

SUSTAINABLE EQUITY FUND¹

Money Manager and Russell Investments Overview



August 2020

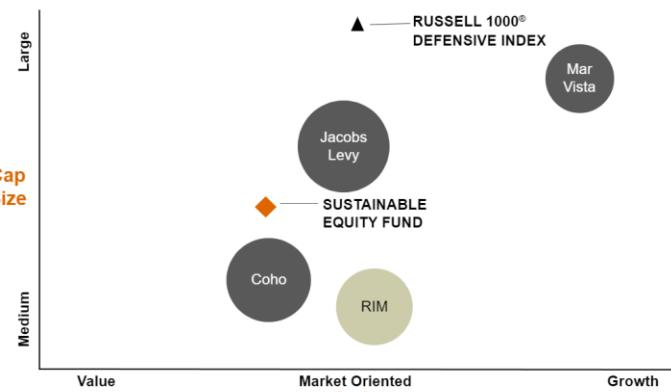
Russell Investments' approach

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 Sustainable Equity Fund invests principally in common stocks of large and medium capitalization U.S. companies as represented by the Russell 1000® Index™. The Fund seeks to provide long-term capital growth while pursuing a "sustainable" investment strategy that takes into account environmental, social and governance ("ESG") considerations. This investment strategy seeks to tilt the portfolio toward companies that are expected to contribute to, and benefit from, a transition to a low carbon emission producing economy and away from companies with the greatest exposure to potential negative impacts of such a transition. The Fund combines the security selection of active "sustainable-friendly" managers with a rules-based quantitative ESG overlay. In addition to the managers' strategies, RIM manages a portion of the Fund's assets internally to seek to further enhance and diversify the Fund's investment strategies.

Fund mosaic (as of August 2020)



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

Megan Roach, CFA, is a Senior Portfolio Manager with primary responsibility for Russell Investments' U.S. equity funds. Prior to assuming portfolio management responsibilities, Megan served on the small cap manager research team from 2005 to 2015, including acting as head of research for the asset class since 2013. Megan holds a BA in finance and an MBA in investment management. Megan has been with Russell Investments since 2004.

The portfolio managers' 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
Coho Partners, Ltd.*	26%
Jacobs Levy Equity Management, Inc.	30%
Mar Vista Investment Partners, LLC*	20.5%
Russell Investment Management, LLC (RIM)**	23.5%

*Indicated manager is a non-discretionary manager. Russell Investments manages this portion of the Fund's assets based upon a model portfolio provided by the money manager.

**RIM manages this portion of the Fund's assets to affect the Fund's investment strategies and/or to actively manage the Fund's overall exposures. This includes the Fund's positioning strategy, which is used to seek excess return and manage portfolio risks by targeting specific exposures. This strategy is used in conjunction with allocations to third-party managers to fully reflect Russell Investments' strategic and dynamic views with integrated liquidity and risk management.

¹Effective January 1, 2019, the U.S. Defensive Equity Fund was renamed the Sustainable Equity Fund and the Fund's investment strategy was changed to pursuing a "sustainable" investment strategy.

Sustainable Equity Fund

Managers and Strategies Summary

August 2020

NAME	ALLOCATION	INVESTMENT FOCUS	ROLE	DETAILS OF ROLE IN THE FUND
	26%	Uses a fundamental process, specializing in defensive stocks seeking an asymmetric return payoff from large and mid-cap stocks. Coho also describes ESG as a "natural extension" of their investment philosophy as these companies tend to have high levels of awareness and engagement in sustainable social and environment practices as well as strong corporate governance.	Defensive	Coho's investment discipline emphasizes defensive companies whose earnings and dividends tend to grow regardless of the economic environment. These companies tend to have low earnings variability and moderate historical growth rates compared to the broad market. Coho will also purchase some moderately cyclical stocks when they have attractive valuations and reasonable earnings visibility.
	30%	Uses a proprietary multidimensional investment approach to evaluate a broad universe of U.S. equities, including factors focused on corporate governance and management quality.	Defensive	Jacobs Levy provides defensive value exposure based on intensive modeling, financial research and behavioral theory, and quantitative and statistical methods in order to identify and benefit from market inefficiencies. The process seeks to disentangle reliable predictors of future stock price behavior and then build a limited long/short portfolio for this Fund that is expected to benefit from the future outperformance of those factors.
	20.5%	Uses bottom-up fundamental research to seek to identify companies that generate economic value for shareholders, exhibit wide competitive advantages, and trade at significant discounts to Mar Vista's estimate of long-term intrinsic value.	Defensive	Mar Vista brings a concentrated, high quality stock strategy to the Fund with a goal of capital appreciation, while seeking to preserve capital during market declines. They seek companies with positive free cash flow, manageable debt levels and proven management teams that work for the benefit of shareholders. Companies that Mar Vista believes offer the largest margin of safety and trade at a discount to their intrinsic value are selected for the strategy.
Russell Investment Management, LLC (RIM)	23.5%	Directly manages an active, model-based positioning strategy to manage the Fund's overall exposures to seek to maintain the Fund's preferred positioning and to seek to achieve the Fund's ESG-related sustainability goals.	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 on the left).

Sustainable Equity Fund Coho Partners, Ltd.

August 2020

Firm background

Coho Partners, Ltd. is an independent, employee-owned registered investment advisor serving institutional clients, endowments, foundations, corporations, high net worth individuals, trusts, and estates.

Headquarters: Berwyn, PA

Founded: 1999

Lead manager: Peter Thompson



Asset class: U.S. Equity

Number of holdings: 25-30

Capitalization level: Large and mid-cap

Sub-style: Market-oriented

Manager profile

Coho Partners, Ltd. (Coho) was added to the Sustainable Equity Fund in 2015 and is a non-discretionary manager in the Fund. Peter Thompson, the founder of the firm, leads the team managing the strategy for this Fund.

What this manager brings to the Fund

Coho is a concentrated, fundamental manager that specializes in defensive stocks seeking an asymmetric return payoff from large and mid-cap stocks. Coho's investment discipline emphasizes defensive companies whose dividends and earnings tend to grow regardless of the economic environment. These companies tend to have low earnings variability and moderate historical growth rates compared to the broad market. Coho will also purchase some moderately cyclical stocks when they have attractive valuations and reasonable earnings visibility.

Investment process

Coho seeks to invest in stocks with stable earnings growth prospects, strong balance sheets, robust free cash flow generation, capable management and defensible business models. It also looks to invest in these opportunities at attractive valuation levels in order to strive to benefit from multiple expansion and help offset declines. Coho also prefers stocks that have a consistent dividend paying policy. In addition, Coho describes ESG as a "natural extension" of their investment philosophy as these companies tend to have high levels of awareness and engagement in sustainable social and environment practices as well as strong corporate governance.

Russell Investments' manager analysis

Russell Investments believes that Coho possesses several competitive advantages that are expected to lead to positive returns over a full market cycle. These include a capable investment team that benefits from the experience and perspective of investment leader Peter Thompson, a disciplined stock selection process and relatively robust new idea generation effort, and a strong research effort that emphasizes detailed fundamental research.

Coho's strategy is expected to outperform in periods when earnings growth is slow or slowing and investors seek higher quality and more consistent earnings sources. The strategy is also expected to outperform its benchmark in periods of high defensiveness or flights to quality.

The strategy is expected to struggle in markets led by deeper cyclical companies or in periods when investors seek higher levels of risk due to increasing confidence in the macro-economic environment.

The highly concentrated nature of this product is expected to lead to more accentuated periods of outperformance and underperformance, despite the strategy's higher quality, more defensive emphasis.

Sustainable Equity Fund

Jacobs Levy Equity Management, Inc.

August 2020

Firm background

Jacobs Levy Equity Management, Inc. is an independent quantitative equity manager focused exclusively on U.S. equity portfolios.

Headquarters: Florham Park, NJ

Founded: 1986

Lead managers: Bruce Jacobs, Ph. D. and Ken Levy, CFA



Jacobs Levy
EQUITY MANAGEMENT®

Asset class: U.S. Equity

Number of holdings: Approximately 200 (100 long and 100 short)

Capitalization level: Large cap

Sub-style: Defensive; 130/30 limited long/short strategy

Manager profile

Russell Investments added Jacobs Levy Equity Management Inc. (Jacobs Levy) to the Sustainable Equity Fund in 2012. Bruce Jacobs, Ph.D. and Ken Levy, CFA are responsible for the firm's investment process. They are supported by a team of experienced research professionals who are continually pursuing areas of potential enhancement to the process.

What this manager brings to the Fund

Jacobs Levy provides defensive exposure based on intensive modeling, financial research and behavioral theory, and quantitative and statistical methods in order to identify and benefit from market inefficiencies. The process seeks to disentangle reliable predictors of future stock price behavior and then build a limited long/short portfolio for this Fund that is expected to benefit from the future performance of those factors.

Investment process

Jacobs Levy uses a proprietary multidimensional investment approach to evaluate a broad universe of U.S. equities, including the stocks in the Russell 1000® Index benchmark. The ability to short up to 30% of the portfolio with the 130/30 strategy permits more meaningful security underweights in the strategy. This is expected to add value relative to a long-only assignment. The 130/30 strategy has a broader selection universe than the Russell 1000® Index, which can increase breadth of security selection while also allowing Jacobs Levy to short unattractive names that are more dynamic.

Jacobs Levy's investment approach is based on the belief that the market is a complex system and that intensive modeling, combined with human insight and intuition, finance and behavioral theory, and quantitative and statistical methods can be used to identify and benefit from market inefficiencies. A key component of this multidimensional approach is the proprietary process of "disentangling" return-predictor relationships. Disentangling evaluates market inefficiencies, stock attributes, and industry affiliations simultaneously, in a unified framework, separating each potential source of return from the background noise created by other factors. Jacobs Levy believes that the resulting additive "pure" effects can provide more reliable predictions of future stock price behavior than the "naïve" effects from simple factors. The firm's security evaluation process entails sophisticated modeling of large numbers of stocks and proprietary factors using financial statements, security analyst forecasts, corporate management signals, economic releases, and security prices. Jacobs Levy believes that modeling based on reasonable, intuitive relationships between both fundamental and behavioral factors and stock prices results in a multidimensional security selection process that can offer deep analysis across a wide breadth of securities. The process is designed to be dynamic and forward-looking, which can help the process adjust to the equity market's changing environments and opportunities.

Russell Investments' manager analysis

Russell Investments has been following Jacobs Levy since 1989. Jacobs Levy has a strong commitment to ongoing research and innovation, which is motivated by the team's belief that continual process enhancement is critical for long-term success. Based on Russell Investments' analysis, Jacobs Levy's defensive strategy is expected to perform best, relative to the broad market, during market environments where quantitative signals used to predict future returns are rewarded. The strategy is expected to underperform when the market is not rewarding valuation or measures of fundamental improvement. Russell Investments believes that by shorting more dynamic names, it is possible for the strategy to be positioned more defensively than the benchmark.

Sustainable Equity Fund

Mar Vista Investment Partners, LLC

August 2020

Firm background

Mar Vista Investment Partners, LLC is an employee-owned investment management firm focused on managing publicly traded equity portfolios.

Headquarters: Los Angeles, CA

Founded: 2008

Lead manager: Brian Massey, CFA and Silas Myers, CFA



Asset class: U.S. Equity

Number of holdings: 30-50

Capitalization level: Large cap

Sub-style: Growth at a reasonable price

Manager profile

Mar Vista Investment Partners, LLC (Mar Vista) was added to the Sustainable Equity Fund in 2016 and is a non-discretionary manager in the Fund. Co-founders of the firm, Silas Myers and Brian Massey, serve as portfolio managers for the strategy used in this Fund.

What this manager brings to the Fund

Mar Vista brings a concentrated, high quality stock strategy to the Fund with a goal of capital appreciation, while seeking to preserve capital during market declines. They seek companies with positive free cash flow, manageable debt levels and proven management teams that work for the benefit of shareholders. Companies that Mar Vista believes offer the largest margin of safety and trade at a discount to their intrinsic value are selected for the strategy.

Investment process

Mar Vista's security selection process emphasizes bottom-up fundamental research to seek to identify companies that generate economic value for shareholders, exhibit wide competitive advantages, and trade at significant discounts to Mar Vista's estimate of long-term intrinsic value. This research is done on approximately 150 stocks that meet the following security selection criteria:

- Greater than \$4 billion in market capitalization
- Durable franchise that they believe can generate returns on capital above cost of capital well into the future
- Have strong pricing power and ability to expand or maintain margins
- Possess competitive advantages in cost, scale, regulatory, intellectual or network
- Management team that allocates capital to the maximum benefit of shareholders
- Stocks that are mispriced relative to expectations

This process involves Mar Vista analysts' review of databases, annual reports, conferences, Wall Street research, as well as conversations with company management teams and industry contacts. Once an analyst has a thorough understanding of a company, they construct a long-term, discounted cash flow model and determine a probability weighted fair market price for the stock. This process emphasizes a scenario analysis, where a company's earnings power is stressed among various scenarios to help frame the downside and upside valuation of a particular stock. Each stock researched is ranked to come up with an investable list of 30-50 stocks.

Russell Investments' manager analysis

Russell Investments believes the Mar Vista is differentiated from peers due to their understanding of the drivers of a company's business model, earnings and cash flow beyond the near-term and in its consideration of the forward-looking expectations that are priced into a stock's price. Additionally, Russell Investments believes Mar Vista's research and organizational environment are above average and has conviction in the entire investment team's analytical capabilities.

Mar Vista's strategy is most likely to generate positive excess returns when stocks of high-quality companies outperform. The strategy may underperform the broad market in more speculative markets or those led by cyclical stocks.

Sustainable Equity Fund

Russell Investment Management, LLC

August 2020

Firm background

Russell Investment Management, LLC 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

POSITIONING STRATEGIES

Asset class: U.S. Equity

Number of holdings: 200 – 1,000

Capitalization level: Mid cap

Russell Investment Management, LLC (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 manager 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 manager believes 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 manager. 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 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 Russell Investments' views across multiple factor and industry exposures simultaneously while regularly adapting to changing markets and manager portfolios. In addition, RIM incorporates ESG-related sustainability goals into its proprietary portfolio construction process, which identifies the combination of securities that best achieves the sustainability goals while minimizing transaction costs and deviation from the money managers' security selection.

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 Russell Investments.

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 March 15, 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.

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.

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.

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.

In a limited long/short strategy, although the Fund potential for gain as a result of a short sale is limited to the price at which it sold the security short less the cost of borrowing the security, its potential for loss is theoretically unlimited because there is no limit to the cost of replacing the borrowed security. The Fund will realize a gain if the security declines in price between those dates. The making of short sales exposes the Fund to the risk of liability for the market value of the security that is sold (the amount of which liability increases as the market value of the underlying security increases), in addition to the costs associated with establishing, maintaining and closing out the short position.

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

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.

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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