

TAX-MANAGED INTERNATIONAL EQUITY FUND



Money Manager and Russell Investments Overview

December 2019

Russell Investments' approach

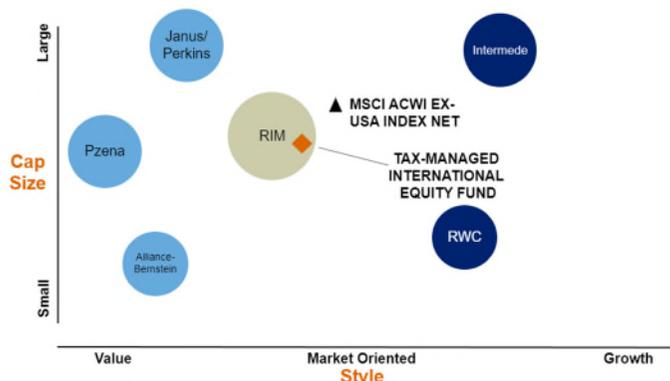
Russell Investments uses a multi-asset approach to investing, combining asset allocation, manager selection and dynamic portfolio management in its investment portfolios. Using this approach as a framework for mutual fund construction, we research, monitor, hire and terminate (subject to Fund Board approval) 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 Tax-Managed International Equity Fund provides tax-managed exposure to equity securities in developed and emerging international markets, mostly via investments in large and medium capitalization companies. The Fund seeks to realize capital growth while considering shareholder tax consequences arising from the Fund's portfolio management activities. The Fund typically buys stocks with the intention of holding them long enough for long-term capital gains treatment.

In its role as fund advisor, Russell Investments aggregates multiple non-discretionary manager portfolios, so that implementation can be done in a single account. This implementation approach separates manager insights from implementation and allows for the use of fund-level active tax management strategies. This can provide tax-efficient implementation as well as trading efficiencies. The Fund will employ active tax management strategies including tax-loss harvesting, deferral of gains, tax-lot management, holding period management, management of wash sales, dividend yield management and selective use of ADRs. Further, this approach can potentially result in lower trading and custody costs and can also result in lower turnover. The Fund's benchmark is the MSCI All Country World (ACWI) ex-USA Index Net.

Fund mosaic (as of December 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 Eggins, CFA, is a Senior Portfolio Manager with primary responsibility for Russell Investments' global equity funds and small/mid capitalization U.S. equity funds. Prior to his appointment, Jon was a Senior Research Analyst in the investment process and risk group within the investment division. Jon holds a degree with honors in economics and finance. Jon has been with Russell Investments since 2003.

The portfolio managers' role

The Russell Investments 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, 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 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
AllianceBernstein L.P.	7.5%
Intermede Investment Partners Limited and Intermede Global Partners Inc.	15%
Janus Capital Management LLC and Perkins Investment Management LLC	15%
Pzena Investment Management, LLC	15%
RWC Asset Advisors (US) LLC	7.5%
Russell Investment Management, LLC ("RIM")*	40%

All underlying third-party money managers of this Fund are non-discretionary money managers. RIM manages the respective portions of the Fund's assets based upon model portfolios provided by each firm
 *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, and the active tax management strategy that is implemented across the entire fund. 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.

Tax-Managed International Equity Fund

Managers and Strategies Summary

December 2019

NAME	ALLOCATION	INVESTMENT FOCUS	ROLE	DETAILS OF ROLE IN THE FUND
	7.5%	AllianceBernstein follows a bottom-up portfolio construction process and exhibits both a value and a small/mid-capitalization bias.	Value	AllianceBernstein's value-oriented strategy 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.
Intermede Investment Partners Limited and Intermede Global Partners Inc.	15%	Intermede focuses on stocks that are secular growers with some aspect of new innovation that the market has yet to price in, and looks for good top line growth and earnings growth, ideally with attractive return on equity, further margin expansion potential and strong free cash flow.	Growth	Intermede provides compelling stock selection skill within the high quality, sustainable growth segment of the market. This approach has historically provided solid and stable excess returns that diversifies well with the other managers in the Fund.
	15%	Uses a bottom-up approach to build diversified portfolios of what it believes to be high quality, undervalued stocks with favorable reward-to-risk characteristics.	Value	Perkins has a low volatility, value-oriented style. Its strategy typically will invest in large cap stocks of companies throughout the world, including emerging markets.
	15%	Emphasizes large-cap stocks in developed markets. Uses the low price/earnings value substyle.	Value	Pzena is focused on generating excess returns, is committed to the value style of investing, and accepting of the volatility associated with this investment style.
	7.5%	Follows both a top-down and bottom-up analysis process, allowing the team to identify broad themes that are followed through with stock selection.	Growth	RWC invests in quality growth companies that it expects will benefit from a sustainable, advantageous market positioning and strong balance sheets.
Russell Investment Management, LLC (RIM)	40%	Directly manages a positioning strategy within the Fund, which is designed with the dual mandate of improving the Fund's after-tax returns as well as controlling Fund-level exposures and/or risks to meet preferred positioning. The active tax management aspect of the strategy is focused on improving the after-tax returns of the Fund by using tax loss harvesting, deferral of gains, tax-lot management, and management of wash sales. This activity takes place across the entire Fund.	Positioning strategy and tax management	RIM oversees all investment advisory services to the Fund and manages all fund assets. This includes the Fund's positioning strategy, which helps the Fund to achieve its desired risk/return profile, and the active tax management strategy that is implemented across the entire Fund. 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).

Tax-Managed International Equity Fund AllianceBernstein L.P.

December 2019

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 markets equity

Number of holdings: 70-100

Capitalization level: Small-mid cap

Sub-style: Low price to earnings, Low price to book

Manager profile

AllianceBernstein L.P. (AllianceBernstein) was added as a non-discretionary manager to the Tax-Managed International Equity Fund at the Fund's launch in 2015. The investment leaders are long-term money managers. There have been only modest changes among the senior investment professionals in recent years. Henry D'Auria has been the Chief Investment Officer for emerging markets products since 2002.

What this manager brings to the Fund

AllianceBernstein's value-oriented strategy 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 a small/mid-capitalization bias. The firm recommends securities based on a quantitative model that 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 AllianceBernstein's 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. The supporting research teams also are viewed favorably by Russell Investments.

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

Tax-Managed International Equity Fund

Intermede Investment Partners Limited and Intermede Global Partners Inc.

December 2019

Firm background

Intermede Investment Partners Limited and Intermede Global Partners Inc. is an independently owned, global equity investment management company. The firm is majority owned by its founding partners.

Headquarters: London, UK

Founded: 2013

Lead manager: Barry Dargan

Asset class: International Equity

Number of holdings: 15-50

Capitalization level: All cap

Sub-style: Growth

Manager profile

Intermede Investment Partners Limited and Intermede Global Partners Inc. (Intermede) was added to the Tax-Managed International Equity Fund in December 2019 and is a non-discretionary manager in the Fund. Barry Dargan is the portfolio manager for the strategy.

What this manager brings to the Fund

Intermede provides compelling stock selection skill within the high quality, sustainable growth segment of the market. This approach has historically provided solid and stable excess returns that diversifies well with the other managers in the Fund.

Investment process

Intermede focuses on stocks that are secular growers with some aspect of new innovation that the market has yet to price in and looks for good top line growth and earnings growth, ideally with attractive return on equity, further margin expansion potential and strong free cash flow. Intermede also demands a greater discount on cyclical stocks which provides flexibility with an overall higher quality, lower volatility portfolio.

Russell Investments' manager analysis

Russell Investments' view is that Intermede is currently at an attractive point in their lifecycle, with low assets, high quality ownership of the firm by the investment team and autonomy of its investment professionals. Russell Investments has high confidence in lead portfolio manager, Barry Dargan, and the team of high-quality investment analysts. The strategy is expected to perform well when growth is being rewarded and be challenged in periods where higher risk stocks are rewarded or when value factors are rewarded.

Tax-Managed International Equity Fund

Janus Capital Management LLC and Perkins Investment Management LLC

December 2019

Firm background

Janus Capital Group Inc., and its subsidiaries, including Janus Capital Management LLC (Janus) and Perkins Investment Management LLC (Perkins), provide investment management, administration, distribution and related services to financial advisors, individuals and institutional clients through mutual funds, other pooled investment vehicles, separate accounts and sub advised relationships in both domestic and international markets.

Headquarters: Denver, CO (Janus) and Chicago, IL (Perkins)

Founded: 1969 (Janus), 1980 (Perkins)

Lead manager: Gregory Kolb, CFA (Perkins)

PERKINS
INVESTMENT MANAGEMENT

Asset class: International Equity

Number of holdings: 70-100

Capitalization level: Large cap

Sub-style: Defensive

Manager profile

Janus Capital Management LLC/Perkins Investment Management LLC (Perkins) was added as a non-discretionary money manager to the Tax-Managed International Equity Fund at the Fund's launch in 2015.

Perkins and Janus are both part of Janus Capital Group Inc. Janus intends to delegate its duties and responsibilities for providing the day to day portfolio management to Perkins. Therefore, Perkins will be the entity making portfolio securities recommendations to Russell Investments for this Fund. Gregory Kolb heads up the strategy used in this Fund.

What this manager brings to the Fund

Perkins has a low volatility, value-oriented style. Its strategy typically will invest in large cap stocks of companies throughout the world, including emerging markets.

Investment process

Perkins uses a bottom-up approach to build diversified portfolios of what it believes to be high quality, undervalued stocks with favorable reward-to-risk characteristics. Perkins believes that rigorous downside analysis conducted prior to determination of upside potential helps to mitigate losses during difficult markets and compound value over time. Perkins' assessment of value is generally more conservative relative to the broad market.

The first step of the investment process involves a quantitative screening to identify what the firm believes to be attractively priced securities. Sector and geographic-specific screening are used to identify what it believes to be undervalued companies using traditional value measures, such as low absolute and relative price/book value, price/free cash flow, and price/earnings. The team also looks for stocks that have underperformed in the most recent 6-to-18 month period, undervalued asset situations as well as out-of-favor growth companies, industries, countries or regions.

Russell Investments' manager analysis

Russell Investments believes that this strategy operates in a part of the market that is less frequently traversed by active managers, which supports the sustainability of the investment proposition. Russell Investments views the consistency in which the strategy is implemented to be one of its key strengths. Russell Investments has a positive view on the portfolio manager, Greg Kolb, who is a seasoned investor and has managed global strategies since 2005. Kolb and his fellow portfolio managers have displayed above average skill in identifying companies that appear to be underpriced relative to their intrinsic values, while also exhibiting an extreme sensitivity to downside protection during the security selection process.

The firm's strategy is expected to perform well in value and defensive-oriented markets. It is expected to lag when growth stocks are outperforming value stocks.

Tax-Managed International Equity Fund

Pzena Investment Management, LLC

December 2019

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 manager: Caroline Cai, John Goetz and Michael Peterson



Asset class: International Equity

Number of holdings: 50-70

Capitalization level: Large cap

Sub-style: Low price/earnings value, deep value

Manager profile

Pzena Investment Management, LLC (Pzena) was added as a non-discretionary money manager to the Tax-Managed International Equity Fund at the Fund's launch in 2015.

What this manager brings to the Fund

Pzena is focused on generating excess returns, is committed to the value style of investing, and is accepting of the volatility associated with this investment style.

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 does intensive research prior to recommending a security. Its attention to the quality of a company's management, long-term operational viability, and avoidance of excessive leverage 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's strategy 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 its strategy to underperform in growth-oriented markets.

Tax-Managed International Equity Fund

RWC Asset Advisors (US) LLC

December 2019

Firm background

RWC Asset Advisors (US) LLC is an independent investment manager providing services primarily to institutional clients. It launches and manages equity, fixed income, and hedge funds for its clients.

Headquarters: Miami, FL

Founded: 2000

Lead manager: John Malloy and James Johnstone



Asset class: Emerging markets equity

Number of holdings: 60-80

Capitalization level: All cap

Sub-style: Growth

Manager profile

RWC Asset Advisors (US) LLC (RWC) was added as a non-discretionary money manager to the Tax-Managed International Equity Fund at the Fund's launch in 2015. John Mallory and James Johnstone lead the strategy used in this Fund.

What this manager brings to the Fund

RWC invests in quality growth companies that it expects will benefit from a sustainable, advantageous market positioning and strong balance sheets.

Investment process

RWC applies strong, bottom-up research capabilities focused on identifying companies that trade at attractive valuations but with solid growth prospects and all within their thematic framework. RWC is an early lifecycle manager that opportunistically pursues capital appreciation across a global investment spectrum and exploits secular and cyclical trends, growth opportunities, valuation inefficiencies and themes that are misunderstood or otherwise out of favor in emerging and frontier markets. RWC's stock selection reflects the team's macro-economic views, which Russell Investments believes are solid and differentiated versus peer managers.

Russell Investments' manager analysis

Russell Investments has a high regard for the investment professionals at RWC whom Russell Investments believes to be of above average quality relative to their peers. Russell Investments has a particularly high opinion of John Malloy and James Johnstone who are the key members of the team and are responsible for all decision making.

The process is such that it combines both a top-down and bottom-up analysis allowing the team to identify broad themes that are followed through with stock selection. The team has demonstrated good insight and skill in implementing such an approach. The team has worked together for a long time due to their time together at a previous firm, and are highly motivated given recent organization changes, which have allowed them to be more aligned with the profitability of the business.

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

TAX MANAGEMENT & POSITIONING STRATEGY

Asset class: International equity

Number of holdings: 300-600

Capitalization level: Large cap

*ADRs are securities that trade in the United States but represent a specified number of shares in a foreign company.

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 positioning strategy within the Fund, which is designed with the dual mandate of improving the Fund's after-tax returns as well as controlling Fund-level exposures and/or risks to meet preferred positioning. 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 active manager strategies 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 sector exposures while adapting to changing markets and manager portfolios.

Additionally, this strategy, in conjunction with Russell Investments' overall management of the total fund, also engages in active tax management strategies such as tax-loss harvesting, deferral of gains, tax-lot management, holding period management, management of wash sales, and selective use of American depositary receipts (ADRs)* in order to further enhance the fund's after-tax returns. This portfolio may invest in ADRs instead of locals in situations where the U.S. does not have a tax treaty with the country where the company resides in order to receive qualified dividend status.

Russell Investments' management of the entire fund allows Russell Investments to purchase and sell securities in an effort to make optimal tradeoffs at the total fund level between fund exposures and tax management activities. Russell Investments also strives to enhance the ongoing tax efficiency of the fund by seeking to manage wash sales and controlling the tax management associated with manager weight changes and transitions.

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 certain 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 short-term investments, including 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 December 27, 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, which may include developed, emerging, and frontier 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 U.S. securities. The risks associated with non-U.S. securities may be amplified for emerging markets securities. Because frontier markets are among the smallest, least developed, least liquid, and most volatile of the emerging markets, investments in frontier markets are generally subject to a greater risk of loss than investments in developed or traditional emerging 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.

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 All Country World (ACWI) ex-USA Index Net is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the United States.

Income from funds managed for tax efficiency may be subject to an alternative minimum tax and/or any applicable state and local taxes.

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

Russell Investments cannot provide tax advice. Please consult a tax consultant for further questions and/or prior to investing.

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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