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IM Russell ICVC Real Assets Fund

Performance Review¹ (this annual summary relates to the period 31 January 2010 to 31 January 2011)

	One Month %	Three Months %	One Year%
IM Russell ICVC Real Assets Fund (Class C Fees)	-2.1	3.6	17.2
UK Retail Price Index (RPI)	0.4	1.0	4.0

Source: Russell/Confluence, in UK sterling terms, net of fees, data as at 31/01/2011.

¹ These funds are priced at 7:00am each morning where as the benchmark is priced at close of business each day. For benchmark comparable analytical purposes therefore the NAV have been artificially moved to the previous working day.

Annual Fund Comment

2010 was the first year since 2005 that commodities, stocks, bonds and the dollar all gained as the economic recovery proved increasingly resilient. Nonetheless, this was another volatile period, with sentiment fluctuating sharply as concerns about economic data and sovereign debt ebbed and flowed.

The Fund gained 17.2% over the 12 months to the end of January 2011, with commodity markets lifted by record second-half gains as adverse weather conditions ravaged crops, European debt woes boosted precious metals and Chinese demand remained elevated.

First-quarter performance reflected a mixed backdrop for real asset markets as China, the most voracious consumer of raw materials, tried to restrain growth and prevent its economy from overheating.

Markets for many listed real assets experienced sharp declines over the second quarter, as the 'flash crash' that sent global equity markets into double digit declines impacted broad investor risk tolerance. The Fund declined in absolute terms, but it fared somewhat better than equity markets and held on to its since inception gains.

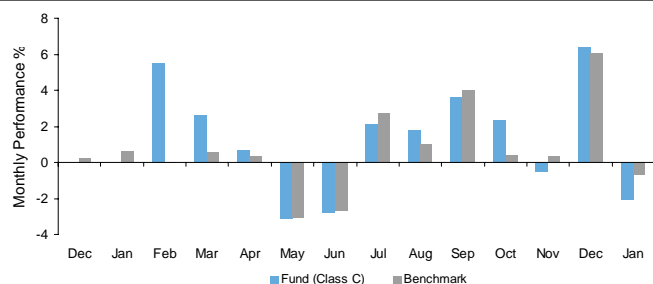
The third quarter heralded a more favourable environment with ongoing economic recovery and low interest rates proving beneficial. The majority of the Fund's underlying managers posted strong relative returns, led by the principal listed infrastructure manager RARE, and its investments in high quality infrastructure assets including highway and railroads. Commodities produced the strongest absolute returns of the Fund's major asset classes over the fourth quarter, rising more than 16%. In terms of relative performance, the Fund's listed infrastructure assets were particularly beneficial, driven by effective selection among US utilities.



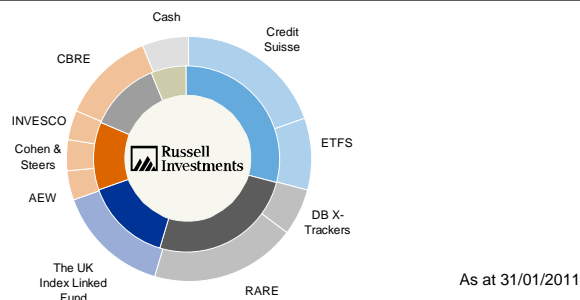
Portfolio Manager:
James Ind

Benchmark	UK Retail Price Index (RPI)
Fees: Class A, B, C Class	1.50%, 1.00%, 0.75%
AUM	£33.0m
Launch Date	30/11/2009
SEDOL: A Class acc.	B4KZFS5
12-month Yield	0.75%
<i>The yield calculation is the distribution rates for the rolling year divided by the current price (data as at 31/01/11). This is presented as a percentage and recalculated daily as the price changes.</i>	

Performance Chart (%)



Fund Allocation



Strategy Allocation

Asset Class ¹	Weight	Fund
Listed Infrastructure	25%	<ul style="list-style-type: none"> - 19.0% OpenWorld PLC - Global Listed Infrastructure - 6.0% DB X-Trackers S&P Global Infrastructure Equity ETF
Commodity	29%	<ul style="list-style-type: none"> - 9.5% ETF Commodity Securities Limited - All Commodities DJUBS - 19.5% Credit Suisse Commodity Index Plus Fund
Inflation Linked Bonds	15%	<ul style="list-style-type: none"> - RIC UK Index Linked Bonds
Commercial Property	12.5%	<ul style="list-style-type: none"> - MSMM Global Real Estate Securities
Commercial Property	12.5%	<ul style="list-style-type: none"> - OpenWorld PLC - Global Opportunistic Listed Property
Cash	6%	<ul style="list-style-type: none"> - Russell Investment Company III PLC - The Sterling Cash Fund

¹ Currency Forwards £/\$ and £/EUR will also be used as appropriate and implemented by Russell Investments.

Latest Fund Commentary as at 31/01/2011

Fund	Fund Benchmark	Mandate Inception	Russell Analysis
ETFS ALL Commodities DJUBS	DJ-UBSCI Commodities	Q1 2010	Commodities advanced during January, with the Dow Jones-UBS Commodity Index gaining 1% in USD terms. Precious metals, 2010's best-performing sector, detracted the most from returns as further evidence of brighter economic growth prospects boosted risk appetite. Livestock, on another hand, was the best performing sector, finishing in positive territory for the third consecutive month despite higher feed prices which typically prompt farmers to bring supply to market sooner.
Credit Suisse Commodity Index Plus Fund	DJ-UBSCI Commodities	Q1 2010	For the month of January 2011, the manager estimates that it added 1 basis point from rolling outside of the benchmark roll cycle, detracted 13 basis points from spread overlays, and added 4 basis points from collateral yield. The overall attribution from commodities was negative due to unfavourable curve positioning in the agriculture sector.
MSMM Global Real Estate Securities Fund £ Hedged	FTSE EPRA/NAREIT Global Real Estate NET TRI	Q1 2010	The Fund finished flat over the month of January as efficient stock selection in the UK was offset by negative selection in Australia which is still recovering from floods in the state of Queensland. Meanwhile, Cohen & Steers' off-benchmark exposures to emerging markets, most notably Brazil, were not rewarded this month. At the sector level, stock selection in the diversified and retail sectors was the key detractor from returns.
Russell OpenWorld Global Opportunistic Listed Property Fund (CBRE)	FTSE EPRA/NAREIT Developed (Real Estate) Index Net	Q1 2010	The fund continued to deliver strong absolute returns in a volatile fourth quarter, however the manager's quality bias caused the fund to underperform relative to the rising benchmark. Key detractors included the holding Digital Realty Trust and poor stock selection in the U.S. An underweight to Japan also contributed negatively as the nation took quantitative easing to the next level by buying REITS with the intention of inflating the economy via increasing real estate prices.
Russell OpenWorld - Listed Infrastructure Fund (RARE)	S&P Global Infrastructure Index	Q1 2010	With yet another quarter of outperformance, its fifth consecutive one, the fund delivered very strong numbers for the year as a whole. By maintaining a relatively balanced portfolio throughout the year between the defensive, regulated assets (utilities) and the more cyclical, transport assets (toll roads, rail tracks, airports and ports), the manager let stock selection drive performance.
DB X-Trackers S&P Global Infrastructure Equity ETF	S&P Global Infrastructure Index	Q1 2010	The DB X-Tracker rose by 5.44% over the fourth quarter in sterling terms.
RIC UK Index Linked Bond Fund	FTSE Index Linked	Q1 2010	The FTSE Index-Linked Index gained 1.1% in sterling terms over the quarter, outperforming the majority of other bond market sectors. UK gilts outperformed US Treasuries and German bunds over the year as a whole and in the fourth quarter, as demand was fuelled by what investors perceived to be a credible fiscal plan to reduce the country's deficit and by the sovereign debt crisis in Europe.
Russell Investment Company III PLC - The Sterling Cash Fund	One week Sterling LIBID, average yield compounded weekly	Q1 2010	A two-speed global recovery was again evident in January. Activity has moderated less than expected in developed world economies, but growth remains subdued, while activity remained buoyant in many developing economies. In the UK, the Bank of England has come under increasing pressure to raise interest rates, with CPI inflation accelerating to 4% in January, far above the BoE's 2% target. This acceleration was driven by an increase in VAT from 17.5% to 20%, and by a surge in oil prices.

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