

EQUITY INCOME FUND

Money Manager and Russell Investments Overview



Russell Investments' approach

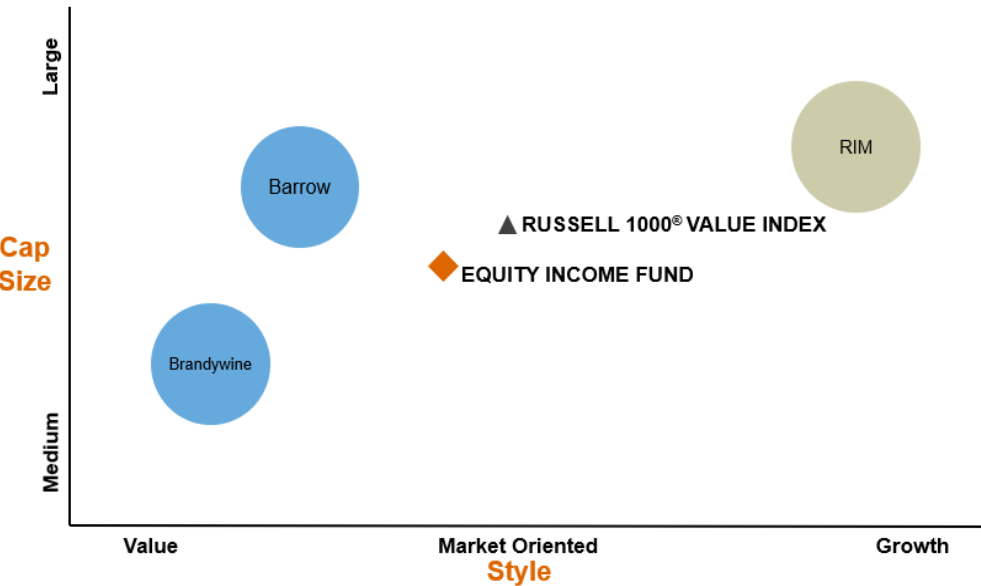
Russell Investments uses a multi-asset approach to investing, combining asset allocation, manager selection and dynamic portfolio management in its investment portfolios. Using this approach as a framework for mutual fund construction, we research, monitor, hire and terminate (subject to Fund Board approval) money managers from around the world and strategically allocate fund assets to them. We oversee all investment advisory services to the Fund and manage assets not allocated to money managers.

The Fund

The Equity Income Fund seeks to provide long term capital growth and current income. The Fund invests principally in common stocks of dividend-paying large and medium capitalization U.S. companies.

The Fund's performance benchmark is the Russell 1000® Value Index¹.

Fund mosaic



¹Indexes are unmanaged and cannot be invested in directly. The benchmark shown represents the Fund's performance benchmark, which may be different from the Fund's regulatory benchmark included in the Fund's Prospectus and Annual Reports. The Russell 1000® Value Index measures the performance of those Russell 1000® Index securities with lower price-to-book ratios and lower forecasted growth values, representative of U.S. securities exhibiting value characteristics.

This mosaic depicts, at a specific point in time, the approximate relative weighting of the managers and strategies within the Fund plotted on the basis of cap size and style against fund benchmark (▲). Positions on this mosaic change over time as allocations and holdings change. The circle size represents the relative size of each allocation in the Fund.

Russell Investments portfolio managers

Megan Roach, Senior Director, Co-Head of Equity Portfolio Management, and Nick Haupt, Portfolio Manager, Equity, have primary responsibility for the management of the Fund. Ms. Roach has managed the Fund since March 2019 and Mr. Haupt has managed the Fund since April 2022.

The portfolio managers' role

The Russell Investments 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.

Russell Investment Management, LLC (RIM) manages the Fund's liquidity reserves and may manage assets to effect the Fund's investment strategies and/or to modify the Fund's overall portfolio characteristics to seek to achieve the desired risk/return profile for the Fund.

Equity 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
Barrow, Hanley, Mewhinney & Strauss, LLC	30%	Uses a qualitative stock selection process seeking the best opportunities among dividend paying stocks, with an emphasis on dividend growth.	Value	Barrow Hanley's team-oriented approach gleans ideas from all equity portfolio managers and analysts. Their process combines valuation discipline, dividend yield focus, industry rotation, and strong company-specific research to produce a portfolio intended to generate excess returns with dividend yielding stocks.
Brandywine Global Investment Management, LLC	30%	Uses a process that relies on fundamental analysis, using quantitative screens and internal research.	Value	Brandywine is an opportunistic relative value manager. The strategy focuses primarily on deep value stocks but may include certain moderately valued stocks when they have been in favor due to positive fundamental trends at the industry and/or company-specific level.
Russell Investment Management, LLC (RIM)*	40%	The active positioning strategy in this Fund allows the Russell Investments Portfolio Managers 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 Managers.	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.

All underlying third-party money managers of this Fund are non-discretionary money managers. RIM manages the respective portions of the Fund’s assets based upon model portfolios provided by each firm.

*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.

Equity Income Fund

Barrow, Hanley, Mewhinney & Strauss, LLC

Firm background

Barrow, Hanley, Mewhinney & Strauss, LLC provides value-oriented investment strategies (equity and fixed) to institutional investors, mutual funds, and family offices. Barrow Hanley is an affiliate of Perpetual Ltd.

Headquarters: Dallas, TX

Founded: 1979

Lead managers: Brian Quinn, Pranay Laharia, and Brad Kinkelaar

Asset class: U.S. equity

Number of holdings: 35-45

Capitalization level: Large cap

Manager profile

Barrow, Hanley, Mewhinney & Strauss, LLC (Barrow Hanley) was added to the Equity Income Fund in 2013. Brian Quinn, CFA, Managing Director, Pranay Laharia, CFA, and Brad Kinkelaar, Managing Director, make up the team of portfolio managers on Barrow Hanley’s assigned portion of the Equity Income Fund.

As a non-discretionary manager to the Fund, Barrow provides a model portfolio to Russell Investment Management, LLC (RIM) representing Barrow’s investment recommendations, based upon which RIM purchases and sells securities for the Fund. RIM may deviate from the model portfolio provided by Barrow, but generally intends to implement the portfolio provided by Barrow.

What this manager brings to the Fund

Barrow Hanley’s team-oriented approach gleans ideas from all equity portfolio managers and analysts. Their process combines valuation discipline, dividend yield focus, industry rotation, and strong company-specific research to produce a portfolio intended to generate excess returns with dividend yielding stocks.

Investment process

Barrow Hanley uses a qualitative stock selection process to seek what it believes to be the best among dividend paying stocks. The firm uses an opportunistic approach to managing a dividend-oriented product, including an emphasis on a company’s ability to increase dividends (i.e., dividend growth).

Russell Investments believes the portfolio managers’ willingness to look in new places for dividend yield demonstrates what will be an important success factor for seeking future excess returns in dividend yield strategies. Russell Investments believes Barrow Hanley has the right combination of valuation discipline, dividend yield focus, industry rotation, and strong company-specific research to provide added value to the Fund.

Russell Investments’ manager analysis

This firm’s strategy is expected to perform well when the market rewards relatively undervalued stocks that are demonstrating growth of cash flows and dividends.

In certain deep value rebounds led by stocks of companies that are not cash flow positive, Barrow Hanley may lag the benchmark. Additionally, when “rebound” earnings growth is rewarded in the market, with less focus on sustainability of cash flow generation, the firm’s strategy may lag.

Equity Income Fund

Brandywine Global Investment Management, LLC

Firm background

Brandywine Global Investment Management, LLC offers a broad array of fixed income, equity, alternatives, and asset allocation strategies that seek value across global markets. The firm is a wholly owned, independently operated subsidiary of Franklin Resources, Inc. and is headquartered in Philadelphia with office locations in Singapore and London.

Headquarters: Philadelphia, PA
Founded: 1986
Lead manager: Patrick Kaser, Celia Hoopes

Asset class: U.S. equity
Number of holdings: 50-75
Capitalization level: Large cap

Manager profile

Brandywine Global Investment Management, LLC (Brandywine) was added to the Equity Income Fund in 2015. The strategy is led by portfolio managers Patrick Kaser, CFA, and Celia Hoopes, CFA.

As a non-discretionary manager to the Fund, Brandywine provides a model portfolio to Russell Investment Management, LLC (RIM) representing Brandywine's investment recommendations, based upon which RIM purchases and sells securities for the Fund. RIM may deviate from the model portfolio provided by Brandywine, but generally intends to implement the portfolio provided by Brandywine.

What this manager brings to the Fund

Brandywine is an opportunistic relative value manager. The strategy focuses primarily on deep value stocks but may include certain moderately valued stocks when they have been in favor due to positive fundamental trends at the industry and/or company-specific level.

Investment process

Brandywine uses an approach that relies significantly on fundamental analysis. Brandywine builds a portfolio based on quantitative screens and internal research. The firm has a broad definition of value, and Russell Investments believes it considers a broader universe of stocks than most other dividend-oriented managers. The firm also looks for above-average yields within industries and generally excludes companies that do not pay dividends at the time of purchase. Dividend paying companies receive greater emphasis.

Rigorous fundamental analysis is conducted to identify those companies the firm believes have the best potential to benefit the portfolio. Within the universe of undervalued securities, the firm seeks to identify the best combination of valuation characteristics, earnings growth, and quality. Conclusions are based on a company's financial condition, competitive position in its industry, and quality of management. Close attention is paid to the cash flow statement in order to evaluate the strength and security of the dividend. Brandywine also focuses on long-term macroeconomic conditions and industry trends to identify and measure the risks associated with a company's business.

Russell Investments' manager analysis

Russell Investments believes Brandywine is small enough to allow for efficient communication and implementation while having the critical mass to be well resourced and financially stable.

The firm's strategy is expected to perform well when stocks that tend to have lower valuation ratios than the index do well. The strategy is expected to struggle in a flight to quality scenario when the market begins expecting recession-like, risk-off situations.

Equity 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 Management, L.P. with minority stakes held by funds managed by Reverence Capital Partners, L.P., certain of Russell Investments' employees, and Hamilton Lane Advisors, LLC. 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

Asset class: U.S. equity

Number of holdings: 200-300

Capitalization level: Large cap

RIM oversees all investment advisory services to the Fund and manages assets not allocated to managers.

Manager and strategy oversight

RIM's portfolio managers seek to ensure that 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 the portfolio manager 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, including tactical tilts, 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 reflect Russell Investments' strategic and dynamic insights with integrated liquidity and risk management.

The positioning strategy used in this Fund is a dedicated portion of the Fund assets that can be rebalanced as needed by the portfolio managers to keep the total portfolio aligned with Russell Investments' strategic beliefs (e.g., value, momentum, quality and volatility) as well as the Fund's preferred positioning. This allows the portfolio managers to express Russell Investments' views across multiple factor and industry exposures simultaneously while regularly adapting to changing markets and manager portfolios. The positioning strategy will focus on higher quality companies with potential for an attractive yield and a track record of growing their dividends.

Managing the liquidity reserve

Every RIC 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 the performance of appropriate markets by purchasing equity securities and/or derivatives (also known as "equitization"), which typically includes index futures contracts. The Fund invests any remaining cash in an unregistered cash management fund advised by RIM.

For more information on Russell Investment Company Funds, contact your investment professional or plan administrator for assistance.

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.

IMPORTANT RISK DISCLOSURES

Mutual Fund investing involves risks, principal loss is possible.

Money managers listed are current as of September 30, 2025. 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.

Value investments focus on stocks of income-producing companies whose price is low relative to one or more valuation factors, such as earnings or book value. Such investments are subject to risks that their intrinsic values may never be realized by the market, or such stock may turn out not to have been undervalued. Investors should carefully consider the additional risks involved in value investments.

The Fund may also invest in foreign securities, which may be more volatile than investments in U.S. securities and will be subject to fluctuation and sudden economic and political developments. The Fund may also invest in non-investment grade fixed-income securities, which involve higher volatility and higher risk of default than investment grade bonds.

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.

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 generally involve stocks of companies with a market capitalization based on the Russell 1000 Value Index. 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.

Defensive style emphasizes investments in equity securities of companies that are believed to have lower than average stock price volatility, characteristics indicating high financial quality, (which may include lower financial leverage) and/or stable business fundamentals.

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 Management, L.P., with a significant minority stake held by funds managed by Reverence Capital Partners, L.P. Certain of Russell Investments' employees and Hamilton Lane Advisors, LLC also hold minority, non-controlling, ownership stakes.

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