

EMERGING MARKETS FUND

Money Manager and Russell Investments Overview



June 2019

Russell Investments' approach

Russell Investments uses a multi-asset approach to investing, combining asset allocation, manager selection and dynamic portfolio management in its investment portfolios. Using this approach as a framework for mutual fund construction, we research, monitor, hire and terminate (subject to Fund Board approval) money managers from around the world and strategically allocate fund assets to them. We oversee all investment advisory services to the funds and manage assets not allocated to money managers.

The Fund

Russell Investments has a comprehensive, in-depth research process tailored to the emerging markets asset class and dedicated professionals that lead to a deep understanding of managers. The Fund includes managers that provide a variety of investing styles. The managers may employ a quantitative, process-based approach, or a fundamental, security-specific selection methodology, or a combination of both. The managers may evaluate investment opportunities based on a macro-economic framework (top-down) or a security specific framework (bottom-up).

In an emerging markets fund, managers evaluate companies and select those they believe will add value to a portfolio, taking into account sectors, industries and countries. Russell Investments' research suggests that country effects may be more important in emerging markets than in other asset classes, so where appropriate, money managers in this Fund are given greater discretion to make country selections than would be typical in other non-U.S. funds. Russell Investments uses multiple managers with differing strategies to help manage the risk associated with this approach. The benchmark is the MSCI Emerging Markets Index (net). In addition to the managers' strategies, a portion of the Fund's assets is managed internally to seek to further enhance and diversify the Fund's investment strategies.

Russell Investments' portfolio managers

Kathrine Husvaeg is a Senior Portfolio Manager on Russell Investments' Emerging and Frontier Markets Equity Team. She has been a portfolio manager since May 2014. Prior to becoming a portfolio manager, Kathrine was head of the emerging markets research team, leading Russell Investments' research and evaluation of emerging markets managers globally. In this role, she was responsible for identifying managers most likely to achieve superior investment performance over time. Kathrine holds a BA in Business Studies and an M.Sc. in Investment Analysis. Kathrine has been with Russell Investments since 2004.

Soeren Soerensen is a Portfolio Manager on Russell Investments' Emerging and Frontier Markets Equity Team. He has been working on the emerging markets equity team since August 2018. Prior to this role, Soeren worked as the back-up portfolio manager for the Russell Investments' UK and European equity multi-manager funds and prior to that as a portfolio analyst for the OpenWorld team. He joined Russell Investments in 2008 as a performance analyst. Soeren holds a B.Sc. in Economics and Business Administration and a M.Sc. in Finance and Accounting both from Copenhagen Business School. Soeren is a CFA Charterholder.

The portfolio managers' role

The portfolio managers are responsible for identifying and selecting the strategies and money managers included in the Fund and determining the weight for each assignment. The portfolio managers manage the Fund on a daily basis to help keep it on track, constantly monitoring risk and return expectations at the total fund level and making changes when deemed appropriate and/or necessary. Multiple resources from across the firm are used to help determine what is believed to be the best combination of managers and strategies. Manager research and capital markets research are just some of the tools at the portfolio managers' disposal to help identify opportunities and manage risk.

Target allocation of fund assets

The percentages below represent the target allocation of the Funds' assets to each money managers' strategy and Russell Investment Management, LLC's (RIM) strategy. This does not include liquidity reserves managed directly by RIM, which may constitute 5% or more of fund assets at any given time. RIM may change a Fund's asset allocation at any time, including not allocating Fund assets to one or more money manager strategies. Although all of the Fund's money managers are listed, RIM may not have allocated assets to the strategies employed by one or more of these money managers.

FIRM NAME	TARGET ALLOCATION
AllianceBernstein L.P.*	14%
Axiom International Investors LLC*	0%
Consilium Investment Management, LLC*	5%
Neuberger Berman Investment Advisors, LLC*	25%
Numeric Investors LLC	16%
Oaktree Capital Management, L.P.*	20%
Westwood Management Corp.	5%
Russell Investment Management, LLC (RIM)**	15%

*Indicated managers are non-discretionary managers. RIM manages these portions of the Fund's assets based upon model portfolios provided by the managers.

**RIM manages this portion of the Fund's assets to effect the Fund's investment strategies and/or to actively manage the Fund's overall exposures to seek to achieve the desired risk/return profile for the Fund. Positioning strategies are used to seek excess return and manage portfolio risks by targeting specific exposures. These strategies are used in conjunction with allocations to third-party managers to fully reflect Russell Investments' strategic and dynamic views with integrated liquidity and risk management.

Not FDIC Insured - May Lose Value - No Bank Guarantee

Emerging Markets Fund

Managers and Strategies Summary

June 2019

NAME	ALLO-CATION	INVESTMENT FOCUS	ROLE	DETAILS OF ROLE IN THE FUND
	14%	Constructs portfolios from the bottom-up and exhibits a value with an all-cap approach.	Value	The strategy follows a rigorous process that includes both fundamental research and quantitative tools. AllianceBernstein believes that by applying a disciplined value approach to emerging markets, it can provide superior long-term results.
	0%	Axiom's strategy generally invests in stocks of companies with consistent growth characteristics such as higher than average earnings growth and higher potential for positive earnings revisions, and in companies believed to be higher quality.	Growth	Axiom follows a growth process focused on identifying key growth drivers for emerging market companies. Companies are ranked in two dimensions: dynamism of their growth opportunities and solidity of the business. Their focus on dynamism seeks to generate a portfolio with consistent growth characteristics. Their focus on the solidity of the business seeks to provide a quality overlay with a preference towards high return-on-equity businesses.
	5%	Focused on frontier markets, Consilium conducts fundamental research once it understands the thematic drivers in each country.	Market-oriented	Consilium provides the Fund with strategic frontier markets exposure.
	25%	Uses a growth-at-a-reasonable price philosophy, focusing on investing in quality, high secular growth companies at the bottom of their cycle.	Growth	Neuberger Berman integrates environmental, social, and corporate governance (ESG) factors into their investment strategy, to provide an additional insight on stock quality.
	16%	Manages a quantitative, market-oriented (with a value bias) emerging markets strategy in the Fund with a small cap preference.	Market-oriented	Numeric is a quantitative manager in the Fund that provides additional diversification and represents a different driver of potential excess returns relative to the Fund's benchmark. In addition, Russell believes Numeric's small cap preference, style characteristics and regional weightings are complementary to the other managers in the Fund.
	20%	Uses a bottom-up, research-based investing approach. Pursues what it believes to be the most undervalued stocks within broad identified industry and country exposure parameters.	Market-oriented	Opportunistic approach in investment strategy and a fundamentally-driven stock selection process. Oaktree focuses primarily on companies with sustainable growth opportunities.
	5%	Uses a Growth at a Reasonable Price (GARP) process with a focus on economic added value to identify companies that are showing consistent earnings growth above broad market levels and exclude companies that have very high valuations.	Growth	Westwood focuses on small and mid-cap emerging market stocks that are typically overlooked by typical all-cap managers. The manager performs detailed analysis, which includes looking at the management quality, business model, competition, cash flow and the company's anticipated longevity prospects.
Russell Investment Management, LLC ("RIM")	15%	The active positioning strategy in this Fund allows the Russell Investments Portfolio Manager to express views across multiple factors and risk exposures simultaneously while regularly adapting to changing markets and manager allocations. The strategy is used to target desired total portfolio positioning and can be adjusted as needed by the Portfolio Manager.	Positioning strategy	RIM oversees all investment advisory services to the Fund and manages assets not allocated to money managers. This includes the Fund's positioning strategy, which helps the Fund to achieve its desired risk/return profile. RIM also manages the Fund's liquidity reserves, which may constitute 5% or more of Fund assets at any given time (not included in the percentage cited on the left).

AllianceBernstein L.P.

Firm background

AllianceBernstein L.P. is a leading global investment management firm that offers high-quality research and diversified investment services to institutional clients, individuals and private clients in major markets around the world.

Headquarters: New York, NY

Founded: 1967

Lead manager: Henry D'Auria



Asset class: Emerging market equity

Investment style: Value

Number of holdings: 70-100

Capitalization level: All cap

Emerging Markets Manager Process Characteristics:

- Low price to earnings
- Low price to book

Manager profile

AllianceBernstein L.P. (AllianceBernstein) was added to the Emerging Markets Fund in 1999. As a non-discretionary manager to the Fund, AllianceBernstein provides a model portfolio to Russell Investment Management, LLC (RIM) representing its investment recommendations, based up on which RIM purchases and sells securities for the Fund. RIM may deviate from the model portfolio provided by AllianceBernstein for purposes of minimizing transaction costs, but generally intends to implement the portfolio provided by AllianceBernstein. Henry D'Auria has been the Chief Investment Officer for emerging markets products since 2002. The investment leaders are long-term money managers. There have been only modest changes among the senior investment professionals in recent years.

What this manager brings to the Fund

The value-oriented strategy used in the Fund is created through a rigorous process that includes both fundamental research and quantitative tools. AllianceBernstein believes that by applying a disciplined value approach to emerging markets, it can provide superior long-term results.

Investment process

AllianceBernstein constructs portfolios from the bottom-up and exhibits both a value and an all-cap bias. The firm selects securities based on a quantitative model which scores securities within countries, sectors and industries. Additional factors such as cash earnings are also introduced into the evaluation process. The quantitative evaluation reflects both global and local industry factors, as well as stock specific considerations.

Later in the process, AllianceBernstein devotes significant analytical resources to the evaluation of fundamentals. The fundamental research is idea-driven and is highly detailed and of high quality. Finally, price momentum, earnings estimate revisions and confidence in forecasts are considered with the goal of increasing the likelihood that securities selected will perform as expected.

Russell Investments' manager analysis

Russell Investments regards the investment approach to selecting countries and securities as robust and effective. Russell Investments is confident in the breadth and depth of AllianceBernstein's investment team. This manager has been in the Fund for more than 15 years, a longer tenure than most of the other managers currently used in this Fund. The supporting research teams also are viewed favorably by Russell Investments.

AllianceBernstein is expected to do well when value outperforms, particularly earnings-driven value. The firm is expected to struggle when growth or quality dominates.

Axiom International Investors LLC

Firm background

Axiom International Investors LLC (Axiom) is an employee-owned boutique investment management firm founded in 1998 by Andrew Jacobson.

Headquarters: Greenwich, CT

Founded: 1998

Lead manager: Andrew Jacobson



Asset class: Emerging market equity

Investment style: Growth

Number of holdings: 150-200

Capitalization level: All cap

Emerging Markets Manager Process Characteristics:

- High positive earnings surprise
- All cap exposure

Manager profile

Axiom International Investors LLC was added as a non-discretionary money manager to the Emerging Markets Fund in 2018. In this capacity, Axiom provides a model portfolio to Russell Investment Management, LLC (RIM) representing its investment recommendations, based upon which RIM purchases and sells securities for the Fund. RIM may deviate from the model portfolio provided by Axiom for purposes of minimizing transaction costs, but generally intends to implement the portfolio provided by Axiom. This strategy is led by Andrew Jacobson, who is supported by a team of analysts.

What this manager brings to the Fund

Axiom provides the Fund with all cap emerging markets growth exposure. Axiom's strategy generally invests in stocks of companies with consistent growth characteristics such as higher than average earnings growth and higher potential for positive earnings revisions, and in companies believed to be higher quality.

Investment process

Axiom follows a growth process focused on identifying key growth drivers for emerging market companies. Their process is highly disciplined with a team of investment analysts monitoring and classifying news daily that could impact those growth drivers. Companies are ranked in two dimensions: dynamism of their growth opportunities and solidity of the business. Their focus on dynamism seeks to generate a portfolio with consistent growth characteristics. Their focus on the solidity of the business seeks to provide a quality overlay with a preference towards high return-on-equity businesses. The lead portfolio manager, Andrew Jacobson, provides total portfolio oversight with a high degree of top-down awareness.

Russell Investments' manager analysis

Russell Investments has followed Axiom for over 10 years and has strong conviction in Axiom's lead portfolio manager and CIO, Andrew Jacobson. Russell Investments believes Andrew has a strong awareness of market dynamics combined with deep knowledge of companies in emerging markets.

Axiom's strategy is expected to perform well when earnings momentum is in favor and when stock prices are correlated to earnings growth. They are likely to struggle in volatile markets and periods heavily driven by valuation or liquidity.

Consilium Investment Management, LLC

Firm background

Consilium Investment Management, LLC (Consilium) is a minority-owned investment management firm focusing on global emerging and frontier markets.

Headquarters: Fort Lauderdale, FL

Founded: 2004

Lead manager: Jonathan Binder



Asset class: Frontier emerging market equity

Investment style: Market-oriented with a value tilt

Number of holdings: 25-50

Capitalization level: Small

Emerging Markets Manager Process

Characteristics:

- Frontier markets
- Thematic valuation

Manager profile

Consilium Investment Management, LLC (Consilium) was added as a non-discretionary money manager to the Emerging Markets Fund in 2015. In this capacity, Consilium provides a model portfolio to Russell Investment Management, LLC (RIM) representing its investment recommendations, based upon which RIM purchases and sells securities for the Fund. RIM may deviate from the model portfolio provided by Consilium for purposes of minimizing transaction costs, but generally intends to implement the portfolio provided by Consilium.

What this manager brings to the Fund

Consilium provides the Fund with a strategic frontier markets exposure.

Investment process

Consilium has a thematic understanding of the global risk appetite. Themes that affect frontier markets have been the firm's specialization for more than a decade and the firm believes that it understands the drivers that are important to these regions. These themes tend to be global, top down assessments but occasionally can be based on individual country and bottom up developments. The firm draws themes about how individual companies are expected to be impacted and how they will navigate through different risk environments.

Consilium will conduct fundamental research once it understands the thematic drivers in each country. Consilium analyzes forward looking quantitative and qualitative factors. Security selection is driven by a combination of fundamental micro and macro analysis along with a clear understanding of the liquidity in the targeted securities. Once the firm assesses the global risk environment and likely liquidity flows, it will identify which countries in the world it thinks will be the beneficiaries of that environment and which countries are expected to struggle. The firm then identifies which sectors in the country offer the best opportunities (this is likely also driven by local factors such as regulatory reform, political cycle, etc.). At this stage, the firm can then identify which individual companies it feels offer the best opportunities based on the bottom up fundamental analysis of that company. Analysts look for what they consider to be cheap stocks that are relatively good quality with some growth potential that fit within the firm's themes.

Russell Investments' manager analysis

Russell Investments believes Consilium benefits from strong macro-economic views which Russell Investments believes are of high importance for frontier markets investing. Consilium has also shown solid fundamental research which Russell Investments believes allows them to better understand the strengths and weaknesses of individual companies, their management teams and their business strategy.

Consilium's strategy is expected to do well when markets are focused on fundamentals. It is expected to struggle in unstable markets where risk aversion is high.

Neuberger Berman Investment Advisors, LLC

Firm background

Neuberger Berman Investment Advisors, LLC is a private, independent, employee-owned investment manager. Neuberger Berman manages a range of equity, fixed income, private equity and hedge fund strategies on behalf of institutions, advisors and individual investors.

Headquarters: New York, NY

Founded: 1939

Lead managers: Conrad Saldanha, Marco Spinar, Patrick Ru



Asset class: Emerging markets

Investment style: Growth

Number of holdings: 150-250

Capitalization level: All cap

Emerging Markets Manager Process Characteristics:

- Global
- Growth at a price with ESG tilt

Manager profile

Neuberger Berman Investment Advisors, LLC (Neuberger Berman) was added as a non-discretionary money manager to the Emerging Markets Fund in 2019. In this capacity, Neuberger Berman provides a model portfolio to Russell Investment Management, LLC (RIM) representing its investment recommendations, based upon which RIM purchases and sells securities for the Fund. RIM may deviate from the model portfolio provided by Neuberger Berman for purposes of minimizing transaction costs, but generally intends to implement the portfolio provided by Neuberger Berman.

What this manager brings to the Fund

Neuberger Berman uses a growth-at-a-reasonable price philosophy, focusing on investing in quality, high secular growth companies at the bottom of their cycle. The team believes companies focused on local growth opportunities in emerging markets, particularly driven by the expansion of the consumer middle class and infrastructure build-out, offer better investment opportunities than export-led and highly cyclical industries. The team believes these companies that tend to be smaller than their mega-cap peers, can be under-researched, offering potential for excess return through extensive fundamental research.

Investment process

Neuberger Berman takes a fundamental, research-driven approach to investing with bottom-up stock identification. Neuberger Berman's team focuses on profitable, growing companies they believe are trading at attractive prices. Neuberger Berman integrates environmental, social, and corporate governance (ESG) factors into their investment strategy, to provide an additional insight on stock quality.

Russell Investments' manager analysis

Russell Investments believes Neuberger Berman's flexible application of a growth with quality philosophy will help lead to selection of companies where fundamentals are improving. Their broad definition of quality differentiates them from other growth managers. Their focus on domestically driven consumption stocks and local market leaders is another distinguishing feature leading to investments across the market cap spectrum including smaller capitalization companies.

Conrad Saldanha, the Head of the Emerging Markets Equity team, is an experienced investor who Russell Investments has followed for years. Russell Investments believes he has deep knowledge of the asset class and provides strong leadership for the team.

Numeric Investors LLC

Firm background

Numeric Investors LLC is an institutional investment manager managing assets for corporate and public pension plans, foundations, endowments, and sovereign funds. The firm invests in the public equity markets across the globe.

Headquarters: Boston, MA

Founded: 1989

Lead manager: Ori Ben-Akiva



Asset class: Emerging markets

Investment style: Market-oriented

Number of holdings: 150-250

Capitalization level: All cap, with a preference for small cap

Emerging Markets Manager Process Characteristics:

- Quantitative
- Market-oriented with a value bias

Manager profile

Numeric Investors LLC (Numeric) was added to the Emerging Markets Fund in 2013. Ori Ben-Akiva leads the international group at Numeric and is the portfolio manager for the strategy assigned to this Fund.

What this manager brings to the Fund

Numeric manages a quantitative, market-oriented (with a value bias) emerging markets strategy for the Fund, with a preference for small cap securities. Numeric is a quantitative manager in the fund that provides additional diversification and represents a different driver of potential excess returns relative to the Fund's benchmark. In addition, Russell Investments believes Numeric's small cap preference, style characteristics and regional weightings are complementary to the other managers in the Fund.

Investment process

Numeric uses a quantitative investment process to implement its strategy. The manager uses two main signals in its process – valuation and information flow. Numeric adds a fundamental research function to its process to strive to ensure that the portfolio is a true reflection of the current economic environment and not just a pure quantitative reflection of the model.

Data collection in the emerging markets space can be more difficult than in developed markets. Numeric focuses on ensuring the accuracy of the data, and will emphasize different valuation factors to help it obtain a clear picture of the situation. Stock specific research is an important component of this quantitative manager's process. The firm checks every name in the model and can override the model if its conviction is strong.

Russell Investments' manager analysis

Russell Investments believes Numeric has a strong and flexible research group. Russell Investments believes the firm's more pronounced value characteristics align well with the tactical positioning currently used in the Fund.

Russell Investments believes Numeric will do well when value and momentum factors are in favor. Numeric is expected to struggle when markets are not focused on fundamentals.

Oaktree Capital Management, L.P.

Firm background

Oaktree Capital Management, L.P. is a global investment management corporation, whose mission is to provide management with a primary emphasis on seeking risk control in a limited number of sophisticated investment specialties. Oaktree specializes in less efficient markets and alternative investments. Oaktree serves clients through offices located in 17 cities and 12 countries.

Headquarters: Los Angeles, CA

Founded: 1995

Lead managers: Frank Carroll and Tim Jensen



Asset class: Emerging market equity

Investment style: Market-oriented

Number of holdings: 60-90

Capitalization level: Mid to large cap

Emerging Markets Manager Process

Characteristics:

- Moderately high price to book
- Sustainable growth

Manager profile

Oaktree Capital Management, L.P. (Oaktree) was added to the Emerging Markets Fund in 2014. As a non-discretionary manager to the Fund, Oaktree provides a model portfolio to Russell Investment Management, LLC (RIM) representing its investment recommendations, based up on which RIM purchases and sells securities for the Fund. RIM may deviate from the model portfolio provided by Oaktree for purposes of minimizing transaction costs, but generally intends to implement the portfolio provided by Oaktree. The lead portfolio managers, Frank Carroll and Tim Jensen, have worked together in emerging markets investing since 2000. They are supported by a dedicated team of eight investment professionals and four traders.

What this manager brings to the Fund

Oaktree uses a bottom-up, research-based investing approach. The investment horizon is long-term and is not tied to any specific market cycle. The investment team focuses on stock selection and, although its process includes valuation, Oaktree focuses primarily on companies with sustainable growth opportunities. Oaktree believes that the long-term investment opportunities in emerging markets are favorable compared to those available in more developed markets.

Investment process

Oaktree regularly monitors the countries in which the strategy's investments are located for signals of what lies ahead. It uses a combination of government releases, independent economic data releases and its own company analysis to determine country allocations. The firm's method of sourcing and processing information is distinguished by its system of concentrated research, which involves eight analysts closely following about 400 emerging markets companies.

Oaktree buys what it determines to be the most undervalued stocks within broad industry and country exposure parameters it identifies. The portfolio is then monitored and frequently reevaluated to seek to capture what Oaktree believes to be the best investment ideas. The strategy's investment style is opportunistic, fundamentally-driven stock selection. The firm is always in search of value, whether it is found in fast growing, high P/E stocks, or in low growth, cyclical stocks that trade at levels below market prices. The team conducts its own in-depth fundamental research and combines it with research provided by brokers and independent sources of information.

Russell Investments' manager analysis

The firm has an experienced team of portfolio managers, analysts, traders and operations staff. Oaktree has a consistent, long standing track record investing in emerging markets, and has long-term contacts with emerging markets companies.

Oaktree's performance is generally expected to be driven by the success of individual stock picks rather than by persistent style biases since the firm invests across a broad range of stocks. Oaktree aims to avoid less liquid names and could underperform if a lot of money is going into this area of the market. The portfolio is typically broadly diversified across countries and sectors so could underperform in a period of narrow market leadership or markets driven by fundamentals.

Westwood Management Corp.

Firm background

Westwood Management Corp. was founded in 1983 in New York as a registered investment advisor. The firm relocated to Dallas, TX in 1990. Westwood serves a variety of institutional clients, including corporate pension funds, endowments and foundations.

Headquarters: Dallas, TX

Founded: 1983

Lead managers: Patricia Perez-Coutts, CFA and Alice Popescu, CFA



WESTWOOD
MANAGEMENT®

Asset class: Emerging market equity

Investment style: Growth

Number of holdings: 70-90

Capitalization level: Small and mid cap

Emerging Markets Manager Process

Characteristics:

- Growth
- Small and mid cap

Manager profile

Westwood Management Corp. (Westwood) was added to the Emerging Markets Fund in 2013. The investment team is led by Patricia Perez-Coutts, assisted by Alice Popescu, and is based in Westwood's Toronto, Ontario, Canada office.

What this manager brings to the Fund

Westwood focuses on small and mid cap emerging market stocks that are typically overlooked by typical all-cap managers. The manager performs detailed analysis, which includes looking at the management quality, business model, competition, cash flow and the company's anticipated longevity prospects.

Investment process

Westwood uses a Growth at a Reasonable Price (GARP) process with a focus on economic added value to identify companies that are showing consistent earnings growth above broad market levels and exclude companies that have very high valuations. Westwood's investment approach is based on understanding the potential for and sustainability of economic added value of portfolio investments, which Russell Investments believes is a complementary approach to other managers in the Fund. The firm identifies companies that are adding value in terms of profits and generating differentiation with other products in the peer universe. The investment team screens the universe of potential investments based on Cash-Flow Return on Investment ("CFROI"), which is a valuation model that assumes the stock market sets prices based on cash flow, not on corporate performance and earnings. The firm focuses on stocks with CFROI of 6% or more. Westwood focuses on companies it believes to be quality, sustainable businesses, and includes these companies in the portfolio. The portfolio is constructed with 70-90 holdings, which are typically held for 3-4 years.

Russell Investments' manager analysis

Russell Investments believes Patricia Perez-Coutts is a highly skilled manager and has been following her team since 2006 when they were with a different money management firm in Toronto. Russell Investments believes the combination of a different investment process, the focus on a different cap spectrum and the unique perspective of the individuals with the firm will bring additional diversification to the Fund.

Westwood is expected to perform well relative to the benchmark when small/mid emerging market stocks outperform. Relative to the peer universe of emerging market managers, the firm will tend to do better when quality and growth are rewarded. The firm will tend to underperform when large cap stocks are outperforming. It will also be difficult for the firm to outperform if markets fluctuate significantly or if fundamentals are not rewarded. The firm tends to manage portfolios with moderate levels of turnover, and therefore, periods of high volatility would be challenging.

Russell Investment Management, LLC

Firm background

Russell Investment Management, LLC (RIM) is the advisor to Russell Investment Company (RIC) Funds. Russell Investments' ownership is composed of a majority stake held by funds managed by TA Associates with minority stakes held by funds managed by Reverence Capital Partners and Russell Investments' management. Russell Investments provides asset management and investment services to institutional and individual investors around the world.

Headquarters: Seattle, WA

Founded: Russell Investments, founded in 1936

Role: Positioning strategy

Asset class: Emerging markets

Number of holdings: 100-300

Capitalization level: Mid to large cap

RIM oversees all investment advisory services to the fund and manages assets not allocated to managers.

Manager and strategy oversight

Russell Investments portfolio managers have ultimate responsibility for ensuring fund outcomes are consistent with fund objectives. The portfolio managers and analysts track the effectiveness of every money manager and strategy in the Fund. Occasionally, adjustments may be necessary due to reasons such as a change in control at a money manager, the opportunity to select another manager or strategy the portfolio managers believe offers an investment proposition that would help improve the Fund, or changes in market dynamics.

Any significant fund changes must be validated through an internal governance process to ensure all key considerations were addressed by the portfolio managers. Money manager changes are also subject to approval by the Fund's Board of Trustees.

Investment management

RIM manages a portion of the Fund's assets internally to seek to precisely manage the Fund's exposures and achieve the desired risk/return profile for the Fund. During the portfolio construction and management process, portfolio managers may identify an investment need and seek to address that need with a positioning strategy.

Positioning strategies are customized portfolios directly managed by Russell Investments for use within the total portfolio. Portfolio managers use positioning strategies to seek excess return and manage portfolio risks by targeting specific exposures. These strategies are used in conjunction with allocations to third-party active managers to fully reflect Russell Investments' strategic and dynamic insights with integrated liquidity and risk management.

The positioning strategy used in this Fund is a dedicated portion of the fund assets that can be rebalanced as needed by the portfolio manager to keep the total portfolio aligned with Russell Investments' strategic beliefs (e.g. value, momentum, quality and volatility) as well as the fund's preferred positioning. This allows the portfolio manager to express the firm's views across multiple factor, country and industry exposures simultaneously while regularly adapting to changing markets and manager portfolios.

Managing the liquidity reserve

Every Russell Investment Company mutual fund maintains cash reserves, which is cash awaiting investment or held to meet redemption requests or to pay expenses. This Fund typically exposes all or a portion of its cash to the performance of appropriate markets by purchasing equity securities and/or derivatives (also known as "equitization"), which typically includes index futures contracts. The Fund invests any remaining cash in an unregistered cash management fund advised by RIM.

Fund objectives, risks, charges and expenses should be carefully considered before investing. A summary prospectus, if available, or a prospectus containing this and other important information can be obtained by calling 800-787-7354 or by visiting russellinvestments.com. Please read a prospectus carefully before investing.

Money managers listed are current as of June 10, 2019. Subject to the fund's Board approval, Russell Investments has the right to engage or terminate a money manager at any time and without a shareholder vote, based on an exemptive order from the Securities and Exchange Commission. Russell Investment Management, LLC ("RIM") may change a Fund's asset allocation at any time, including not allocating Fund assets to one or more money manager strategies. Although all of the Fund's money managers are listed, RIM may not have allocated assets to the strategies employed by one or more of these money managers. Investments in the Funds are not deposits with or other liabilities of any of the money managers and are subject to investment risk, including loss of income and principal invested and possible delays in payment of redemption proceeds. The money managers do not guarantee the performance of any Fund or any particular rate of return.

This document will be updated annually. If a manager change is made during a year, a manager specific page will be added or removed.

The investment styles employed by a Fund's money managers may not be complementary. This concentration may be beneficial or detrimental to a Fund's performance depending upon the performance of those securities and the overall economic environment. The multi-manager approach could increase a Fund's portfolio turnover rates which may result in higher levels of realized capital gains or losses with respect to a Fund's portfolio securities, higher brokerage commissions and other transaction costs.

Non-U.S. markets and emerging or developing markets entail different risks than those typically associated with U.S. markets, including currency fluctuations, political and economic instability, accounting changes and foreign taxation. Non-U.S. securities may be less liquid and more volatile than the U.S., and emerging markets securities may be less liquid and more volatile than U.S. and longer-established non-U.S. markets.

Large capitalization (large cap) investments involve stocks of companies with larger levels of market capitalization. The value of securities will rise and fall in response to the activities of the company that issued them, general market conditions and/or economic conditions.

Middle capitalization (mid cap) investments generally involve stocks of companies with medium levels of market capitalization. Mid cap investments are considered more volatile than large cap companies. Mid cap investments are often considered to offer more growth potential than larger caps (but less than small caps) and less risk than small caps (but more than large caps).

Small capitalization (small cap) investments involve stocks of companies with smaller levels of market capitalization than larger company stocks (large cap). Small cap investments are subject to considerable price fluctuations and are more volatile than large company stocks. Investors should consider the additional risks involved in small cap investments.

Market-oriented investments are generally subject to risks similar to that of both growth and value style investing.

Growth investments focus on stocks of companies whose earnings/profitability are accelerating in the short term or have grown consistently over the long term. Such investments may provide minimal dividends which could otherwise cushion stock prices in a market decline. Stock value may rise and fall significantly based, in part, on investors' perceptions of the company, rather than on fundamental analysis of the stocks. Investors should carefully consider the additional risks involved in growth investments.

Value investments focus on stocks of income-producing companies whose price is low relative to one or more valuation factors, such as earnings or book value. Such investments are subject to risks that their intrinsic values may never be realized by the market, or, such stock may turn out not to have been undervalued. Investors should carefully consider the additional risks involved in value investments.

Please remember that all investments carry some level of risk, including the potential loss of principal invested. They do not typically grow at an even rate of return and may experience negative growth. As with any type of portfolio structuring, attempting to reduce risk and increase return could, at certain times, unintentionally reduce returns.

The MSCI Emerging Markets Index is a market capitalization weighted index of over 830 stocks traded in 24 world markets.

Diversification and strategic asset allocation do not assure profit or protect against loss in declining markets.

For more information on Russell Investment Company Funds, contact your investment professional or plan administrator for assistance.

Russell Investments' ownership is composed of a majority stake held by funds managed by TA Associates with minority stakes held by funds managed by Reverence Capital Partners and Russell Investments' management.

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