

TAX-MANAGED U.S. LARGE CAP FUND

Money Manager and Russell Investments Overview



Russell Investments' approach

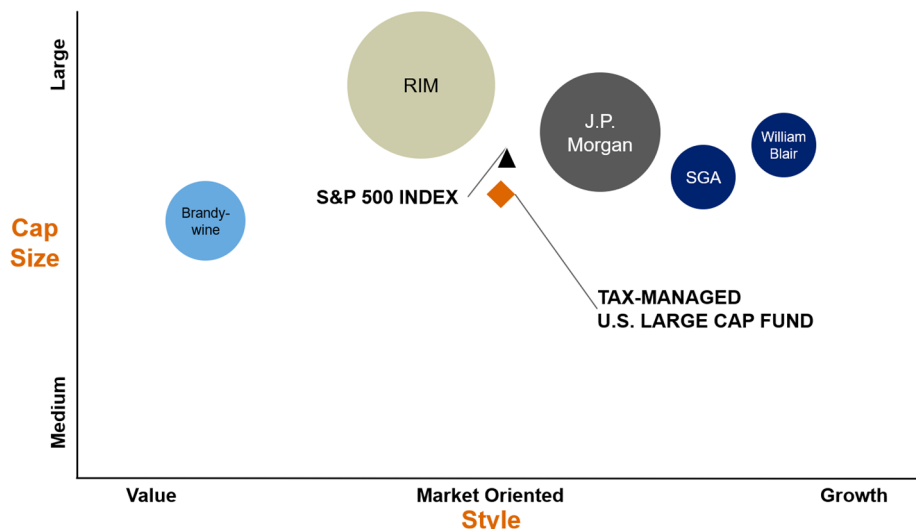
Russell Investments uses a multi-asset approach to investing, combining asset allocation, manager selection and dynamic portfolio management in its investment portfolios. Using this approach as a framework for mutual fund construction, we research, monitor, hire and terminate (subject to Fund Board approval) money managers from around the world and strategically allocate fund assets to them. We oversee all investment advisory services to the Fund and manage assets not allocated to money managers.

The Fund

The Tax-Managed U.S. Large Cap Fund seeks to provide long term capital growth on an after-tax basis. The Fund invests principally in common stocks of large capitalization U.S. companies. The Fund seeks to realize capital growth while considering shareholder tax consequences arising from its portfolio management activities.

The Fund's performance benchmark is the S&P 500® Index*.

Fund mosaic



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 Investment Management, LLC (RIM) manages the Fund's liquidity reserves and may manage assets to effect the Fund's investment strategies and/or to modify the Fund's overall portfolio characteristics to seek to achieve the desired risk/return profile for the Fund.

Russell Investments portfolio manager(s)

Megan Roach, Senior Director, Co-Head of Equity Portfolio Management, and Nick Haupt, Portfolio Manager, Equity, have primary responsibility for the management of the Fund. Ms. Roach has managed the Fund since March 2019 and Mr. Haupt has managed the Fund since April 2022.

The portfolio managers' role

The Russell Investments portfolio managers are responsible for identifying and selecting the strategies and money managers included in the Fund and determining the weight for each assignment. The portfolio managers manage 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 managers' disposal to help identify opportunities and manage risk.

*Indexes are unmanaged and cannot be invested in directly. The benchmark shown represents the Fund's performance benchmark, which may be different from the Fund's regulatory benchmark included in the Fund's Prospectus and Annual Reports. The S&P 500® Index is an index, with dividends reinvested, of 500 issues representative of leading companies in the U.S. large cap securities market (representative sample of leading companies in leading industries).

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

Tax-Managed U.S. Large Cap Fund

Target allocation of fund assets and Managers and Strategies Summary

The percentages below represent the target allocation of the Fund's assets to each money manager's strategy and Russell Investment Management, LLC ("RIM") strategy. RIM may change a Fund's asset allocation at any time, including not allocating Fund assets to one or more money manager strategies.

FIRM NAME	TARGET ALLOCATION	INVESTMENT FOCUS	ROLE	DETAILS OF FUND ROLE
Brandywine Global Investment Management, LLC	15%	Uses a process that relies on fundamental analysis, using quantitative screens and internal research.	Value	Brandywine is an opportunistic relative value manager. The strategy focuses primarily on deep value stocks but may include certain moderately valued stocks when they have been in favor due to positive fundamental trends at the industry and/or company-specific level.
J.P. Morgan Investment Management Inc.	25%	Uses broad research-based stock selection with disciplined portfolio construction.	Market-oriented	The firm uses a disciplined approach to construct the portfolio. Stock selection is based on a dividend discount model and research analysts' proprietary inputs.
Sustainable Growth Advisers, LP	10%	Seeks to invest in companies that can sustain high rates of growth for multiple years	Growth	The firm seeks to identify those few businesses that it believes have predictable, sustainable earnings growth. SGA emphasizes companies that have pricing power, repeat revenues, and global reach.
William Blair Investment Management, LLC	10%	Prefers stocks with high financial quality that are expected to generate sustainable, above market growth that is not well understood by the market.	Growth	William Blair invests in stocks that can generate better than average returns by compounding earnings growth at a higher-than-average rate. Sustainability of that growth is evaluated through a research process that focuses on industry level market growth, as well as the strength of business models and competitive advantages at the stock level.
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 places across the entire Fund.	Positioning Strategies, Tax Management, and Cash Reserves	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 reserve.

All underlying third-party money managers of this Fund are non-discretionary money managers. Russell Investment Management, LLC manages the respective portions of the Fund's assets based upon model portfolios provided by each firm.

*RIM manages Fund assets not allocated to money manager strategies by utilizing quantitative and/or rules-based processes and qualitative analysis to assess Fund characteristics and invest in securities and instruments, which provide the desired overall Fund exposures. RIM also manages the Fund's cash balances and cash reserves. RIM generally seeks to obtain market exposure for this cash that corresponds to the Fund's benchmark exposures, but RIM may also reduce the Fund's market exposure and/or utilize the Fund's liquidity reserve to manage overall Fund exposures.

Brandywine Global Investment Management, LLC

Firm background

Brandywine Global Investment Management, LLC offers a broad array of fixed income, equity, alternatives, and asset allocation strategies that seek value across global markets. The firm is a wholly owned, independently operated subsidiary of Legg Mason, Inc. and is headquartered in Philadelphia with office locations in San Francisco, Montreal, Toronto, Singapore, and London.

Headquarters: Philadelphia, PA

Founded: 1986

Lead managers: Patrick Kaser, Celia Rodgers

Asset class: U.S. equity

Number of holdings: 50-75

Capitalization level: Large cap

Manager profile

Brandywine Global Investment Management, LLC (Brandywine) was added to the Tax-Managed U.S. Large Cap Fund in 2022. Brandywine is a non-discretionary money manager in the Fund. The strategy is led by portfolio manager Patrick Kaser, co-portfolio manager Celia Rodgers, and director of research Jim Clarke.

What this manager brings to the Fund

Brandywine is an opportunistic relative value manager. The strategy focuses primarily on deep value stocks but may include certain moderately valued stocks when they have been in favor due to positive fundamental trends at the industry and/or company-specific level.

Investment process

Brandywine uses an approach that relies significantly on fundamental analysis. Brandywine builds a portfolio based on quantitative screens and internal research. The firm has a broad definition of value, and Russell Investments believes it considers a broader universe of stocks than most other dividend-oriented managers. The firm also looks for above-average yields within industries and generally excludes companies that do not pay dividends at the time of purchase. Dividend paying companies receive greater emphasis.

Rigorous fundamental analysis is conducted to identify those companies the firm believes have the best potential to benefit the portfolio. Within the universe of undervalued securities, the firm seeks to identify the best combination of valuation characteristics, earnings growth, and quality. Conclusions are based on a company's financial condition, competitive position in its industry, and quality of management. Close attention is paid to the cash flow statement in order to evaluate the strength and security of the dividend. Brandywine also focuses on long-term macroeconomic conditions and industry trends to identify and measure the risks associated with a company's business.

Russell Investments' manager analysis

Russell Investments believes Brandywine is small enough to allow for efficient communication and implementation while having the critical mass to be well resourced and financially stable.

The firm's strategy is expected to perform well when stocks that tend to have lower valuation ratios than the index do well. The strategy is expected to struggle in a flight to quality scenario where the market expects an economic slowdown and recession-like conditions.

J.P. Morgan Investment Management, Inc.

Firm background

J.P. Morgan Investment Management Inc. is an asset manager providing services to institutions, individuals and financial intermediaries, worldwide.

Headquarters: New York, NY

Founded: 1871

Lead manager: Tim Snyder

Asset class: U.S. equity

Number of holdings: 150-180

Capitalization level: Large cap

Manager profile

J.P. Morgan Investment Management Inc. (J.P. Morgan) was added to the Tax-Managed U.S. Large Cap Fund in 1996. J.P. Morgan is a non-discretionary money manager in the Fund. Tim Snyder leads this market-oriented manager assignment at J.P. Morgan.

What this manager brings to the Fund

The firm uses a disciplined approach to construct the portfolio. Stock selection is based on the firm's dividend discount model and its research analysts' proprietary inputs to the model.

Investment process

The firm seeks to achieve investment results through stock selection grounded in their proprietary fundamental research and disciplined portfolio construction. Individual securities are ranked within industry sectors on the attractiveness of their valuations, using a discounted cash flow framework. The earnings and cash flow estimates are entered into the discounted cash flow model together with current stock prices. The valuation model then computes an expected rate of return for each stock, which is used to rank securities across sectors. The portfolio managers work closely with J.P. Morgan's analysts to select the stocks with the highest expected returns, seeking to emphasize stock selection while minimizing unintended factor and sector exposures.

Russell Investments' manager analysis

J.P. Morgan will likely perform best in market environments where long-term fundamental expectations are rewarded. The strategy is expected to be challenged in market environments driven by macro shocks or periods during which valuations are largely ignored.

Tax-Managed U.S. Large Cap Fund

Sustainable Growth Advisers, LP

Firm background

Sustainable Growth Advisers, LP is a boutique equity manager, focusing on providing U.S. and global mandates to institutional and individual clients, private investment companies and mutual funds.

Headquarters: Stamford, CT

Founded: 2003

Lead managers: Robert Rohn, Kishore Rao, HK Gupta

Asset class: U.S. equity

Number of holdings: 20-30

Capitalization level: Large cap

Manager profile

Sustainable Growth Advisers, LP (SGA) was added to the Tax-Managed U.S. Large Cap Fund in 2011. SGA is a non-discretionary money manager in the Fund. Robert Rohn, Kishore Rao, and HK Gupta lead the strategy used in this fund.

What this manager brings to the Fund

SGA conducts an extensive bottom-up fundamental research process and thorough due diligence as part of its stock selection process. The firm seeks to identify those few businesses that it believes have predictable, sustainable earnings growth. SGA believes that specific characteristics increase the probability that a company will sustain growth with low business risk over the long-term. As a result, SGA seeks to invest in companies that have pricing power, repeat revenues, and global reach.

Investment process

SGA emphasizes investments in companies that it believes will consistently have good profit margins and high returns on invested capital. This is often associated with a strong franchise, a proprietary position, a low-cost position or a powerful brand. SGA also looks for companies whose products and services are used frequently and need to be replaced regularly. It believes that it is easier for a company to grow if it begins each year with a core constituency of loyal customers already in the habit of buying its products services. SGA believes these companies are more predictable and less vulnerable to fluctuations in economic activity, and many have demonstrated an ability to grow earnings through various phases of the economic cycle. Finally, companies with a global reach that are not limited to one particular region for growth, are also desirable to SGA. The firm believes these global companies have the ability to expand operations across borders because the products and services they provide have few inherent geographic or cultural limitations. SGA believes the long-term growth prospects are more sustainable for these companies because of the global scope of the market opportunity.

Russell Investments' manager analysis

Russell Investments believes the SGA investment team is capable of identifying companies that will maintain strong competitive positions while generating high and consistent free cash flow. The consideration of valuation in the investment process should allow many of SGA's recommended holdings to participate in multiple expansion while limiting the susceptibility to the negative side of mean reversion.

SGA's strategy will likely perform best during periods of decelerating economic growth and when high quality and/or low beta¹ stocks are attractive to other investors. Conversely, we expect strategy returns to be lower during periods of accelerating economic growth when stocks of lower quality growth companies and those with volatile earnings lead the index upward.

¹ Beta is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.

William Blair Investment Management, LLC

Firm background

William Blair Investment Management, LLC focuses solely on active management and employs disciplined, analytical processes across a wide range of strategies, including U.S. equity, non-U.S. equity, U.S. fixed income, emerging markets debt, and multi-asset.

Headquarters: Chicago, IL

Founded: 1935

Lead managers: David Ricci, Jim Golan

Asset class: U.S. equity

Number of holdings: 30-40

Capitalization level: Large cap

Manager profile

William Blair Investment Management, LLC (William Blair) was added to the Tax-Managed U.S. Large Cap Fund in 2022. William Blair is a non-discretionary money manager in the Fund. Strategy decisions are made in tandem by portfolio managers David Ricci and Jim Golan.

What this manager brings to the Fund

William Blair invests in stocks that it believes can generate better than average returns by compounding earnings growth at a higher-than-average rate. Sustainability of that growth is evaluated through a research process that focuses on industry level market growth, as well as the strength of business models and competitive advantages at the stock level.

Investment process

Since William Blair believes that the market tends to focus on near-term earnings results, they seek stocks that can generate higher than average growth over a 2–3-year period, where the growth sustainability is not well understood by the market. The team assesses whether growth is under-appreciated by considering the valuation of a stock and attempting to understand consensus revenue and earnings expectations. The team focuses on two main types of quality growth; the first being stocks with higher than average, sustainable earnings growth rates, high earnings visibility, and reasonable valuations and the second being stocks with long-term sustainable growth but are experiencing near-term earnings weakness and discounted valuations.

Russell Investments' manager analysis

This firm's strategy is expected to perform well in periods of moderate to decelerating economic growth and the strategy is expected to be challenged in periods where the market is experiencing periods of unusually high, relatively unsustainable growth, commonly seen in the early stages of an economic recovery.

Tax-Managed U.S. Large Cap 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 Management, L.P. with minority stakes held by funds managed by Reverence Capital Partners, L.P., certain of Russell Investments' employees, and Hamilton Lane Advisors, LLC. Russell Investments provides asset management and investment services to institutional and individual investors around the world.

Headquarters: Seattle, WA

Founded: 1936

POSITIONING STRATEGIES, TAX MANAGEMENT & CASH RESERVES

Asset class: U.S. equity

Number of holdings: 50-300

Capitalization level: Large cap

RIM oversees all investment advisory services to the Fund and manages assets not allocated to managers.

Manager and strategy oversight

RIM's portfolio managers seek to ensure that 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 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 active manager strategies to 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 and management of wash sales in order to further enhance the Fund's after-tax returns. 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 RIC 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.

For more information on Russell Investment Company Funds, contact your investment professional or plan administrator for assistance.

IMPORTANT RISK DISCLOSURES

Mutual Fund investing involves risks, principal loss is possible.

Money managers listed are current as of January 1, 2024. 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.

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

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](https://www.russellinvestments.com). Please read a prospectus carefully before investing.

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.

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.

Russell Investments' ownership is composed of a majority stake held by funds managed by TA Associates Management, L.P., with a significant minority stake held by funds managed by Reverence Capital Partners, L.P. Certain of Russell Investments' employees and Hamilton Lane Advisors, LLC also hold minority, non-controlling, ownership stakes.

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