

TAX-MANAGED REAL ASSETS 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 Real Assets Fund seeks to provide long term capital growth on an after-tax basis. Highlights of the Fund include:

- Invests across real assets, focusing on U.S. real estate, global infrastructure and global natural resources to seek to provide equity-like returns over a market cycle while mitigating downside risk relative to equities.
- Combines expert third-party money managers who specialize in a real assets sector.
- Implements tax-optimized strategies including tax-loss harvesting, turnover management, and yield reduction, to seek to manage tax implications of the Fund.
- Seeks to adapt to changing market conditions through shifting assets across the real asset sectors.

The Fund's benchmark is the MSCI World Index.

Russell Investments portfolio manager

Patrick Nikodem is a portfolio manager at Russell Investments. He is responsible for managing Russell Investments' real assets funds including real estate and infrastructure for institutional and private investors in the U.S. and Canada. Patrick holds a BS in Economics and a BA in International Studies and German. Patrick joined Russell Investments in 2008.

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, 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	ROLE	TARGET ALLOCATION
RREEF America L.L.C.*	U.S. REITs	28%
First Sentier Investors (Australia) IM Limited ¹	Global listed infrastructure	21%
Grantham, Mayo, Van Otterloo & Co. LLC	Global natural resources	21%
Russell Investment Management, LLC (RIM)**	Tax management and positioning strategy	30%

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.

¹Colonial First State Asset Management (Australia) Limited was renamed First Sentier Investors (Australia) IM Limited effective September 2019.


*RREEF America L.L.C. refers to RREEF America L.L.C. (Chicago, IL) operating under the brand name Deutsche Asset Management.

**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 to seek to achieve the desired risk/return profile for the Fund.

Tax-Managed Real Assets Fund

Managers and Strategies Summary

December 2019

NAME	ALLOCATION	INVESTMENT FOCUS	ROLE	DETAILS OF ROLE IN THE FUND
 Deutsche Asset Management	28%	A combination of fundamental real estate analysis and detailed bottom-up company valuation to invest in a select number of real estate company securities that RREEF America believes trade at the most attractive valuation relative to RREEF's bottom-up estimation of intrinsic value.	U.S. REITs	RREEF America brings a U.S. REITs investment strategy to the Fund with exposure to the full range of property types. RREEF America's strategy is primarily focused on bottom-up stock selection. The strategy is intended to be a dynamic, all-weather portfolio with no persistent stylistic or factor biases.
First Sentier Investors (Australia) IM Limited	21%	First Sentier is a "pure play" infrastructure manager with a slight GARP (growth at a reasonable price) approach. "Pure play" refers to the firm's preference for stocks that fit a strict definition of infrastructure. These companies will tend to generate steady cash flows derived from long-lived assets with a high degree of regulation or monopolistic positioning. The firm has a fundamental, bottom-up orientation.	Global listed infrastructure	The First Sentier listed infrastructure strategy invests in listed infrastructure opportunities across a wide number of sectors and geographies. The strategy includes pure infrastructure sectors such as toll roads, airports, ports, energy, rail, communications and utilities.
Grantham, Mayo, Van Otterloo & Co. LLC	21%	GMO's value-oriented bottom-up stock selection process integrates a quantitative factor model with a fundamental overlay. The quantitative component of the process focuses on value as a primary emphasis and momentum as a secondary factor input.	Global natural resources	GMO's strategy is a broadly diversified, global portfolio of natural resource equities, including a balanced profile of sub-sector exposures to energy, metals, mining and agriculture.
Russell Investment Management, LLC ("RIM")	30%	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.	Tax management and 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 strategies, which help 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).

Firm background

Founded in 1975 and purchased by Deutsche Bank in 2002, RREEF America L.L.C. manages real estate portfolios around the world. The firm provides its services to high net worth individuals, investment companies, pension and profit-sharing plans, pooled investment vehicles, charitable organizations, corporations, and state or municipal government entities.

Headquarters: Chicago, IL

Founded: 1986

Lead manager: John Vojticek



Deutsche
Asset Management

Asset class: Real Assets

Role: U.S. REITs

Number of holdings: 60-110

*RREEF America L.L.C. refers to RREEF America L.L.C. (Chicago, IL) operating under the brand name Deutsche Asset Management.

Manager profile

RREEF America L.L.C. (RREEF America) was added to the Tax-Managed Real Assets Fund at its launch in 2019. John Vojticek, who was appointed as a global portfolio manager in 2011, has created a cohesive global investment process which is underpinned by a deep team of analysts and regional portfolio managers. The U.S. REITs investment team is based in Chicago.

What this manager brings to the Fund

RREEF America brings a U.S. REITs investment strategy to the Fund with exposure to the full range of property types. RREEF America's strategy is primarily focused on bottom-up stock selection. The strategy is intended to be a dynamic, all-weather portfolio with no persistent stylistic or factor biases.

Investment process

RREEF's investment process takes a combination of fundamental real estate analysis and detailed bottom-up company valuation to invest in a select number of real estate company securities that RREEF America believes trade at the most attractive valuation relative to RREEF's bottom-up estimation of intrinsic value.

RREEF America's process is focused on identifying listed real estate companies whose trading prices are furthest below its estimation of intrinsic value. Real estate asset values are a function of both: (1) forward cash flow expectations and (2) required returns, and therefore the team's research seeks to leverage its large direct property business and capital markets inputs to derive the most accurate estimation of intrinsic value. The strategy begins by segmenting the U.S. real estate universe into discrete buckets (or sectors) whereby stocks with common fundamental and capital market drivers are assessed rigorously against one another.

Russell Investments' manager analysis

RREEF America has a deep and highly tenured team of sector-specialist analysts and regional portfolio managers headed by John Vojticek, whom Russell Investments considers to be one of the most capable investors in the U.S. REITs space. Russell Investments views that RREEF America has the following:

- Unique understanding of risk within the listed real estate market
- Securities experts with access to extensive real estate research, direct investment and broader firm resources
- Dynamic securities valuation tied to changes in credit market conditions

RREEF America is expected to perform well in environments where the market discriminates on quality fundamentals, such as management, market and asset quality. Performance would be challenged in market environments favoring either higher-yielding or more highly-levered companies and property sectors, with limited consideration of valuation and property fundamental differences.

Tax-Managed Real Assets Fund

First Sentier Investors (Australia) IM Limited¹

December 2019

Firm background

First Sentier Investors (Australia) IM Limited (aka First Sentier) is a wholly owned subsidiary of the Commonwealth Bank of Australia.

Headquarters: Sydney, Australia

Founded: 1988. Parent company, Commonwealth Bank of Australia, traces its history to 1871.

Lead managers: Peter Meany and Andrew Greenup

Asset class: Real assets

Role: Global listed infrastructure

Number of holdings: 30-70

¹Colonial First State Asset Management (Australia) Limited was renamed First Sentier Investors (Australia) IM Limited effective September 2019.

Manager profile

First Sentier Investors (Australia) IM Limited (aka First Sentier) was added to the Tax-Managed Real Assets Fund at its launch in 2019. The firm's infrastructure team was established in January 2007 with Peter Meany as Head of Global Listed Infrastructure. Andrew Greenup joined as Portfolio Manager in April 2007.

What this manager brings to the Fund

The First Sentier listed infrastructure strategy invests in listed infrastructure opportunities across a wide number of sectors and geographies. The strategy includes pure infrastructure sectors such as toll roads, airports, ports, energy, rail, communications and utilities.

Investment process

First Sentier is a "pure play" infrastructure manager with a slight GARP (growth at a reasonable price) approach. "Pure play" refers to the firm's preference for stocks that fit a strict definition of infrastructure. These companies will tend to generate steady cash flows derived from long-lived assets with a high degree of regulation or monopolistic positioning. The firm has a fundamental, bottom-up orientation.

The process overlays a fundamental relative value philosophy with an extensive qualitative risk evaluation component, seeking to yield a portfolio of high quality, attractively priced companies. The process is founded primarily on bottom-up, fundamental company research.

Russell Investments' manager analysis

Co-portfolio managers Peter Meany and Andrew Greenup have substantial industry experience and lead a team with complementary backgrounds, including consulting, direct property and infrastructure, actuarial, regulatory, and global equities, in addition to buy and sell-side infrastructure securities.

While the investment process has performed well in different market environments due to a balanced process featuring quality, value, and growth considerations, Russell Investments believes it will fare best in periods in which regulated utilities and transportation companies outperform mega-cap diversified utilities and higher-beta energy companies. Russell Investments believes it will also fare well in environments favoring smaller cap stocks and in periods in which growth leads value.

Markets in which energy companies significantly outperform the rest of sector (and in which communications companies underperform) will be challenging, as will periods in which stock prices diverge from underlying fundamentals. Russell Investments believes First Sentier's strategy may underperform in environments favoring larger cap stocks and in periods in which value leads growth.

Russell Investments believes the chief competitive advantage for First Sentier strategy resides in the quality of the security selection process. The process, while aware of risks relative to the benchmark, is largely oriented toward picking stocks the firm believes have strong long-term absolute return prospects.

Firm background

Grantham, Mayo, Van Otterloo & Co. LLC is an independently-owned, private global investment management firm. The firm manages a breadth of products including multi-asset, equities, fixed income and absolute return strategies.

Headquarters: Boston, MA

Founded: 1977

Lead managers: Lucas White and Thomas Hancock

Asset class: Real assets

Role: Global natural resources

Number of holdings: 100-150

Manager profile

Grantham, Mayo, Van Otterloo & Co. LLC (GMO) was added to the Tax-Managed Real Assets Fund at its launch in 2019. GMO's natural resources strategy is managed by Lucas White and Thomas Hancock. They are supported by a team of research analysts in Boston and London.

What this manager brings to the Fund

GMO's strategy is a broadly diversified, global portfolio of natural resource equities, including a balanced profile of sub-sector exposures to energy, metals, mining and agriculture. Energy includes oil and gas, energy drilling, equipment and services and clean energy; Metals includes diversified metals and mining, copper and lithium; Agriculture includes farming, farm machinery, fertilizer, eco-chemicals and seeds, timber and fish farming.

The strategy was created to seek to benefit from the investment opportunity created by increasing demand for natural resources, which is driven primarily by non-OECD (Organization for Economic Co-Operation and Development) population growth and industrialization. Given the limited supply of these resources, the supply/demand dynamics favor an upward trend in resources prices, creating a longer-term secular growth opportunity. GMO's strategy is designed to seek to capture this growth by investing in companies that will benefit from this rise in prices.

Investment process

GMO seeks to add value by setting strategic allocation targets and ranges around those targets for segments of the natural resources sector, followed by a value-oriented bottom-up stock selection process. While value is achieved from a combination of strategic asset allocation and bottom-up stock selection, the focus on strategic allocation helps ensure exposure to a diversified group of resource companies which should allow for more consistent returns than a portfolio concentrated in a single sector of the universe.

GMO's value-oriented bottom-up stock selection process integrates a quantitative factor model with a fundamental overlay. The quantitative component of the process focuses on value as a primary emphasis and momentum as a secondary factor input.

Russell Investments' manager analysis

Russell Investments believes that GMO's approach to investing in global natural resource equities is best in class. GMO has a long investment horizon, both top-down and bottom-up investment capabilities, a rigorous valuation philosophy and global expertise. Unlike many natural resource's peers, GMO's strategy is not heavily biased toward larger cap energy stocks and North American exposure.

GMO is well known for its research-driven approach to investing. Based on Russell Investments' manager research, GMO's universe covers the most diverse set of pure play resource stocks, both by sector and geography. GMO's definition of agriculture and the inclusion of water are also key differentiators when compared to peers.

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

TAX MANAGEMENT & POSITIONING STRATEGY

Number of holdings: 300-600

Russell Investment Management, LLC (RIM) oversees all investment advisory services to the Fund and manages assets not allocated to managers.

Manager and strategy oversight

The 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 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 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 RIM's overall management of the total fund, will engage in active tax management strategies such as tax-loss harvesting, deferral of gains, tax-lot management and management of wash sales, and dividend yield management in order to further enhance the Fund's after-tax returns. RIM's management of the entire fund allows the firm to purchase and sell securities in an effort to make optimal tradeoffs at the total fund level between fund exposures and tax management activities. RIM also strives to enhance the ongoing tax efficiency of the Fund by seeking to manage wash sales and assisting in the tax management of manager weight changes and transitions.

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 broad global equity markets by purchasing equity securities and/or derivatives (also known as "equitization"), which typically include 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 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.

Specific sector investing such as real estate can be subject to different and greater risks than more diversified investments. Declines in the value of real estate, economic conditions, property taxes, tax laws and interest rates all present potential risk to real estate investments. Fund investments in non-U.S. markets can involve risks of currency fluctuation, political and economic instability, different accounting standards and foreign taxation.

Investments in infrastructure-related companies have greater exposure to the potential adverse economic, regulatory, political and other changes affecting such entities. Investment in infrastructure related companies are subject to various risks including governmental regulations, high interest costs associated with capital construction programs, costs associated with compliance and changes in environmental regulation, economic slowdown and surplus capacity, competition from other providers of services and other factors. Investment in non-U.S. and emerging market securities is subject to the risk of currency fluctuations and to economic and political risks associated with such foreign countries.

Investments that are allocated across multiple types of securities may be exposed to a variety of risks based on the asset classes, investment styles, market sectors, and size of companies preferred by the investment managers. Investors should consider how the combined risks impact their total investment portfolio and understand that different risks can lead to varying financial consequences, including loss of principal.

The MSCI World Index, which is part of The Modern Index Strategy, is a broad global equity index that represents large and mid-cap equity performance across 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country and MSCI World Index does not offer exposure to emerging markets.

Indexes are unmanaged and cannot be invested in directly.

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.

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

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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