

# STRATEGIC BOND 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 Strategic Bond Fund seeks to provide total return. The Fund invests, under normal circumstances, at least 80% of its net assets in bonds.\*

The Fund's performance benchmark is the Bloomberg U.S. Aggregate Bond Index<sup>§</sup>.

### Money manager skill set\*\*

The table below provides an overview of the primary focus the money managers take in this Fund. This is not intended to be a comprehensive list of the managers' capabilities.

MANAGER	Interest-rate timing (duration / yield)	Mortgage-backed securities	Corporate bonds	Government debt	Emerging market debt	Currency
Allspring			•			
RBC GAM <sup>#</sup>	•			•	•	•
Schroder		•				

\*See the Fund's Prospectus for additional information regarding this non-fundamental investment policy.

<sup>§</sup>Indexes 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 Bloomberg U.S. Aggregate Bond Index measures the investment grade, USD-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, mortgage-backed securities (MBS) (agency fixed-rate and hybrid ARM pass-throughs), asset-backed securities (ABS), and commercial mortgage-backed securities (CMBS) (agency and non-agency).

### Russell Investments portfolio manager(s)

Brian Pringle, Senior Director, Head of North America Fixed Income, Riti Samanta, Senior Director, Co-Head of Fixed Income, and Keith Brakebill, Senior Director, Co-Head of Fixed Income, have primary responsibility for the management of the Fund. Mr. Pringle and Ms. Samanta have managed the Fund since January 2025. and Mr. Brakebill has managed the Fund since November 2025.

### 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.

\*\*Manager skill sets definitions:

Interest rate timing (duration/yield) – Interest rate timing anticipates the magnitude and direction of interest rates in both the U.S. and/or internationally.

Mortgage-backed securities – Mortgage-backed securities are bonds backed by a pool of mortgages. Investors receive payments out of the interest and principal of the underlying mortgages.

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

High yield – Bonds that are ranked lower by ratings agencies because they have a relatively higher chance of default and therefore generally offer a higher yield in return for the higher risk, higher volatility and higher risk of default than investment grade bonds.

Emerging Market Debt – Emerging market debt (EMD) may include obligations of governments and corporations in countries with emerging markets.

Currency – Currency involves investing in foreign currencies with an expectation that the value of the currency will either rise or fall vs. the U.S. dollar.

<sup>#</sup>RBC GAM refers to RBC Global Asset Management (U.S.) Inc. and RBC Global Asset Management (UK) Limited.

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

# Strategic Bond Fund

## Managers and Strategies Summary & Target allocation of fund assets

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
Allspring Global Investments, LLC	15%	Allspring's investment process focuses on bottom-up security selection and relies heavily on the credit research team performing in-depth fundamental analysis to source securities that are positioned to deliver strong risk adjusted performance over time.		Allspring's strategy focuses on the team's ability to extract value from investment grade out-of-index bond issues aiming to harvest size and liquidity premia within the investible investment grade universe for the portfolios.
RBC Global Asset Management (U.S.) Inc. and RBC Global Asset Management (UK) Limited	8%	RBC GAM# brings a global government bond strategy to the Fund.	Specialist	RBC GAM's strategy seeks to add value primarily through relative value decisions among global government bonds and secondarily through active interest rate and currency decisions.
Schroder Investment Management North America, Inc.	30%	Schroder plays the role of securitized credit specialist in the Fund seeking to add value through security and sub-sector selection within that market.	Specialist	Schroder's strategy emphasizes security selection across securitized credit sectors with a specialty in residential housing.
Russell Investment Management, LLC (RIM)*	47%	Directly manages multiple positioning strategies to seek to tilt the Fund across a variety of dimensions including credit, currency and interest rate factors.	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 strategies, which help the Fund to achieve its desired risk/return profile. RIM also manages the Fund's liquidity reserve.

#RBC GAM refers to RBC Global Asset Management (U.S.) Inc. and RBC Global Asset Management (UK) Limited.

\*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.

Strategic Bond Fund

# Allspring Global Investments, LLC

Firm background

Allspring was formed via a lift out of Wells Fargo Asset Management ("WFAM") from Wells Fargo Bank in 2021. The firm is headquartered in Charlotte, North Carolina.

**Headquarters:** Charlotte, NC

**Founded:** 1981

**Lead manager:** Scott Smith

**Asset class:** Fixed income

**Number of holdings:** 150-300

Manager profile

Allspring Global Investments, LLC (Allspring) was added to the Strategic Bond Fund in 2024. Scott Smith is the lead investment manager.

What this manager brings to the Fund

Allspring brings an experienced team with a strong focus on investment-grade credit to the Fund. Perhaps the most relevant proposition of this strategy focuses on the team's ability to extract value from investment grade out-of-index bond issues aiming to harvest size and liquidity premia within the investible investment grade universe for the portfolios. Their disciplined investment process has delivered consistent risk-adjusted returns, outperforming benchmarks through thoughtful issuer selection and relatively low portfolio turnover.

Investment process

The investment process focuses on bottom-up security selection relies heavily on the credit research team performing in-depth fundamental analysis to source securities that are positioned to deliver strong risk adjusted performance over time. The credit research team participates in a monthly macro strategy meeting where they discuss the global and US outlook, macro sector themes, as well as key rate duration and credit curves strategies.

Russell Investments' manager analysis

Russell Investments believes the strategy stands out versus peers due to its strong security selection proposition within the investment grade universe. The investment process shows expertise in extracting value from relatively smaller issuers (size in the context of this discussion is measured by outstanding par amount) within the investment grade universe and displays a robust profile in terms of risk adjusted returns, mainly due to its low volatility and positive performance over the last ten years.

Allspring's Investment Grade Income Team includes 13 well-tenured investment professionals. Team head and senior portfolio manager Scott Smith, CFA, is a seasoned investor with 36 years' experience and is the chair of their investment committee. Senior portfolio managers Jonathan Terry, CFA and Mira Park, CFA have an average of 19 years' experience, while the remaining 10 portfolio managers and investment professionals have an average of 17 years' experience. RIM considers Scott and Jonathan to be high caliber investment professionals and key to the process.

Strategic Bond Fund

# RBC Global Asset Management (U.S.) Inc. and RBC Global Asset Management (UK) Limited

Firm background

RBC Global Asset Management (U.S.) Inc. and RBC Global Asset Management (UK) Limited is an institutional, fixed income specialist and is a wholly-owned subsidiary of Royal Bank of Canada.

**Headquarters:** London, UK

**Founded:** 2001

**Lead manager:** Mark Dowding

**Asset class:** Fixed income

**Number of holdings:** 40-75

Manager profile

RBC Global Asset Management (U.S.) Inc. and RBC Global Asset Management (UK) Limited (RBC GAM<sup>#</sup>) was added to the Strategic Bond Fund in 2023. Mark Dowding is the lead investment manager.

What this manager brings to the Fund

RBC GAM brings a global government bond strategy to the Fund which seeks to add value primarily through relative value decisions among global government bonds and secondarily through active interest rate and currency decisions. The strategy opportunistically seeks to invest in better quality high yield securities (in anticipation of rating migration to investment grade) and emerging market crossover names (e.g. Slovenia, Latvia and Lithuania). Non-European sovereigns such as Mexico and Chile are used to a lesser degree but may be included in the strategy depending on relative attractiveness.

Investment process

RBC GAM's weekly investment committee—comprised of all senior portfolio managers and chaired by Dowding—sets the firm's investment outlook based on a broad range of fundamental, valuation, and technical factors. Based on this, macro alpha sources are identified, and the issuer universe is blended by liquidity, credit quality, sector and issuer spread. Relative value analysis is blended with fundamental bottom-up analysis and shorter-term market technicals. All macro and sovereign credit outputs are recorded on a scale from -5 (most bearish) to +5 (most bullish) and fed into the portfolio management process, including target positions. Meetings with policy makers, local investors, and other relevant parties are important inputs in the sovereign analysts' forecasts of a country's fundamental trade as well as skillful assessments of relative value and technical considerations by Dowding and his team, particularly with respect to higher-yielding countries and Eastern Europe.

Russell Investments' manager analysis

RBC GAM has demonstrated skill in actively rotating long and short across government bonds to express these relative value views in a way that is not persistently directional or heavily biased toward emerging markets. RBC GAM has tended to be long spread in European higher-yielding countries such as Italy, Greece and lesser known countries like Slovenia and Iceland. However, they have also shown willingness to be tactical short to add value in these areas when prices are too tight in their estimation. Russell Investments believes this can have the effect of reducing the systematic long risk bias in their strategy and making it a better potential diversifier for the Fund. RBC GAM will utilize derivatives in its strategy, including currency forwards, interest rate futures and swaps to reflect long, short and relative value views among currencies, rates and credit. RIM believes RBC GAM is experienced in these markets and has the resources to manage such exposures effectively. Given that RBC GAM trades exhibit variability in direction, its performance relies on its ability to accurately forecast movements in diverse government rates and currencies.

Russell Investments views Mark Dowding as a highly experienced and insightful investor, particularly in sovereign credit analysis.

<sup>#</sup>RBC GAM refers to RBC Global Asset Management (U.S.) Inc. and RBC Global Asset Management (UK) Limited.

Strategic Bond Fund

# Schroder Investment Management North America, Inc.

Firm background

Schroder Investment Management North America, Inc. manages assets on behalf of institutional and retail investors, financial institutions and high net worth clients from around the world, invested in a broad range of asset classes across equities, fixed income, multi-asset and alternatives.

**Headquarters:** New York, NY  
**Founded:** 1979  
**Lead manager:** Michelle Russell-Dowe

**Asset class:** Fixed income  
**Number of holdings:** 75-150

Manager profile

Schroder Investment Management North America, Inc. (Schroder) was added to the Strategic Bond Fund in 2016, when Brookfield Investment Management Inc.'s securities product team was purchased by Schroder. The strategy is led by Michelle Russell-Dowe, and a deep team of senior investment professionals and investment specialists across different sectors for credit analysis and modeling.

What this manager brings to the Fund

Schroder's strategy is focused on mortgage-backed securities. Schroder will use Treasury futures to manage duration positioning of their portfolio around the benchmark.

Investment process

Schroder is a mortgage-backed and asset-backed investment specialist. Its process tends to be credit intensive, rather than technical in nature. Schroder specializes in structured products (asset-backed securities and mortgage-backed securities) with an investment philosophy that is predicated on relative value. Russell Investments believes that with experienced investment professionals, a comprehensive analytical platform and a dedicated investment process that emphasizes security selection, Russell Investments believes that Schroders can successfully identify and capture relative value opportunities.

Schroder's investment approach begins with the identification of fundamental and technical factors that are responsible for performance in each asset class or sub-sector. Once areas of opportunity are identified, the firm performs an in-depth security analysis to build portfolios. Investments will be made across the credit spectrum with an emphasis on securities that it believes present high yields and total return opportunities.

Russell Investments' manager analysis

Russell Investments believes that Schroder is a compelling securitized sector specialists and that Russell-Dowe is a knowledgeable investor in the mortgage market with an excellent analytical system for evaluating structured securities, particularly mortgage-backed securities.

Russell Investments believes that Schroder's modest asset base should allow them the flexibility to be nimble in the securitized sector, taking on and off exposures without impacting markets.

Schroders will typically perform well when securitized credit performs well and conversely may lag when securitized credit underperforms. Securitised credit typically performs well during risk on environments.

Strategic Bond 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:** Fixed income  
**Number of holdings:** 150-300

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 by RIM 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.

RIM employs multiple positioning strategies within the Fund to seek to tilt the Fund across a variety of dimensions including credit, currency and interest rate factors. Positioning strategies may change at any time as market conditions and needs of the Fund change.

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](https://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.

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.

The Fund may invest in derivatives, including futures, options, forwards and swaps. Investments in derivatives may cause the Fund's losses to be greater than if it invests only in conventional securities and can cause the Fund to be more volatile. Derivatives involve risks different from, or possibly greater than, the risks associated with other investments. The Fund's use of derivatives may cause the Fund's investment returns to be impacted by the performance of securities the Fund does not own and result in the Fund's total investment exposure exceeding the value of its portfolio.

Non-U.S. markets and emerging or developing markets entail different risks than those typically associated with U.S. markets, including currency fluctuations, political and economic instability, accounting changes and foreign taxation. Non-U.S. securities may be less liquid and more volatile than the U.S., and emerging markets securities may be less liquid and more volatile than U.S. and longer-established non-U.S. markets.

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.

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

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.

Frank Russell Company is the owner of the Russell trademarks contained in this material and all trademark rights related to the Russell trademarks, which the members of the Russell Investments group of companies are permitted to use under license from Frank Russell Company. The members of the Russell Investments group of companies are not affiliated in any manner with Frank Russell Company or any entity operating under the "FTSE RUSSELL" brand.

**Securities products and services offered through Russell Investments Financial Services, LLC member FINRA, part of Russell Investments.**

Copyright © 2025 Russell Investments Group, LLC. All rights reserved. This material is proprietary and may not be reproduced, transferred, or distributed in any form without prior written permission from Russell Investments. It is delivered on an "as is" basis without warranty.

Date of First Use: January 2025. Revised November 2025.

RIFIS-26287 (Exp. 07/27)