

TAX-MANAGED U.S. LARGE CAP FUND

Money Manager and Russell Investments Overview



Russell Investments' approach

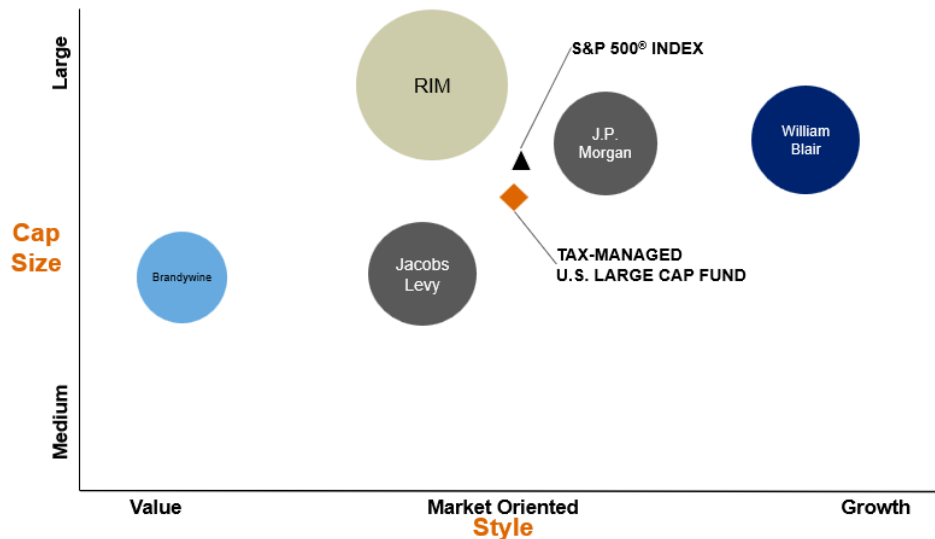
Russell Investments uses a multi-asset approach to investing, combining asset allocation, manager selection and dynamic portfolio management in its investment portfolios. Using this approach as a framework for mutual fund construction, we research, monitor, hire and terminate (subject to Fund Board approval) 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 Tax-Managed U.S. Large Cap Fund seeks to provide long term capital growth on an after-tax basis. The Fund invests principally in common stocks of large capitalization U.S. companies. The Fund seeks to realize capital growth while considering shareholder tax consequences arising from its portfolio management activities.

The Fund's performance benchmark is the S&P 500® Index[§].

Fund mosaic



Russell Investments portfolio manager(s)

Megan Roach, Senior Director, Co-Head of Equity Portfolio Management, and Nick Haupt, Senior 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.

[§]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 S&P 500® Index is an index, with dividends reinvested, of 500 issues representative of leading companies in the U.S. large cap securities market (representative sample of leading companies in leading industries).

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.

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

Tax-Managed U.S. Large Cap 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 (“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
Brandywine Global Investment Management, LLC	12%	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.
Jacobs Levy Equity Management, Inc. (“Jacobs Levy”)	17%	Selects securities based on intensive modeling, financial research and behavioral theory, along with quantitative and statistical methods in order to seek to identify and potentially benefit from market inefficiencies.	Market-oriented	Jacobs Levy calculates a composite alpha forecast comprised of a broad cross-section of predictive models. The team uses statistical methods to "disentangle" the individual returns of a wide variety of factors that the investment professionals believe drive stock returns.
J.P. Morgan Investment Management Inc.	14%	Uses broad research-based stock selection with disciplined portfolio construction.	Market-oriented	The firm uses a disciplined approach to construct the portfolio. Stock selection is based on a dividend discount model and research analysts' proprietary inputs.
William Blair Investment Management, LLC	17%	Prefers stocks with high financial quality that are expected to generate sustainable, above market growth that is not well understood by the market.	Growth	William Blair invests in stocks that can generate better than average returns by compounding earnings growth at a higher-than-average rate. Sustainability of that growth is evaluated through a research process that focuses on industry level market growth, as well as the strength of business models and competitive advantages at the stock level.
Russell Investment Management, LLC (RIM)*	40%	Directly manages a positioning strategy within the Fund, which is designed with the dual mandate of improving the Fund's after-tax returns as well as controlling Fund-level exposures and/or risks to meet preferred positioning. The active tax management aspect of the strategy is focused on improving the after-tax returns of the Fund by using tax loss harvesting, deferral of gains, tax-lot management, and management of wash sales. This activity takes places across the entire Fund.	Positioning Strategies, Tax Management, and Cash Balances	RIM oversees all investment advisory services to the Fund and manages all Fund assets. This includes the Fund's positioning strategy, which helps the Fund to achieve its desired risk/return profile, and the active tax management strategy that is implemented across the entire Fund. RIM also manages the Fund's liquidity reserve.

All underlying third-party money managers of this Fund are non-discretionary money managers. Russell Investment Management, LLC manages the respective portions of the Fund's assets based upon model portfolios provided by each firm.

*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. RIM's positioning strategies utilize 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.

Tax-Managed U.S. Large Cap 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 Templeton and is headquartered in Philadelphia with office locations in Singapore, Columbus, Sydney, and London.

Headquarters: Philadelphia, PA
Founded: 1986
Lead managers: 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 Tax-Managed U.S. Large Cap Fund in 2022. Brandywine is a non-discretionary money manager in the Fund. The strategy is led by portfolio manager Patrick Kaser, co-portfolio manager Celia Hoopes, and director of research Jim Clarke.

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 where the market expects an economic slowdown and recession-like conditions.

Tax-Managed U.S. Large Cap Fund

Jacobs Levy Equity Management, Inc.

Firm background

Jacobs Levy Equity Management, Inc. is an independent quantitative equity manager focused exclusively on U.S. equity portfolios.

Headquarters: Florham Park, NJ

Founded: 1986

Lead managers: Bruce Jacobs, Ph. D. and Ken Levy, CFA

Asset class: U.S. equity

Number of holdings: 100-250

Capitalization level: Large cap

Manager profile

Russell Investments added Jacobs Levy Equity Management Inc. (Jacobs Levy) to the Tax-Managed U.S. Large Cap Fund in 2025. Bruce Jacobs, Ph.D. and Ken Levy, CFA are responsible for the firm’s investment process, and they are supported by a team of experienced research professionals. As a non-discretionary manager in this Fund, Jacobs Levy provides a model portfolio to Russell Investment Management, LLC (RIM) representing their investment recommendations, based upon which RIM purchases and sells securities for the Fund. RIM may deviate from the model portfolio provided by Jacobs Levy but generally intends to implement this portfolio.

What this manager brings to the Fund

Jacobs Levy selects securities based on intensive modeling, financial research and behavioral theory, along with quantitative and statistical methods in order to seek to identify and potentially benefit from market inefficiencies.

Investment process

Jacobs Levy calculates a composite alpha forecast comprised of a broad cross-section of predictive models. The team uses statistical methods to "disentangle" the individual returns of a wide variety of factors that the investment professionals believe drive stock returns. The relative weights of the specific factors in the overall model vary by expected reward, demonstrated consistency in performance, and typically to a lesser extent, market and macroeconomic environment as well as calendar period. When extreme opportunities present themselves, the macroeconomic signals can play a meaningful role in determining portfolio exposures. At times, the relative weighting scheme will increase or decrease the emphasis of a subset of models within the broad factor set. Jacobs Levy’s security selection models are among the most complex and multi-dimensional that RIM has encountered in the peer universe.

Jacobs Levy actively assesses its portfolio positioning and rotates factor exposures based on identified attractive opportunities. Their portfolio tends to be value-biased and smaller cap than their respective benchmark. As such, RIM expects Jacobs Levy to perform well relative to benchmark during periods favoring small and mid-cap stocks and/or more moderately valued stocks. Conversely, RIM expects Jacobs Levy to face headwinds when mega cap stocks and/or higher growth stocks outperform. RIM expects that the dynamic nature of Jacobs Levy’s factor exposures may result in less persistent scenario-dependence than many of its quantitative peers.

Russell Investments’ manager analysis

Bruce Jacobs and Ken Levy founded Jacobs Levy and developed the underlying investment process. RIM believes that Jacobs and Levy are thought leaders within the U.S. quantitative management industry and demonstrate a commitment to high quality quantitative research and model development. RIM believes they are experienced and offer a unique insight regarding quantitative equity investing. RIM also has a positive view of the research professionals who support Jacobs and Levy in model development.

RIM believes Jacobs Levy has demonstrated a valuable combination of thought leadership, rigorous testing, statistical knowledge and economic intuition, and that Jacobs Levy’s model is well equipped to adapt to various market environments.

Tax-Managed U.S. Large Cap Fund

J.P. Morgan Investment Management, Inc.

Firm background

J.P. Morgan Investment Management Inc. is an asset manager providing services to institutions, individuals and financial intermediaries, worldwide.

Headquarters: New York, NY

Founded: 1871

Lead manager: Tim Snyder

Asset class: U.S. equity

Number of holdings: 150-180

Capitalization level: Large cap

Manager profile

J.P. Morgan Investment Management Inc. (J.P. Morgan) was added to the Tax-Managed U.S. Large Cap Fund in 1996. Tim Snyder leads this market-oriented manager assignment at J.P. Morgan.

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

What this manager brings to the Fund

The firm uses a disciplined approach to construct the portfolio. Stock selection is based on J.P. Morgan's research analysts' Expected Return valuation rankings combined with complementary quantitative stock selection factors.

Investment process

The firm seeks to achieve investment results through stock selection grounded in their proprietary fundamental research and disciplined portfolio construction. Individual securities are ranked within industry sectors on the attractiveness of their valuations, using a discounted cash flow framework. The earnings and cash flow estimates are entered into the discounted cash flow model together with current stock prices. The valuation model then computes an expected rate of return for each stock, which is used to rank securities across sectors. The portfolio managers combine the analysts' valuation rankings with complementary quantitative signals to select the stocks with the highest expected returns, seeking to emphasize stock selection while minimizing unintended factor and sector exposures.

Russell Investments' manager analysis

J.P. Morgan will likely perform best in market environments where long-term fundamental expectations are rewarded. The strategy is expected to be challenged in market environments driven by macro shocks or periods during which valuations are largely ignored.

Tax-Managed U.S. Large Cap Fund

William Blair Investment Management, LLC

Firm background

William Blair Investment Management, LLC focuses solely on active management and employs disciplined, analytical processes across a wide range of strategies, including U.S. equity, non-U.S. equity, U.S. fixed income, emerging markets debt, and multi-asset.

Headquarters: Chicago, IL
Founded: 1935
Lead managers: David Ricci, Jim Golan

Asset class: U.S. equity
Number of holdings: 30-40
Capitalization level: Large cap

Manager profile

William Blair Investment Management, LLC (William Blair) was added to the Tax-Managed U.S. Large Cap Fund in 2022. Strategy decisions are made in tandem by portfolio managers David Ricci and Jim Golan.

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

What this manager brings to the Fund

William Blair invests in stocks that it believes can generate better than average returns by compounding earnings growth at a higher-than-average rate. Sustainability of that growth is evaluated through a research process that focuses on industry level market growth, as well as the strength of business models and competitive advantages at the stock level.

Investment process

Since William Blair believes that the market tends to focus on near-term earnings results, they seek stocks that can generate higher than average growth over a 2–3-year period, where the growth sustainability is not well understood by the market. The team assesses whether growth is under-appreciated by considering the valuation of a stock and attempting to understand consensus revenue and earnings expectations. The team focuses on two main types of quality growth; the first being stocks with higher than average, sustainable earnings growth rates, high earnings visibility, and reasonable valuations and the second being stocks with long-term sustainable growth but are experiencing near-term earnings weakness and discounted valuations.

Russell Investments' manager analysis

This firm's strategy is expected to perform well in periods of moderate to decelerating economic growth and the strategy is expected to be challenged in periods where the market is experiencing periods of unusually high, relatively unsustainable growth, commonly seen in the early stages of an economic recovery.

Tax-Managed U.S. Large Cap 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, TAX
MANAGEMENT & CASH RESERVES

Asset class: U.S. equity
Number of holdings: 50-300
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 positioning strategy within the Fund, which is designed with the dual mandate of improving the Fund's after-tax returns as well as controlling Fund-level exposures and/or risks to meet preferred positioning. Positioning strategies are customized portfolios directly managed by RIM 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 active manager strategies 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 manager 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 manager to express Russell Investments' views across multiple factor and sector exposures while adapting to changing markets and manager portfolios.

Additionally, this strategy, in conjunction with Russell Investments' overall management of the total fund, also engages in active tax management strategies such as tax-loss harvesting, deferral of gains, tax-lot management and management of wash sales in order to further enhance the Fund's after-tax returns. Russell Investments' management of the entire fund allows Russell Investments to purchase and sell securities in an effort to make optimal tradeoffs at the total fund level between fund exposures and tax management activities. Russell Investments also strives to enhance the ongoing tax efficiency of the Fund by seeking to manage wash sales and controlling the tax management associated with manager weight changes and transitions.

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.

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

Money managers listed are current as of June 4, 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.

While the investment styles employed by the money managers are intended to be complementary, they may not in fact be complementary. A multi-manager approach could result in more exposure to certain types of securities. This 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.

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

Russell Investments cannot provide tax advice. Please consult a tax consultant for further questions and/or prior to investing.

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: June 2025.

RIFIS-26566 (Exp. 12/27)