS (%)**

As of June 30, 2010

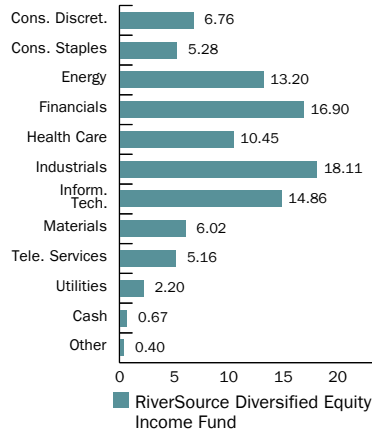
	FUND
1. Hewlett-Packard	4.47
2. XL Capital CI A	3.56
3. Bank of America	3.22
4. Lorillard	3.05
5. Intel	2.99
6. Bristol-Myers Squibb	2.54
7. Merck & Co	2.47
8. Exxon Mobil	2.45
9. JPMorgan Chase & Co	2.34
10. Chevron	2.03

**COMPARATIVE INDEX**

Russell 1000 Value Index

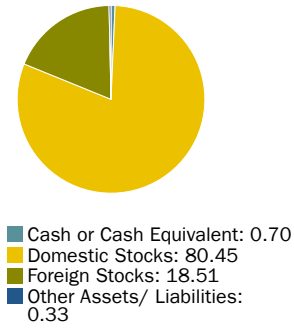
**SECTOR ALLOCATION (%)**

Subject to change.



**ASSET ALLOCATION (%)**

Subject to change.



**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.

**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.

**Price-to-Book Ratio**- is a stock's price divided by its book value, and may help determine if it is valued fairly.

**Price-to-Earnings Ratio**- is a stock's price divided by after-tax earnings over a trailing 12-month period, which serves as an indicator of value based on earnings.

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

**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.

Holdings are shown in descending order of value and exclude short-term holdings and cash, if applicable. Fund holdings are as of the date given, are subject to change at any time, and are not recommendations to buy or sell any security.

**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.**

**The recent growth in the stock market has helped to produce short-term returns for some asset classes that are not typical and may not continue in the future. Because of ongoing market volatility, fund performance may be subject to substantial short-term changes.**

International investing involves increased risk and volatility due to potential political and economic instability, currency fluctuations, and differences in financial reporting and accounting standards and oversight. Risks are particularly significant in emerging markets.

Investments in small- and mid-capitalization companies involve greater risks and volatility than investments in larger, more established companies.

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

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