

Tax-Managed U.S. Mid & Small Cap Fund

Portfolio Managers

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Class	CUSIP	Ticker
Class S	782478408	RTSSX
Class A	782494330	RTSAX
Class C	782478507	RTSCX
Class M	78250G271	RTOUX

Total net assets (all classes)[§]: \$1.35B

Market value (fund level)[§]: \$1.43B

Net asset value (Class S)[§]: \$33.40

Fund inception date: 11/30/1999

Investment strategy

The Tax-Managed U.S. Mid & Small Cap Fund seeks to provide long-term capital growth on an after-tax basis. The Fund emphasizes mid and small-cap stocks, and uses money managers with tax-sensitive investment approaches. The Fund's core equity exposure incorporates market-oriented, growth and value styles.

Nothing contained in this material is intended to constitute legal, tax, securities or investment advice, nor an opinion regarding the appropriateness of any investment. The general information contained in this publication should not be acted upon without obtaining specific legal, tax and investment advice from a licensed professional.

Fund facts - class level

3 year Sharpe ratio^{§, **}: 0.15

3 year Standard deviation^{§, **}: 29.10

3 year Alpha^{§, **}: -1.07

3 year Beta^{§, **}: 0.97

3 year R-squared^{§, **}: 99.14

[§] Data as of 12/31/2022

** See key terms on page two.

Calculations are based upon the Fund's benchmark as stated in the prospectus.

Performance review as of December 31, 2022

	Quarterly	Year to date	Annualized				
			1 year	3 years	5 years	10 years	Since inception
Tax-Managed U.S. Mid & Small Cap Fund – Class S ^{1, (a), (b)} Return before taxes	8.75%	-19.12%	-19.12%	3.80%	4.83%	8.76%	6.60%
Pre-liquidation After-Tax Return ^{1,2}	8.64%	-19.20%	-19.20%	3.73%	4.77%	8.34%	6.33%
Post-liquidation After-Tax Return ^{2,3}	5.18%	-11.32%	-11.32%	2.91%	3.75%	7.04%	5.56%
Annual Total Operating Expenses: 1.27%	Annual Net Operating Expenses 1.20%						

¹ 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.

² After-tax returns are calculated using the historical highest individual federal marginal income tax rates and the 3.8% net investment income tax, 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.

³ 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.

Annual returns

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
39.99%	4.33%	-4.85%	14.73%	14.71%	-8.63%	23.91%	15.34%	19.88%	-19.12%

Performance information is historical and does not guarantee future results. Investment return and principal value will fluctuate so that redeemed shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. The most recent month-end performance for Russell Investments mutual funds is available by visiting:

<https://russellinvestments.com/us/funds/performance-prices>.

Top ten holdings^{1, 2} Subject to change

Holding	Weight
NEXSTAR BROADCASTING GROUP INC	0.8%
Silgan Holdings, Inc.	0.6%
Lennox International, Inc.	0.6%
WINGSTOP INC	0.5%
Kulicke & Soffa Industries, Inc.	0.5%
j2 Global, Inc.	0.5%
Five Below, Inc.	0.5%
Gaming and Leisure Properties, Inc.	0.5%
Qualys, Inc.	0.5%
AMN Healthcare Services, Inc.	0.5%

¹ Data as of 11/30/2022

² The top ten holdings list excludes shares of the investment vehicles in which the Fund invests its cash.

Mutual Fund investing involves risk, principal loss is possible.

Sector weightings^{1, 2}

Sector	Weight
Financial Services	19.4%
Producer Durables	16.5%
Consumer Discretionary	15.8%
Technology	13.9%
Health Care	12.2%
Materials and Processing	11.1%
Energy	4.7%
Utilities	3.7%
Consumer Staples	2.8%

¹ Data as of 11/30/2022

² Due to rounding, totals may not equal to 100%.

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 <https://russellinvestments.com>. Please read a prospectus carefully before investing.

Tax-Managed U.S. Mid & Small Cap Fund (continued)

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 (RIM) strategy. This does not include liquidity reserves managed directly by Russell Investments, which may constitute 5% or more of Fund assets at any given time.

	Role	Target allocation	Year assigned
Polen Capital Management, LLC‡	Growth	9.0%	2020
Summit Creek Advisors LLC‡	Growth	7.0%	2010
Ancora Advisors, LLC‡	Market-Oriented	9.0%	2017
Copeland Capital Management, LLC‡	Market-Oriented	8.0%	2017
Russell Investment Management, LLC (RIM)*	Positioning Strategies	43.0%	2014
BAMCO, Inc. ‡	Biotechnology	4.0%	2021
DePrince, Race & Zollo, Inc.‡	Value	11.0%	2021
Cardinal Capital Management, LLC	Value	9.0%	2019

Money Managers listed are current as of December 31, 2022. Subject to the Fund's Board approval, Russell Investment Management, LLC 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 and higher portfolio turnover.

Please consult with your financial and tax advisors before investing.

Income from funds managed for tax efficiency may be subject to an alternative minimum tax and/or any applicable state and local taxes.

Investments in small cap, micro cap, and companies with capitalization smaller than the Russell 2000® Index are subject to the risks of common stocks, including the risks of investing in securities of large and medium capitalization companies. Investments in smaller capitalization companies may involve greater risks as, generally, the smaller the company size, the greater these risks. In addition, micro capitalization companies and companies with capitalization smaller than the Russell 2000® Index may be newly formed with more limited track records and less publicly available information.

† 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, 2023; (b) a contractual cap and reimbursement on expenses through February 28, 2023; 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.

*RIM manages Fund assets not allocated to money manager strategies and utilizes quantitative and/or rules-based processes and qualitative analysis to assess Fund characteristics and invest in securities and instruments which provide the desired exposures. This includes the Fund's positioning strategy, which is used to seek excess return and manage portfolio risks by targeting specific exposures, and the active tax management strategy that is implemented across the entire fund. These strategies are used in conjunction with allocations to third-party managers to fully reflect Russell Investments' strategic and dynamic views with integrated liquidity and risk management.

‡ All third-party money managers in this fund are non-discretionary money managers. Russell Investment Management, LLC (RIM) manages this portion of the Fund's assets based upon model portfolios provided by the managers.

The Fund offers other classes of shares with higher fees and expenses. These other classes may charge up to a 0.75% distribution fee and a 0.25% shareholder servicing fee which will result in a higher expense ratio and lower performance than that shown above. For a full description of other available classes, please see the prospectus.

KEY TERMS:

Alpha - shows how a Fund did relative to what would have been expected given the Fund's Beta and the performance of the Fund's benchmark. For example, an alpha of 1.4 means that the Fund outperformed its estimated return by 1.4%.

Beta - a measure of the Fund's sensitivity to market changes using the Fund's benchmark as an approximation of the market; beta greater than 1 is more volatile than the market; beta less than 1 is less volatile than the market.

Standard deviation - defines how widely returns varied from a daily average over a given period of time. A higher standard deviation means a more volatile Fund. For example, a Fund with a standard deviation of 6 and an average annual return of 10% saw annualized monthly returns fall within 6 percentage points of that average (or between 4% and 16%) two-thirds of the time.

Sharpe ratio - a calculation that reflects the reward per each unit of risk in a portfolio. The higher the ratio, the better the Fund's risk-adjusted return.

R-squared - a statistic that indicates how much a Fund's fluctuations were attributable to movements in the Fund's benchmark.

Important Information

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

Russell Investments' ownership is composed of a majority stake held by funds managed by TA Associates, with a significant minority stake held by funds managed by Reverence Capital Partners. Russell Investments' employees and Hamilton Lane Advisors, LLC also hold minority, non-controlling, ownership stakes.

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