Core Model Strategies

Quarterly Review | Second Quarter 2026

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Global Market Recap and Outlook

Economic growth remained resilient during the second quarter despite ongoing geopolitical uncertainty and inflation that stayed above central bank targets. While consumer spending moderated, business investment and a healthy labor market continued to support economic activity. Central banks maintained a cautious stance, reinforcing expectations that interest rates are likely to remain elevated until inflation shows more convincing signs of easing.

Global equity markets posted strong gains during the quarter as investor confidence improved and corporate earnings remained resilient. Technology stocks continued to lead the market, supported by ongoing investment in artificial intelligence, while broader equity markets benefited as concerns over energy supply disruptions eased. Although geopolitical risks remain, investors focused on the underlying strength of corporate fundamentals.

Bond markets experienced continued volatility as investors reassessed the outlook for inflation and interest rates. Even so, credit markets remained resilient, supported by healthy corporate balance sheets and steady demand for income-producing assets. Higher bond yields continue to offer attractive income opportunities while reinforcing the role of fixed income as a source of diversification in balanced portfolios.

ASSET CLASS VIEWS	
U.S. EQUITIES	• U.S. stocks were up across the board, with growth stocks leading the way, although almost all segments were up over 10%. Growth leadership has shifted as the “Mag 7” are not frontrunners in 2026, other tech and artificial intelligence related names are leading. • Small cap stocks did even better than large cap stocks, with the Russell 2000 Index returning over 21% for the quarter. Small growth did better than small value, but both segments posted strong results, boosted by improving earnings.
NON-U.S. EQUITIES	• Both non-U.S. developed and emerging markets stocks finished the quarter producing double digit returns. • International developed stocks followed up a disappointing first quarter with a strong second quarter return. As in the U.S., growth stocks tended to do better than value. The European continent produced some of the best returns led by the Netherlands, Austria, and Belgium. • Emerging market stocks were the global leader for the quarter, up 24+%. The technology play influencing U.S. stocks is also evident in the emerging markets. Taiwan and South Korea are two of the countries leading the way, both were up more than 45% during the quarter
ALTERNATIVES	• Listed real assets were mixed during the quarter. The S&P Global Infrastructure Index (Net) finished the quarter relatively flat, following a string of much better returns. The FTSE EPRA Nareit Developed Index (Net) bounced back nicely after a flat 1st quarter, returning 8.5%.
FIXED INCOME	• Modest, but positive, return for bonds during the quarter. • The Bloomberg U.S. Aggregate Bond Index finished the quarter up modestly, +0.7% • Higher yielding bonds benefited from slight tightening of spread, as high yield bonds finished the quarter up almost 3%.

Opinions expressed are current as of 6/30/26 and are subject to change. These opinions do not guarantee future results.

Model Strategy Commentary

Asset allocation overview

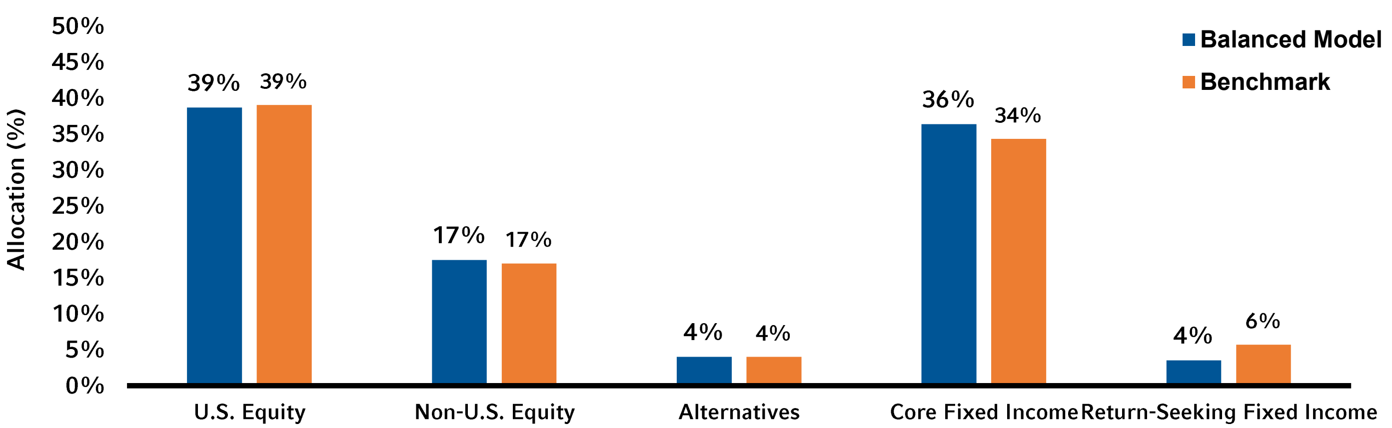
The Models remain relatively close to benchmark weights at the allocation level. Stock selection and modest asset class tilts are the primary drivers of active return across the strategies. The models maintain an overweight to risk assets including an overweight to non-U.S. stocks within the equity allocation. Overweight to equities was beneficial, the overweight to non-US was neutral.

Within equity, the models have a modest overweight to those areas traditionally thought of as “return seeking”. U.S. equity has a slightly higher than market weight to small cap which added to results during the quarter as small cap stocks topped large cap stocks. The overweight of emerging market stocks within non-U.S. equity added to overall returns as emerging markets stocks topped developed markets.

The models are modestly overweight duration and credit exposure within the fixed income exposure. During the quarter, higher than benchmark exposure to long duration was neutral to results, an overweight to credit was beneficial.

Core Balanced Model Strategy Positioning vs Benchmark*

Asset allocation entering 2Q26 vs. benchmark (as of 03/31/2026)



*The Benchmark is a blended index consisting of 39% Russell 3000 Index and 17% MSCI ACWI ex USA Index (Net) and 4% FTSE EPRA Nareit Developed Index (Net) representing equities and alternatives, and 38% Bloomberg U.S. Universal Index and 2% Bloomberg U.S. Treasury Bill 1-3 Month Index representing fixed Income. Definitions for these underlying indexes can be found in the appendix. Core fixed income contains exposures related to government bonds, investment grade credit, mortgages, and cash. “Return-seeking fixed income” contains exposures related to non-investment grade credit, bank loans, convertibles, and emerging market debt. Indexes are unmanaged and cannot be invested in directly. Numbers may not add to 100% due to rounding.

ASSET CLASS POSITIONING AND IMPACTS	
EQUITIES	• Higher allocations to non-U.S. developed stocks detracted during the quarter. • The active performance of small cap U.S. and international equity added to benchmark relative results • The active return of the global equity exposure was a modest detraction
REAL ASSETS	• Real Asset returns detracted during the quarter, as active management results trailed benchmarks • Infrastructure and REITs valuations are attractive relative to other global equities
FIXED INCOME	• The models held a slight underweight to total fixed income, allocated to real assets. This added to overall results as real assets generally did better than fixed income during the quarter. • Positive active management from the opportunistic bond exposure benefited overall results.

Past performance does not guarantee future performance.

Portfolio Target Allocations

Target allocation (%) by Model Strategy
Russell Investment Company (RIC) funds

Fund	Ticker	Conservative	Moderate	Moderate Growth	Balanced	Balanced Growth	Growth	Equity Growth
Equity Allocation		**16.0**	**32.0**	**41.0**	**53.0**	**66.0**	**72.0**	**92.0**
RIC U.S. Strategic Equity Fund	Class M: RUSTX I S: RSESX	6.0	13.0	16.0	20.0	24.0	27.0	33.0
RIC U.S. Small Cap Equity Fund	Class M: RUNTX I S: RLESX	-	2.0	2.0	3.0	3.0	3.0	4.0
RIC Global Equity Fund	Class M: RGDTX I S: RGESX	6.0	11.0	14.0	19.0	23.0	25.0	29.0
RIC International Developed Markets Fund	Class M: RNTTX I S: RINTX	2.0	4.0	6.0	7.0	10.0	11.0	17.0
RIC Emerging Markets Fund	Class M: RMMTX I S: REMSX	2.0	2.0	3.0	4.0	6.0	6.0	9.0
Alternative Allocation		**2.0**	**3.0**	**3.0**	**4.0**	**4.0**	**5.0**	**6.0**
RIC Global Infrastructure Fund	Class M: RGFTX I S: RGISX	-	-	-	2.0	2.0	2.0	2.0
RIC Global Real Estate Securities Fund	Class M: RETTX I S: RRESX	2.0	3.0	3.0	2.0	2.0	3.0	4.0
Fixed Income Allocation		**74.0**	**57.0**	**48.0**	**36.0**	**23.0**	**16.0**	**2.0**
RIC Strategic Bond Fund	Class M: RSYTX I S: RFCTX	29.0	23.0	22.0	21.0	16.0	9.0	2.0
RIC Investment Grade Bond Fund	Class M: RIWTX I S: RFATX	36.0	26.0	20.0	9.0	-	-	-
RIC Opportunistic Credit Fund	Class M: RGOTX I S: RGCSX	3.0	2.0	2.0	2.0	2.0	2.0	-
RIC Short Duration Bond Fund	Class M: RSDTX I S: RFBSX	2.0	2.0	-	-	-	-	-
RIC Long Duration Bond Fund	Class M: RMHTX I S: RMHSX	4.0	4.0	4.0	4.0	5.0	5.0	-
Multi-Asset Allocation		**8.0**	**8.0**	**8.0**	**7.0**	**7.0**	**7.0**	-
RIC Multi-Strategy Income Fund	Class M: RGYTX I S: RMYSX	8.0	8.0	8.0	-	-	-	-
RIC Multi-Asset Strategy Fund	Class M: RMATX I S: RMGSX	-	-	-	7.0	7.0	7.0	-

Model Strategies represent target allocations to certain Russell Investment Company (RIC) mutual funds; these models are not managed and cannot be invested in directly.

Model Strategies are exposed to the specific risks of the funds directly proportionate to their fund allocation. The funds comprising the strategies and the allocations to those funds have changed over time and may change in the future.

You and your financial professional may work to combine selected funds that differ from the illustrated combinations depending upon your individual investment objectives. The above target allocations were effective 11/19/2025. All data is current as of 6/30/2026 unless otherwise stated.

Underlying Managers

Russell Investments' approach involves continually researching investment strategies and managers from around the world, seeking to determine the best combination of active managers and investment styles for the portfolio. Each manager strategy is chosen to serve a specific purpose in the portfolio. Over time, adjustments may be made to ensure the portfolio remains aligned with objectives.

Manager strategies and Russell Investment Management, LLC (RIM)†

RIC U.S. Strategic Equity Fund	
Brandywine[1]	Value
J.P. Morgan[1]	Large Cap Core
Jacobs Levy	Large Cap
William Blair[1]	Large Cap Growth
RIM[2]	Positioning Strategies, and Cash Reserves

RIC U.S. Small Cap Equity Fund	
Boston Partners[1]	Value
Calamos[1]	Growth
DRZ[1]	Value
Jacobs Levy	Market-Oriented
Lord Abbett[1]	Biotechnology
Ranger[1]	Growth
RIM[2]	Positioning Strategies, and Cash Reserves

RIC Global Equity Fund	
Algert	Market-Oriented
Intermede[1]	Growth
Sanders Capital[1]	Value
Wellington[1]	Growth/Value
RIM[2]	Positioning Strategies, and Cash Reserves

RIC International Developed Markets Fund	
Intermede[1]	Growth
Pzena[1]	Value
Wellington[1]	Growth/Value
RIM[2]	Positioning Strategies, and Cash Reserves

RIC Emerging Markets Fund	
Axiom[1]	Growth
Barrow Hanley[1]	Value
Numeric[1]	Market-Oriented
Oaktree[1]	Market-Oriented
Pzena[1]	Value
Sands Capital[1]	Growth
RIM[2]	Positioning Strategies, and Cash Reserves

RIC Global Infrastructure Fund	
Cohen & Steers[1]	Global Market-Oriented
First Sentier[1]	Global Market-Oriented
Nuveen[1]	Global Market-Oriented
RIM[2]	Positioning Strategies, and Cash Reserves

RIC Global Real Estate Securities Fund	
Cohen & Steers[1]	Global Market-Oriented
Resolution[1]	Global Market-Oriented
RREEF America[1]	Global Market-Oriented
RIM[2]	Positioning Strategies, and Cash Reserves

RIC Strategic Bond Fund	
Allspring	Specialist
RBC GAM	Specialist
Schroder	Specialist
RIM[2]	Positioning Strategies, and Cash Reserves

RIC Investment Grade Bond Fund	
MIM	Specialist
Schroder	Specialist
RIM[2]	Positioning Strategies, and Cash Reserves

RIC Opportunistic Credit Fund	
Barings	U.S. and European High Yield Bonds
Marathon	Emerging Market Bond
Voya	Securitized Credit
RIM[2]	Positioning Strategies, and Cash Reserves

RIC Short Duration Bond Fund	
MetLife	Generalist
Scout	Generalist
RIM[2]	Positioning Strategies, and Cash Reserves

RIC Long Duration Bond Fund	
RIM[3]	Long Duration Bonds

RIC Multi-Strategy Income Fund	
Algert	Global Equity
Berenberg[1]	European Equity
Boston Partners	U.S. Equity - Small Cap Value
Cohen & Steers	Global REITs Listed Infrastructure[1]
	Preferred Securities
Intermede[1]	Global Equity
Kopernik[1]	Global Equity
Man AU[1]	Asia Ex-Japan Equity
Marathon	Emerging Market Bond
MFS[1]	Global Equity
Oaktree	High Income
	Emerging Markets[1]
PineStone[1]	Global Equity
RWC[1]	Global Equity
RIM[2]	Positioning Strategies, and Cash Reserves

RIC Multi-Asset Strategy Fund	
Algert	Global Equity
Berenberg[1]	European Equity
Boston Partners	U.S. Small Cap Equity
Calamos[1]	Small Cap Growth
Cohen & Steers[1]	Global Real Estate Securities
First Sentier[1]	Global Listed Infrastructure
Intermede[1]	Global Equity
Kopernik[1]	Global Equity
Man AU[1]	Asia Ex-Japan Equity
Marathon	Emerging Market Bond
MFS[1]	Global Equity
Oaktree	High Income
	Emerging Markets[1]
PineStone[1]	Global Equity
RWC[1]	Emerging Markets
Schroder	Securitized Credit
RIM[2]	Positioning Strategies, and Cash Reserves

†Russell Investment Management, LLC (RIM) provides or oversees the provision of all investment advisory and portfolio management services for the Russell Investment Company (RIC) Funds. Money managers and strategies listed are current as of 6/30/2026. Subject to the funds' 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. Please see the Prospectus for the full legal names of the fund's money managers.
The list above only includes those money managers whose strategies have been allocated Fund assets by RIM. Please see the Funds' Prospectuses for a complete list of the Funds' money managers. (1) Indicated manager strategies are nondiscretionary; RIM manages these portions of the Fund's assets based upon model portfolios provided by the managers. (2) With respect to the portion of the Fund managed by RIM and not allocated to money manager strategies, RIM utilizes quantitative and/or rules-based processes and qualitative analysis to assess Fund characteristics and invest in securities and instruments which provide the desired exposures. RIM also manages the Fund's cash balances. (3) RIM provides all investment advisory and portfolio management services for the RIC Long Duration Bond Fund.

Manager changes

July 1, 2025 – June 30, 2026

RIC MULTI-ASSET STRATEGY FUND

- *Added:* Schroder Investment Management North America Inc. (September 10, 2025)

RIC GLOBAL REAL ESTATE SECURITIES FUND

- *Added:* Resolution Capital Limited and Resolution Capital (US) Limited (June 3, 2026)

Fund objectives, risk, 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.

IMPORTANT RISK DISCLOSURES

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.

Investments that are allocated across multiple types of securities may be exposed to a variety of risks based on the asset classes, investment styles, market sectors, and size of companies preferred by the investment managers.

Investors should consider how the combined risks impact their 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.

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.

Alternative strategies may be subject to risks related to equity securities; fixed income securities; non-U.S. and emerging markets securities; currency trading, which may involve instruments that have volatile prices, are illiquid or create economic leverage; commodity investments; illiquid securities; and derivatives including futures, options, forwards and swaps.

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 risks 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 government 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.

Small capitalization (small cap) investments generally involve stocks of companies with a market capitalization based on the Russell 2000® Index. Investments in small cap, microcap, and companies with capitalization smaller than the Russell 2000®Index are subject to the risks of common stocks, including the risks of investing in securities of large and medium capitalization companies. Investments in smaller capitalization companies may involve greater risks as, generally, the smaller the company size, the greater these risks. In addition, micro capitalization companies, and companies with capitalization smaller than the Russell 2000®Index may be newly formed with more limited track records and less publicly available information.

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.

INDEX DEFINITIONS

The Russell 3000 Index Is a U.S. stock index which includes the 3000 largest U.S. stocks as measured by market capitalization.

The Russell 2000® Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index.

The MSCI All Country World Index (ACWI) ex USA tracks global stock market performance that includes developed and emerging markets but excludes the U.S.

The MSCI EAFE (Europe, Australasia, Far East) Index is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada.

The MSCI Country Indices are a family of equity benchmarks designed to measure the stock market performance of specific nations. They cover large and mid-cap segments of each country's equity market.

The MSCI Emerging Markets Index captures large and mid-cap representation across 24 emerging markets countries.

S&P Global Infrastructure Index provides liquid and tradable exposure to 75 companies from around the world that represent the listed infrastructure universe.

The FTSE EPRA Nareit Developed Index is designed to track the performance of listed real estate companies and REITS worldwide.

The Bloomberg U.S. Aggregate Bond Index is generally representative of intermediate-term government bonds, investment grade corporate debt securities, and mortgage-backed securities.

The Bloomberg U.S. Universal Index represents the union of the US Aggregate Index, US Corporate High Yield Index, Investment Grade 144A Index, Eurodollar Index, US Emerging Markets Index, and the non-ERISA eligible portion of the CMBS Index. The index covers USD-denominated, taxable bonds that are rated either investment grade or high-yield.

The Bloomberg U.S. Treasury Bill 1-3 Month Index is designed to measure the performance of public obligations of the U.S. Treasury that have a remaining maturity of greater than or equal to 1 month and less than 3 months.

GENERAL DISCLOSURES

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