

MULTI-STRATEGY INCOME 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 funds and manage assets not allocated to money managers.

The Fund

The Multi-Strategy Income Fund seeks to provide a responsible level of yield, which means the Fund seeks to maximize current yield while not sacrificing the potential for long-term capital appreciation. The Fund principally invests in a broad range of income-producing equity, real asset and fixed income securities.

Each of the managers within the Fund have been identified for their specific expertise in income-producing securities—such as global listed infrastructure, REITs, global equities, emerging market debt, and global credit. 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. The Fund's primary benchmark is 30% FTSE All-World/70% FTSE US Broad Investment Grade Composite Index (gross)¹.

Russell Investments portfolio managers

Rob Balkema is a Senior Portfolio Manager working on Russell Investments' multi-asset funds. Rob is responsible for creating strategic asset allocations for the portfolios, selecting managers or passive alternatives to populate asset classes, integrating capital market insights and market strategist views, and dynamically positioning the total portfolio in order to help clients achieve their objectives. Prior to this role, Rob was a Senior Research Analyst in the investment process and risk group. Rob holds a B.A. in Economics from Harvard. He joined Russell Investments in 2006.

Venky Kopanathi is a Portfolio Manager with Russell Investments' multi-asset solutions team. He is responsible for researching/selecting investment strategies, constructing as well as tactical positioning of the portfolios. Prior to this role, Venky was an Associate Portfolio Manager in the team. Venky holds an M.B.A. from The Fuqua School of Business, Duke University and a B.Tech. engineering degree in Computer Science from NIT Jaipur, India. Venky joined the firm in 2011.

¹Effective March 1, 2022, and as reflected in the RIC Prospectus Supplement, dated December 21, 2021, the Fund's benchmark changed from the ICE BofA Global High Yield 2% Constrained Index (USD Hedged) to the 30% FTSE All-World/70% FTSE US Broad Investment Grade Composite Index (gross).

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.

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

Multi-Strategy Income 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's ("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
Berenberg Asset Management LLC ^{3(a)}	2.5%	Berenberg's research driven process is based on pure, bottom-up fundamental stock selection.	European equity	Berenberg focuses on high quality businesses, structural growth drivers, single stock analysis and high conviction ideas. The emphasis does not vary over time, since the fund follows a disciplined execution of their demonstrated investment approach.
Boston Partners Global Investors, Inc.	3.4%	Uses fundamental research to identify small cap companies selling at attractive valuations with near-term revenue-based catalysts.	U.S. equity – small cap value	Boston Partners pursues small cap companies on the cusp of positive change at attractive valuations. The team seeks to exploit market anomalies through identifying what is believed to be under-appreciated companies and has the ability to mitigate opportunity cost by successfully identifying timely revenue-based catalysts and managing position sizes accordingly.
Cohen & Steers Capital Management, Inc. ^{2,3(b)}	17.0%	Infrastructure strategy uses a balance of top-down sector research and bottom-up company specific analysis. Real estate strategy uses a bottom-up stock valuation approach. Preferred securities strategy focuses on income generation from investing in financial and non-financial firms' capital structured securities.	Global REITs ^{3(a)} / listed infrastructure ^{3(a)} / preferred securities	Cohen & Steers' mandate for this Fund is a blend of their listed infrastructure strategy, global real estate securities strategy, and preferred securities strategy.
Intermede Investment Partners and Intermede Global Partners Inc. ^{3(a)}	4.9%	Has a growth-at-a-reasonable-price (GARP) strategy that focuses on stock selection and emphasizes attractively valued positions in high growth companies.	Global equity	Intermede focuses on stocks that are secular growers with some aspect of new innovation that the market has yet to price in, and looks for good top line growth and earnings growth, ideally with attractive return on equity, further margin expansion potential and strong free cash flow.
Kopernik Global Investors, LLC ^{3(a)}	2.2%	Uses a bottom-up, deep fundamental analysis to gain a thorough, forward-looking understanding of a company's business and valuation.	Global equity	Kopernik is a long-term investment firm with differentiated insights that brings diverse sources of potential alpha from sectors and regions that are not heavily invested in by existing managers in the Fund.
Man Investments Australia Limited ^{3(a)}	2.9%	The team uses a combination of top down and bottom up concentrated risk-taking with the stated objective of alpha or excess return through the economic cycle. Most of the risk relative to the MSCI AC Asia (ex-Japan) index and the majority of returns is expected to be achieved through idiosyncratic, stock specific risk-taking.	Asia ex Japan equity	Man AU's objective is to provide capital growth (net of fees) over the medium to long-term (3 to 5 year rolling periods). The strategy is unconstrained, flexible, and broadly style agnostic. Strategy's lead portfolio manager brings wealth of experience combining both macro as well as bottom-up views to deliver alpha; This unique proposition brings low correlations existing line-up of active managers.
Marathon Asset Management, L.P.	6.0%	Hard currency emerging market debt focus with a process for adding value centered around relative value opportunities, credit selection and market technical driven portfolio changes	Emerging market bond	Marathon's product is actively managed beta strategy, in which the strategy mirrors characteristics of the hard currency emerging market debt index, while generating potential for excess return. The innovative portfolio construction combines close beta replication with elimination of unwanted risks by matching duration, country allocation, and average credit ratings.

²Cohen & Steers Capital Management, Inc. refers to Cohen & Steers Capital Management, Inc., Cohen & Steers UK Limited and Cohen & Steers Asia Limited.

^{3(a)}Indicated managers are non-discretionary money managers. RIM manages these portions of the Fund's assets based upon model portfolios provided by the managers.

^{3(b)}This money manager has both discretionary and non-discretionary assignments within the Fund. RIM manages the non-discretionary portion of the Fund's assets based upon a model portfolio provided by the money manager.

Multi-Strategy Income Fund

Managers and Strategies Summary

FIRM NAME	TARGET ALLOCATION	INVESTMENT FOCUS	ROLE	DETAILS OF FUND ROLE
MFS Institutional Advisors Inc. ^{3(a)}	2.5%	Has a diversified approach to value investing targeting three types of value: out-of-favor compounders, turnarounds, and deep value.	Global equity	MFS' investment strategy is a diversified approach to value investing targeting three types of value: out-of-favor compounders, turnarounds, and deep value. The strategy will hold a diverse set of contrarian value opportunities including restructuring stories, out-of-favor compounders, and deep value cyclical.
Oaktree Fund Advisors, LLC	8.00%	Brings a unique, niche high yield convertible debt strategy with a "buy low, sell high" mentality—seeking to identify convertible debt securities that are trading below their investment value yet still offer potential equity upside.	High income	Oaktree brings a high yield convertibles strategy to the Fund with a focus on 'busted convertibles', which are issues that trade below par because of a short-term headwind for the company or their market. The strategy seeks to deliver excess returns relative to the high yield markets, especially in down markets.
Oaktree Fund Advisors, LLC ^{3(a)}	2.5%	Focus is on identifying relatively undervalued companies across the universe without a persistent bias to either growth companies or cyclical turnaround stocks. This gives them flexibility to invest in stocks that look attractive at any given point, without being constrained by a stated investment style.	Emerging markets	Oaktree brings an emerging markets strategy that is focused on identifying relatively undervalued companies across the universe without a persistent bias to either growth companies or cyclical turnaround stocks. This gives them flexibility to invest in stocks that look attractive at any given point, without being constrained by a stated investment style, bringing a market-oriented, emerging markets exposure to the Fund.
Putnam Investment Management, LLC	8.0%	Putnam's mortgages strategy primarily emphasizes prepayment risk and securitized credit risk as the key drivers of returns.	Mortgages	Putnam's mortgages strategy will seek to generate return by capturing yield and capital appreciation from investments in mortgage credit as well as by seeking opportunities in the more interest rate sensitive agency mortgage derivatives.
RiverPark Advisors, LLC ^{3(a)}	2.5%	Stock selection is driven by combining RiverPark's proprietary projections of the future fundamentals of a business with their perspective on the stock's valuation.	Global equity	RiverPark is a quality growth investor that seeks to select stocks of large companies (in excess of \$5 billion in market capitalization) that they believe to have higher than average sustainable cash flow growth potential.
RWC Asset Advisors (US) LLC ^{3(a)}	2.0%	Has a growth-seeking, valuation-sensitive strategy that combines both thematic top-down investment research and strong bottom-up security selection.	Global equity	RWC's emerging markets strategy follows both a top-down and bottom-up analysis process, allowing the team to identify broad themes that are followed through with stock selection. RWC invests in quality growth companies that it expects will benefit from a sustainable, advantageous market positioning and strong balance sheets.
Sompo Asset Management Co., Ltd. ^{3(a)}	2.7%	Uses bottom-up fundamental analysis to seek to identify and capture price anomalies created by a market that often overreacts to short-term events.	Japan equity – large cap value	Sompo's valuation bias will give the Fund access to Japan equity—which Russell Investments believes is an inefficient area of the market relative to other markets like U.S. large cap.
Russell Investment Management, LLC (RIM)*	32.9%	The active positioning strategy in this Fund allows the Russell Investments Portfolio Manager 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 Manager.	Positioning Strategies and Cash Reserves	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 reserve.

^{3(a)}Indicated managers are non-discretionary money managers. RIM manages these portions of the Fund's assets based upon model portfolios provided by the managers.

*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.

Multi-Strategy Income Fund

Berenberg Asset Management LLC

Firm background

Berenberg Asset Management LLC (Berenberg) is part of Berenberg Bank, the world's oldest merchant bank based in Hamburg. Berenberg provides quantitative investment strategies to institutional investors like insurers, pension funds, banks and foundations.

Headquarters: Hamburg, Germany

Founded: 1590

Lead manager: Matthias Born

Role: European equity

Strategy: Small cap value

Number of holdings: Approximately 50

Manager profile

Berenberg Asset Management LLC was added as a non-discretionary manager to the Fund in June of 2020. The strategy is led by Matthias Born who is the lead portfolio manager and decision-maker.

What this manager brings to the Fund

Berenberg brings an European all-cap equity strategy to the Fund. They believe that inefficiencies exist in our universe and can be exploited by concentrating on long term fundamental investing with a disciplined approach. Their strategy follows a quality-growth approach predicated upon fundamentally selecting companies whose competitive advantages are expected to allow them to compound growth for longer and at higher rates than average market participants expect. They focus on quality companies with strong balance sheets and solid business models.

Investment process

Fundamental single stock selection ("bottom-up approach") is at the center of their investment process. Top-down trends are considered when estimating the attractiveness of single stocks but are not a decision criterion by itself. Berenberg's management uses proprietary, independent research with close contact to top management and is independent from any benchmark.

This results in a high active share. With a long-term investment horizon, the management identifies structural and sustainable growth drivers. Berenberg believes that fundamental criteria explain stock returns significantly better over a long-time horizon. Berenberg focuses on high-quality businesses, structural growth drivers, single stock analysis and high conviction ideas. The emphasis does not vary over time, since the strategy follows a disciplined execution of their demonstrated investment approach.

Russell Investments' manager analysis

Russell Investments believes that Berenberg's portfolio is impeccably crafted for up and down markets because their investment mix is made not only of defensive businesses, but also quality cyclicals and high growers. The strategy takes a long-term investment horizon, remaining true to style ("Quality Growth") throughout all market conditions. The strategy seeks to benefit from the long-term rewards of compounding, when growth firms reinvest their cash flows in their business at high returns.

Russell Investments views Matthias Born as an experienced investor with incredible knowledge and insights. At Berenberg, he is the sole decision maker and possesses final say both on portfolio construction and research. The team has a well-established set of investment beliefs and a process that has demonstrated efficacy.

Multi-Strategy Income Fund

Boston Partners Global Investors, Inc.

Firm background

Boston Partners Global Investors, Inc. is an SEC-registered investment adviser consisting of three investment divisions: Boston Partners, Weiss, Peck & Greer, and Redwood, each offering distinctive investment capabilities.

Headquarters: Boston, MA

Founded: 1995

Lead manager: Richard Shuster, CFA

Role: U.S. equity

Strategy: Small cap value

Number of holdings: 80-1,220

Manager profile

Boston Partners Global Investors, Inc. (Boston Partners) was added as a non-discretionary manager to the Fund in December 2017. In this capacity, Boston Partners provides a model portfolio to Russell Investment Management, LLC representing its investment recommendations, based upon which Russell Investments purchases and sells securities for the Fund. Russell Investments may deviate from the model portfolio provided by Boston Partners for purposes of minimizing transaction costs, but generally intends to implement the portfolio provided by Boston Partners. This strategy is led by Richard Shuster, who is backed by a skilled investment team whose members have worked together since 1999.

What this manager brings to the Fund

Boston Partners pursues small cap companies on the cusp of positive change at attractive valuations. The team seeks to pursue market anomalies through identifying what is believed to be under-appreciated companies. Russell Investments believes Boston Partners has the ability to mitigate opportunity cost by successfully identifying timely revenue-based catalysts and managing position sizes accordingly.

Investment process

Boston Partners focuses on finding undervalued, quality companies in value sectors. Boston Partners believes that hands-on, proprietary fundamental research can uncover undervalued companies in value sectors to seek to achieve long-term returns. The team meets with 600+ companies each year to fully understand their business strategy, the strength of leadership, and the company's products, markets and customers.

Boston Partners seeks companies that are experiencing above-average and increasing levels of return on invested capital as well as those that are priced below normalized historical valuations. The team prefers to identify timely revenue-based catalysts but will invest early given conviction in long term prospects, valuation, and potential for downside risk management. Idea generation is strong with a significant number of new ideas coming from company meetings and the team's existing network of industry contacts.

Russell Investments' manager analysis

Russell Investments believes two key drivers of Boston Partners' success include the lead manager, Richard Shuster, who Russell Investments believes to be an experienced and talented small and micro-cap investor. The team has cultivated an autonomous and performance-oriented culture that Russell Investments finds appealing.

Boston Partners' strategy is a deep value approach to picking small cap securities. This tends to have a contrarian flavor so market environments that favor higher momentum and growth stocks will tend to be a challenge for this manager. Boston Partners is expected to perform better in market environments that favor value stocks.

Multi-Strategy Income Fund

Cohen & Steers Capital Management, Inc.²

Firm background

Cohen & Steers Capital Management, Inc. serves institutional and individual clients around the world through a broad range of strategies and vehicles. The strategies include global and regional real estate securities, global listed infrastructure, preferred securities and large cap value portfolios.

Headquarters: New York, NY

Founded: 1986

Lead managers: Infrastructure: Bob Becker, Real Estate: Jon Cheigh, and Preferred Securities: Bill Scapell

Role: Global real estate, infrastructure, and preferred securities

Strategy: Small cap value

- Market-oriented real estate

Number of holdings: 75-125

- Non-traditional infrastructure

Number of holdings: 60-85

- Preferred securities

Number of holdings: Approximately 200

Manager profile

Cohen & Steers Capital Management, Inc. (Cohen & Steers) was added to the Multi-Strategy Income Fund at the Fund's launch in 2015 and is a discretionary and non-discretionary manager in the Fund.

What this manager brings to the Fund

Cohen & Steers' mandate for this Fund is a blend of their listed infrastructure strategy, global real estate securities strategy and preferred securities strategy.

Investment process

Real estate strategy:

Cohen & Steers' global strategy invests in a portfolio of companies the firm believes are mis-priced relative to their net asset value and dividend discount model estimates. When generating estimates, the firm utilizes standardized valuation methodologies in order to compare valuations across sectors and markets on a relative basis. Russell Investments believes the firm's process can potentially result in attractive and consistent long-term returns.

Infrastructure strategy:

Cohen & Steers uses a balance of top-down sector research and bottom-up company specific analysis to construct this global listed infrastructure portfolio for the fund. This strategy covers utilities and non-utilities sectors such as toll-roads, airports, seaports, rail, and communications in each of the major global regions. The objective of the strategy is to provide income generation, total return, low volatility and low correlations to broader equities. The firm's research process places particular emphasis on sectors and companies that exhibit key infrastructure characteristics such as stable cash flows, largely regulated and monopolistic businesses, and high barriers to entry. The security selection process is highly rigorous, featuring models customized to the factors that are most appropriate for each of the individual sub-sectors. Risk management is achieved by employing risk controls such as specific portfolio weighting constraints, proprietary fundamental research, statistical valuation models, and adhering to a strong sell discipline. Country allocations are predominantly an output of the sector and stock selection process. The resulting portfolio is diversified across North America, Europe and the Asia Pacific region.

Preferred securities strategy:

Cohen & Steers' preferred securities strategy focuses on income generation from investing in financial and non-financial firms' capital structured securities. The investment process tilts towards bottom-up relative value security selection with a touch of top-down impact, primarily in duration, which leads to a fairly diversified portfolio.

Russell Investments' manager analysis

Cohen & Steers' infrastructure strategy is expected to do well in most market environments. Periods when net asset value and cash flow for infrastructure assets in general are not key drivers of share prices may be difficult for the manager. Russell Investments believes Cohen & Steers can generate potential excess returns through a combination of bottom-up stock selection in each region and top-down country/regional allocation decisions. Cohen & Steers' real estate strategy should do well in market environments when stock selection is a key driver of returns. A difficult time for this manager may be periods when net asset value and cash flow for real estate assets in general are not key drivers of real estate securities' share prices. Cohen Steers' preferred securities strategy is expected to provide attractive income to the Fund.

²Cohen & Steers Capital Management, Inc. refers to Cohen & Steers Capital Management, Inc., Cohen & Steers UK Limited and Cohen & Steers Asia Limited.

Intermede Investment Partners Limited and Intermede Global Partners Inc.

Firm background

Intermede Investment Partners Limited and Intermede Global Partners Inc. is an independently owned, global equity investment management company. The firm is majority owned by its founding partners.

Headquarters: London, UK

Founded: 2013

Lead manager: Barry Dargan

Role: Global equity

Strategy: Global equity

Number of holdings: 20-60

Manager profile

Intermede Investment Partners Limited and Intermede Global Partners Inc. (Intermede) was added as a non-discretionary manager to the Fund in 2022. Barry Dargan is the lead manager of the strategy.

What this manager brings to the Fund

Intermede focuses on stocks that are secular growers with some aspect of new innovation that the market has yet to price in, and looks for good top line growth and earnings growth, ideally with attractive return on equity, further margin expansion potential and strong free cash flow.

Investment process

Intermede focuses on stocks that are secular growers with some aspect of new innovation that the market has yet to price in and looks for good top line growth and earnings growth, ideally with attractive return on equity, further margin expansion potential and strong free cash flow. Intermede also demands a greater discount on cyclical stocks which provides flexibility with an overall higher quality, lower volatility portfolio.

Russell Investments' manager analysis

Russell Investments' view is that Intermede is currently at an attractive point in their lifecycle, with low assets, high quality ownership of the firm by the investment team and autonomy of its investment professionals. Russell Investments has high confidence in lead portfolio manager, Barry Dargan, and the team of high-quality investment analysts. The strategy is expected to perform well when growth is being rewarded and be challenged in periods where higher risk stocks are rewarded or when value factors are rewarded.

Multi-Strategy Income Fund

Kopernik Global Investors, LLC

Firm background

Kopernik Global Investors LLC is an employee-owned global equity investment management firm.

Headquarters: Tampa, FL

Founded: July 2013

Lead manager: David Iben, CFA

Role: Global equity

Strategy: All cap, value

Number of holdings: 50-90

Manager profile

Kopernik Global Investors LLC (Kopernik) was added as non-discretionary money manager to the Multi-Strategy Income Fund in 2016. In this capacity, Kopernik provides a model portfolio to RIM representing its investment recommendations, based upon which Russell Investments purchases and sells securities for the Fund. Russell Investments may deviate from the model portfolio provided by Kopernik for purposes of minimizing transaction costs, but generally intends to implement the portfolio provided by Kopernik. The strategy is led by David Iben, founder and Chief Investment Officer of Kopernik.

What this manager brings to the Fund

Kopernik is a long-term investment firm with differentiated insights that brings diverse sources of potential alpha from sectors and regions that are not heavily invested in by existing managers in the fund (e.g., materials, Canada, Russia). The firm has historically had a low-to-negative correlation with existing managers, which is expected to help improve diversification.

Investment process

The Global Equity strategy at Kopernik is an all-cap, deep-value strategy that aims to add value by identifying securities that are trading at a discount to net asset value.

Kopernik's investment philosophy is centered on the belief that market inefficiencies present numerous opportunities to identify quality businesses at attractive prices. The firm utilizes bottom-up, deep fundamental analysis to gain a thorough, forward-looking understanding of a company's business and valuation. Kopernik's intensive research process includes proprietary screens, site visits, analysis of financial statements and competitor analysis.

The strategy primarily invests in equities (domestic common, foreign ordinary and depositary receipts) of companies located around the globe and of all market capitalizations.

Russell Investments' manager analysis

While Kopernik is a relatively new firm, many of the team members worked together in the past.

The team is led by Dave Iben, a talented investor who has had success throughout multiple investment cycles and is an adherent follower of his deep-value investment style. Prior to founding Kopernik, Dave worked at another investment firm where Russell Investments became familiar with his process. His absolute return philosophy has not changed and his application of economic principles as part of his process remains a compelling component of his investment ability.

Kopernik's deep-value strategy is expected to perform best during periods that favor low price-to-book and low price-to-earnings securities. The strategy tends to struggle in low growth, inflationary environments.

Multi-Strategy Income Fund

Man Investments Australia Limited

Firm background

Man Investments Australia Limited (Man AU), founded in 1995 and acquired by Man Group in 2010, is a discretionary Fund manager that is active across alternative and long-only strategies, equity and credit.

Headquarters: Sydney, Australia

Founded: 1995

Lead manager: Andrew Swan

Asset class: Equity

Strategy: Market-oriented

Sub-strategy: Growth biased

Number of holdings: 30-45

Manager profile

Man Investments Australia Limited (Man AU) was added to the Fund in 2022. Andrew Swan, Head of Asia (ex-Japan) Equities at Man AU, manages the Fund and is supported by a team of four dedicated analysts.

What this manager brings to the Fund

Andrew and his team believe that one of their key competitive strengths is that they assume risk based on their views of future earnings revisions potential and those views are based on both historical data and more discretionary forward-looking analysis. They are aiming to capture the turning points in earnings revisions where there has historically been the potential to generate significant alpha. The investment team also benefits from being part of Man AU's deep equity platform and the collaborative culture that sets the business apart. The teams are able to collaborate with a diverse group of highly experienced portfolio managers and sector specialists to develop investment ideas.

Investment process

At the core of the team's approach to investing is relative earnings revisions. The key driver of beta in Asia (ex- Japan) over time has been earnings and markets in the region have consistently traded in-line with forward EPS. Alpha, on the other hand, tends to be driven by high cross-sectional single stock dispersion and relative earnings revisions. As such, the team's core focus is to capture turning points in companies that have high EPS revision potential.

Russell Investments' manager analysis

Our favorable view is supported by a strong conviction in portfolio manager, Andrew Swan, an experienced and insightful Asian equity portfolio manager who has consistently implemented this dynamic growth philosophy throughout his career. We believe he displays both objectivity and pragmatism to continue implementing this approach. Swan's dynamic approach while incorporating top down factors is differentiated and further allows him to better capture inflection points in value and sentiment.

Man AU's investment style is flexible by design and will be driven by where improvement in earnings is expected from the bottom up. While this flexibility introduces complexity in terms of its repeatability, we believe the manager exhibits skill and objectivity in its implementation. The combination of high-quality fundamental research, rigorous idea testing, and conviction-based portfolio construction make this a compelling offering. The strategy is supported by a small team of four dedicated analysts. We have a positive opinion of Alethea Leung and Anand Agarwal who worked under Swan at Blackrock and are aligned with the process. The others are new hires and while experienced, are still familiarizing themselves with the process and thus remain untested. Swan is a player coach remaining involved in generating ideas as well as guiding the analysts. Swan has the flexibility to manage the strategy on his own terms and there is direct alignment with the team's P&L which should ensure the team remains motivated and energized.

Multi-Strategy Income Fund

Marathon Asset Management, L.P.

Firm background

Marathon Asset Management, L.P. seeks attractive absolute returns through investments in the global credit markets and real estate related markets with a long-term goal of building a world-class asset management platform.

Headquarters: New York, NY

Founded: 1998

Lead manager: Gaby Szpigel

Asset class: Emerging Market Debt

Strategy: Market-oriented

Number of holdings: approx. 100-125

Manager profile

Marathon Asset Management was added to the Fund in 2022. Gaby Szpigel and Diego Gradowczyk, Co-Heads of Emerging Markets, manage the emerging market debt mandate.

What this manager brings to the Fund

Exposure to emerging market debt securities with a high conviction process for delivering strong risk adjusted excess returns

Investment process

Gaby and Diego's approach to portfolio allocation in the Emerging Markets benchmarked strategy can be viewed as an actively managed beta, or what they call "Optimal Beta" and 20-40% in off-index securities, mostly in quasi-sovereign and corporate. The core of their portfolio construction process is to replicate the market as defined by the index (JPM EMBIGD). The fund seeks to mirror key characteristics of the Index such as duration, regional weights, and country weights. Layered on top of the core portfolio, Marathon's input incorporates bottom-up best credit ideas into a portfolio that is representative of the index, actively managed and generates an attractive risk-adjusted spread pick-up relative to the index. We view this as an innovative methodology for portfolio construction with the potential to earn consistent excess returns.

Russell Investments' manager analysis

Marathon's core competency is in credit selection and eliminate unwanted risk in mismatching the duration and country. The process is very regimented and have exposure to about 100 bonds in about 55 countries out of 65 countries in the index. We believe that this investment proposition will be long-term and sustainable. Marathon has the insight to the active and passive EMD managers and their understanding in the industry by their co-heads of EMD - Gabriel ("Gaby") Szpigel and Diego Gradowczyk is an advantage. The team that manages the product is very experienced across Latin America, the other Eastern Europe and Asia. The products are primarily managed by Gabriel ("Gaby") Szpigel, Co-Head of Emerging Markets at Marathon who has over 20 years of experience and who joined Marathon in 2003. Diego Gradowczyk is co-head of emerging markets with Gaby, and joined in 2014. He brings over 20 years of experience, and complements Gaby's style and skill set. Marathon has its roots in emerging markets and structured mortgages, and as a result the firm has a strong appreciation for market liquidity, risk management, non-linear securities, and policy risk.

Multi-Strategy Income Fund

MFS Institutional Advisors Inc.

Firm background

The sole purpose of MFS Institutional Advisors Inc. is to create long-term value responsibly. It offers fixed income, equity and quantitative solutions to financial advisors, intermediaries and institutional clients around the world.

Headquarters: Boston, MA

Founded: 1924

Lead managers: A.C. Farstad and Zahid Kassam

Asset class: Equity

Strategy: Global contrarian value

Number of holdings: approximately 40

Manager profile

MFS Institutional Advisors Inc. (MFS) was added as a non-discretionary manager to the Fund in 2022. A.C. Farstad and Zahid Kassam are the co-lead managers of the strategy.

What this manager brings to the Fund

MFS' investment strategy is a diversified approach to value investing targeting three types of value: out-of-favor compounders, turnarounds, and deep value. The strategy will hold a diverse set of contrarian value opportunities including restructuring stories, out-of-favor compounders, and deep value cyclical.

Investment process

The team executes a contrarian value philosophy that is supported by capital markets efficiency. The product design is appropriate for maximizing return while retaining diversification. It targets multiple types of value including out-of-favor compounders, turnarounds and deep value. Valuation methods employed are appropriate to the type of opportunity, and MFS is disciplined in applying an asymmetric reward-risk ratio.

Russell Investments' manager analysis

Russell Investments believes Ms. Farstad is highly engaged and passionate about investing, and considers her a well-rounded portfolio manager. In addition, Mr. Kassam's experience is credible and relevant for the strategy, and he demonstrated good alignment with Ms. Farstad's philosophy.

There is some flexibility in how value opportunities are found and which are favored, but we believe Ms. Farstad conveys compelling clarity of thought around her process which should benefit execution. She and Mr. Kassam demonstrated strong emphasis on risk/reward asymmetry due stock analysis, which drives both purchase and sale decisions. Though the portfolio is bottom-up, they are also cognizant of market trends and have rotated the portfolio to take advantage of attractive entry points. Today, the strategy is balanced between the three buckets of restructurings, deep value, and controversial quality compounders.

Oaktree Fund Advisors, LLC, High Income strategy

Firm background

Oaktree Fund Advisors, LLC is a global investment management corporation, whose mission is to provide management with a primary emphasis on seeking risk control in a limited number of sophisticated investment specialties. Oaktree is involved in less efficient markets and alternative investments. Oaktree serves clients through offices located in 17 cities and 12 countries.

Headquarters: Los Angeles, CA

Founded: 1995

Lead manager: Andrew Watts

Role: Fixed income

Strategy: High Income

Number of holdings: Approximately 100

Manager profile

Oaktree Fund Advisors, LLC (Oaktree) was added as a discretionary manager to the Fund in June 2017 for its High Income role and as a non-discretionary manager in March 2022 for its Emerging Markets role. Andrew Watts is the lead manager of the strategy.

What this manager brings to the Fund

Oaktree brings a niche high yield convertibles strategy to the Fund with a focus on “busted convertibles”, which are issues that trade below par because of a short-term headwind for the company or their market. The strategy seeks to deliver excess returns relative to the high yield markets, especially in down markets.

The busted convertible market can offer potential for:

- Yields that are equivalent to that of non-convertible debt
- Equity upside

In addition, in their Emerging Markets role, Oaktree is focused on identifying relatively undervalued companies across the universe without a persistent bias to either growth companies or cyclical turnaround stocks. This gives them flexibility to invest in stocks that look attractive at any given point, without being constrained by a stated investment style

Investment process

Oaktree applies a “buy low, sell high” mentality—seeking to identify convertible debt securities that are trading below their investment value yet still offer potential equity upside. They also seek convertible securities that have high credit sensitivity and yield characteristics with low sensitivity to equity markets.

Oaktree also offers a strong sell discipline. They focus on holding securities during the time whereby they offer value and seek to exit positions when they become more sensitive to equities.

Russell Investments’ manager analysis

Russell Investments believes Oaktree offers a dynamic high yield convertibles strategy with a nimble approach and willingness to exit positions quickly if they believe the downside risk is material. The strategy is considered a “niche within a niche” which provides potential for attractive return by going where other managers in the marketplace do not. Oaktree’s credit risk emphasis, combined with their quick sell discipline, may help the portfolio minimize credit losses. The strategy is expected to perform well in spread widening environments but might lag in periods of high yield rally and when duration rallies as the strategy maintains a fairly short duration.

The same portfolio management team has been running the strategy for over 20 years.

Oaktree Fund Advisors, LLC, Emerging markets strategy

Firm background

Oaktree Fund Advisors, LLC is a global investment management corporation, whose mission is to provide management with a primary emphasis on seeking risk control in a limited number of sophisticated investment specialties. Oaktree is involved in less efficient markets and alternative investments. Oaktree serves clients through offices located in 17 cities and 12 countries.

Headquarters: Los Angeles, CA

Founded: 1995

Lead manager: Tim Jensen, Frank Carroll

Role: Equities

Strategy: Emerging Markets

Number of holdings: Approximately 65

Manager profile

Oaktree Fund Advisors, LLC (Oaktree) was added as a discretionary manager to the Fund in March 2022 for its Emerging Markets role. Tim Jensen and Frank Carroll are the two lead managers of the strategy.

What this manager brings to the Fund

Oaktree's Emerging Markets strategy is focused on identifying relatively undervalued companies across the universe without a persistent bias to either growth companies or cyclical turnaround stocks. This gives them flexibility to invest in stocks that look attractive at any given point, without being constrained by a stated investment style. Thus, the strategy being style-agnostic allows for the portfolio management team to allow stock selection to be the main alpha driver of their process, bringing idiosyncratic opportunities within the emerging markets to the Fund.

Investment process

The team is focused on depth rather than breadth covering roughly 400 stocks. There is a lot of challenge and communication across the team and the extent to which the analysts are integrated in the process is beneficial. The portfolio managers have shown an ability to respond quickly to new information when making investment decisions, and they have a strong sense of market dynamics which can give an extra edge on top of the fundamental analysis. The analysts have target prices on all of the stocks under coverage and continually feed this information to the portfolio managers who use this to make calls on absolute and relative basis. The analysts are responsible for generating their own ideas and communicate their preferences on an ongoing basis to the portfolio manager through a ranking mechanism which considers risk/reward versus other opportunities in their sectors. There is a good dynamic where portfolio managers are also active in directing the analysts to those areas they are interested in.

Analysts build detailed models on companies under coverage with target prices that act as a guide to the portfolio managers. Valuation is important to them, there is an unwillingness to recommend expensive names. Everyone in the team spends a significant amount of time meeting with companies. The PMs are also very active in traveling to the regions and each will typically spend one to two months a year in Asia.

Russell Investments' manager analysis

Russell Investments believes that the two portfolio managers who have managed an EM long-short product together at Oaktree since 2000 work well together, bringing together different skills—Tim Jensen is more of a deep fundamental thinker whereas Frank Carroll brings a keen sense of market dynamics to the offering which is often lacking at fundamental long-only teams.

The investment approach is opportunistic, so although the team describes itself as value focused this can apply to more expensive growth names just as much as cyclical turnaround stories and this flexibility allows the portfolio managers to adapt to different market environments. We have also observed a strong sell discipline helped by the absolute return experience of the team.

The team also benefits from a good organizational set-up as Oaktree is a performance-focused company which gives its portfolio managers the resources to manage money in the way that they see fit. The Emerging Market equities team has been stable over the years and all the team members appear to be well incentivized.

Multi-Strategy Income Fund

Putnam Investment Group, LLC

Firm background

Putnam Investment Management, LLC is a privately-owned asset manager that provides investment services across a range of equity, fixed income, absolute return, and alternative strategies.

Headquarters: Boston, MA

Founded: 1937

Lead manager: Mike Salm

Role: Mortgages

Number of holdings: 60-150

Manager profile

Putnam Investment Management, LLC (Putnam) was added as a discretionary manager to the Fund in 2016 with its mortgages strategy. This strategy is led by Mike Salm, who has extensive securitized investment experience and highly insightful macro views that permeate the investment decision making process.

What this manager brings to the Fund

Putnam's mortgages strategy will seek to generate return by capturing yield and capital appreciation from investments in mortgage credit as well as by seeking opportunities in the more interest rate sensitive agency mortgage derivatives. These two styles of mortgage securities tend to diversify one another and lead to better risk-adjusted performance. Putnam will utilize derivatives to implement its investment strategy.

Investment process

Putnam's mortgages strategy primarily emphasizes prepayment risk and securitized credit risk as the key drivers of returns. Security selection in a prepayment-oriented mortgage strategy requires a very unique skill set which we believe Putnam possesses. They will rotate into commercial-backed mortgage securities (CMBS) and residential-mortgage-backed securities (RMBS) when these sectors look attractive relative to prepayment risk. We believe this can be helpful from a return generating perspective as well as from a volatility dampening perspective. They will aim to actively hedge the three primary risks involved, including interest rate risk, overall volatility, and the exposure to mortgage basis.

Russell Investments' manager analysis

Russell Investments believes that Mike Salm's knowledge of the agency derivatives markets and ability to express prepayment views therein are among the best in the markets. Russell Investments also believes Putnam's capabilities for rotating between prepayment sectors are elite in the traditional fixed income space and that Putnam has a good understanding of complementary risks in the securitized markets. Russell Investments expects Putnam's mortgage strategy to do well in strong housing markets. Conditions for prepayment risk should be favorable if bond yields and mortgage rates rise. Prepayment strategies are negatively impacted when interest rates fall. Mortgage bonds are more likely to be impacted by defaults in weak housing markets.

Multi-Strategy Income Fund

RiverPark Advisors, LLC

Firm background

RiverPark Advisors, LLC is a privately-owned, boutique investment management firm founded by former Baron Fund executives in 2009.

Headquarters: New York, NY

Founded: 2009

Lead manager: Mitch Rubin

Asset class: Global equity

Strategy: Large cap growth

Sub-strategy: Earnings momentum

Number of holdings: 40-50

Manager profile

RiverPark Advisors, LLC was added as a non-discretionary manager to the Fund in 2022. In this capacity, RiverPark provides a model portfolio to Russell Investment Management, LLC representing its investment recommendations, based upon which Russell Investments purchases and sells securities for the Fund. Russell Investments may deviate from the model portfolio provided by RiverPark for purposes of minimizing transaction costs, but generally intends to implement the portfolio provided by RiverPark. This strategy is led by Mitch Rubin, who is supported by an assistant portfolio manager and a research team.

What this manager brings to the Fund

RiverPark is a quality growth investor that seeks to select stocks of large companies (in excess of \$5 billion in market capitalization) that they believe to have higher than average sustainable cash flow growth potential. In addition, unlike many growth managers, they are attentive to valuation and believe that a great company only becomes a great investment if it is bought at an attractive price. They also prefer stocks of companies that they believe will benefit from the long-term secular changes in the global economy and that have:

- Long-term sustainable competitive advantages and positions protected by strong barriers to entry
- Strong and experienced management teams with clear business objectives.
- High profit margins and high returns on capital

Investment process

RiverPark's investment process is driven by their proprietary projections of the future fundamentals of a company and their perspective on the company's stock valuation. Their process includes several well-defined steps:

- First, RiverPark frames the investment opportunity by analyzing the investment characteristics of both the industry and the specific company with a focus on secular and structural dynamics such as competitive advantages, barriers to entry, technological innovation, changes in government regulation and demographic trends.
- Next, RiverPark conducts fundamental research that includes company visits and primary research of competitors, customers and suppliers, as they seek to gain conviction in both the competitive dynamics within the industry and the reputation, skill and drive of the company's management team.
- Lastly, RiverPark creates and maintains detailed, proprietary financial models of the revenues, earnings and cash flows of each potential stock and establishes price targets that encompass their view of the company's future enterprise value.

Russell Investments' manager analysis

Russell Investments believes Mr. Rubin is an experienced and passionate investor who generates unique stock specific insights and has a strong market perspective. In addition, Russell Investments believes RiverPark's approach that combines philosophies of both growth and value investing can help identify stocks with sustainable long-term returns.

Russell Investments expects RiverPark to do well in periods favoring cyclical, higher growth stocks, while lagging in periods favoring highly defensive stocks during time periods of flight to quality market environments.

Multi-Strategy Income Fund

RWC Asset Advisors, LLC

Firm background

RWC Asset Advisors (US) LLC is an independent investment manager providing services primarily to institutional clients. It launches and manages equity, fixed income, and hedge funds for its clients.

Headquarters: Miami, FL

Founded: 2000

Lead manager: John Malloy

Asset class: Emerging markets equity

Strategy: Global emerging markets equity

Number of holdings: 60-80

Manager profile

RWC Asset Advisors (US) LLC (RWC) was added as a non-discretionary manager to the Fund in 2022. John Malloy is the lead manager of the strategy.

What this manager brings to the Fund

RWC's emerging markets strategy follows both a top-down and bottom-up analysis process, allowing the team to identify broad themes that are followed through with stock selection. RWC invests in quality growth companies that it expects will benefit from a sustainable, advantageous market positioning and strong balance sheets.

Investment process

RWC applies strong, bottom-up research capabilities focused on identifying companies that trade at attractive valuations but with solid growth prospects and all within their thematic framework. RWC is an early lifecycle manager that opportunistically pursues capital appreciation across a global investment spectrum and exploits secular and cyclical trends, growth opportunities, valuation inefficiencies and themes that are misunderstood or otherwise out of favor in emerging and frontier markets. RWC's stock selection reflects the team's macro economic views, which Russell Investments believes are solid and differentiated versus peer managers.

Russell Investments' manager analysis

Russell Investments has a high regard for the investment professionals at RWC whom Russell Investments believes to be of above average quality relative to their peers. Russell Investments has a particularly high opinion of John Malloy and James Johnstone who are the key members of the team and are responsible for all decision making.

The process is such that it combines both a top-down and bottom-up analysis allowing the team to identify broad themes that are followed through with stock selection. The team has demonstrated good insight and skill in implementing such an approach. The team has worked together for a long time due to their time together at a previous firm, and are highly motivated given recent organization changes, which have allowed them to be more aligned with the profitability of the business.

Sompo Asset Management Co., Ltd.

Firm background

Sompo Asset Management Co., Ltd. is a leading intrinsic value asset manager of Japanese assets and is part of Sompo Holdings Group.

Headquarters: Tokyo, Japan

Founded: 1986

Lead manager: Kenji Ueno

Role: Japan equity

Strategy: Value

Sub-strategy: Large cap

Number of holdings: 60-80

Manager profile

Sompo Asset Management Co., Ltd. (Sompo) was added as a non-discretionary manager to the Fund in September 2018. In this capacity, Sompo provides a model portfolio to Russell Investment Management, LLC representing its investment recommendations, based upon which Russell Investments purchases and sells securities for the Fund. Russell Investments may deviate from the model portfolio provided by Sompo for purposes of minimizing transaction costs, but generally intends to implement the portfolio provided by Sompo. Kenji Ueno is the lead manager for Sompo's Japan equity strategy.

What this manager brings to the Fund

Sompo provides the Fund with exposure to the Japan equity market—specifically within the value space.

Investment process

Sompo uses bottom-up fundamental analysis to seek to identify undervalued stocks that are trading at a discount to their intrinsic value from some short-term events or one-off causes. A stock's intrinsic value is calculated through Sompo's dividend discount model. They believe that every stock has an intrinsic value which the market price tends towards over time. They seek to create value by exploiting this tendency with a disciplined approach that seeks to purchase undervalued stocks and liquidate overvalued stocks. Their model allows them to incorporate their views on risks such as sustainability and credit.

Russell Investments' manager analysis

Russell Investments believes Sompo's valuation bias will give the Fund access to an inefficient area of the market relative to other markets like U.S. large cap. Russell Investments has high conviction in Sompo's active management approach that looks to identify and capture price anomalies created by a market that often overreacts to short-term events.

Russell Investments believes Sompo's strategy will perform well when the value factor is in favor and may struggle in growth-driven markets.

Multi-Strategy Income 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 with minority stakes held by funds managed by Reverence Capital Partners, Russell Investments' management, and Hamilton Lane Incorporated. Russell Investments provides asset management and investment services to institutional and individual investors around the world.

Headquarters: Seattle, WA

Founded: 1936

POSITIONING STRATEGIES & CASH RESERVES

Number of holdings: 300

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 Russell Investments 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 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.

RIM uses a blend of strategies in this Fund, designed to help tilt the portfolio in the direction of our strategic beliefs:

- The currency overlay utilizes currency forward contracts to take long and short positions in global foreign exchange markets, which may result in gains or losses for the fund based on the movements of relative exchange rates. RIM believes that a currency overlay strategy serves as a diversifier and another potential source of return in multi-asset portfolios, especially in periods where the medium-term return outlook is more challenging for credit, duration and equity returns than it has been in the past.
- RIM believes that bonds issued by sovereign countries with higher real yields have a greater likelihood of outperforming those with low real yields. Using futures, RIM will take long positions in high quality government bonds whose yield, net of forward-looking inflation, are relatively high and short interest rate risk where that real, net-of-inflation yield is expected to be relatively low. This strategy has historically low correlations to credit risk.
- To target factor exposures (e.g. yield, market cap, momentum, quality), country/region exposure and sector/industry exposures, RIM will select a portfolio of global equity securities. RIM analyzes how the securities held by the third-party money managers differ from the preferred positioning of the Fund. RIM then uses a custom, proprietary quantitative technique to 'optimize' toward the preferred positioning. This strategic portfolio is comprised of what RIM believes to be quality income securities that may offer higher than average dividend yield and ability to pay that dividend in the future (good debt to equity/capital, solid cash coverage, etc.). This strategy is composed primarily of equity securities and as such, will struggle during down equity markets relative to the fund's non-equity investments. It will typically do well in moderately positive equity markets, led by higher yielding securities.

The shape of the strategies vary over time based upon the following three primary drivers: a) evolution of portfolio manager views in response to the valuation, cycle and sentiment opportunities within the asset classes, b) changes in manager holdings, and c) changes in market conditions.

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 changes in interest rates or market/sector returns by purchasing fixed income securities and/or derivatives (also known as “equitization”), which typically include exchange traded fixed income futures contract and swaps. The Fund invests any remaining cash in an unregistered cash management fund advised by RIM and/or fixed income securities with an average portfolio duration of two years and effective maturities of up to six years.

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 September 7, 2022. 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.

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.

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.

Specific sector investing such as real estate can be subject to different and greater risks than more diversified investments. Declines in the value of real estate, economic conditions, property taxes, tax laws and interest rates all present potential risk to real estate investments. Fund investments in non-U.S. markets can involve risks of currency fluctuation, political and economic instability, different accounting standards and foreign taxation.

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.

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. Please read a prospectus carefully before investing.

Effective March 1, 2022, and as reflected in the RIC Prospectus Supplement, dated December 21, 2021, the Fund is now managed with a benchmark relative approach, rather than a benchmark agnostic approach.

Effective March 1, 2022, and as reflected in the RIC Prospectus Supplement, dated December 21, 2021, the Fund's target strategic asset allocation changed.

***Investment focus definitions:**

Corporate Bonds – Corporate bonds are debt obligations issued by a corporation.

Emerging markets debt – Emerging market debt issued by sovereign issuers (governments) in their own currency denominations.

Bank loans – Corporate debt instruments that are typically higher in the capital structure than bonds and are issued with floating interest rates.

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 involve stocks of companies generally having a market capitalization between \$10 billion and \$200 billion. 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.

The FTSE All-World Index is a market-capitalization weighted index representing the performance of the large and mid cap stocks from the FTSE Global Equity Index Series and covers 90-95% of the investable market capitalisation.

The FTSE US Broad Investment-Grade Bond Composite Index (gross) tracks the performance of US Dollar-denominated bonds issued in the US investment-grade bond market.

Diversification and strategic asset allocation do not assure profit or protect against loss in declining markets.

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

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