

Press Release

RUSSELL INVESTMENT GROUP LAUNCHES GLOBAL DIRECTIONAL STRATEGIES FUND

10 April 2007, London – Russell Investment Group (Russell) is delighted to announce the launch of its Global Directional Strategies Fund. The fund design blends equity long/short and opportunistic strategies, combined and actively managed by Russell to deliver equity-like returns with less than equity market volatility.

Russell research shows that hedge funds have led much of the surge in alternative investing. As the industry continues to take strides towards greater transparency, hedge fund allocations continue to grow dramatically around the globe and particularly outside North America. Fund of hedge funds are by far Europe's preferred access route, with 74.4% of European hedge fund assets invested in funds of funds.

Jon Bailie, Managing Director, Alternatives Investments, commented "Recent market volatility highlights the benefit of exposure to asset classes with reduced correlation to equities, such as a robust fund of hedge funds. Given the more stable returns patterns and lower risk profile provided by the intelligent amalgamation of strategies and managers, it is not surprising that the fund of funds approach has proved the most popular among European institutions."

"With over 9000 products available globally, the scale and complexity of opportunities in hedge fund investing requires huge resource to research properly," added Damian Barry, Portfolio Manager for Russell Global Directional Strategies Fund. "Niche strategies are developing locally across the globe and many are opaque and esoteric even to sophisticated investors. Add to this the fact that managers move with relative fluidity from long only into the much more flexible hedge fund space, and the challenge identifying world-class talent becomes clear."

"Russell has researched money managers since 1969 and has been analysing hedge funds since 1987. This experience allows us to respond to the changing dynamics of hedge fund investing today with the benefit of a long institutional memory. It is backed up by a team of dedicated alternative investment analysts who in 2006 alone met face-to-face with 806 hedge fund managers. We believe the breadth and depth of our research is unparalleled in the industry, and look forward to leveraging the intellectual capital it generates to the benefit of our investors."

Russell Global Directional Strategies Fund launched on April 2, 2007 and is available to institutional investors worldwide.

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*Notes to Editors:***About Russell**

Russell Investment Group, global leaders in multi-manager investing, provides investment products and services in more than 44 countries. As of 31 December 2006, Russell manages \$195 billion in assets, of which \$72bn is managed from Europe, and advises clients worldwide representing more than \$2.4 trillion. Founded in 1936, Russell is a subsidiary of Northwestern Mutual and is headquartered in Tacoma, Wash., with additional offices in Amsterdam, Auckland, London, New York, Paris, Singapore, Sydney, Tokyo and Toronto.

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