RUSSELL INVESTMENTS'
TAX-MANAGED SOLUTIONS

Russell Investments

The potential benefits of year-round active tax-managed investing

Market pullback in Q1 2020: the up side of down

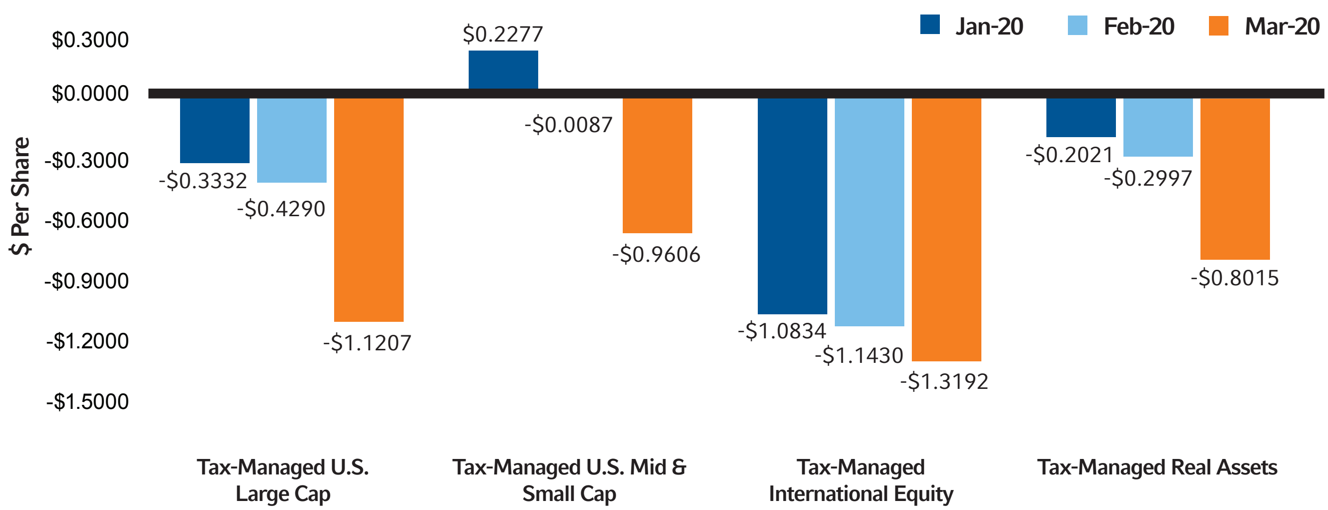
After coming out of a strong 2019 where global equities (represented by the MSCI World Index) returned 27.7%, the hope for continued positive momentum for 2020 faded abruptly as investors learned of the COVID-19 global pandemic. Global equities lost -8.5% in February 2020 and another -13.2% in March, for a total quarterly decline of -21.1%. From peak to trough, global equities fell as much as -34%, marking the first pullback of more than -20% since 2011.

While any period of market volatility can be challenging, there may be a silver lining for taxable investors who scrutinize their tax bill and may have large accumulated capital gains in their portfolios. This silver lining comes in the form of tax loss harvesting, where losses within a portfolio are realized with the intention of being used to offset realized gains in the future to reduce or eliminate tax bills. Drawdowns with the magnitude of what was experienced in February and March of 2020 can be particularly meaningful because of the significant amount of losses that may be able to be harvested within portfolios. This is exactly what Russell Investment Company (RIC) Tax-Managed Funds achieved in Q1 2020.

RIC Tax-Managed Funds in Q1 2020

For many investors it is common to wait until year-end to attempt any tax loss harvesting activities. However, in the following charts, you'll see the positive impact active tax loss harvesting during February and March had on the estimated capital gains for our Tax-Managed Funds.

RIC Tax-Managed Funds (Class S) - Estimated Fiscal Year-to-Date Capital Gain and Loss Activity /
Dollars Per Share (Estimates as of March 31, 2020)



Source: Russell Investments

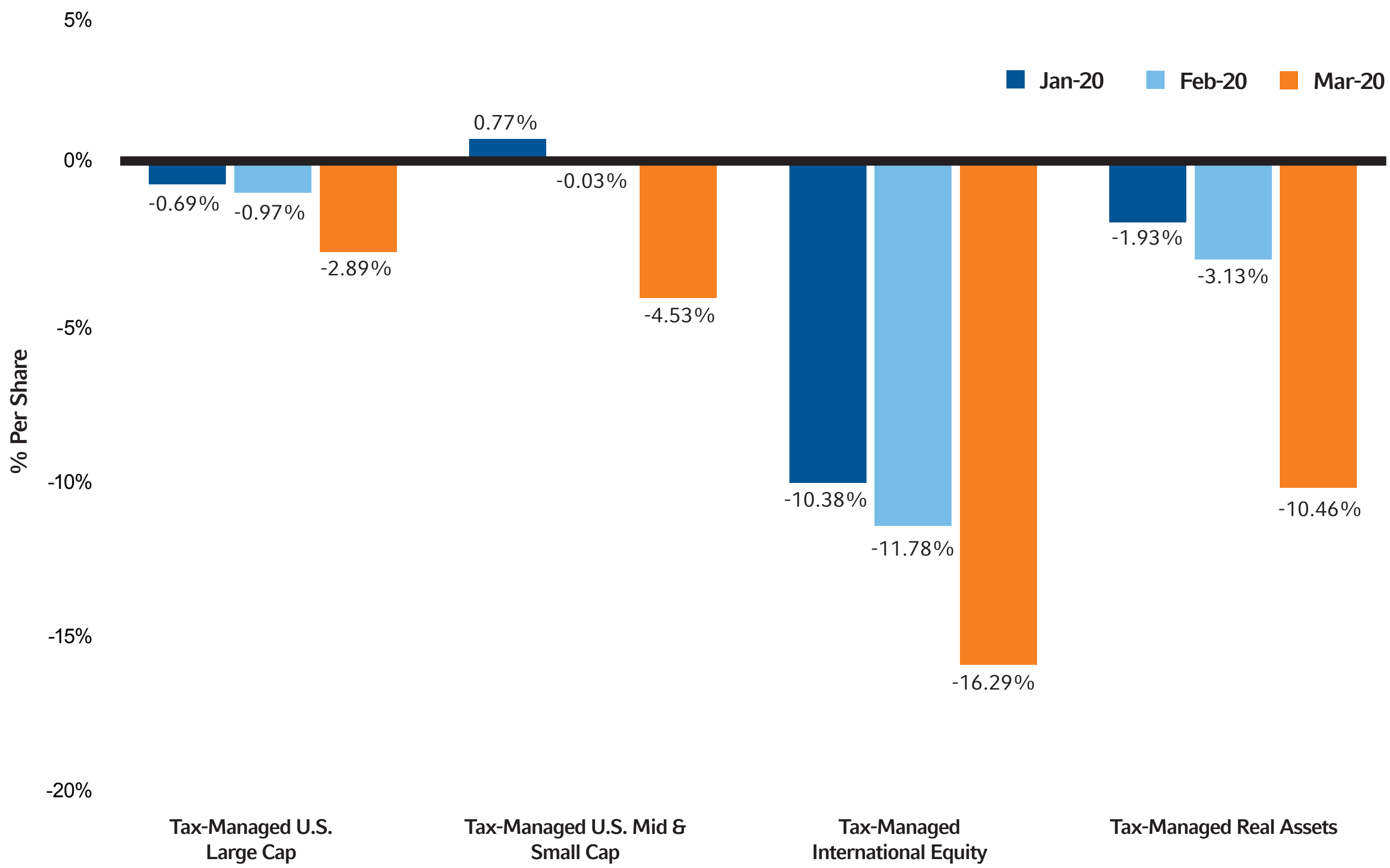
There are no assurances that the investment goals and objectives stated in this material will be met.

Each of the Tax-Managed Funds was able to materially improve their tax standing since the start of the year with the volatility of February and March. All funds were able to either increase existing capital losses within the funds or eliminate estimated capital gains. Let's take each of these in turn:

- The Tax-Managed U.S. Large Cap Equity Fund, which already included a capital loss carryforward, was able to increase the loss per share more than 3-fold from $0.33 to $1.12 per share.
- The Tax-Managed U.S. Mid & Small Cap Equity Fund—the only fund to end January with an estimated capital gain—was able to eliminate the estimated $0.23 gain from January by the end of February. By March, the capital loss increased significantly to almost $1 per share.
- The Tax-Managed International Equity Fund, which entered the year with the largest capital loss of the four funds, was able to grow this even further from $1.08 to $1.32 per share.
- The Tax-Managed Real Assets Fund increased the loss per share just under 4-fold from $0.20 to $0.80 per share.

These results may be more impressive when looking at the estimated capital gain and losses as a percentage of each fund's NAV. In all cases, each of the four funds were able to drastically increase their losses per share on a percentage basis, with the Tax-Managed International and Tax-Managed Real Assets Funds now trading with losses of more than 10% per share.

RIC Tax-Managed Funds (Class S) - Estimated Fiscal Year-to-Date Capital Gain and Loss Activity /
Percent Per Share (Estimates as of March 31, 2020)



Source: Russell Investments

Russell Investments' active tax management throughout the year

At Russell Investments, we believe there are several strategies available to mitigate the tax drag in client's equity portfolios beyond just tax loss harvesting. In fact, we've been developing and employing these strategies in equity portfolios since the launch of our first tax-managed equity fund—Tax-Managed U.S. Large Cap Equity—back in 1996. Since then, we've launched two additional tax-managed equity funds with our Tax-Managed U.S. Mid & Small Cap Equity and Tax-Managed International Equity Funds to provide a diversified, tax-managed equity exposure to tax-sensitive investors. Most recently, we have brought our tax-managed process to alternatives with the launch of our Tax-Managed Real Assets Fund, which provides exposure to diversifiers such as real estate, infrastructure and natural resources.

To minimize tax impact on investment results, Russell Investment's tax-managed investment team adheres to several "principles" of after-tax portfolio management:

- Managing holding periods
- Deferring realized gains
- Reducing turnover
- Selecting tax lots
- Minimizing wash sales
- Managing portfolio yield
- Harvesting losses
- Centralizing the portfolio management of multiple managers.

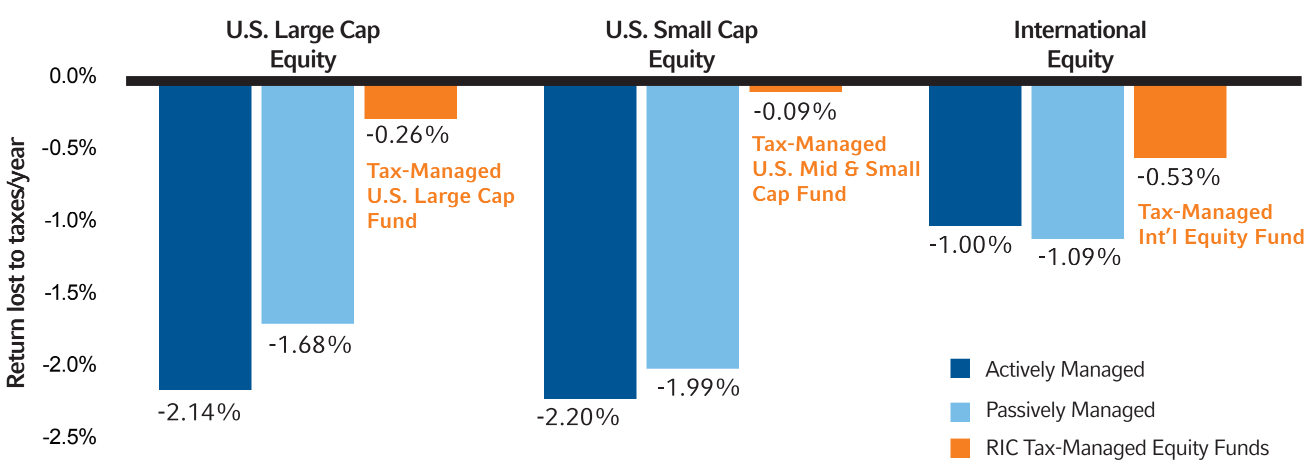
More importantly, these principles are not just implemented once a year, rather, they are implemented throughout the course of a market cycle to help ensure attractive after-tax returns can be delivered whenever volatility decides to enter the marketplace.

ACTIVE TAX STRATEGY	DESCRIPTION	CURRENT OPPORTUNITIES
Tax Lot Swapping	Moving tax lots between manager accounts.	Ongoing: Russell Investments can move tax lots between accounts to seek to improve after-tax returns.
Tax Lot Selection	Once a security sale decision is made, the choice of which tax lot to sell is made.	When lot swapping is available, Russell Investments can select more tax-advantaged lots (if available) in the Russell Investments managed accounts.
Tax Loss Harvesting	Actively selling stocks to realize losses to offset future gains	Can swap tax lots between manager accounts to harvest more losses, without changing manager stock weights

Below you'll see the reduced amount of tax drag our tax-managed funds have historically delivered relative to active and passive peers over the last three years.

Compared to both actively managed and passively managed approaches, Russell Investments' tax-managed funds have successfully reduced tax drag over time and helped investors keep more of what they've earned.

Average Annual Tax Drag Comparison: RIC Tax-Managed Funds (Class S) vs. Peers / 3 years ending March 31, 2020



Source: Russell Investments, Morningstar. Morningstar Categories included: Large Blend, Small Blend, International Equity = 25% Diversified Emerging Markets / 75% Foreign Large Blend. Average of Morningstar's Tax Cost Ratio for universes as defined. Passive is defined as being an index fund as reported by Morningstar or part of an ETF Category. See appendix for methodologies for tax drag and universe construction.

Key takeaways

1

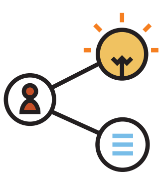
No volatility is too little

The severity of the most recent market correction likely created the potential to harvest losses across a multitude of positions within a portfolio. However, unfortunately the market rarely provides such obvious opportunities to harvest losses as this one—as mentioned earlier the current pullback represents the first 20% market decline since 2011. Instead of waiting for large market corrections, a more beneficial strategy may be to harvest losses more frequently during less impactful market events. Taking advantage of any harvesting opportunity, even if it seems small, can potentially lead to better after-tax outcomes for clients. This may not be attainable without scale and the ability to keep trading costs low.

2

Don't pass up a harvesting opportunity just because losses already exist

While clients may already have capital loss carryforwards from previous years, you never know when markets will provide the next opportunity to tax-loss harvest. Capital loss carry-forwards are tax assets. Opportunistically increasing these assets makes sense for long-term investors. Consider the Tax-Managed Real Assets Fund, which already had a capital loss carryforward heading into the month of February of just under 2%. Active tax-management during February and March allowed the fund to increase its total estimated capital loss to over 10% of NAV, potentially improving the after-tax outcomes for clients in future years.



3

It's difficult to harvest opportunistically

The volatility during the first quarter of 2020 caught many investors off guard, with global equities falling more than 30% in just over one month. This brief window provided an excellent opportunity to create tax assets for clients. By quarter end, the market had rebounded from the lows and had partially made up some of the losses. Given the competing responsibilities advisors face when running their practices, it is unlikely they were able to maximize the tax-loss harvesting opportunity during this short time period. Or worse, not all clients may have received equal attention or the same tax benefit within their portfolios. It may be wise to consider an outsourced provider of tax management, who has the scale, resources, and time to take advantage of market environments throughout the year, not just in December.

Russell Investment Company Tax-Managed Equity and Real Assets Funds

	TICKER			
FUND NAME	CLASS S	CLASS M	CLASS A	CLASS C
Tax-Managed U.S. Large Cap Fund	RETSX	RTMTX	RTLAX	RTLCX
Tax-Managed U.S. Mid & Small Cap Fund	RTSSX	RTOUX	RTSAX	RTSCX
Tax-Managed International Equity Fund	RTNSX	RTIUX	RTNAX	RTNCX
Tax-Managed Real Assets Fund	RTXSX	RTXMX	RTXAX	RTXCX

Russell Investment Company Fund Performance – Class S Shares

	Annualized Returns Ending 3/31/2020						Annual Fund Operating Expenses	
	QUARTER END* %	1 YEAR %	5 YEARS %	10 YEARS %	SINCE INCEPTION %	INCEPTION DATE	TOTAL %	NET %
Tax-Managed U.S. Large Cap[b]	**-19.69**	**-8.20**	**5.04**	**9.37**	**6.90**	**10/7/1996**	**0.95**	**0.82**
Pre-liquidation after-tax returns	-19.69	-8.40	4.80	9.10	6.68			
Post-liquidation after-tax returns	-11.66	-4.66	3.92	7.69	5.88			
Tax-Managed U.S. Mid & Small Cap[a][b]	**-29.46**	**-22.77**	**-0.67**	**6.89**	**5.13**	**11/30/1999**	**1.29**	**1.10**
Pre-liquidation after-tax returns	-29.46	-22.84	-0.74	6.48	4.84			
Post-liquidation after-tax returns	-17.44	-13.39	-0.49	5.55	4.25			
Tax-Managed International Equity[b]	**-25.76**	**-19.07**	--	--	**-2.60**	**6/1/2015**	**1.16**	**0.94**
Pre-liquidation after-tax returns	-25.76	-19.28	--	--	-2.75			
Post-liquidation after-tax returns	-15.25	-10.48	--	--	-1.63			
Tax-Managed Real Assets Fund[b]	**-27.80**	--	--	--	**-22.61**	**6/10/2019**	**1.28**	**0.98**
Pre-Liquidation After Tax Returns	-27.80	--	--	--	-22.83			
Post-Liquidation After Tax Returns	-16.46	--	--	--	-13.20			

Performance quoted represents past performance and should not be viewed as a guarantee of future results. The investment return and principal value of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Current to the most recent month-end performance data may be obtained by visiting https://russellinvestments.com.

*Not annualized.

Pre-Liquidation After Tax Returns: Returns after taxes on distributions may be the same as returns before taxes for the same period if there were no distributions for that period. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and the 3.8% Medicare surtax, and do not reflect the impact of state and local taxes. After-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

Post-Liquidation After Tax Returns: After-tax returns are calculated using the historical highest individual federal marginal income tax rates and the 3.8% Medicare surtax, and do not reflect the impact of state and local taxes. After-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. If the Fund has realized capital losses, the return after taxes on distributions and sale of fund shares may be higher than the return before taxes and the return after taxes on distributions. The calculation of return after taxes on distributions and sale of fund shares assumes that a shareholder has sufficient capital gains of the same character to offset any capital losses on a sale of fund shares and that the shareholder may therefore deduct the entire capital loss.

The Net Annual Operating Expense Ratio may be less than the Total Operating Expense Ratio and represents the actual expenses expected to be borne by shareholders after application of:
(a) a contractual transfer agency fee or advisory fee waiver through February 28, 2021;
(b) a contractual cap and reimbursement on expenses through February 28, 2021; These contractual agreements may not be terminated during the relevant periods except at the Board of Trustee's discretion. Details of these agreements are in the current prospectus. Absent these reductions, the fund's return would have been lower.

These contractual agreements may not be terminated during the relevant periods except at the Board of Trustees' discretion. Details of these agreements are in the current prospectus. Absent these reductions, the funds return would have been lower.

Appendix

Methodology for tax drag:

- Include all open-ended investment products – mutual funds/ETFs that are both active and passive. Tax Drag reflects the arithmetic average of Morningstar Tax Cost Ratio. Data includes all share classes and reflects Morningstar category of U.S. Equity and Non-U.S. Equity.

Methodology for universe construction:

- Average of Morningstar's Tax Cost Ratio for universes as defined.
- Averages calculated on a given category. For example, average reflects the arithmetic average of the Morningstar Tax Cost Ratio for the universe/category as listed. Data includes all share classes.
- Large Cap/Small Cap determination based upon Morningstar Category.
- If fund is indicated by Morningstar as passive or an ETF, the fund is considered to be passively managed. Otherwise, the fund is considered to be actively managed.
- Tax Drag: Morningstar calculated Tax Cost Ratio.
- The Morningstar categories are as reported by Morningstar and have not been modified.
- Morningstar Categories included:
  US Fund Large Blend, US Fund Small Blend, US Fund Foreign Large Blend, and US Fund Diversified Emerging Markets.

The Morningstar categories are as reported by Morningstar and have not been modified. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

Morningstar Category Definitions:

Large Blend: Large-blend portfolios are fairly representative of the overall

U.S. stock market in size, growth rates, and price. Stocks in the top 70% of the capitalization of the U.S. equity market are defined as large-cap. The blend style is assigned to portfolios where neither growth nor value characteristics predominate. These portfolios tend to invest across the spectrum of U.S. industries, and owing to their broad exposure, the portfolios' returns are often similar to those of the S&P 500® Index.

Small Blend: Small-blend portfolios favor U.S. firms at the smaller end of the market-capitalization range. Some aim to own an array of value and growth stocks while others employ a discipline that leads to holdings with valuations and growth rates close to the small-cap averages. Stocks in the bottom 10% of the capitalization of the U.S. equity market are defined as small-cap. The blend style is assigned to portfolios where neither growth nor value characteristics predominate.

Foreign Large Blend: Foreign large-blend portfolios invest in a variety of big international stocks. Most of these portfolios divide their assets among a dozen or more developed markets, including Japan, Britain, France, and Germany. These portfolios primarily invest in stocks that have market caps in the top 70% of each economically integrated market (such as Europe or Asia ex-Japan). The blend style is assigned to portfolios where neither growth nor value characteristics predominate. These portfolios typically will have less than 20% of assets invested in U.S. stocks.

Diversified Emerging Markets: Diversified emerging-markets portfolios tend to divide their assets among 20 or more nations, although they tend to focus on the emerging markets of Asia and Latin America rather than on those of the Middle East, Africa, or Europe. These portfolios invest at least 70% of total assets in equities and invest at least 50% of stock assets in emerging markets.

Ask your financial and/or tax advisor to learn more.

Important information

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 of visiting russellinvestments.com. Please read a prospectus carefully before investing.

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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.

This data is for informational purposes only and does not constitute tax advice and should not be relied upon for tax planning. Please refer to Form 1099-DIV or 1099-INT, detailing for federal tax-reporting purposes the amount of the taxable and non-taxable portion of the distribution. You should contact your tax advisor and/or Financial Professional for guidance regarding this information.

MSCI World Index: A broad global equity index that represents large and mid-cap equity performance across 23 developed markets countries.

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.

Small capitalization (small cap) investments involve stocks of companies with smaller levels of market capitalization (generally less than $2 billion) than larger company stocks (large cap). Small cap investments are subject to considerable price fluctuations and are more volatile than large cap stocks. Investors should consider the additional risks involved in small cap investments.

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