

U.S. DYNAMIC EQUITY FUND

Money Manager and Russell Investments Overview



June 2019

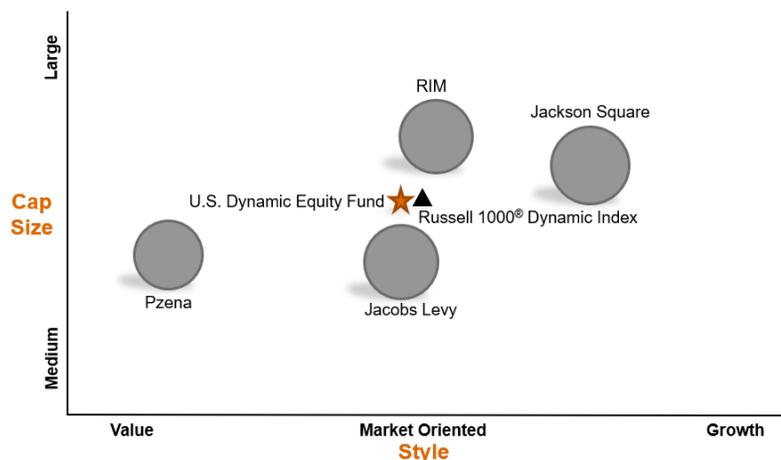
Russell Investments' approach

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 U.S. Dynamic Equity Fund invests principally in common stocks of large and medium capitalization U.S. companies as represented by the Russell 1000[®] Dynamic Index[™]. The Fund seeks to provide long-term capital growth. The dynamic style of investing emphasizes investments in equity securities of companies that a money manager believes are currently undergoing or are expected to undergo positive change that will lead to stock price appreciation. Dynamic stocks typically have higher than average stock price volatility (i.e., the amount by which a stock's price rises and falls over short-term time periods), characteristics indicating lower financial quality, which may include greater financial leverage; and/or less business stability, which may include lower earnings stability. In addition to the managers' strategies, Russell Investments manages a portion of the Fund's assets internally to seek to further enhance and diversify the Fund's investment strategies.

Fund mosaic (as of June 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

Kevin Divney is a Senior Portfolio Manager with primary responsibility for Russell Investments' U.S. large cap equity funds. He has more than 24 years of experience in the investment industry, including nearly 20 years managing U.S. equity portfolios for pension funds, endowments, mutual funds and hedge funds.

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 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.

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.

30%	Jackson Square Partners, LLC*
25%	Jacobs Levy Equity Management, Inc.
20%	Pzena Investment Management, LLC*
25%	Russell Investment Management, LLC (RIM)**

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

**RIM manages this portion of the Fund's assets to effect the Fund's investment strategies and/or to actively manage the Fund's overall exposures. 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.

Not FDIC Insured - May Lose Value - No Bank Guarantee

U.S. Dynamic Equity Fund

Managers and Strategies Summary

June 2019

NAME	ALLOCATION	INVESTMENT FOCUS	ROLE	DETAILS OF ROLE IN THE FUND
	30%	Seeks to achieve attractive long-term returns through a concentrated portfolio of companies that exhibit superior management, consistent business models, strong earnings potential and cash flow, and the opportunity to increase intrinsic business value.	Growth	Through a well-defined research process, Jackson Square's investment team develops a deep understanding of portfolio holdings including business models, competitive advantages, and the drivers of returns on capital and long-term growth. This thorough fundamental research helps the investment team identify whether a company's business model provides it with a long-term and sustainable competitive advantage.
	25%	Uses a multidimensional process that includes sophisticated quantitative modeling and fundamental and behavioral factors.	Market-oriented	Jacobs Levy engages in intensive modeling based on financial research and behavioral theory, as well as 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 portfolios that are expected to benefit from the future outperformance of those factors.
	20%	Purchases out-of-favor stocks with prospects for longer-term earnings improvement and then holds them to seek to capture subsequent excess returns.	Value	Pzena is a deep value manager with an extensive research team that uses a disciplined normalized earnings approach to assessing intrinsic value.
Russell Investment Management, LLC (RIM)	25%	The active positioning strategy in this Fund allows the Russell Investments Portfolio Managers to express views across multiple factors and risk exposures simultaneously while regularly adapting to changing markets and manager allocations. The strategy is used to target desired total portfolio positioning and can be adjusted as needed by the Portfolio Managers.	Positioning strategy	RIM oversees all investment advisory services to the Fund and manages assets not allocated to money managers. This includes the Fund's positioning strategy, which helps the Fund to achieve its desired risk/return profile. RIM also manages the Fund's liquidity reserves, which may constitute 5% or more of Fund assets at any given time (not included in the percentage cited on the left).

Jackson Square Partners, LLC

Firm background

Jackson Square Partners, LLC is a majority employee-owned boutique that manages long-only growth-oriented strategies primarily for institutional investors and consultants.

Headquarters: San Francisco, CA

Founded: 2014

Portfolio managers: Chris Bonavico, Chris Ericksen, Billy Montana, Dan Prislin, and Jeff Van Harte



Asset class: U.S. Equity

Number of holdings: 25-35

Capitalization level: Large cap

Sub-style: Growth

Manager profile

Jackson Square Partners, LLC (Jackson Square) was added to the U.S. Dynamic Equity Fund in 2019 and is a non-discretionary manager in the Fund. Chris Bonavico, Chris Ericksen, Billy Montana, Dan Prislin and Jeff Van Harte are the portfolio managers for the strategy.

What this manager brings to the Fund

Jackson Square brings a U.S. large cap growth strategy to the Fund. They seek to invest in attractively-priced stocks that they expect to benefit from capital appreciation resulting from growth in cash flow and earnings.

Investment process

Through a well-defined research process, the investment team develops a deep understanding of portfolio holdings including business models, competitive advantages, and the drivers of returns on capital and long-term growth. This thorough fundamental research helps the investment team identify whether a company's business model provides it with a long-term and sustainable competitive advantage. Jackson Square's approach is benchmark agnostic, holding a concentrated portfolio of high conviction stocks.

Russell Investments' manager analysis

The portfolio managers are viewed by Russell Investments as a disciplined and highly experienced team of investors. Russell Investments believes the investment team's willingness to explicitly adjust its valuations to reflect company-specific risk positively differentiates them from most peers.

Jacobs Levy Equity Management, Inc.

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.
Ken Levy, CFA



Asset class: U.S. Equity

Number of holdings: 100-300

Capitalization level: Large cap

Sub-style: Market-oriented, 130/30 limited long/short strategy

Manager profile

Jacobs Levy Equity Management, Inc. (Jacobs Levy) was added to the U.S. Dynamic Equity Fund in 2014. 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 engages in intensive modeling based on financial research and behavioral theory, as well as 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 portfolios that will benefit from the future outperformance 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[®] Dynamic™ Index benchmark. The process also considers each security's contribution to overall portfolio diversification. 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[®] Dynamic Index, which can increase breadth of security selection while also allowing Jacobs Levy to short unattractive names.

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 dynamic strategy is expected to perform best, relative to the broad market, during positive market environments in which relatively undervalued stocks with rising earnings estimates outperform. The strategy is expected to underperform when the market is not rewarding valuation or measures of fundamental improvement.

Pzena Investment Management, LLC

Firm background

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

Headquarters: New York, NY

Founded: 1995

Lead manager: Richard Pzena



Asset class: U.S. Equity

Number of holdings: 30-50

Capitalization level: Large cap

Sub-style: Deep value

Manager profile

Pzena Investment Management, LLC (Pzena) was added to the U.S. Dynamic Equity Fund in 2015 and is a non-discretionary manager in the Fund. Russell Investments has been following the founder, Richard Pzena, for nearly 20 years when he was with another firm before starting his own firm in 1995.

What this manager brings to the Fund

Pzena is a deep value manager with an extensive research team that uses a disciplined normalized earnings approach to assessing intrinsic value.

Investment process

Pzena purchases out-of-favor stocks with prospects for longer-term earnings improvement and then holds to seek to capture subsequent excess returns. Pzena is focused on generating excess returns within its products, is committed to the value style of investing, and is accepting of the volatility associated with this investment style. The firm does intensive research prior to investing. 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.

Russell Investments believes Pzena is skilled at identifying stocks that are generally misunderstood by the market – the firm is able to opportunistically select lower priced stocks that the firm believes have good future prospects. 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

Due to the strategy's deep value, cyclical bias, performance is expected to be strongest in the early stages of an economic recovery, which typically favor cyclical value stocks.

Given its longer-term orientation and contrarian nature, Russell Investments believes the investment strategy is somewhat susceptible to being overly patient on stocks with deteriorating fundamentals. This can result in opportunity costs over the short-term when the team continues to believe in the long-term upside potential. This can be exacerbated in times of high volatility because the concentrated 30-50 stock portfolio comes with exposure deviations from the benchmark index.

Russell Investment Management, LLC

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 strategy

Asset class: U.S. Equity

Number of holdings: Approximately 200

Capitalization level: Large 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.

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 June 10, 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.

Dynamic style emphasizes investments in equity securities of companies that are believed to be currently undergoing or are expected to undergo positive change that will lead to stock price appreciation. Dynamic stocks typically have higher than average stock price volatility, characteristics indicating lower financial quality (which may include greater financial leverage) and/or less business stability.

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.

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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