

## NOTICE TO SHAREHOLDERS

August 1, 2016

### RUSSELL INVESTMENT COMPANY LifePoints Funds, Target Portfolio Series

#### Conservative Strategy Fund, Moderate Strategy Fund, Balanced Strategy Fund, Growth Strategy Fund and Equity Growth Strategy Fund

#### **CHANGE IN TARGET ASSET ALLOCATIONS EFFECTIVE ON OR ABOUT SEPTEMBER 22, 2016:**

Effective on or about September 22, 2016, each Fund's target allocation to the Underlying Funds in which it invests will be modified. As a result, effective on or about September 22, 2016, each Fund's respective allocations to the Underlying Funds in which it invests will be modified as follows:

Conservative Strategy Fund: Effective on or about September 22, 2016, the Fund's allocation to the Underlying Funds in which it invests will be modified and RIM expects that the Fund's approximate target allocation on or about September 22, 2016 will be 8% to equity, 86% to fixed/other income and 6% to alternative asset classes.

Moderate Strategy Fund: Effective on or about September 22, 2016, the Fund's allocation to the Underlying Funds in which it invests will be modified and RIM expects that the Fund's approximate target allocation on or about September 22, 2016 will be 29.5% to equity, 63% to fixed/other income and 7.5% to alternative asset classes.

Balanced Strategy Fund: Effective on or about September 22, 2016, the Fund's allocation to the Underlying Funds in which it invests will be modified and RIM expects that the Fund's approximate target allocation on or about September 22, 2016 will be 51% to equity, 42% to fixed/other income and 7% to alternative asset classes.

Growth Strategy Fund: Effective on or about September 22, 2016, the Fund's allocation to the Underlying Funds in which it invests will be modified and RIM expects that the Fund's approximate target allocation on or about September 22, 2016 will be 70% to equity, 22% to fixed/other income and 8% to alternative asset classes.

Equity Growth Strategy Fund: Effective on or about September 22, 2016, the Fund's allocation to the Underlying Funds in which it invests will be modified and RIM expects that the Fund's approximate target allocation on or about September 22, 2016 will be 85% to equity, 7% to fixed/other income and 8% to alternative asset classes.

The following table shows the Funds' approximate expected target strategic asset allocations to equity, fixed/other income and alternative asset classes on or about September 22, 2016.

Asset Allocation*	Conservative Strategy Fund	Moderate Strategy Fund	Balanced Strategy Fund	Growth Strategy Fund	Equity Growth Strategy Fund
Equity	8%	29.5%	51%	70%	85%
Fixed/Other Income	86%	63%	42%	22%	7%
Alternative#	6%	7.5%	7%	8%	8%

\* As described below, actual asset allocation may vary.

# Alternative Underlying Funds pursue investment strategies that differ from those of traditional broad market equity or fixed income funds or seek returns with a low correlation to global equity markets.

**ADDITION OF NEW UNDERLYING FUND:** On or about September 22, 2016, the following changes will be made to the Underlying Funds in which the Conservative Strategy, Moderate Strategy, Balanced Strategy, Growth Strategy and Equity Growth Strategy Funds may invest:

*The Unconstrained Total Return Fund is currently in registration with the Securities and Exchange Commission. The information regarding the Investment Objective, Investment Strategies and Risks of the Unconstrained Total Return Fund is not complete and may be changed. The securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This information is not an offer to sell the securities and is not soliciting an offer to buy the securities in any state where the offer is not permitted. Any allocation to the Unconstrained Total Return Fund on or about September 22, 2016 is subject to the registration statement becoming effective. Fund objectives, risks, charges and expenses should be carefully considered before investing.*

**FIXED/OTHER INCOME UNDERLYING FUNDS:** The Unconstrained Total Return Fund will be added to the list of fixed/other income Underlying Funds in which the Conservative Strategy, Moderate Strategy, Balanced Strategy, Growth Strategy and Equity Growth Strategy Funds may invest.

Following are the Investment Objectives and Investment Strategies of the Unconstrained Total Return Fund:

### **UNCONSTRAINED TOTAL RETURN FUND**

**Investment Objective (Non-Fundamental):** The Fund seeks to provide total return.

#### **Principal Investment Strategies**

The Fund seeks to achieve its objective by opportunistically investing in a broad range of fixed income securities across sectors, the globe and the credit quality and maturity spectrums, with an emphasis on higher-yielding securities. The Fund's fixed income investments may include U.S. and non-U.S. corporate debt securities, Yankee Bonds (dollar-denominated obligations issued in the U.S. by non-U.S. banks and corporations), fixed income securities issued or guaranteed by the U.S. government (including Treasury Inflation Protected Securities and zero coupon securities) or by non-U.S. governments, or by any U.S. government or non-U.S. government agency or instrumentality (including emerging markets sovereign debt), emerging markets debt securities (including Brady Bonds), convertible securities, high yield fixed income securities, investment grade fixed income securities and mortgage-backed and asset-backed securities. The Fund may also invest in other asset classes in order to seek to achieve its objective, including equity securities.

Russell Investment Management Company ("RIMCo") provides or oversees the provision of all investment advisory and portfolio management services for the Fund, including developing the investment program for the Fund and managing the Fund's overall exposures. RIMCo employs a multi-manager approach for the Fund whereby RIMCo selects the investment strategies for the Fund and utilizes multiple money managers to pursue those strategies. RIMCo manages assets not allocated to money managers, which include assets managed by RIMCo to effect 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. RIMCo may utilize quantitative or qualitative analysis or quantitative models designed to assess Fund characteristics and identify a portfolio which provides the desired exposures or use strategies based on indexes that represent the desired exposures, including index replication and optimized index sampling (strategies that seek to purchase the securities in an index or a sampling of securities using optimization and risk models, respectively). RIMCo also manages the Fund's cash balances.

The Fund may invest without limitation in securities denominated in foreign currencies and in U.S. dollar-denominated securities of foreign issuers. The Fund considers emerging market countries to include every country in the world except Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany,

Hong Kong, Iceland, Ireland, Israel, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. Emerging market countries also include frontier market countries, which are less developed than traditional emerging market countries. The Fund may invest in currency futures and options on futures, forward currency contracts, currency swaps and currency options for speculative purposes or to seek to protect a portion of its investments against adverse currency exchange rate changes. The Fund invests in derivative instruments and may take both long and short positions relative to the underlying asset. The Fund's use of derivatives may cause the Fund's investment returns to be impacted by the performance of securities the Fund does not own and result in the Fund's total investment exposure exceeding the value of its portfolio. The Fund also purchases loans and other direct indebtedness, including bank loans (also called "leveraged loans"). The Fund may enter into repurchase agreements and reverse repurchase agreements. The Fund may invest in money market securities and commercial paper, including asset-backed commercial paper. The Fund may invest in bank obligations. A portion of the Fund's net assets may be "illiquid" securities. The Fund may invest in variable and floating rate securities. The Fund may invest in puts, stand-by commitments and demand notes, including variable rate demand notes. The Fund may invest in pooled investment vehicles, including other investment companies and exchange traded funds. Depending upon market conditions, RIMCo may determine to allocate a significant portion of the Fund's assets to cash in order to seek to achieve the Fund's objective. The Fund may expose all or a portion of its cash to changes in interest rates or market/sector returns by purchasing derivatives. The Fund is classified as a "non-diversified fund" under the Investment Company Act of 1940, as amended, which means that a relatively high percentage of the Fund's assets may be invested in a limited number of issuers. Please refer to the "Investment Objective and Investment Strategies" section in the Underlying Fund's Prospectus for further information.

After the modification of the allocation to the Underlying Funds on or about September 22, 2016, the following are additional risks that are associated with investing in the Underlying Funds which are also risks of investing in the Funds as a result of their investment in the Underlying Funds:

**Non-Diversification Risk**

A non-diversified Underlying Fund is subject to additional risk. To the extent the Underlying Fund invests a relatively high percentage of its assets in the securities of a single issuer or group of issuers, the Underlying Fund's performance will be more vulnerable to changes in the market value of the single issuer or group of issuers, and more susceptible to risks associated with a single economic, political or regulatory occurrence, than it would be if the Underlying Fund were a diversified fund.