

Tax-efficient investing: The proof is in the numbers

RUSSELL INVESTMENTS' TAX-MANAGED AND TAX-EXEMPT FUNDS

Since 1985, with the launch of its Tax-Exempt Bond Fund, Russell Investments' goal has been to help investors maximize their after-tax wealth. Our active tax-management strategies in our tax-managed equity funds and broad diversification in our tax-exempt bond funds have helped reduce capital gain distributions over time—managing the tax impact to investors.

Yearly Capital Gain Distributions

Tax-Managed and Tax-Exempt Funds – Class S Shares

| | | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Tax-Managed U.S. Large Cap Fund - Class S | Short Term | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Long Term | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 4.23% | 0.00% | 0.00% | 0.24% |
| | Total | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 4.23% | 0.00% | 0.00% |
| Tax-Managed U.S. Mid & Small Cap Fund - Class S | Short Term | 0.00% | 0.00% | 0.00% | 0.00% | 0.96% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 1.63% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Long Term | 0.00% | 0.00% | 0.00% | 1.37% | 7.04% | 0.00% | 0.00% | 0.00% | 0.00% | 0.12% | 5.93% | 5.54% | 0.52% | 0.00% | 0.55% |
| | Total | 0.00% | 0.00% | 0.00% | 1.37% | 8.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.12% | 7.56% | 5.54% | 0.52% | 0.00% | 0.55% |
| Tax-Managed International Equity Fund - Class S | Short Term | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 0.00% | 0.00% | 0.00% |
| | Long Term | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 0.00% | 0.00% | 0.00% |
| | Total | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 0.00% | 0.00% | 0.00% |
| Tax-Exempt Bond Fund - Class S | Short Term | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Long Term | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Total | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Tax-Exempt High Yield Bond Fund - Class S | Short Term | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 0.08% | 0.16% | 0.00% |
| | Long Term | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 0.00% | 0.00% | 0.00% |
| | Total | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 0.08% | 0.16% | 0.00% |

Historical data shown is not an indicator of future results. Investors should consult with their financial and tax advisors before investing. Tax-Managed International Equity Fund and Tax-Exempt High Yield Bond Fund were launched on 06/01/2015.

FOR MORE INFORMATION:

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Fund objectives, risks, charges, and expenses should be carefully considered before investing. A summary prospectus, or a prospectus, containing this and other important information can be obtained by calling 800-787-7354 or by visiting Russell Investments online. Please read a prospectus carefully before investing.

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Bond investors should carefully consider risks such as interest rate, credit, default and duration risks. Greater risk, such as increased volatility, limited liquidity, prepayment, non-payment and increased default risk, is inherent in portfolios that invest in high yield ("junk") bonds or mortgage-backed securities, especially mortgage-backed securities with exposure to sub-prime mortgages. Generally, when interest rates rise, prices of fixed income securities fall. Interest rates in the United States are at, or near, historic lows, which may increase a Fund's exposure to risks associated with rising rates. 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.

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.

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