

# GLOBAL EQUITY FUND

## Money Manager and Russell Investments Overview



September 2019

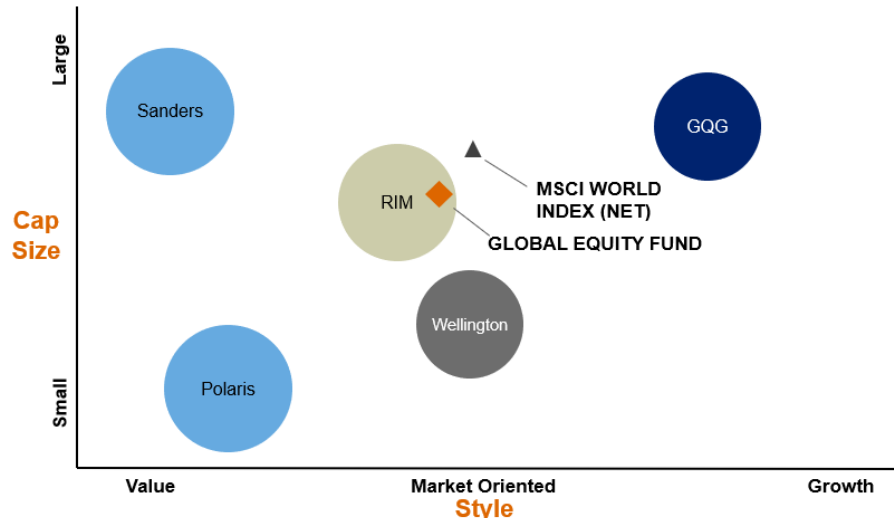
### Russell Investments' approach

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

The Global Equity Fund includes managers that pursue a value, growth or market-oriented style of investing. Managers may employ a fundamental-driven investment approach, a quantitative investment approach, or a combination of both to evaluate specific stocks to arrive at a trade decision. Evaluations can be done on a bottom-up basis, but some managers also use top-down, macro-economic inputs to develop ideas for areas of focus. This Fund's managers evaluate stocks globally, not just on a singular U.S. or international basis. They arrive at buy and sell decisions based on their determination of the best stocks across the world, rather than the best stock in a single region or industry. In addition to the managers' strategies, Russell Investments manages a portion of the Fund's assets internally to seek to further enhance and diversify the Fund's investment strategies. The Fund's benchmark is the MSCI World Index (net).

### Fund mosaic (as of September 2019)



This mosaic depicts, at a specific point in time, the approximate relative weighting of the managers and strategies within the Fund plotted on the basis of cap size and style against Fund benchmark (▲). Positions on this mosaic change over time as allocations and holdings change. The circle size represents the relative size of each allocation in the Fund.

### Russell Investments portfolio managers

Jon Egging, CFA, is a Senior Portfolio Manager with primary responsibility for Russell Investments' global and international equity funds. Prior to this appointment, Jon was a Senior Portfolio Manager for the firm's small/mid cap funds, and before this a Senior Research Analyst in the investment process and risk group within Russell Investments investment division. Jon holds a degree with honors in economics and finance. Jon has been with Russell Investments since 2003.

### The portfolio manager's role

The portfolio manager is responsible for identifying and selecting the strategies and money managers included in the Fund and determining the weight for each assignment. The portfolio manager manages 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 manager's disposal to help identify opportunities and manage risk.

### Target allocation of fund assets

The percentages below represent the target allocation of the Fund's assets to each money manager's 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.

FIRM NAME	TARGET ALLOCATION
GQG Partners LLC*	17.5%
Polaris Capital Management, LLC	22.5%
Sanders Capital, LLC*	22.5%
Wellington Management Company LLP*	17.5%
Russell Investment Management, LLC (RIM)**	20.0%

\*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 a Deposit. Not FDIC Insured. May Lose Value. Not Bank Guaranteed. Not Insured by any Federal Government Agency.**

# Global Equity Fund

## Managers and Strategies Summary

September 2019

NAME	ALLOCATION	INVESTMENT FOCUS	ROLE	DETAILS OF ROLE IN THE FUND
	17.5%	Emphasizes bottom up, fundamental research to identify stocks for inclusion in a relatively concentrated portfolio.	Growth	GQG Partners brings a consistent growth strategy to the Fund with a flexible and adaptive approach to investing. They aim to build portfolios of sustainable quality and growth companies at attractive prices.
	22.5%	Uses a bottom-up stock selection process looking for undervalued companies with sustainable free cash flows.	Value	Polaris screens for stocks that appear to be the most undervalued based on their intrinsic value. These stocks are then evaluated through a traditional fundamental valuation process to identify those which are believed to be truly compelling opportunities on a risk-adjusted basis, and are then weighted according to upside forecasts and relative conviction.
	22.5%	Employs a bottom-up fundamental research driven process to identify large cap stocks trading at what it believes to be a discount to their intrinsic value.	Value	Sanders performs in-depth fundamental research to select stocks that are believed to exhibit depressed valuations due to temporary issues, believing that investors systematically overreact to adversity. Country weights are a derivative of stock selection, but the firm is cognizant of country risk.
	17.5%	Uses a fundamental, bottom-up approach to growth combining a global growth horizons strategy and a contrarian value strategy. Russell Investments believes Wellington has a compelling research and portfolio management effort that can support strong excess return generation potential.	Growth/Value	Wellington's global growth horizons strategy seeks to invest in companies where tangible operating momentum is set to accelerate. It provides the Fund with exposure to companies that exhibit improving trends in revenue, cash flow, and earnings. The international contrarian value strategy aims to take advantage of fear, apathy and pessimism by investing in stocks where the market has overreacted but where there is underlying fundamental support to return to normalized earnings power. The combined strategy covers a broad spectrum of the opportunity set while maintaining a high level of differentiation relative to the overall equity market.
Russell Investment Management, LLC ("RIM")	20%	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).

# GQG Partners LLC

## Firm background

GQG Partners LLC is a boutique investment management firm focused on global and emerging markets equities.

**Headquarters:** Fort Lauderdale, FL

**Founded:** 2016

**Portfolio manager:** Rajiv Jain



**Asset class:** Global equity

**Number of holdings:** 40-60

**Capitalization level:** Large cap

**Sub-style:** Consistent growth

## Manager profile

GQG Partners LLC (GQG Partners) was added to the Global Equity Fund in March 2017 and is a non-discretionary manager in the Fund. Rajiv Jain is the portfolio manager for the strategy.

## What this manager brings to the Fund

GQG Partners follows a quality growth investment philosophy with a long-term investment horizon. Their investment philosophy is centered on the belief that earnings drive stock prices. They also find that the market is disproportionately focused on shorter-term projections and that it is possible to effectively differentiate companies based on their long-term prospects. GQG Partners aims to exploit the mispricing of long-tailed assets in a market that is intensely focused on the next quarter or year, but less interested in a company's prospects for profitable growth over the next five years and beyond.

## Investment process

The firm emphasizes bottom up, fundamental research to identify stocks for inclusion in a relatively concentrated portfolio of approximately 40-60 stocks. This research process seeks to identify companies with holdings that typically emphasize superior rates of return and margins relative to peers over the next five to ten years. The firm's preferred companies generally have a history of superior stability of return on equity and total capital while having moderate and suitable leverage.

## Russell Investments' manager analysis

Russell Investments has known and researched Rajiv Jain, the founder and lead portfolio manager for GQG, for many years while he was the lead portfolio manager of the global, international, and emerging markets strategies for Vontobel Asset Management. Mr. Jain launched his own firm, GQG Partners, in June 2016. We have high confidence in Mr. Jain and view the opportunity to be an early investor with the new firm as attractive.

Russell Investments believes GQG Partners has a willingness to invest in 'improving' quality companies, which Russell Investments believes is a positively differentiated feature of their investment approach. This willingness provides an expanded opportunity set of stocks to choose from relative to peers with a similar consistent growth investing style.

GQG Partner's strategy is expected to outperform in difficult markets where there is a flight to quality due to the historical high-quality nature of their stocks. However, because of their strong quality bias, the strategy may underperform early in the investment cycle, coming out of a recession, when shares of lower-quality businesses tend to outperform shares of higher-quality businesses by a significant margin, or when commodities are particularly strong.

## Polaris Capital Management, LLC

### Firm background

Polaris Capital Management, LLC is a global value equity manager, serving the investment needs of institutions, retirement plans, insurance companies, foundations, endowments, high-net-worth individuals, investment companies, corporations, pension and profit-sharing plans, pooled investment vehicles, charitable organizations, state or municipal government entities, and limited partnerships.

**Headquarters:** Boston, MA

**Founded:** 1995

**Portfolio manager:** Bernard Horn, Jr.



**Asset class:** Global equity

**Number of holdings:** 70-85

**Capitalization level:** Mid and small cap

**Sub-style:** Deep value

### Manager profile

Polaris Capital Management, LLC (Polaris) was added to the Global Equity Fund in 2012. Bernard Horn, President and Chief Investment Officer and founder of the firm, is the lead portfolio manager. Bernard has more than 25 years of investment experience and owns a majority of the firm, with long-term employees holding minority interests.

### What this manager brings to the Fund

Polaris screens for stocks that appear to be the most undervalued based on their intrinsic value. These stocks are then evaluated through a traditional fundamental valuation process to identify those which are believed to be truly compelling opportunities on a risk-adjusted basis, and are then weighted according to upside forecasts and relative conviction.

### Investment process

Polaris is a deep-value manager that focuses its intrinsic value approach on free cash flow as opposed to other factors such as Price to Book or normalized Price to Earnings ratios. This broadens the opportunity set for the Fund. In addition, this firm often looks for a catalyst for improvement in corporate fundamentals rather than on asset value, which other strategies often rely upon more heavily. The firm screens the universe of eligible companies ending up with a list of 500 stocks that appear to be the most undervalued based on their primary selection criteria. Polaris has demonstrated a preference for and success in selecting opportunities across the full capitalization spectrum, particularly on the smaller end. This preference plus tactical emerging market exposure helps to further diversify holdings within the value component of the Fund.

### Russell Investments' manager analysis

Russell Investments believes this manager provides a useful complement to the other value-oriented managers in the Fund, most notably on the dimension of capitalization. Beyond this, Polaris will help maintain an ideal style balance, potentially offsetting periods where the Fund's growth managers struggle.

The firm tends to do well in periods of economic difficulty. It usually invests in companies with conservative balance sheets, so in times of economic stress, Polaris tends to do better than managers that are more dependent on economic growth. The firm is also expected to do well in times when companies with low price-to-book stocks do well.

Polaris is expected to struggle in markets that are momentum-driven and where the sector and regional dispersion is narrow. Large cap dominated markets are also likely to act as a headwind to performance given this manager's preference for smaller cap stocks.

# Sanders Capital, LLC

## Firm background

Sanders Capital, LLC is a value-oriented investment manager, managing client specific portfolio and investment funds for investment companies, high net worth individuals, pension and profit-sharing plans, pooled investment vehicles, charitable organizations, state or municipal government entities, non-us pooled registered funds, government plans, and trusts.

**Headquarters:** New York, NY

**Founded:** 2009

**Portfolio managers:** Lewis Sanders and John Mahedy



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**Asset class:** Global equity

**Number of holdings:** 45-65

**Capitalization level:** Large cap

**Sub-style:** Low price to earnings

## Manager profile

Sanders Capital, LLC (Sanders) was added to the Global Equity Fund in December 2010. Lewis Sanders and John Mahedy are the portfolio managers who lead this value-oriented strategy.

## What this manager brings to the Fund

Sanders performs in-depth fundamental research to select stocks that are believed to exhibit depressed valuations due to temporary issues, believing that investors systematically overreact to adversity. Country weights are a derivative of stock selection, but the firm is cognizant of country risk.

## Investment process

The firm's investment philosophy rests on the belief that investors systematically overreact to adversity, which depresses asset prices in relation to their past and potential future cash flows (a phenomenon known as loss aversion). When the source of the adversity is transitory, above average investment returns may be present. The firm seeks to invest in those opportunities.

The firm employs a bottom-up fundamental research driven process to identify large capitalization stocks trading at what it believes to be a discount to their intrinsic value. The firm starts by ranking a breadth of global securities by expected return based on normalized earnings and other valuation metrics. Sanders then performs an in-depth fundamental research of what it believes are the most attractive stocks and focuses on refining its expectation of a company's likely cash flows and earnings.

Country weights are a derivative of stock selection. The firm examines the country weights to see if an inordinate amount of risk is coming from any particular country. The firm is able to screen for other opportunities when it deems country risk to be too high.

## Russell Investments' manager analysis

Lewis Sanders and John Mahedy are both highly regarded by Russell Investments. The portfolio managers are jointly responsible for leading the investment process. Russell Investments is well acquainted with Sanders and Mahedy from their previous firm, and Russell Investments believes both to be experienced and insightful value investors.

Russell Investments believes that this manager will do best in relative value markets that favor yield. The manager will fare less well during a strong, momentum driven market when investors care less about valuation but rather focus on high growth companies.

# Wellington Management Company, LLP

## Firm background

Wellington Management Company LLP is a Boston-based institutional asset manager. It is a global firm with 12 offices around the world.

**Headquarters:** Boston, MA

**Founded:** 1933

**Lead manager:** Steve Angeli, Jim Shakin and Andrew Corry

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**Asset class:** Global equity

**Number of holdings:** 75-200

**Capitalization level:** Mid and large cap

**Sub-style:** Earnings momentum (global growth strategy) and Deep value (international contrarian value strategy)

## Manager profile

Wellington Management Company LLP was added to the Fund in 2013. The original strategy, Global Growth Horizons, was augmented in 2019 with the addition of an International Contrarian Value strategy, and both are backed by an investment firm with a strong research background.

## What this manager brings to the Fund

Russell Investments is accessing a custom blend of two Wellington teams, a growth-oriented strategy investing in stocks expected to experience accelerating operating momentum, and a contrarian value team investing stocks trading a multi-year relative price lows. Russell Investments will combine these to provide access to stock level insights across the growth and value spectrum and to help the overall fund meet its preferred positioning.

## Investment process

Wellington offers a fundamental, bottom-up approach to investing across the spectrum of growth and value stocks. The team focuses on identifying companies it believes have accelerating revenues, margin or cash flow trends that have yet to be identified by the broader market. Wellington may invest in companies deemed expensive from a valuation perspective, as long as their research shows that the positive trend in earnings is expected to continue. This will be blended with a contrarian value approach focusing on stocks trading at a discount to the sector and market. This approach identifies highly-rated stocks from Wellington's global industry analysts, stocks owned and followed by other global portfolio management teams, and the team's own investment ideas. Areas of opportunities tend to fall into one or more of the four categories: misunderstood negative events, consolidating industry structure, undervalued assets that could be better managed, and low return on capital with the opportunity to improve. Strong balance sheets provide a ballast that allows time for fundamentals to improve and value to be realized.

## Russell Investments' manager analysis

Russell Investments has researched this firm for more than 20 years and has a positive view of Steve Angeli, Andrew Corry, and James Shakin. Each of these portfolio managers has significant experience and talent investing in their respective opportunity sets and makes good use of the research platform at Wellington. Russell Investments has a strong positive view of the analyst platform at Wellington and their investment insights. This custom solution allows Russell Investments to harness the highest confidence growth and value insights of the manager while integrating them in a way that meets the overall needs of the fund.

# 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

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**Role:** Positioning strategy

**Asset class:** Global equity

**Number of holdings:** 300-600

**Capitalization level:** 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 RIM 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 an active positioning strategy that 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.

## 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.



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**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](http://russellinvestments.com). Please read a prospectus carefully before investing.**

Money managers listed are current as of September 11, 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. 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.

Global equity involves risk associated with investments primarily in equity securities of companies located around the world, including the United States. International securities can involve risks relating to political and economic instability or regulatory conditions. Investments in emerging markets or developing markets involve exposure to economic structures that are generally less diverse and mature, and to political systems which have less stability than those of more developed countries.

Large capitalization (large cap) investments generally involve stocks of companies with a market capitalization based on the Russell 1000® Index. 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.

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 World Index is a market capitalization index, with net or with gross dividends reinvested, that is designed to measure global developed market equity performance. The Index is composed of companies representative of the market structure of 23 developed market countries in North America, Europe and the Asia/Pacific Region

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.

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Date of First Use: March 2017. Revised September 2019.

RIFIS-21692