



Dear Shareholder:

Enclosed is your 2011 Tax Information for the Russell Investment Company (RIC) funds. The Form 1099-DIV summarizes your 2011 income dividends and capital gains distributions from the Fund. We suggest that you read the following for an explanation of the amounts shown. Please retain this notice for income tax purposes.

In some cases, the Fund may have filed Form 1099-DIV with the Internal Revenue Service and provided you with a copy even if you are exempt from taxation.

For those shareholders invested in the Russell Tax Exempt Bond Fund, you will receive the Form 1099-INT which will show your non-taxable income received. We recommend that you consult a professional tax advisor for further information.

*Explanation of Amounts Shown on the Enclosed 2011 Form 1099-DIV:*

**Box 1a Total ordinary dividends** represent your share of income dividends, including short-term capital gains, and your share of foreign taxes paid by the Fund.

**Box 1b Qualified dividends** represent the portion of the amount in box 1a that may be eligible to be taxed at a lower rate depending on your individual tax bracket. We recommend that you consult a professional tax advisor for further information.

**Box 2a Total capital gain distributions** are the amounts distributed that have been designated as long-term capital gains for tax purposes.

**Box 3 Nondividend distributions** represent amounts distributed as return of capital, which for tax purposes, are not taxable. These nontaxable distributions should reduce the cost basis of your shares.

**Box 4 Federal income tax withheld** shows amounts withheld from distributions for federal income tax purposes.

**Box 6 Foreign tax paid** represents your share of taxes paid by the Fund to foreign countries in 2011. You may be able to claim this foreign tax as a deduction or credit on your individual tax return. We recommend that you consult a professional tax advisor for further information.

*Other Information:*

If your social security or tax identification number is incorrect or missing from your statement, please call Russell Investments at (800) 787-7354 to request a W-9. Without a proper number on file, the Internal Revenue Service may require the Fund to withhold 28% of your earnings.

For information regarding state or federal taxes, we recommend that you consult your tax advisor.

For questions regarding Forms 1099 and supplemental information, please call Russell Investments at (800) 787-7354.

Sincerely,

Russell Investment Company Funds

### Allocation of Tax-Exempt Income by State for 2011

Income dividends paid to you by the following Fund during 2011 represent 99.52% federal tax-exempt income. The list below is a breakdown by state of the federal tax-exempt income earned by the Fund as of December 31, 2011. For example, 0.91% of the Fund's total tax-exempt earnings came from investments in issues from the state of Alabama. However, as state income tax laws vary, we are not able to advise you of the state tax status of your 2011 dividends and suggest that you consult your tax advisor.

	<u>Russell Tax Exempt Bond</u>		<u>Russell Tax Exempt Bond</u>		<u>Russell Tax Exempt Bond</u>
Alabama	0.91%	Louisiana	0.92%	Oklahoma	0.11%
Alaska	0.08%	Maine	0.00%	Oregon	1.35%
Arizona	2.74%	Maryland	3.46%	Pennsylvania	6.82%
Arkansas	0.11%	Massachusetts	1.65%	Rhode Island	0.04%
California	9.85%	Michigan	2.25%	South Carolina	0.94%
Colorado	0.39%	Minnesota	3.11%	South Dakota	0.32%
Connecticut	0.82%	Mississippi	0.42%	Tennessee	0.97%
Delaware	0.28%	Missouri	1.06%	Texas	8.94%
District of Columbia	0.19%	Montana	0.00%	Utah	0.28%
Florida	6.91%	Nebraska	0.00%	Vermont	0.00%
Georgia	3.91%	Nevada	1.09%	Virginia	2.49%
Hawaii	0.57%	New Hampshire	0.00%	Washington	3.05%
Idaho	0.61%	New Jersey	3.82%	West Virginia	0.05%
Illinois	4.40%	New Mexico	0.46%	Wisconsin	0.49%
Indiana	1.54%	New York	11.34%	Wyoming	0.00%
Iowa	0.61%	North Carolina	2.15%	Guam	0.13%
Kansas	0.54%	North Dakota	0.00%	Puerto Rico	6.18%
Kentucky	0.00%	Ohio	1.61%	Virgin Islands	0.04%
					<u>100.00%</u>

## Corporate Qualifying and Non-Qualifying Dividend Percentages (for corporate taxpayers only)

Note: In calculating the qualifying percentage of U.S. corporate dividends received (corporate taxpayers only), short-term capital gain is considered ordinary income.

	Qualifying Dividend %	Non-Qualifying Dividend %		Qualifying Dividend %	Non-Qualifying Dividend %
<i>Russell U.S. Core Equity</i>	100.0%	0.0%	<i>LifePoints Conservative Strategy</i>	3.0%	97.0%
<i>Russell U.S. Small &amp; Mid Cap</i>	100.0%	0.0%	<i>LifePoints 2015 Strategy</i>	5.0%	95.0%
<i>Russell U.S. Quantitative Equity</i>	100.0%	0.0%	<i>LifePoints 2020 Strategy</i>	7.5%	92.5%
<i>Russell International Developed Markets</i>	0.0%	100.0%	<i>LifePoints 2025 Strategy</i>	11.4%	88.6%
<i>Russell Emerging Markets</i>	0.0%	100.0%	<i>LifePoints 2030 Strategy</i>	19.0%	81.0%
<i>Russell Global Real Estate Securities</i>	0.0%	100.0%	<i>LifePoints 2035 Strategy</i>	23.3%	76.7%
<i>Russell U.S. Value</i>	100.0%	0.0%	<i>LifePoints 2040 Strategy</i>	22.4%	77.6%
<i>Russell U.S. Growth</i>	0.0%	100.0%	<i>LifePoints 2045 Strategy</i>	21.3%	78.7%
<i>Russell Tax-Managed U.S. Large Cap</i>	100.0%	0.0%	<i>LifePoints 2050 Strategy</i>	18.5%	81.5%
<i>Russell Tax-Managed U.S. Mid &amp; Small Cap</i>	0.0%	100.0%	<i>LifePoints 2055 Strategy</i>	59.1%	40.9%
<i>Russell Global Equity</i>	62.9%	37.1%	<i>LifePoints In Retirement</i>	5.3%	94.7%
<i>Russell Global Opportunistic Credit</i>	0.0%	100.0%	<i>2017 Retirement Distribution Fund - A Shares</i>	1.9%	98.1%
<i>Russell Global Infrastructure</i>	22.5%	77.5%	<i>2017 Accelerated Distribution Fund - A Shares</i>	6.7%	93.3%
<i>Russell Commodity Strategies</i>	0.0%	100.0%	<i>2027 Extended Distribution Fund - A Shares</i>	3.1%	96.9%
<i>LifePoints Equity Growth Strategy</i>	34.1%	65.9%	<i>2017 Retirement Distribution Fund - S Shares</i>	1.6%	98.4%
<i>LifePoints Growth Strategy</i>	19.5%	80.5%	<i>2017 Accelerated Distribution Fund - S Shares</i>	5.1%	94.9%
<i>LifePoints Balanced Strategy</i>	11.5%	88.5%	<i>2027 Extended Distribution Fund - S Shares</i>	2.9%	97.1%
<i>LifePoints Moderate Strategy</i>	5.8%	94.2%			

## Special Information

Please note, the RIC Net Investment Income and Capital Gain Dividends Paid in 2011 section is available at [www.russell.com](http://www.russell.com)

On February 25th, 2011 the LifePoints 2010 Strategy Fund merged into the LifePoints In Retirement Fund.

The following Funds closed on December 16th, 2011:

- 2017 Accelerated Distribution Fund - A Shares
- 2027 Extended Distribution Fund - A Shares
- 2017 Accelerated Distribution Fund - S Shares
- 2027 Extended Distribution Fund - S Shares

## Percentage of Direct Obligation and Agency Income

Most states allow mutual funds to “pass through” the state tax exemption on income earned from investments in obligations of the U.S. government or its agencies. Mutual fund shareholders may be allowed to exclude income derived from these earnings from their state tax returns. However, because requirements vary by state, you should review your state’s income tax return instructions or consult a qualified tax advisor.

For your convenience, the table below provides the percentage of income earned from direct obligations of the U.S. government, as well as income earned from agency and other miscellaneous securities. The information is presented in this format because certain states exempt only income earned from direct obligations of the U.S. government. These obligations include Treasury Bonds, Treasury Notes, and Treasury Bills. Although some states do not exempt income earned from agency securities, such as GNMA or FNMA issues, your state may permit an exclusion for this income. Once again, you should verify your state’s requirements to properly calculate your state income exclusion.

If your state allows some form of “pass through” treatment, first compute the amount of your income dividends for 2011 by adding up all of the “dividend” transactions shown on your year-end account statement. (Do not add in any capital gain transactions that may appear on your statement.) Next, multiply the amount of your dividends shown on your statement by the percentage(s) from the table to determine your income from direct obligations and/or agency securities. If you require further information, please contact Russell Investments at (800) 787-7354.

### Percentage of Ordinary Income Earned over the 12 months ending December 31, 2011 from:

Fund	U.S. Treasury Securities (a)	Other Direct U.S. Government Obligations (b)	Other Indirect U.S. Government Obligations (c)
<i>Russell U.S. Core Equity</i>	0.00%	0.00%	0.00%
<i>Russell U.S. Small &amp; Mid Cap</i>	0.00%	0.00%	0.00%
<i>Russell U.S. Quantitative Equity</i>	0.00%	0.00%	0.00%
<i>Russell Investment Grade Bond</i>	9.49%	0.28%	30.72%
<i>Russell Strategic Bond</i>	3.90%	0.32%	15.54%
<i>Russell International Developed Markets</i>	0.00%	0.00%	0.00%
<i>Russell Short Duration Bond</i>	2.48%	0.03%	14.31%
<i>Russell Global Real Estate Securities</i>	0.00%	0.00%	0.00%
<i>Russell Tax-Managed U.S. Large Cap</i>	0.00%	0.00%	0.00%
<i>Russell Tax-Managed U.S. Mid &amp; Small Cap</i>	0.00%	0.00%	0.00%
<i>Russell Emerging Markets</i>	0.00%	0.00%	0.00%
<i>Russell Money Market</i>	22.05%	15.61%	37.14%
<i>Russell U.S. Value</i>	0.00%	0.00%	0.00%
<i>Russell U.S. Growth</i>	0.00%	0.00%	0.00%
<i>Russell Global Equity</i>	0.00%	0.00%	0.00%
<i>Russell Global Opportunistic Credit</i>	0.00%	0.00%	0.00%
<i>Russell Global Infrastructure</i>	0.00%	0.00%	0.00%
<i>Russell Commodity Strategies</i>	1.58%	1.32%	1.18%
<i>LifePoints Equity Growth Strategy</i>	0.20%	0.17%	0.15%
<i>LifePoints Growth Strategy</i>	1.30%	0.23%	4.61%
<i>LifePoints Balanced Strategy</i>	2.28%	0.26%	8.80%
<i>LifePoints Moderate Strategy</i>	4.15%	0.28%	14.73%
<i>LifePoints Conservative Strategy</i>	4.31%	0.25%	16.03%
<i>LifePoints 2015 Strategy</i>	4.36%	0.30%	15.55%
<i>LifePoints 2020 Strategy</i>	3.59%	0.29%	13.20%
<i>LifePoints 2025 Strategy</i>	2.45%	0.29%	9.40%
<i>LifePoints 2030 Strategy</i>	1.62%	0.27%	5.85%
<i>LifePoints 2035 Strategy</i>	1.13%	0.26%	3.77%
<i>LifePoints 2040 Strategy</i>	1.17%	0.25%	3.98%
<i>LifePoints 2045 Strategy</i>	1.17%	0.26%	3.95%
<i>LifePoints 2050 Strategy</i>	1.24%	0.24%	4.29%
<i>LifePoints 2055 Strategy</i>	0.98%	0.29%	3.00%
<i>LifePoints In Retirement</i>	4.48%	0.29%	16.29%
<i>2017 Retirement Distribution Fund - A Shares</i>	3.41%	0.23%	12.74%
<i>2017 Accelerated Distribution Fund - A Shares</i>	4.07%	0.23%	16.04%
<i>2027 Extended Distribution Fund - A Shares</i>	4.38%	0.26%	17.12%
<i>2017 Retirement Distribution Fund - S Shares</i>	3.52%	0.25%	13.08%
<i>2017 Accelerated Distribution Fund - S Shares</i>	4.16%	0.24%	16.32%
<i>2027 Extended Distribution Fund - S Shares</i>	4.39%	0.26%	17.12%

**Notes:**

[a] Direct U.S. Government Obligations - U.S. Treasury Securities - includes bills, notes and bonds.

[b] Other Direct U.S. Government Obligations - Includes Federal Farm Credit Bank, Federal Home Loan Bank, and Student Loan Marketing Association.

[c] Other Indirect U.S. Government Obligations - Includes Federal Home Loan Mortgage Corporation, Federal National Mortgage Association and Government National Mortgage Association

## Foreign Tax Credit Information

Remaining consistent with their investment objectives, the following Funds generally invest in securities of foreign corporations. In many cases, foreign countries impose a withholding tax on the dividends these corporations pay to the Fund. This means that the dividends are taxed at the time the Fund receives them. In accordance with the Internal Revenue Code (the Code), the Fund has elected to pass through to you the tax benefit resulting from this foreign tax withholding. Accordingly, the foreign tax paid amount is deemed to have been paid as a distribution from the Fund for tax purposes. The amount shown in Box 1a, "Ordinary Dividends", represents your 2011 income dividends including any short-term capital gain distributions from the Fund plus your share of foreign taxes paid by the Fund. The amount shown in Box 6, "Foreign Tax Paid", represents your share of taxes paid by the Fund to foreign countries in 2011. This is the amount available to you for the Foreign Tax Credit on your individual tax return. We suggest that you consult your tax advisor for further information

	Deemed Foreign Tax Paid per Share 4/5/2011	Deemed Foreign Tax Paid as a Percentage 4/5/2011	Deemed Foreign Tax Paid per Share 7/6/2011	Deemed Foreign Tax Paid as a Percentage 7/6/2011	Deemed Foreign Tax Paid per Share 10/5/2011	Deemed Foreign Tax Paid as a Percentage 10/5/2011	Deemed Foreign Tax Paid per Share 12/27/2011	Deemed Foreign Tax Paid as a Percentage 12/27/2011
<i>Russell International Developed Markets Class I</i>	N/A	N/A	N/A	N/A	N/A	N/A	\$0.0313	6.19%
<i>Russell International Developed Markets Class E</i>	N/A	N/A	N/A	N/A	N/A	N/A	0.0293	6.83%
<i>Russell International Developed Markets Class Y</i>	N/A	N/A	N/A	N/A	N/A	N/A	0.0314	5.86%
<i>Russell International Developed Markets Class A</i>	N/A	N/A	N/A	N/A	N/A	N/A	0.0325	8.11%
<i>Russell International Developed Markets Class C</i>	N/A	N/A	N/A	N/A	N/A	N/A	0.0394	28.45%
<i>Russell International Developed Markets Class S</i>	N/A	N/A	N/A	N/A	N/A	N/A	0.0230	4.74%
<i>Russell Emerging Markets Class S</i>	N/A	N/A	N/A	N/A	N/A	N/A	0.0525	19.51%
<i>Russell Emerging Markets Class E</i>	N/A	N/A	N/A	N/A	N/A	N/A	0.0534	24.09%
<i>Russell Emerging Markets Class C</i>	N/A	N/A	N/A	N/A	N/A	N/A	0.0563	80.09%
<i>Russell Emerging Markets Class A</i>	N/A	N/A	N/A	N/A	N/A	N/A	0.0545	24.78%
<i>Russell Emerging Markets Class Y</i>	N/A	N/A	N/A	N/A	N/A	N/A	0.0544	18.04%
<i>Russell Global Equity Class S</i>	N/A	N/A	N/A	N/A	N/A	N/A	0.0051	6.85%
<i>Russell Global Equity Class E</i>	N/A	N/A	N/A	N/A	N/A	N/A	0.0051	9.36%
<i>Russell Global Equity Class C</i>	N/A	N/A	N/A	N/A	N/A	N/A	0.0057	100.00%
<i>Russell Global Equity Class A</i>	N/A	N/A	N/A	N/A	N/A	N/A	0.0062	12.23%
<i>Russell Global Equity Class Y</i>	N/A	N/A	N/A	N/A	N/A	N/A	0.0061	6.88%
<i>Russell Global Infrastructure Class S</i>	0.0018	10.48%	0.0156	11.74%	0.0063	10.50%	0.0061	10.36%
<i>Russell Global Infrastructure Class E</i>	0.0018	9.80%	0.0156	12.35%	0.0063	11.73%	0.0061	11.52%
<i>Russell Global Infrastructure Class C</i>	N/A	N/A	0.0168	14.99%	0.0063	18.30%	0.0061	18.21%
<i>Russell Global Infrastructure Class A</i>	0.0018	13.26%	0.0156	12.23%	0.0063	11.66%	0.0061	11.65%
<i>Russell Global Infrastructure Class Y</i>	0.0018	8.67%	0.0156	11.40%	0.0063	9.86%	0.0061	9.73%

## Qualified Dividend Income Percentage (QDI)

The amount in Box 1b, "Qualified dividends" on your Form 1099 is the amount of ordinary dividends received during the calendar year (unless otherwise indicated) multiplied by the QDI Percentage listed below. Ordinary dividends include any short-term gains distributed by the Funds. Funds that did not pay any ordinary dividends or Funds with no qualifying dividends are not listed below.

	QDI Percentage		QDI Percentage
<i>Russell U.S. Core Equity</i>	100.0%	<i>LifePoints 2020 Strategy</i>	14.1%
<i>Russell U.S. Small &amp; Mid Cap</i>	100.0%	<i>LifePoints 2025 Strategy</i>	20.7%
<i>Russell U.S. Quantitative Equity</i>	100.0%	<i>LifePoints 2030 Strategy</i>	35.9%
<i>Russell International Developed Markets</i>	94.0%	<i>LifePoints 2035 Strategy</i>	42.2%
<i>Russell Emerging Markets</i>	70.4%	<i>LifePoints 2040 Strategy</i>	41.7%
<i>Russell Global Real Estate Securities</i>	6.0%	<i>LifePoints 2045 Strategy</i>	41.0%
<i>Russell U.S. Value</i>	100.0%	<i>LifePoints 2050 Strategy</i>	37.6%
<i>Russell Tax-Managed U.S. Large Cap</i>	100.0%	<i>LifePoints 2055 Strategy</i>	60.7%
<i>Russell Global Equity</i>	100.0%	<i>LifePoints In Retirement</i>	6.1%
<i>Russell Global Infrastructure</i>	81.6%	<i>2017 Retirement Distribution Fund - A Shares</i>	4.3%
<i>LifePoints Equity Growth Strategy</i>	78.9%	<i>2017 Accelerated Distribution Fund - A Shares</i>	8.2%
<i>LifePoints Growth Strategy</i>	44.0%	<i>2027 Extended Distribution Fund - A Shares</i>	3.8%
<i>LifePoints Balanced Strategy</i>	25.9%	<i>2017 Retirement Distribution Fund - S Shares</i>	3.8%
<i>LifePoints Moderate Strategy</i>	13.7%	<i>2017 Accelerated Distribution Fund - S Shares</i>	6.3%
<i>LifePoints Conservative Strategy</i>	6.7%	<i>2027 Extended Distribution Fund - S Shares</i>	3.6%
<i>LifePoints 2015 Strategy</i>	9.2%		