

Large Cap Value Mix

Money Manager Overview

July 2011

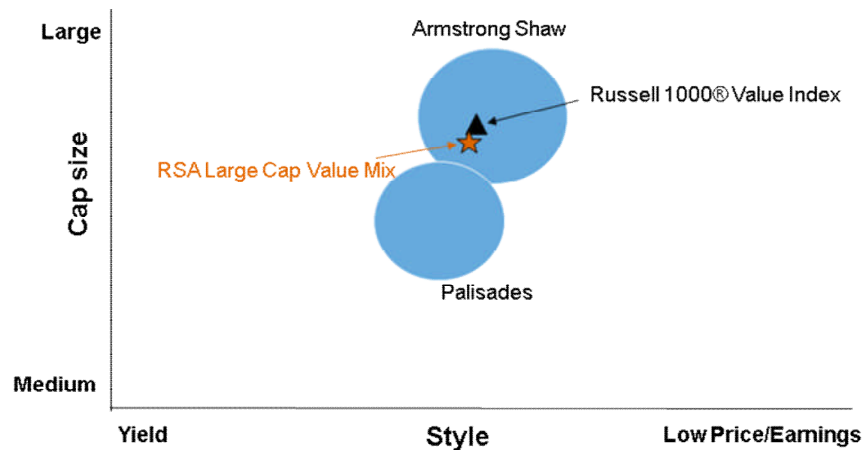
Russell's investment approach

Russell uses a multi-asset, multi-style and multi-manager approach to construct and manage its investment portfolios. Assets are typically managed by multiple investment management firms that Russell researches and hires, monitors and terminates on an ongoing basis.

The mix

Managers in this mix utilize a bottom-up, fundamental investment process to identify companies that they believe are selling below their intrinsic value (estimate of what a company would be worth if a knowledgeable buyer acquired it). While one firm focuses on the quality of a company's management and the ability to generate cash flow, the other manager is focused on identifying current and potential company turnaround situations. An additional layer of account management is applied by a distinct overlay portfolio manager to provide coordination across multiple manager portfolios, seek to reduce trading costs and improve tax efficiency, and automatically rebalance the portfolios. The mix's benchmark is the Russell 1000® Value Index.

Money manager mosaic (as of July 2011)



This mosaic depicts, at a specific point in time, the approximate relative weighting of managers within the mix plotted on the basis of cap size and style against mix benchmark (▲). Manager positions on this mosaic change over time as their allocations and holdings change. The circle size represents the relative size of each manager's assignment in the mix.



Russell portfolio manager

Robert Kuharic

The Russell portfolio manager's role

The Russell portfolio manager is responsible for selecting the managers included in the mix and determining the appropriate weight for each manager's assignment. There may be a number of reasons why a manager is added to or removed from a mix, including a change in control at a money management firm, the opportunity to select a manager Russell believes offers an investment proposition that would improve the excess return potential of the mix, or the departure of a key individual at a money management firm.

While the portfolio manager makes the decision to change the manager line-up, that decision must be validated through an internal Russell governance process to ensure all key considerations are addressed by the portfolio manager.

Target allocation of assets:

Value	
60%	Armstrong Shaw Associates, Inc.
40%	Palisades Investment Partners, LLC

The above represents the breakout of the mix assets that are allocated to money managers.

Armstrong Shaw Associates, Inc.

June 2011

Firm background:

Armstrong Shaw is a registered investment advisor. They have been providing large cap equity management to institutions and individuals for more than 25 years.

Headquarters: New Canaan, CT

Founded: 1984

Lead managers: Jeffrey M. Shaw

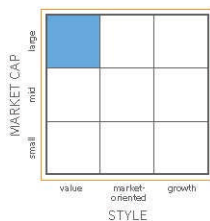
Asset Class: U.S. Equities

Investment style: Value

Manager's benchmark: Russell 1000® Value Index

Number of holdings: 30 - 40

Capitalization level: Large cap



Investment sub-style:

Relative value

Manager profile:

Armstrong Shaw Associates Inc. (Armstrong Shaw) was added to the Large Cap Value Mix in 2007. Russell has been following this manager since 2003 and has also used it in other assignments within Russell's fund complexes. Jeffrey M. Shaw leads this large cap value manager assignment at Armstrong Shaw.

Investment process:

Armstrong Shaw's fundamental research focuses on evaluating the quality of a company's management and its ability to generate cash flow. The firm's bottom-up, fundamental investment process seeks to invest in companies that it believes are selling below their intrinsic value. Intrinsic value is defined as Armstrong Shaw's estimate of what a company would be worth if a knowledgeable buyer acquired it. The firm also looks for catalysts that may help drive stock price performance. These catalysts include: earnings shortfalls, legislative change, industry events, spin-offs, restructurings, and management changes. The firm's investable universe is stocks with a market capitalization of \$2.2 billion or greater.

The emphasis on high quality in Armstrong Shaw's investment process has historically resulted in low turnover, making the firm's investment approach inherently tax-efficient.

Russell's manager analysis:

Russell has high confidence in Armstrong Shaw. Jeffrey Shaw is an insightful investor and capable leader of the investment team.

Armstrong Shaw is expected to perform well in markets that favor stocks with high return on equity and strong cash flow. Markets led by commodity-oriented stocks or the financial services sector, or more extreme defensive environments, will be most challenging for the firm, as portfolios tend to be consistently underweight in these areas.

Firm background:

For more than ten years, the Palisades investment team has managed portfolios for corporate, public, and Taft-Hartley institutional accounts, as well as mutual fund strategies and other sub-advisory relationships.

Headquarters: Santa Monica, CA

Founded: 2003

Lead manager: Quinn Stills

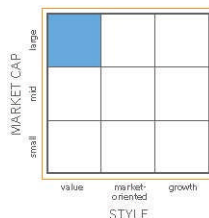
Asset Class: U.S. Equity

Investment style: Value

Manager's benchmark: Russell 1000® Value Index

Number of holdings: 20 - 30

Capitalization level: Large cap



Investment sub-style:

Relative value

Manager profile:

Palisades Investment Partners, LCC (Palisades) was added to the Large Cap Value Mix in 2007. Quinn Stills leads this large cap value manager assignment at Palisades. Palisades' philosophical approach is to identify what it believes to be current and potential turnarounds, and to invest in them for the long term. This is intended to result in low turnover, lengthy holding periods, and consistent investment performance.

Investment process:

Palisades' investment team uses a bottom-up investment process to identify companies it believes to be undervalued with solid, long-term fundamental strength and improving short-term fundamentals. Through in-depth fundamental research, the firm searches for companies with overall positive earnings revisions in aggregate. They seek turnarounds, restructurings, and successful yet inexpensive companies with sustainable positive earnings revisions.

The most important aspect of Palisades' approach is a focus on the analysis of each company's financial statements. The goal is to select companies that will ultimately possess rising earnings estimates, improving accounts receivable balances, improving inventory trends, rising cash flow, and a low valuation at the time of purchase.

Russell's manager analysis:

Russell has a strong opinion of the portfolio management team at Palisades. Quinn Stills and Peter Lopez possess a significant amount of experience using a "forensic accounting" approach to value investing. Russell believes they are particularly good at financial statement analysis, especially as it relates to a company's balance sheet.

Palisades should perform best in markets favoring value companies, as well as periods valuing improving fundamentals with above average earnings variability. Defensive markets are likely to be difficult, as are markets that favor commodity-oriented stocks.

The separate account mix managers are current as of 7/1/11. Russell has the right to employ or terminate a manager at any time and without prior notification, as is consistent with its role as investment manager of the mixes. The managers shown may not be the current managers in the mix.

This document will be updated annually. If a manager change is made during a year, a manager specific page will be added or removed.

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The Russell 1000® Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values.

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