

Russell Tax-Managed U.S. Large Cap Fund

Combining Tax-Managed Opportunities with Multi-Manager Benefits

Investment Strategy

- Seeks to provide long-term capital growth on an after-tax basis.
- Invests in stocks traded in the U.S. market.
- Selects managers with inherently tax-sensitive investment management approaches.
- Core equity exposure incorporates market-oriented, growth and value styles.

Fund Highlights

- Helps tax-sensitive investors by seeking to maximize after-tax returns.
- Provides broad exposure to large capitalization stocks by blending managers that invest in diverse styles across the medium and large capitalization spectrum without the tax impact of a fund that buys and sells with no regard for taxes.

About the Fund



Tereasa Gandhi
Russell Portfolio
Manager

The managers in this fund are selected based on both the tax sensitivity of their investment approach and their stock selection abilities. Russell chooses managers that use many different investment styles, from ones that look for companies they believe have rapidly growing earnings to those that look for companies that are undervalued. Managers in this fund typically hold stocks over a longer investment horizon than in an average large-cap fund that is not tax managed, as long as a stock's fundamentals remain strong. As a result of this longer-term investment horizon, this approach typically avoids short-term capital gains, which should produce a more tax-efficient portfolio over time. — *Tereasa Gandhi*

Allocation of Fund Assets

	Target Allocation	Year Assigned
<i>Growth</i>		
Sands Capital Management, Inc.	18%	2003
Turner Investment Partners, Inc.	15%	2005
<i>Market-Oriented</i>		
J.P. Morgan Investment Management, Inc.	35%	1996
<i>Value</i>		
Armstrong Shaw Associates, Inc.	17%	2007
Palisades Investment Partners, LLC	15%	2006

Money managers listed are current as of 09/30/09. Subject to the fund's Board approval, Russell 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.

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

Sector Weightings¹

Consumer Discretionary	13.2%
Consumer Staples	7.0%
Financial Services	17.0%
Health Care	14.8%
Materials and Processing	3.6%
Energy	11.1%
Producer Durables	8.6%
Technology	20.3%
Utilities	4.3%

¹ Due to rounding, totals may not equal 100%.

Fund objectives, risks, charges and expenses should be carefully considered before investing. A prospectus containing this and other important information can be obtained by calling 800-787-7354 or by visiting www.russell.com. Please read the prospectus carefully before investing.

Russell Tax-Managed U.S. Large Cap Fund

	Class C	Class E	Class S
CUSIP	782478309	782478879	782493720
TICKER	RTLTX	RTLEX	RETSX

Managing Money Differently

The Russell approach has been trusted for decades by many of the world's largest investors; our mutual funds allow you to employ that same approach. We identify investment managers we believe have exceptional capabilities, blend them to help manage risk through diversification, and constantly monitor them. Regardless of market conditions, Russell's investment approach remains constant.

Characteristics

Total Net Assets – All Classes	\$348.6M
Net Asset Value – Class Level	\$15.94

Top 10 Holdings

Apple, Inc.	2.6%
Google, Inc.	2.3%
Cisco Systems, Inc.	2.0%
Hewlett-Packard Co.	1.9%
Exxon Mobil Corp.	1.9%
QUALCOMM, Inc.	1.8%
Goldman Sachs Group, Inc.	1.8%
Wells Fargo & Co.	1.7%
Chevron Corp.	1.7%
United Technologies Corp.	1.6%

The top ten holdings list does not reflect the investment of cash reserves and cash collateral received in securities lending transactions in one or more of Russell Investment Company's money market funds.

Russell Investment Group is a Washington, USA corporation, which operates through subsidiaries worldwide, including Russell Investments, and is a subsidiary of The Northwestern Mutual Life Insurance Company.

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

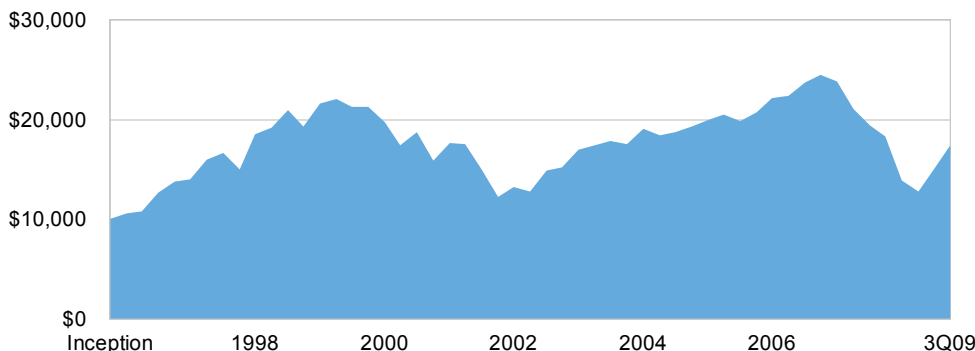
Diversification and strategic asset allocation do not assure profit or protect against loss in declining markets.

Fund performance is reported net of fund advisory and administrative fees, and gross of financial intermediary fees.

The Russell logo is a trademark and service mark of Russell Investments.

Copyright © Russell Investments 2009.
All rights reserved.

Growth of \$10,000 – Class S Shares



Performance Review

As of September 30, 2009

	Quarterly	Year to Date	Annualized					Since Inception ¹
			1 Year	3 Years	5 Years	10 Years		
Russell Tax-Managed U.S. Large Cap Fund † ^(a) – Class S Return Before Taxes	16.86%	25.71%	-4.32%	-5.57%	-0.10%	-0.99%	4.40%	
Pre-Liquidation After-Tax Return ^{2,3}	16.86	25.71	-4.55	-5.72	-0.24	-1.17	4.21	
Post-Liquidation After-Tax Return ^{3,4}	10.96	16.71	-2.60	-4.69	-0.07	-0.89	3.78	
Annual Total Operating Expenses	1.05%							
Annual Net Operating Expenses	0.97%							

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. Current to the most recent month-end performance for Russell mutual funds is available by visiting: www.russell.com/us/fundperformance.

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.

†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 waiver through 02/28/2010;
- (b) a contractual advisory fee waiver and/or reimbursement through 02/28/2010;
- (c) a contractual cap on expenses through 02/28/2010.

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 fund's return would have been lower.

¹ Fund inception date: 10/07/96.

² Return after taxes on distributions. 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.

³ After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual 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.

⁴ Return after taxes on distributions and sales of fund shares. 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.

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

First used October 2009.
RFS 09-2500
01-03-033

Not FDIC Insured
May Lose Value
No Bank Guarantee