

INTERNATIONAL DEVELOPED MARKETS FUND

Money Manager and Russell Investments Overview



September 2019

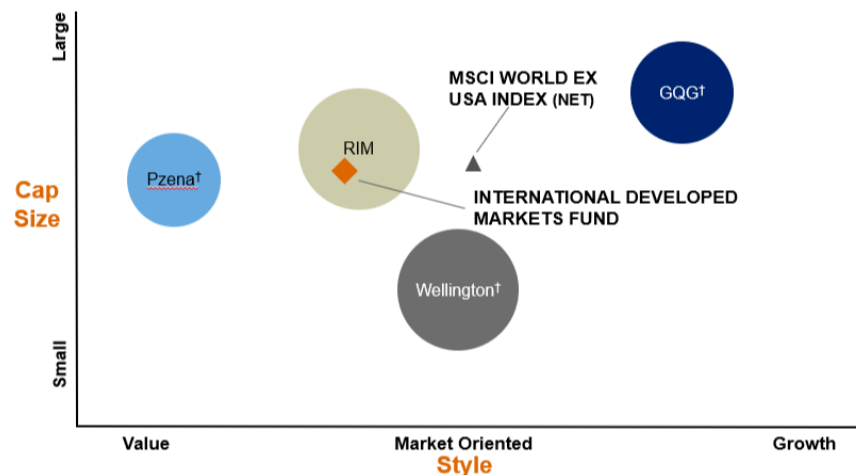
Russell Investments' approach

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 International Developed Markets Fund is intended to provide access to managers that evaluate stocks outside the U.S. In an international fund, managers evaluate companies and select those they believe will add value to a portfolio, taking into account sectors, industries and countries. In constructing this fund, Russell Investments has taken into consideration the degree to which managers consider sectors and countries to ensure the Fund has no extreme exposures to either. Aside from the impact a given security has on the portfolio, currency exposure is also important in an international fund. Russell Investments has evaluated the currency management skills of the Fund's managers and provided expanded guidelines to those particularly adept at this area of investing. 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 ex USA 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†	20.0%
Pzena Investment Management LLC†	17.5%
Wellington Management Company, LLP†	32.5%
Russell Investment Management, LLC (RIM)**	30.0%

†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.

International Developed Markets Fund

Managers and Strategies Summary

September 2019

NAME	ALLOCATION	INVESTMENT FOCUS	ROLE	DETAILS OF ROLE IN THE FUND
	20.0%	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.
	17.5%	Employs a valuation-driven and research-intensive stock selection focus. Dogmatic emphasis on identifying companies that it believes are trading at a discount to their future earnings potential.	Value	Pzena employs a collaborative co-portfolio management approach to value investing, with a strong team of analysts to support its efforts. The firm's research process includes assessing the quality of a company's management, long-term operational viability, and avoidance of excess leverage.
	32.5%	Uses a fundamental, bottom-up approach combining a fundamental growth 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 international fundamental growth strategy primarily invests in core growth stocks. It also buys stocks where it believes earnings are set to accelerate. The strategy targets mid to large cap non-U.S. companies, primarily in developed markets. 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")	30%	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

Lead manager: Rajiv Jain



Asset class: International 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 International Developed Markets 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.

Pzena Investment Management LLC

Firm background

Pzena Investment Management, LLC is an independent investment management firm that employs a classic approach to value investment for domestic and international portfolios.

Headquarters: New York, NY

Founded: 1995

Lead managers: Caroline Cai, Allison Fisch and John Goetz



Asset class: International equity

Number of holdings: 50-70

Capitalization level: Mid to small cap

Sub-style: Low price/Earnings value

Manager profile

Pzena Investment Management, LLC (Pzena) was added to the International Developed Markets Fund. Russell Investments has been following the founder, Richard Pzena, for nearly 20 years when he was with another firm before starting his own firm in 1995. The manager runs a customized portfolio specifically for Russell Investments. Pzena is a non-discretionary manager to the Fund.

What this manager brings to the Fund

Pzena employs a collaborative co-portfolio management approach to value investing, with a strong team of analysts to support its efforts. The firm's research process includes assessing the quality of a company's management, long-term operational viability, and avoidance of excess leverage.

Investment process

Pzena's portfolios tend to emphasize larger capitalization stocks in developed markets. Portfolios may also invest in emerging markets when valuations are perceived as sufficiently discounting additional risks.

Pzena is focused on generating excess returns within its products, is committed to the value style of investing, and accepting of the volatility associated with this investment style. The research process is intended to help avoid stocks with large potential downside and can help mitigate the risk of buying stocks with deteriorating fundamentals.

Pzena compares a stock's price to its normalized long-term earnings forecast relative to a global universe. Because the firm is primarily valuation driven, it does not put emphasis on identifying factors likely to drive stock price appreciation in the near-term.

Russell Investments' manager analysis

Russell Investments has a high regard for the investment expertise of the professionals at Pzena. The supporting analysts have strong business backgrounds, and Pzena has built a strong team to support its international and global product offerings. The decision-making process is a collaborative approach among three co-portfolio managers and Russell Investments believes the interaction between the decision makers and research analysts is strong and allows for effective decision making.

Due to Pzena's deep value orientation, Russell Investments expects this manager to do best when deep value stocks outperform. Russell Investments also expects the firm to be a strong early-cycle investor. Because the firm tends to be sector agnostic and valuation-centric, Russell Investments expects it to underperform in growth-oriented markets.

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: Matt Hudson, Jim Shakin and Andrew Corry

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Asset class: International equity

Number of holdings: 75-200

Capitalization level: Mid and large cap

Sub-style: Earnings momentum (International growth strategy) and Deep value (International contrarian value strategy)

Manager profile

Wellington Management Company LLP was added to the Fund in 2014. The original PM, Matt Hudson, was augmented in 2019 with Jim Shakin and Andrew Corry and they 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 core growth stocks 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 growth strategy will include traditional higher growth stocks as well as those where Wellington believes earnings are set to accelerate. It has a particular focus on clear earnings drivers, structural advantages, and seeking above consensus earnings expectations. Earnings drivers can include product cycles, new technologies, management or competitive changes, restructurings, or other factors that may lead to positive revisions to earnings. 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 Matt Hudson, 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

Role: Positioning strategy

Asset class: International equity

Number of holdings: 200-300

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.

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 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.

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 generally having a market capitalization between \$10 billion and \$200 billion. 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.

Small capitalization (small cap) investments involve stocks of companies with smaller levels of market capitalization (generally less than \$2 billion) 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.

Defensive style emphasizes investments in equity securities of companies that are believed to have lower than average stock price volatility, characteristics indicating high financial quality, [which may include lower financial leverage] and/or stable business fundamentals.

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.

MSCI World ex-USA Index Net is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets, excluding the United States. 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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