Tax-Aware Unified Models

July 2026 asset allocation changes

July 1, 2026

Russell Investments regularly assesses current market conditions alongside our capital market forecasts to determine if asset allocation positioning updates can benefit long-term outcomes in portfolios we manage.

Based on this assessment we are updating the asset allocations of the **Tax-Aware Unified Models**, effective July 23, 2026.

Overview of changes

Primary changes to the Tax-Aware Unified Models include:

- A reduction in high yield municipal bonds and an increase in investment grade municipal bonds, which seeks to reduce spread risk.
- A modest increase in US equity in most Models, reflecting shifts in global markets and a preference for pro-growth exposure.
- There is a modest repositioning of the Moderate and Growth Models to better align with investor risk preferences
- The addition of the Russell Investments International Developed Equity ETF and the Russell Investments Emerging Markets Equity ETF.
- The removal of the RIC Emerging Markets Fund.

Please refer to the table in the Appendix to see the new asset allocation for each Model Strategy.

Frequently Asked Questions

Are these adjustments expected to materially change the risk/return expectations of the Models?

The long-term risk/return expectations will not change dramatically, but the new positioning is expected to help the Models navigate near-term market conditions.

What are the tax implications of the reallocation to shareholders invested in the Models?

The tax consequences of the reallocation may vary based on the individual investor situation, the specific Model invested in, and/or the timing of the actual reallocation of the client accounts. Specific questions about tax consequences of the clients' Model account reallocation should be directed to the client's financial advisor or tax advisor. Russell Investments cannot provide tax advice. Please consult a tax consultant for further questions.

When was the last reallocation?

Russell Investments' Tax-Aware Unified Models are intended for taxable accounts of tax-sensitive investors. Because model reallocations have tax implications, these Model Strategies reallocate less frequently than Russell Investments' other multi-asset portfolios. *The last reallocation for the Tax-Aware Unified Models was in May 2023. We will continue to monitor market and economic conditions along with portfolio positioning to determine when the next reallocation will be appropriate.*

Next Steps

If you currently invest in the Tax-Aware Unified Models, please discuss these changes with your financial advisor. This reallocation could have tax implications. Please inform your tax advisor of this event.

Appendix

Tax-Aware Unified Models

Comparison of current and new target strategic asset allocations of Russell Investment Company (RIC) funds, Russell Investments Exchange Traded Funds (ETFs) and Russell Investments Separately Managed Accounts (SMAs). New target allocations effective July 23, 2026.

	CONSERVATIVE MODEL		MODERATE MODEL		BALANCED MODEL		GROWTH MODEL		EQUITY GROWTH MODEL		ALL EQUITY MODEL	
	Current	New	Current	New	Current	New	Current	New	Current	New	Current	New
RIC Tax-Managed U.S. Large Cap Fund	0%	0%	0%	0%	0%	0%	3%	3%	12%	12%	0%	0%
Large Cap Managed Account	10%	11%	19%	19%	31%	33%	37%	42%	36%	39%	56%	57%
RIC Tax-Managed U.S. Mid & Small Cap Fund	3%	2%	5%	4%	8%	6%	10%	8%	10%	8%	0%	0%
Small/Mid Cap Managed Account	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	13%	12%
RIC Tax-Managed International Equity Fund	5%	0%	11%	0%	0%	0%	3%	0%	6%	4%	0%	0%
International Managed Account	0%	0%	0%	0%	12%	12%	16%	18%	18%	19%	29%	29%
Russell Investments International Developed Equity ETF (RINT)	0%	4%	0%	7%	0%	0%	0%	0%	0%	0%	0%	0%
RIC Emerging Markets Fund	0%	0%	0%	0%	5%	0%	6%	0%	7%	0%	0%	0%
Russell Investments Emerging Markets Equity ETF (REMG)	0%	2%	0%	3%	0%	6%	0%	8%	0%	9%	0%	0%
Equity Allocation	**18%**	**19%**	**35%**	**33%**	**56%**	**57%**	**75%**	**79%**	**89%**	**91%**	**98%**	**98%**
RIC Tax-Managed Real Assets Fund	3%	3%	4%	4%	5%	5%	6%	6%	7%	7%	0%	0%
Alternative Allocation	**3%**	**3%**	**4%**	**4%**	**5%**	**5%**	**6%**	**6%**	**7%**	**7%**	**0%**	**0%**
RIC Tax-Exempt High Yield Bond Fund	17%	14%	13%	11%	10%	7%	7%	4%	0%	0%	0%	0%
RIC Tax-Exempt Bond Fund	60%	62%	46%	50%	27%	29%	10%	9%	2%	0%	0%	0%
Fixed Income Allocation	**77%**	**76%**	**59%**	**61%**	**37%**	**36%**	**17%**	**13%**	**2%**	**0%**	**0%**	**0%**
Cash	**2%**	**2%**	**2%**	**2%**	**2%**	**2%**	**2%**	**2%**	**2%**	**2%**	**2%**	**2%**
Total Portfolio Allocation	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Note: The products listed here may or may not be offered by your advisor's firm.

IMPORTANT RISK INFORMATION

Mutual fund and ETF investing involve risk. Principal loss is possible.

ETF shares are not individually redeemable and are issued and redeemed by the Fund at their net asset value (“NAV”) only in large, specified blocks of shares called creation units. Shares otherwise can be bought and sold only in the secondary market at market price (not NAV). Shares may trade at a premium or discount to their NAV in the secondary market. Brokerage commissions will reduce returns.

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.

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.

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.

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. 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.

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.

Tax-Aware Unified Models represent target allocations of Russell Investment Company funds, Russell Investments Exchange-Traded Funds and Russell Investments Separately Managed Accounts; these models are not managed and cannot be invested in directly. Tax-Aware Unified Models are exposed to the specific risks of the funds and separately managed accounts directly proportionate to their allocation. The funds and separately managed accounts comprising the models and the allocations to those funds and separately managed accounts may change in the future.

Separately Managed Accounts are a product of Russell Investment Management, LLC (RIM). Each Separately Managed Account represents a composite of model portfolios provided by RIM, in which each composite reflects model portfolios of RIM and third-party investment advisors selected by RIM. Because each client’s investment in a Separately Managed Account is implemented and overseen by a third-party investment advisor serving as a “centralized portfolio manager,” RIM provides no investment management services with respect to the Separately Managed Accounts. Investment in one or more Separately Managed Accounts is not a complete investment program.

Strategic asset allocation and diversification do not assure profit or protect against loss in declining markets.

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.

Russell Investments cannot provide tax advice. End investors should consult with financial and tax advisors before investing.

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