

Fund updates

The value of active management



Changes to the lineup and weights of third-party money managers have been made to the following Russell Investment Company (RIC) Funds:

- U.S. Strategic Equity Fund
- U.S. Small Cap Equity Fund
- International Developed Markets Fund
- Emerging Markets Fund
- Global Real Estate Securities Fund
- Global Infrastructure Fund
- Short Duration Bond Fund

Many of these changes reflect Russell Investments' ongoing commitment to providing high conviction investing through an increasingly discriminating list of money managers. As part of this, Russell Investments Management, LLC ("RIM") is allocating assets to a more concentrated lineup of money managers in certain funds to seek to improve the funds' excess return potential.

FUNDS WITH MANAGERS MOVED TO A "HELD BUT NOT FUNDED" STATUS

In an effort to increase manager concentration in some funds while seeking to preserve our portfolio managers' strategic and tactical capabilities, RIM is moving some money managers to a "held but not funded" (i.e. have an asset allocation of zero) status. While a money manager moved to a "held but not funded" status is still considered a high conviction strategy by Russell Investments, given current market conditions and the manager's role in the portfolio, greater excess return may be achieved by assigning greater allocations to other managers in the lineup. Creating this structure allows our Portfolio Managers to adjust the Fund's exposure in a more dynamic way, providing flexibility and reduced timing risk normally associated with a more concentrated manager lineup. Money managers moved to a "held but not funded" status remain under contract with RIM and will be reflected in the Fund's prospectus and as part of the Fund's marketing materials.

"Russell Investment Management, LLC is allocating assets to a more concentrated lineup of money managers in certain funds to seek to improve the funds' excess return potential."

NOT FDIC INSURED • MAY LOSE VALUE • NO BANK GUARANTEE

U.S. STRATEGIC EQUITY FUND

Managers moved to a “held but not funded” status

- HS Management Partners, LLC (“HS Management”)
- Jacobs Levy Equity Management, Inc. (“Jacobs Levy”)

CHANGE RATIONALE

To seek to concentrate the manager lineup, Russell Investments has decided to move HS Management and Jacobs Levy to a “held but not funded” status. Based on Russell Investments’ analysis, the two remaining managers—Brandywine and Jackson Square—have the most desirable factor and sector exposures and have historically had the strongest negative correlations with one another.

The increase in the RIM positioning strategy allocation is intended to provide additional overall portfolio exposure management that may arise from the more concentrated manager lineup.

NEW MANAGER WEIGHTS IN THE U.S. STRATEGIC EQUITY FUND

The percentages below represent the target allocation of the Funds’ assets to each money managers’ 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. RIM may change a Fund’s asset allocation at any time, including not allocating Fund assets to one or more money manager strategies. Although all of the Fund’s money managers are listed, RIM may not have allocated assets to the strategies employed by one or more of these money managers.

MANAGER	ROLE	PREVIOUS FUND WEIGHTS (%)	CURRENT FUND WEIGHTS (%)
Brandywine Global Investment Management, LLC*	Value	17.5	30.0
HS Management Partners, LLC*	Growth	17.5	0.0
Jackson Square Partners, LLC*	Growth	17.5	30.0
Jacobs Levy Equity Management, Inc.	Market-Oriented	17.5	0.0
Russell Investment Management, LLC (RIM)**	Positioning strategies	30.0	40.0

*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.

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U.S. SMALL CAP EQUITY FUND

Managers moved to a “held but not funded” status

- DePrince, Race & Zollo, Inc. (“DRZ”)
- Penn Capital Management, Inc. (“Penn”)

CHANGE RATIONALE

To seek to concentrate the manager lineup, Russell Investments has decided to move DRZ and Penn to a “held but not funded” status and update allocations to

remaining managers such as Boston Partners, Copeland, and Ancora. Based on Russell Investments' analysis, these updated manager allocations will allow the Fund to preserve its current preferred positioning toward factors such as value and quality while maintaining bottom up stock selection as the primary driver of active risk in the total fund.

NEW MANAGER WEIGHTS IN THE U.S. SMALL CAP EQUITY FUND

The percentages below represent the target allocation of the Funds' assets to each money managers' 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. RIM may change a Fund's asset allocation at any time, including not allocating Fund assets to one or more money manager strategies. Although all of the Fund's money managers are listed, RIM may not have allocated assets to the strategies employed by one or more of these money managers.

MANAGER	ROLE	PREVIOUS FUND WEIGHTS (%)	CURRENT FUND WEIGHTS (%)
Ancora Advisors, LLC*	Market-Oriented	8.0	15.0
Boston Partners Global Investors, Inc.*	Value	12.0	17.0
Copeland Capital Management LLC*	Market-Oriented	11.0	15.0
DePrince, Race & Zollo, Inc.*	Value	11.0	0.0
Falcon Point Capital, LLC*	Growth	12.0	12.0
Jacobs Levy Equity Management, Inc.	Market-Oriented	15.0	15.0
Penn Capital Management Company, Inc.*	Market-Oriented	5.0	0.0
Calamos Advisors, LLC* ¹	Growth	11.0	11.0
Russell Investment Management, LLC (RIM)**	Positioning strategies	15.0	15.0

¹ Calamos Advisors LLC acquired Timpani Capital Management LLC effective May 2019.

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INTERNATIONAL DEVELOPED MARKETS FUND

Terminated manager

- Janus Capital Management LLC and Perkins Investment Management LLC ("Janus/Perkins")

Mandate change

- Wellington Management Company, LLP ("Wellington")

Change rationale

Russell Investments has decided to terminate Janus/Perkins. This change seeks to concentrate the manager lineup to reflect a narrower set of Russell Investments' highest conviction manager ideas.

In addition, Russell Investments has decided to augment Wellington's mandate. Previously, the Fund utilized Wellington's international growth strategy. Going forward, Russell Investments will employ an integrated blend of Wellington value and growth strategies that Russell Investments will implement in a way that seeks to best exploit the insights of the manager while meeting the overall positioning needs of the fund.

Russell Investments believes these changes will increase the excess return potential of the Fund.

NEW MANAGER WEIGHTS IN THE INTERNATIONAL DEVELOPED MARKETS FUND

The percentages below represent the target allocation of the Funds' assets to each money managers' strategy and RIM's strategy. This does not include liquidity reserves managed directly by RIM, which may constitute 5% or more of fund assets at any given time.

MANAGER	ROLE	PREVIOUS FUND WEIGHTS (%)	CURRENT FUND WEIGHTS (%)
GQG Partners LLC*	Growth	15.0	20.0
Janus Capital Management, LLC and Perkins Investment Management LLC*	Value	20.0	0.0
Pzena Investment Management LLC*	Value	25.0	17.5
Wellington Management Company, LLP*	Growth / Value	10.0	32.5
Russell Investment Management, LLC (RIM)**	Positioning strategy	30.0	30.0

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EMERGING MARKETS FUND

Hired manager

- Neuberger Berman Investment Advisors, LLC ("Neuberger Berman")

Manager moved to a "held but not funded" status

- Axiom International Investors LLC ("Axiom")

Change rationale

Russell Investments has hired Neuberger Berman for its emerging markets strategy that focuses on investing in quality, high secular growth companies at the bottom of their cycle. With active growth companies underperforming in 2018, Russell Investments believes Neuberger Berman is well placed to seek to benefit from any current mis-pricings in the high secular growth companies they target with a long-term view. Going forward, Russell Investments believes Neuberger Berman will play a key role in a more concentrated manager lineup and as such, has allocated a significant portion of the Fund's assets to Neuberger Berman.

Russell Investments has decided to move Axiom International Investors LLC to a “held but not funded status” given its emphasis on earnings revisions with a somewhat episodic payoff pattern.

RUSSELL INVESTMENTS RESEARCH VIEW – NEUBERGER BERMAN INVESTMENT ADVISORS, LLC

<div style="display: flex; justify-content: space-around; border: 1px solid black; padding: 2px;"> NEUBERGER BERMAN </div>	
Location:	New York, NY
Founded:	1939
Portfolio managers:	Conrad Saldanha, Marco Spinar, Patrick Ru
Strategy:	Emerging markets growth

Neuberger Berman uses a growth-at-a-reasonable price philosophy, focusing on investing in quality, high secular growth companies at the bottom of their cycle. The team believes companies focused on local growth opportunities in emerging markets, particularly driven by the expansion of the consumer middle class and infrastructure build-out, offer better investment opportunities than export-led and highly cyclical industries. The team believes these companies that tend to be smaller than their mega-cap peers, can be under-researched, offering potential for excess return through extensive fundamental research.

NEW MANAGER WEIGHTS IN THE EMERGING MARKETS FUND

The percentages below represent the target allocation of the Funds’ assets to each money managers’ 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. RIM may change a Fund’s asset allocation at any time, including not allocating Fund assets to one or more money manager strategies. Although all of the Fund’s money managers are listed, RIM may not have allocated assets to the strategies employed by one or more of these money managers.

MANAGER	ROLE	PREVIOUS FUND WEIGHTS (%)	CURRENT FUND WEIGHTS (%)
AllianceBernstein L.P.*	Value	13.0	14.0
Axiom International Investors LLC*	Growth	24.0	0.0
Consilium Investment Management, LLC*	Market-Oriented	6.0	5.0
Neuberger Berman Investment Advisors, LLC*	Growth	0.0	25.0
Numeric Investors LLC	Market-Oriented	16.0	16.0
Oaktree Capital Management, L.P.*	Market-Oriented	20.0	20.0
Westwood Management Corp.	Market-Oriented	6.0	5.0
Russell Investment Management, LLC (RIM)**	Positioning strategies	15.0	15.0

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GLOBAL REAL ESTATE SECURITIES FUND

Manager weight changes

Change rationale

The changes to manager weights reflect new strategic targets intended to balance individual manager contributions to active risk and to place a greater emphasis on bottom-up stock selection as opposed to top-down regional and sector allocations. While some skilled active managers are able to add value through top-down allocation decisions, Russell Investments views bottom-up stock selection as the most reliable source of excess performance within the real estate securities space. Of the three managers in the Fund, RREEF America L.L.C. provides the most neutral country and sector level exposures. Accordingly, RREEF's target weight has been increased in the Fund. Morgan Stanley Investment Management runs the most concentrated portfolio in the Fund with the most significant country and sector tilts, and therefore its target weight has been decreased to moderate the impact at the Fund level.

NEW MANAGER WEIGHTS IN THE GLOBAL REAL ESTATE SECURITIES FUND

The percentages below represent the target allocation of the Funds' assets to each money managers' strategy and RIM's strategy. This does not include liquidity reserves managed directly by RIM, which may constitute 5% or more of fund assets at any given time.

MANAGER	ROLE	PREVIOUS FUND WEIGHTS (%)	CURRENT FUND WEIGHTS (%)
Cohen & Steers Capital Management, Inc.^{1*}	Global Market-Oriented	30.0	33.0
Morgan Stanley Investment Management^{2*}	Global Value	30.0	20.0
RREEF America L.L.C.^{3*}	Global Market-Oriented	30.0	37.0
Russell Investment Management, LLC (RIM)**	Positioning strategy	10.0	10.0

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¹ Cohen & Steers Capital Management, Inc. refers to Cohen & Steers Capital Management, Inc. (New York, NY), Cohen & Steers UK Limited (London, UK) and Cohen & Steers Asia Limited (Central Hong Kong).

² Morgan Stanley Investment Management refers to Morgan Stanley Investment Management Inc. (New York, NY, USA), Morgan Stanley Investment Management Limited (London, UK), and Morgan Stanley Investment Management Company (Singapore).

³ RREEF America L.L.C. refers to RREEF America L.L.C. (Chicago, IL), Deutsche Investments Australia Limited (Sydney, Australia), and Deutsche Alternative Asset Management (Global) Limited (London, UK).

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GLOBAL INFRASTRUCTURE FUND

Terminated manager

- Maple-Brown Abbott Limited ("Maple Brown")

Change rationale

Russell Investments has decided to terminate Maple-Brown Abbott Limited given its benchmark-agnostic style and due to higher conviction in the remaining managers in the Fund. This change seeks to concentrate the manager lineup to reflect a narrower set of Russell Investments' highest conviction manager ideas. Concurrent with the termination of Maple-Brown, Russell Investments will modestly increase allocations to Nuveen, Colonial First State, and the RIM positioning strategy.

NEW MANAGER WEIGHTS IN THE GLOBAL INFRASTRUCTURE FUND

The percentages below represent the target allocation of the Funds' assets to each money managers' strategy and RIM's strategy. This does not include liquidity reserves managed directly by RIM, which may constitute 5% or more of fund assets at any given time.

MANAGER	ROLE	PREVIOUS FUND WEIGHTS (%)	CURRENT FUND WEIGHTS (%)
Cohen & Steers Capital Management, Inc.¹	Global Market-Oriented	15.0	15.0
Colonial First State Asset Management (Australia) Limited*	Global Market-Oriented	35.0	38.0
Maple-Brown Abbott Limited	Global Market-Oriented	15.0	0.0
Nuveen Asset Management, LLC	Global Market-Oriented	30.0	37.0
Russell Investment Management, LLC (RIM)**	Positioning strategy	5.0	10.0

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¹ Cohen & Steers Capital Management, Inc. refers to Cohen & Steers Capital Management, Inc. (New York, NY), Cohen & Steers UK Limited (London, UK) and Cohen & Steers Asia Limited (Central Hong Kong).

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SHORT DURATION BOND FUND

Terminated manager

- THL Credit Advisors LLC ("THL")

Change rationale

The termination of THL removes the structural allocation to leveraged loans, which is in line with broad concerns of being later in the credit cycle, as well as those more specific to the loans sector (e.g. increased covenant-light issuance and potential declines in recovery rates). This change reduces the Fund's sensitivity to the sub-investment grade part of the credit market.

The allocation to RIM's positioning strategy has also been increased to improve diversification within the Fund. RIM has added a positioning strategy that systematically screens corporate bonds, purchasing those that are deemed to be undervalued. This strategy helps offset the reduction in credit exposure from the termination of THL. RIM has also added a positioning strategy that provides exposure to the carry premium by taking long exposures to global government interest rates that have steeper yield curves and shorting those that have flatter yield curves.

NEW MANAGER WEIGHTS IN THE SHORT DURATION BOND FUND

The percentages below represent the target allocation of the Funds' assets to each money managers' 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.

MANAGER	ROLE	PREVIOUS FUND WEIGHTS (%)	CURRENT FUND WEIGHTS (%)
Logan Circle Partners, L.P.	Generalist	35.0	40.0
Scout Investments, Inc.	Generalist	30.0	20.0
THL Credit Advisors LLC	Specialist	10.0	0.0
Russell Investment Management, LLC (RIM)*	Positioning strategies	25.0	40.0

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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 visiting 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.

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.

Small capitalization (small cap) investments involve stocks of companies with smaller levels of market capitalization than larger company stocks (large cap). Small cap investments are subject to considerable price fluctuations and are more volatile than large company stocks. Investors should consider the additional risks involved in small cap investments.

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 and emerging or developing 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 the U.S., and emerging markets securities may be less liquid and more volatile than U.S. and longer-established non-U.S. markets.

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.

Use of currency trading strategies may adversely impact a Fund's ability to meet its investment objective of seeking to provide current income.

Consider how the combined risks of various asset classes impact your total investment portfolio and understand that different risks can lead to varying financial consequences, including loss of principal. Please see a prospectus for further details.

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