

Russell Global Equity Fund

Money Manager Overview

May 2011

Russell's investment approach

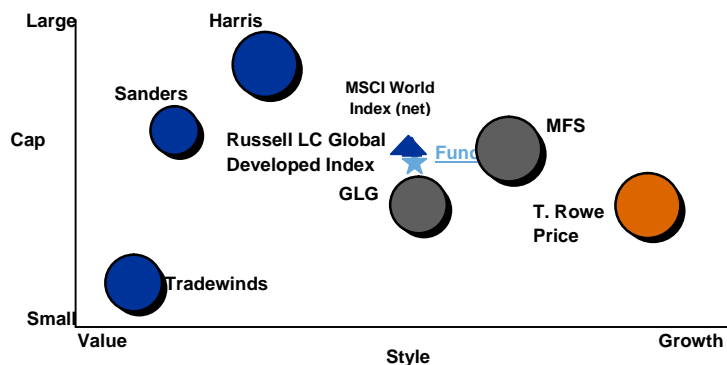
Russell uses a multi-asset, multi-style and multi-manager approach to construct and manage its investment portfolios. Assets are typically managed by multiple investment management firms that Russell researches and hires (subject to Fund Board approval), monitors and terminates on an ongoing basis.

The fund

The Russell Global Equity Fund includes managers that pursue a value, growth or market-oriented style of investing. Managers may employ a fundamental-driven investment approach, a quantitative investment approach, or a combination of both to evaluate specific stocks to arrive at a trade decision. Evaluations can be done on a bottom-up basis, but some managers also use top-down, macro-economic inputs to develop ideas for areas of focus.

This fund's managers evaluate stocks globally, not just on a singular U.S. or international basis. They arrive at buy and sell decisions based on their determination of the best stocks across the world, rather than the best stock in a single region or industry. This provides a unique investing proposition not available with other Russell products. The fund's benchmark is the Russell Developed Large Cap Index.

Money manager mosaic (as of March 2011)



This mosaic depicts, at a specific point in time, the approximate relative weighting of managers within the fund plotted on the basis of cap size and style against fund 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 fund.



Russell portfolio manager

Matthew Beardsley

The Russell portfolio manager's role

The Russell portfolio manager is responsible for selecting the managers included in the fund 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 fund, including a change in control at a money manager, the opportunity to select a manager Russell believes offers an investment proposition that would improve the excess return potential of the fund, or the departure of a key individual at a money manager.

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 thoroughly addressed by the portfolio manager. Manager changes are also subject to approval by the fund's Board of Trustees.

Target allocation of assets:

Growth

20% T. Rowe Price Associates, Inc.

Market-Oriented

15% GLG, Inc.

20% MFS Institutional Advisors, Inc.

Value

10% Sanders Capital, LLC

20% Harris Associates, L.P.

15% Tradewinds Global Investors, LLC

The above represents the breakout of the fund assets that are allocated to money managers. The fund also maintains cash reserves, which is cash awaiting investment or held to meet redemption requests or pay expenses. The level of cash reserves may vary depending on market conditions.

Russell Global Equity Fund Manager Profile

T. Rowe Price Associates, Inc.

May 2011

Firm background:

T. Rowe Price Associates, Inc. is a global investment management organization. They provide a broad array of mutual fund, sub-advisory, and separate account management for individual and institutional investors, retirement plans, and financial intermediaries.

Headquarters: Baltimore, MD

Founded: 1937

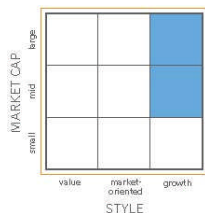
Lead manager: Robert Gensler

Asset Class: Global Equity

Investment style: Growth

Number of holdings: 60 - 100

Capitalization level: Large to Mid cap



Investment sub-styles used in the Russell Global Equity Fund:

Growth: > Earnings momentum

Thematic growth

Long term consistent growth

High earnings and price momentum

This manager uses the earnings momentum sub-style.

Manager profile:

T. Rowe Price Associates, Inc. (T. Rowe Price) has been part of the Russell Global Equity Fund since its inception in March 2007. Robert Gensler is the portfolio manager of this bottom-up growth strategy. He seeks to generally invest in companies with strong cash flow growth and strong or improving fundamentals that do business within expanding industries. At times, he will also buy attractive turnaround growth stories.

T. Rowe Price is the core growth manager in the fund with a broad, but dynamic, definition of growth. This manager also invests in emerging market companies. This manager maintains a high exposure to forecast earnings and cash flow growth across the globe.

Investment process:

T. Rowe Price uses a bottom-up, research driven process to select companies within attractive industries. These companies generally exhibit top line growth, operational leverage, earnings growth and strong cash flow. Further, they are overseen by skilled corporate management and are trading at reasonable valuation levels.

The portfolio manager, Gensler, is well served by the deep, high quality research done by the firm's analysts, but it is the considerable time he spends in vigorously testing the merits and conviction levels in new ideas that truly differentiate this process.

Russell's manager analysis:

Gensler's investment process is somewhat broader than the other growth manager in the fund. He also will invest in turnaround prospects. Russell views this flexibility as compelling since it creates a larger opportunity set and allows the product to participate in different stages of the growth market cycle.

Russell believes this manager will do best in markets favoring earnings growth and where positive earnings trends persist. It will struggle in value environments and when emerging markets underperform.

Russell Global Equity Fund Manager Profile

GLG, Inc.

May 2011

Firm background:

GLG Inc. is a global investment management organization. They run a diverse range of investment products and services with robust risk control.

Headquarters: New York, NY

Founded: 1995

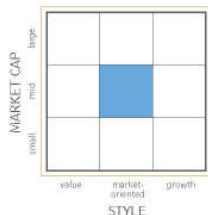
Lead manager: Pierre Lagrange

Asset Class: Global Equity

Investment style: Market oriented

Number of holdings: 80-100

Capitalization level: Mid cap

**Investment sub-styles used in the Russell Global Equity Fund:**

Market Oriented: Core

Growth biased

Value biased

> **Growth at a reasonable price**

This manager uses the growth at a reasonable price sub-style.

Manager profile:

GLG, Inc. was added to the Russell Global Equity Fund in October 2010. Pierre Lagrange is the portfolio manager who leads this market-oriented strategy with a growth bias. The firm seeks to invest in companies with strong or improving growth attributes.

Investment process:

GLG's investment process blends top-down, macro-oriented insights with fundamental bottom-up stock selection. The firm focuses on understanding the drivers of success in each industry and identifying the companies most likely to be successful in the medium term, particularly where a meaningful deviation in view from consensus can be used.

Security selection is both fundamental and tactical. The firm is more likely to seek stocks that it believes would benefit from corporate activity or industry change. These insights are combined with more tactical views relating to technical trends and market behavior.

The firm develops views on the outlook for region/countries and sectors based on models and qualitative assessment of key economic and market variables. Valuations, earnings expectations/momentum, security of domestic demand, as well as occasionally government/central bank policy are all reviewed as part of the decision process.

Russell's manager analysis:

Russell has high confidence in Pierre Lagrange whose intellectual curiosity combined with a useful balance of strong analytical skills and attention to detail serve as a robust basis for stock selection. The underlying research team and broader group of GLG's investment professionals serve Lagrange well by providing a foundational set of unique and differential insights at the stock level and relevant top down views.

Russell believes GLG's breadth gives it the ability to fare well in a variety of market environments. It is likely that GLG will struggle in deeper value markets as its selection criteria often favor growth drivers such as earnings momentum and positive estimate revisions; but the manager's attention to valuation does mean that it should still participate in periods where growth is not rewarded.

Russell Global Equity Fund Manager Profile

MFS Institutional Advisors, Inc.

May 2011

Firm background:

MFS Institutional Advisors, Inc. was founded in 1924. Sun Life Financial has been the majority owner since 1982.

Headquarters: Boston, MA

Founded: 1924

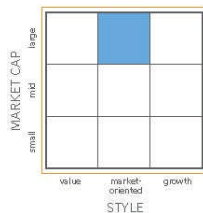
Lead manager: David Mannheim

Asset Class: Global Equity

Investment style: Market oriented

Number of holdings: 20-35

Capitalization level: Large cap



Investment sub-styles used in the Russell Global Equity Fund:

Market Oriented: Core

Growth biased

Value biased

> **Growth at a reasonable price**

This manager uses the growth at a reasonable price sub-style.

Manager profile:

MFS Institutional Advisors, Inc. (MFS) was added to the Russell Global Equity Fund in 2009. David Mannheim is the portfolio manager and is a highly skilled global manager. MFS seeks to purchase well managed, growing companies with stable earnings, trading at a reasonable price.

Investment process:

In the fundamental analysis of a company, MFS searches for balance sheet strength, positive free cash flow, lower than average leverage ratios, and franchise value. The securities selected tend to be global multi-nationals, primarily larger capitalization in nature. MFS focuses on companies it believes have the ability to continue to grow over the long term and it is not uncommon for the manager to evaluate a company's prospects over a five year time horizon.

The portfolio that results from this fundamental bottom-up research effort will tend to be highly concentrated in a few securities. Russell is comfortable with this degree of concentration due primarily to the fact that these concentrated positions tend to be and larger cap in nature.

While the process employed to create this strategy is largely bottom-up, Mannheim is a savvy manager, quick to respond to changes in the market as new ideas or technologies arise.

Russell's manager analysis:

Russell views this money manager's strategy as being more defensive than the other managers in the fund. This is intended to provide a complement to the fund's growth component. Mannheim's investing acumen and focus on quality, consistent growth is not readily available with other managers.

Russell believes that this manager should perform well in risk-averse markets, as the securities selected are typically stable, well respected names. MFS will underperform in high beta, highly cyclical, heavily leveraged markets. In a true growth rally, where high growth names do well, it may underperform as well due to a low level of exposure to those types of securities.

Russell Global Equity Fund Manager Profile

Sanders Capital, LLC

May 2011

Firm background:

Sanders Capital, LLC is a value-oriented investment manager, serving institutional and high net worth clients.

Headquarters: New York, NY

Founded: 2009

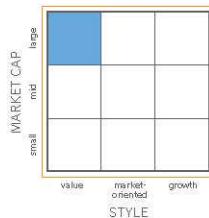
Lead managers: Lewis Sanders and John Mahedy

Asset Class: Global Equity

Investment style: Value

Number of holdings: 45-65

Capitalization level: Large cap



Investment sub-styles used in the Russell Global Equity Fund:

Value: > Low price/earnings value

Relative value

High quality large cap value with yield emphasis

Deep value

This manager uses the low price to earnings sub-style.

Manager profile:

Sanders Capital, LLC (Sanders) was added to the Russell Global Equity Fund in December 2010. Lewis Sanders and John Mahedy are the portfolio managers who lead this value-oriented strategy. The firm's investment philosophy rests on the belief that investors systematically overreact to adversity, which depresses asset prices in relation to their past and potential future cash flows (a phenomenon known as loss aversion). When the source of the adversity is transitory, above average investment returns may be present. The firm seeks to invest in those opportunities.

Investment process:

Sanders selects stocks with what it believes to exhibit depressed valuations due to temporary issues. The firm employs a bottom-up fundamental research driven process to identify large capitalization stocks trading at what it believes to be a discount to their intrinsic value. The firm starts by ranking a breadth of global securities by expected return based on normalized earnings and other valuation metrics. Sanders then performs an in-depth fundamental research of what it believes are the most attractive stocks and focuses on refining its expectation of a company's likely cash flows and earnings.

Country weights are a derivative of stock selection. The firm examines the country weights to see if an inordinate amount of risk is coming from any particular country. The firm is able to screen for other opportunities when it deems country risk to be too high.

Russell's manager analysis:

Sanders Capital, LLC is a recent start up by Lewis Sanders and John Mahedy, both of whom are highly regarded by Russell. The portfolio managers are jointly responsible for leading the investment process. Russell is well acquainted with Sanders and Mahedy from their previous firm, and Russell believes both to be experienced and insightful value investors.

Russell believes that this manager will do best in relative value markets that favor yield. The manager will fare less well during a strong, momentum driven market when investors care less about valuation but rather focus on high growth companies.

Russell Global Equity Fund Manager Profile

Harris Associates, L.P.

May 2011

Firm background:

Harris Associates, L.P. manages equity, balanced, global, and international portfolios for individuals and institutions.

Harris is an indirect subsidiary of Natixis Global Asset Management, L.P. (formerly IXIS Asset Management US Group L.P.).

Headquarters: Chicago, IL

Founded: 1976

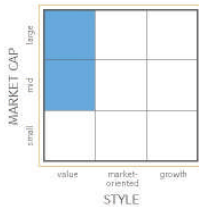
Lead managers: Robert Levy and David Herro

Asset Class: Global Equities

Investment style: Value

Number of holdings: 40 - 60

Capitalization level: Mid to large cap



Investment sub-styles used in the Russell Global Equity Fund:

- Value:**
- Low price/earnings value
 - Relative value
 - > **High quality large cap value with yield emphasis**
 - Deep value

This manager uses the high quality large cap value with yield emphasis sub-style.

Manager profile:

Harris Associates, L.P. (Harris) was added to the Russell Global Equity Fund in January 2008. Robert Levy and David Herro are the portfolio managers that lead this value based strategy. They seek to invest in companies trading at what they believe to be a substantial discount to intrinsic value. They look for corporate managers who think and act as owners, seeking to run efficient operations, focusing on cash flow and allocating capital wisely.

Investment process:

Harris employs a bottom-up, research driven process to identify quality businesses that it believes are trading at a discount to intrinsic value. The firm uses both a multi-step dividend discount model that analyzes earnings growth in conjunction with a discounted cash flow model which looks at the normal operations of the business.

Harris is a fundamental value manager targeting for this strategy high quality larger capitalization companies. This orientation is intended to be a useful complement to the other value manager in the fund both in terms of the type of valuation metrics used to identify stocks and, to a lesser extent, investment horizon.

Russell's manager analysis:

David Herro and Robert Levy are the Chief Investment Officers of International and Domestic equities respectively at Harris. They both have extensive investing experience and a good understanding of the global market environment. Russell recognizes these professionals demonstrated ability in finding attractively valued stocks and constructing compelling portfolios.

Russell believes that this manager will do well in value environments, particularly those that reward larger, higher quality companies. Harris may lag in strong growth markets and those that explicitly favor smaller capitalization companies.

Russell Global Equity Fund Manager Profile

Tradewinds Global Investors, LLC

May 2011

Firm background:

Tradewinds Global Investors, LLC is a subsidiary of Nuveen Investments, Inc.

Headquarters: Los Angeles, CA

Founded: 2006

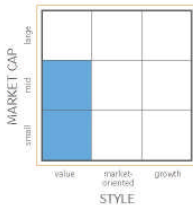
Lead manager: David Iben

Asset Class: Global Equity

Investment style: Value

Number of holdings: 50 - 70

Capitalization level: Mid to small cap



Investment sub-styles used in the Russell Global Equity Fund:

Value: > Low price/earnings value

Relative value

High quality large cap value with yield emphasis

Deep value

This manager uses the low price/earnings value sub-style.

Manager profile:

Tradewinds Global Investors, LLC (Tradewinds) was added to the Russell Global Equity Fund in May 2008. David Iben is the portfolio manager and he seeks to buy leading franchises and well managed companies that he believes are trading at large discounts to fair value. Tradewinds approaches investing from an absolute return perspective and strives to minimize downside risk.

Investment process:

Tradewinds is a value manager with an absolute return orientation and a willingness to take contrarian investment views.

Tradewinds employs a bottom-up research-driven process to identify companies it believes are undervalued. Considerable time is spent on determining intrinsic value through a dividend discount model and other valuation metrics. There is a focus on quality of the franchise, management and industry positioning to avoid buying companies that are lower priced for a reason and unlikely to be growing operations in the future.

Its emphasis on smaller cap value securities with a focus on absolute return and a willingness to go against consensus is intended to complement the larger cap value managers in the fund. Tradewinds, given its smaller cap orientation, also provides exposure to emerging markets as compared to the other managers within the value category.

Russell's manager analysis:

In addition to stringent valuation criteria that is confirmed by detailed analysis, Iben has considerable insight at the macro and industry level. His idea generation is eclectic and fairly intensive. Iben's insights on markets and industry dynamics helps him identify conventional valuation opportunities across developed and emerging markets as well as unique situations.

Russell believes that this manager will do best in deeper value markets and those that are led by cyclical stocks at the early part of an economic expansion. The manager will fare less well during a strong bull market. Also challenging for Tradewinds will be periods where risk aversion is higher.

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.

Money managers listed are current as of 3/1/2011. 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. 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.

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

Global equity involves risk associated with investments primarily in equity securities of companies located around the world, including the United States. International securities can involve risks relating to political and economic instability or regulatory conditions. Investments in emerging markets or developing markets involve exposure to economic structures that are generally less diverse and mature, and to political systems which have less stability than those of more developed countries.

Large capitalization (large cap) investments involve stocks of companies generally having a market capitalization between \$10 billion and \$200 billion. The value of securities will rise and fall in response to the activities of the company that issued them, general market conditions and/or economic conditions.

Market-oriented investments are generally subject to risks similar to that of both growth and value style investing.

Growth investments focus on stocks of companies whose earnings/profitability are accelerating in the short term or have grown consistently over the long term. Such investments may provide minimal dividends which could otherwise cushion stock prices in a market decline. Stock value may rise and fall significantly based, in part, on investors' perceptions of the company, rather than on fundamental analysis of the stocks. Investors should carefully consider the additional risks involved in growth investments.

Value investments focus on stocks of income-producing companies whose price is low relative to one or more valuation factors, such as earnings or book value. Such investments are subject to risks that their intrinsic values may never be realized by the market, or, such stock may turn out not to have been undervalued. Investors should carefully consider the additional risks involved in value investments.

Please remember that all investments carry some level of risk, including the potential loss of principal invested. They do not typically grow at an even rate of return and may experience negative growth. As with any type of portfolio structuring, attempting to reduce risk and increase return could, at certain times, unintentionally reduce returns.

The Russell Developed Large Cap index offers investors access to the large-cap segment of the developed equity universe representing approximately 70% of the global equity market. This index includes the largest securities in the Russell Developed Index.

The MSCI World Index is a market capitalization index, with net or with gross dividends reinvested, that is designed to measure global developed market equity performance. The Index is composed of companies representative of the market structure of 23 developed market countries in North America, Europe and the Asia/Pacific Region

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

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

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