

Frequently Asked Questions (revised as of Jan. 16, 2018)

Reorganization of the Rainier U.S. Funds into the Hennessy Funds

Why was this reorganization proposed?

Rainier Investment Management, LLC (“Rainier”) completed a strategic review of the management and operations of the Rainier U.S. Funds and determined that it would be advisable to pursue a reorganization with another fund group who it believed could successfully manage the investments of current shareholders of the Rainier U.S. Funds. That search led Rainier to Hennessy Advisors, Inc. (“Hennessy Advisors”), a company who Rainier believes is focused on providing high-quality investment management services and customer service to their existing Hennessy Funds shareholders and who is well suited to acquire the assets of the Rainier U.S. Funds.

What fund will I be invested in following the reorganization?

Shareholders of the Rainier Mid Cap Equity Fund and the Rainier Small/Mid Cap Equity Fund will now be shareholders of Hennessy Cornerstone Mid Cap 30 Fund. Shareholders of the Rainier Large Cap Equity Fund will now be shareholders of the Hennessy Cornerstone Large Growth Fund.

	<i>merging into</i>	
Rainier Mid Cap Equity Fund	---->	Hennessy Cornerstone Mid Cap 30 Fund
Rainier Small/Mid Cap Equity Fund	---->	Hennessy Cornerstone Mid Cap 30 Fund
Rainier Large Cap Equity Fund	---->	Hennessy Cornerstone Large Growth Fund

Shareholders of the Rainier U.S. Funds Original Class shares will now be shareholders of Investor Class shares of the applicable Hennessy Fund, while shareholders of the Rainier U.S. Funds Institutional Class shares will now be shareholders of Institutional Class shares of the applicable Hennessy Fund.

When will/did the reorganization become effective?

Shareholders of the Rainier Small/Mid Cap Equity Fund voted in favor of the proposal at a Special Meeting held on December 26, 2017. These shareholders received shares of the Hennessy Cornerstone Mid Cap 30 Fund on January 16, 2018, based on closing fund prices as of January 12, 2018, as follows:

	<u>NAV as of Jan. 12</u>	<u>Conversion Ratio</u>
Rainier Small/Mid Cap Equity, Original (RIMSX)	\$37.4758	1.83935723 shares of HFMDX
Rainier Small/Mid Cap Equity, Institutional (RAISX)	\$40.3208	1.92688311 shares of HIMDX
Hennessy Cornerstone Mid Cap 30, Original (HFMDX)	\$20.3744	—
Hennessy Cornerstone Mid Cap 30, Institutional (HIMDX)	\$20.9254	—

Shareholders of the Rainier Mid Cap Equity and Rainier Large Cap Equity Funds voted in favor of the proposal at a Special Meeting held on November 16, 2017. Shareholders of these funds received shares of the Hennessy Funds on December 4, 2017, based on closing fund prices as of December 1, 2017, as follows:

	<u>NAV as of Dec. 1</u>	<u>Conversion Ratio</u>
Rainier Large Cap Equity, Original (RIMEX)	\$13.9939	1.12724036 shares of HFLGX
Rainier Large Cap Equity, Institutional (RAIEX)	\$14.7365	1.17517823 shares of HILGX
Rainier Mid Cap Equity, Original (RIMMX)	\$34.0115	1.48488116 shares of HFMDX
Rainier Mid Cap Equity, Institutional (RAIMX)	\$36.1431	1.53612823 shares of HIMDX
Hennessy Cornerstone Large Growth, Original (HFLGX)	\$12.4143	—
Hennessy Cornerstone Large Growth, Institutional (HILGX)	\$12.5398	—
Hennessy Cornerstone Mid Cap 30, Original (HFMDX)	\$22.9052	—
Hennessy Cornerstone Mid Cap 30, Institutional (HIMDX)	\$23.5287	—

What are the tax implications resulting from the reorganization?

The reorganization has been structured with the intention that it qualify, for federal income tax purposes, as a tax-free reorganization under the Internal Revenue Code. Therefore, shareholders should not recognize any gain or loss on shares of the Rainier U.S. Funds for federal income tax purposes as a result of the reorganization. Please note that any redemptions made prior to the reorganization date would be subject to applicable taxes.

How were distributions paid in conjunction with the reorganization?

A distribution was made prior to the reorganization date for the Rainier Mid Cap Equity and Rainier Large Cap Equity Funds. These funds distributed income and capital gains on November 29, 2017, to shareholders of record as of November 28, 2017, as follows:

<u>Rainier Fund</u>	<u>Ticker</u>	<u>Ordinary Income</u>	<u>Short-term Capital Gain</u>	<u>Long-term Capital Gain</u>	<u>Total</u>
Rainier Large Cap Equity Fund - Original	RIMEX	\$ 0.07853	\$ 2.53871	\$ 5.40421	\$ 8.02145
Rainier Large Cap Equity Fund - Institutional	RAIEX	\$ 0.11015	\$ 2.53871	\$ 5.40421	\$ 8.05307
Rainier Mid Cap Equity Fund - Original	RIMMX	\$ -	\$ 3.63050	\$ 5.17542	\$ 8.80592
Rainier Mid Cap Equity Fund - Institutional	RAIMX	\$ -	\$ 3.63050	\$ 5.17542	\$ 8.80592

The Rainier Small/Mid Cap Fund paid its 2017 capital gains on December 15, 2017, to shareholders of record as of December 14, 2017, as follows:

<u>Rainier Fund</u>	<u>Ticker</u>	<u>Short-term Capital Gain</u>	<u>Long-term Capital Gain</u>	<u>Total</u>
Rainier Small/Mid Cap Equity Fund - Original	RIMSX	\$ 2.42949	\$ 1.72960	\$ 4.15909
Rainier Small/Mid Cap Equity Fund - Institutional	RAISX	\$ 2.42949	\$ 1.72960	\$ 4.15909

An additional distribution was made prior to the reorganization date for the Rainier Small/Mid Cap Equity Fund. The Fund distributed capital gains on January 10, 2018, to shareholders of record as of January 9, 2018, as follows:

<u>Rainier Fund</u>	<u>Ticker</u>	<u>Short-term Capital Gain</u>	<u>Long-term Capital Gain</u>	<u>Total</u>
Rainier Small/Mid Cap Equity Fund - Original	RIMSX	\$ 0.13674	\$ 0.53289	\$ 0.66963
Rainier Small/Mid Cap Equity Fund - Institutional	RAISX	\$ 0.13674	\$ 0.53289	\$ 0.66963

What are the ticker symbols and CUSIP numbers for the Funds involved in the reorganization?

<u>Rainier U.S. Fund</u>	<u>Class</u>	<u>Ticker</u>	<u>CUSIP</u>	<u>merging into</u>	<u>Hennessy Fund</u>	<u>Class</u>	<u>Ticker</u>	<u>CUSIP</u>
Mid Cap Equity	Original	RIMMX	750 869 885	---->	Cornerstone Mid Cap 30	Investor	HFMDX	425 888 302
Mid Cap Equity	Institutional	RAIMX	750 869 877	---->	Cornerstone Mid Cap 30	Institutional	HIMDX	425 888 609
Small/Mid Cap Equity	Original	RIMSX	750 869 208	---->	Cornerstone Mid Cap 30	Investor	HFMDX	425 888 302
Small/Mid Cap Equity	Institutional	RAISX	750 869 604	---->	Cornerstone Mid Cap 30	Institutional	HIMDX	425 888 609
Large Cap Equity	Original	RIMEX	750 869 109	---->	Cornerstone Large Growth	Investor	HFLGX	425 88P 205
Large Cap Equity	Institutional	RAIEX	750 869 703	---->	Cornerstone Large Growth	Institutional	HILGX	425 88P 403

Will fees and expenses change as a result of the reorganization?

It is anticipated that shareholders of the Rainier U.S. Funds will benefit from a lower expense ratio as a result of the reorganization, currently estimated to be a reduction of between 1 and 20 basis points (a basis point is equal to 1/100th of 1%) as follows:

	<u>Expense Ratio</u>	<u>Savings in Expense Ratio</u>
Rainier Mid Cap Equity - Original	1.44%	0.10%
Rainier Small/Mid Cap Equity - Original	1.39%	0.05%
Hennessy Cornerstone Mid Cap 30 - Investor (Pro Forma)	1.34%	--
Rainier Mid Cap Equity - Institutional	1.17%	0.20%
Rainier Small/Mid Cap Equity - Institutional	1.07%	0.10%
Hennessy Cornerstone Mid Cap 30 - Institutional (Pro Forma)	0.97%	--
Rainier Large Cap Equity - Original	1.29%	0.03%
Hennessy Cornerstone Large Growth - Investor (Pro Forma)	1.26%	--
Rainier Large Cap Equity - Institutional (Pro Forma)	0.98%	0.01%
Hennessy Cornerstone Large Growth - Institutional (Pro Forma)	0.97%	--

The Hennessy Funds are no-load, and like the Rainier U.S. Funds, are not subject to any sales charges, redemption fees or exchange fees.

The expense ratios for the Rainier Mid Cap Equity Fund, the Rainier Small/Mid Cap Equity Fund and Original Class shares of the Rainier Large Cap Equity Fund shown above are the gross expense ratios from the Annual Report of the Rainier U.S. Funds dated March 31, 2017. The pro forma expense ratio shown above for Institutional Class shares of the Rainier Large Cap Equity Fund is higher than the net expense ratio shown in the Annual Report of the Rainier U.S. Funds dated March 31, 2017, to reflect the effect of reduced assets for the Rainier Large Cap Equity Fund and Rainier Investment Management Mutual Funds and to reflect the expiration after July 31, 2017, of Rainier's waiver of 0.07% of its advisory fee.

Hennessy Advisors has agreed that the fees and expenses of the applicable classes of the Hennessy Cornerstone Mid Cap 30 Fund and the Hennessy Cornerstone Large Growth Fund will be capped to the extent necessary so that expenses (exclusive of all federal, state, and local taxes, interest, brokerage commissions, acquired fund fees and expenses and other costs incurred in connection with the purchase and sale of securities, and extraordinary items) do not exceed the total annual fees and expenses of the applicable classes of the Rainier Small/Mid Cap Equity Fund and Rainier Large Cap Equity Fund, respectively, as reflected in the table above for a period of two years from the date of the reorganization.

Will my service providers change following the reorganization?

Following the reorganization, Hennessy Advisors will act as the investment manager. Transfer agency, custodian and distribution services will continue to be provided by U.S. Bancorp Fund Services, LLC, the service provider for both the Rainier U.S. Funds and the Hennessy Funds. The Rainier U.S. Funds and the Hennessy Funds have similar purchase and redemption procedures.

Who do I call if I have questions or would like more information?

Hennessy Funds – 1-800-966-4354

Who is Hennessy Advisors?

Founded in 1989, Hennessy Advisors is a publicly traded investment manager offering 14 mutual funds under the Hennessy Funds brand. Hennessy Advisors is focused on providing high-quality investment management services and superior customer service to the shareholders of the Hennessy Funds. As of September 30, 2017 (prior to the reorganization), Hennessy Advisors had assets under management of approximately \$6.6 billion.

Who manages the Hennessy Cornerstone Mid Cap 30 and the Hennessy Cornerstone Large Growth Funds?

The Hennessy Cornerstone Mid Cap 30 and Hennessy Cornerstone Large Growth Funds are co-managed by Neil Hennessy, President and Chief Investment Officer of the Hennessy Funds, Brian Peery, Portfolio Manager, and Ryan Kelley, CFA, Portfolio Manager.

Neil Hennessy is a seasoned portfolio manager with over three decades of financial industry experience. Neil began his career as a financial advisor, and in 1989 he opened his own broker/dealer firm. In 1996, Neil founded his own asset management firm and launched his first mutual fund. Neil has a successful history acquiring asset management companies and starting mutual funds, and today he oversees the entire family of Hennessy Funds. Today, Neil serves as the Chief Executive Officer, President, and Chairman of the Board of Directors of Hennessy Advisors. He is also the President, Chief Investment Officer, Portfolio Manager, and Chairman of the Board of Trustees of Hennessy Funds Trust. Neil graduated from the University of San Diego and the Wharton School of Upper Management through the SIA.

Brian Peery has over two decades of experience in the financial services industry, having held institutional sales, trading, research and analyst positions. Brian began his financial career at a boutique investment research shop working as an equities analyst and went on to manage research and trading for a full service brokerage firm. Brian has been with Hennessy Funds since 2002, where he has served on the Investment and Research Committee and held roles as Director of Sales and Director of Research. Brian received a Bachelor's degree from the University of Richmond (VA).

Ryan Kelley brings nearly two decades of experience in the financial services industry to Hennessy Funds, having held positions in investment banking, institutional research, trading, and portfolio management. Ryan began his career in corporate finance at FBR & Co., a leading investment bank headquartered in the Washington, D.C. area, and later moved to the institutional equity research team. In 2005, Ryan joined the FBR Funds portfolio management team and transitioned to Hennessy Funds when the firm acquired FBR in 2012. Ryan received a Bachelor's degree from Oberlin College. He is a CFA charterholder and member of both The Boston Security Analysts Society and the CFA Society North Carolina.

How are the Hennessy Cornerstone Mid Cap 30 and the Hennessy Cornerstone Large Growth Funds managed?

The Hennessy Cornerstone Funds employ highly-disciplined and repeatable investment formulas.

The Hennessy Cornerstone Mid Cap 30 Fund formula marries value with momentum, seeking growth at a reasonable price. Stocks for the portfolio are selected by strict adherence to the following time-tested, quantitative formula:

- Market capitalization between \$1 and 10 billion
- Price-to-sales ratio below 1.5
- Annual earnings higher than the previous year
- Positive stock price appreciation for the past three- and six-month periods
- Select the 30 stocks with the highest 12-month price appreciation

The Hennessy Cornerstone Large Growth Fund formula seeks growth at a reasonable price. Stocks for the portfolio are chosen from the universe of stocks in the S&P Capital IQ Database (the "Database") by strict adherence to the following time-tested, quantitative formula:

- Market capitalization that exceeds the average of the Database
- Price to cash flow ratio less than the median of the Database
- Positive total capital
- Select the 50 stocks with the highest one-year return on total capital

In connection with the proposed reorganization and investing, shareholders should carefully consider the investment objective, risks, charges and expenses of the Rainier U.S. Funds and the Hennessy Funds. This and other information is contained in the Rainier U.S. Funds' and the Hennessy Funds' statutory and summary prospectuses, which can be obtained by contacting Rainier U.S. Funds at 1-800-248-6314 or visiting rainierfunds.com or by contacting Hennessy Funds at 1-800-966-4354 or visiting hennessyfunds.com. Read them carefully before investing.

Hennessy Funds Trust filed a definitive combined proxy statement and prospectus as part of a Registration Statement on Form N-14 with the Securities and Exchange Commission on July 14, 2017, in connection with the proposed reorganization, which was sent to shareholders of the Rainier U.S. Funds. **Shareholders of the Rainier U.S. Funds are urged to read the combined proxy statement and prospectus because it contains important information about the proposed reorganization.** The proxy statement and prospectus, as well as other relevant documents (when available), may be obtained free of charge from the SEC's website at www.sec.gov or by calling 1-800-966-4354.

The tax information provided is not exhaustive. Shareholders must consult their tax advisor for advice and information concerning their particular situation. Neither the Rainier U.S. Funds nor the Hennessy Funds, including any of their representatives, may give tax advice.

Mutual fund investing involves risk. Principal loss is possible. Fund specific risks are as follow:

Hennessy Cornerstone Mid Cap 30 Fund and Hennessy Cornerstone Large Growth Fund

Small and medium capitalized companies may have limited liquidity and greater price volatility than large capitalization companies. The Funds' formula-based strategies may cause the Funds to buy or sell securities at times when it may not be advantageous.

Rainier Mid Cap Equity Fund and Rainier Small/Mid Cap Equity Fund

Growth stocks typically are more volatile than value stocks; however, value stocks have a lower expected growth rate in earnings and sales. Small and medium-capitalization companies tend to have limited liquidity and greater price volatility than large-capitalization companies. Investment in IPOs can be volatile and can fluctuate considerably. IPOs can have a magnified impact on funds with a small asset base. Investments in foreign securities involve greater volatility and political, economic and currency risks and differences in accounting methods.

Rainier Large Cap Equity Fund

Growth stocks typically are more volatile than value stocks; however, value stocks have a lower expected growth rate in earnings and sales. Investment in IPOs can be volatile and can fluctuate considerably. IPOs can have a magnified impact on funds with a small asset base. Investments in foreign securities involve greater volatility and political, economic and currency risks and differences in accounting methods.

Price-to-sales is a tool for calculating a stock's valuation relative to other companies. It is calculated by dividing a stock's current price by its revenue per share. Price-to-cash flow ratio is a stock valuation measure calculated by dividing a firm's cash flow per share into the current stock price.

The S&P Capital IQ Database is a robust source of data on the universe of publicly traded companies.

The Hennessy Funds and the Rainier Funds are distributed by Quasar Distributors, LLC.

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