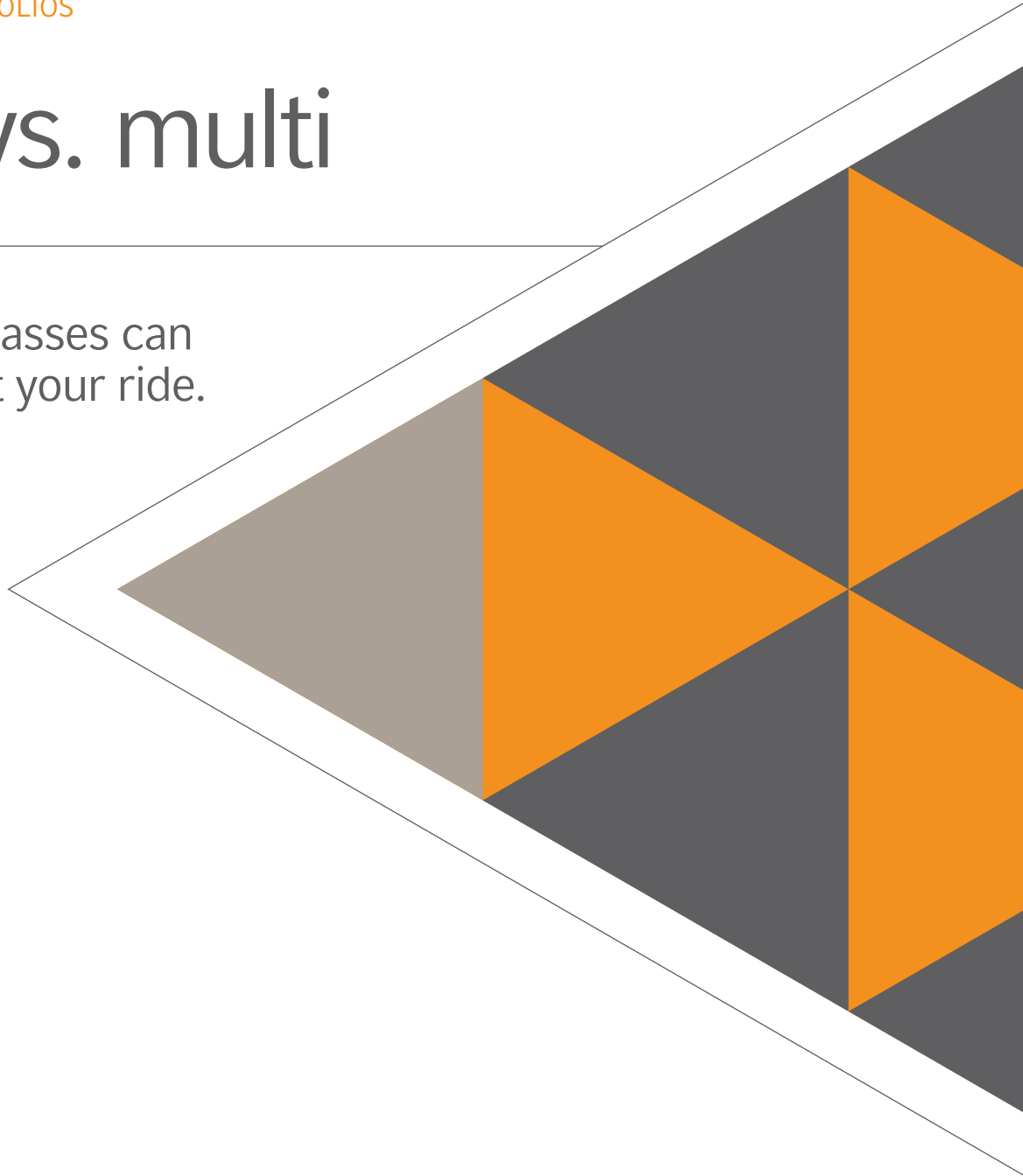


COMPARING SINGLE-ASSET TO
MULTIPLE-ASSET PORTFOLIOS

Single vs. multi

Multiple asset classes can
help smooth out your ride.



Comparing single-asset to multiple-asset portfolios.

Investing in a single asset class is risky when you consider no one asset class consistently outperforms on a regular basis.

Don't play the guessing game with your financial future.

Returns represent past index performance and should not be viewed as a guarantee of future index or investment performance. Indexes and strategies are unmanaged and cannot be invested in directly.

An asset allocation strategy does not assure a profit or protect against loss in a declining market.

Standard deviation is a statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution. The greater the degree of dispersion, the greater the risk.

See last page for source data.

Individual asset classes

	LARGE CAP	SMALL CAP	BONDS	REAL ESTATE	INT'L
1973	-14.69	-30.90	0.94	-15.52	-14.17
1974	-26.47	-19.95	-2.91	-21.42	-22.15
1975	37.23	52.82	14.03	19.29	37.10
1976	23.93	57.38	15.60	47.56	3.74
1977	-7.16	25.38	3.03	22.43	19.42
1978	6.57	23.46	1.40	10.34	34.30
1979	18.61	43.09	1.93	35.86	6.18
1980	32.50	38.58	2.70	24.36	24.43
1981	-4.92	2.03	6.25	6.02	-1.03
1982	21.55	24.95	32.62	21.60	-0.86
1983	22.56	29.13	8.35	30.64	24.61
1984	6.27	-7.30	15.15	20.93	7.86
1985	31.73	31.05	22.10	19.07	56.73
1986	18.66	5.68	15.26	19.17	69.94
1987	5.25	-8.77	2.76	-3.65	24.93
1988	16.61	24.89	7.89	13.47	28.59
1989	31.69	16.24	14.53	8.84	10.80
1990	-3.10	-19.51	8.96	-15.34	-23.20
1991	30.47	46.05	16.00	35.69	12.50
1992	7.62	18.41	7.40	14.58	-11.85
1993	10.08	18.91	9.75	19.67	32.94
1994	1.32	-1.82	-2.92	3.17	8.06
1995	37.58	28.44	18.47	15.25	11.55
1996	22.96	16.49	3.63	35.26	6.36
1997	33.36	22.36	9.65	20.28	2.06
1998	28.58	-2.55	8.69	-17.51	20.33
1999	21.04	21.26	-0.82	-4.62	27.30
2000	-9.10	-3.02	11.63	26.36	-13.96
2001	-11.89	2.49	8.44	13.93	-21.21
2002	-22.10	-20.48	10.25	3.81	-15.66
2003	28.68	47.25	4.10	37.14	39.17
2004	10.88	18.33	4.34	31.57	20.70
2005	4.91	4.55	2.43	12.15	14.02
2006	15.79	18.37	4.33	35.05	26.86
2007	5.49	-1.57	6.97	-15.69	11.63
2008	-37.00	-33.79	5.24	-37.73	-43.06
2009	26.46	27.17	5.93	27.99	32.46
2010	15.06	26.85	6.54	27.95	8.21
2011	2.11	-4.18	7.84	8.28	-11.73
Annualized Return 1973-2011	9.62	11.47	7.95	12.02	8.97
Annualized Standard Deviation	18.11	22.23	6.95	18.69	22.58

Asset allocation strategies (S=Stocks / B=Bonds)

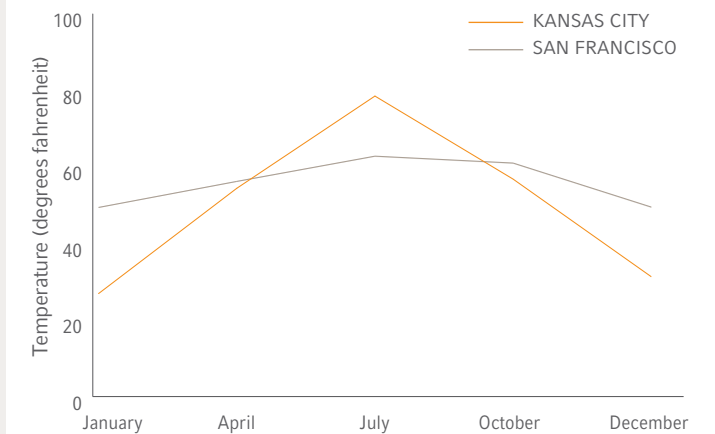
	100% S	80% S/20% B	60% S/40% B	40% S/60% B	20% S/80% B
1973	-16.22	-13.11	-9.19	-5.76	-2.49
1974	-24.48	-19.90	-15.78	-11.47	-7.18
1975	37.86	33.22	27.99	23.22	18.79
1976	23.41	22.35	19.78	18.22	16.96
1977	4.22	5.46	4.25	4.01	3.53
1978	15.38	13.51	10.21	7.42	4.47
1979	18.81	15.85	11.74	8.36	5.18
1980	30.69	24.97	19.19	13.59	8.21
1981	-2.71	-0.59	0.99	2.79	4.50
1982	16.29	19.18	22.34	25.61	29.13
1983	24.13	21.23	17.88	14.72	11.53
1984	6.05	7.77	10.00	11.82	13.34
1985	37.28	34.60	31.59	28.55	25.39
1986	30.21	27.99	25.39	22.40	18.76
1987	8.32	7.24	6.54	5.43	4.07
1988	20.27	18.17	15.45	12.97	10.48
1989	23.78	20.97	19.59	17.74	16.17
1990	-10.38	-7.36	-3.00	0.86	4.89
1991	27.79	25.44	22.61	20.26	18.18
1992	4.18	4.72	5.04	5.68	6.56
1993	17.16	16.41	14.66	13.18	11.46
1994	2.78	1.73	0.69	-0.45	-1.71
1995	29.04	26.00	24.16	22.05	20.33
1996	18.78	15.41	12.58	9.55	6.49
1997	23.78	19.98	17.48	14.66	12.17
1998	21.10	17.37	15.82	13.34	11.09
1999	21.34	16.78	12.34	7.91	3.67
2000	-7.94	-3.64	0.09	4.00	7.66
2001	-11.49	-7.14	-3.59	0.40	4.36
2002	-19.03	-12.75	-6.95	-1.09	4.46
2003	33.58	28.35	21.90	16.01	10.11
2004	15.12	13.51	11.13	8.98	6.59
2005	7.51	6.74	5.74	4.72	3.54
2006	19.78	17.16	13.99	10.90	7.53
2007	5.26	5.37	5.93	6.27	6.69
2008	-38.23	-29.60	-21.00	-12.31	-3.51
2009	28.11	23.82	19.37	14.93	10.43
2010	15.17	13.67	11.59	9.87	8.20
2011	-1.67	-0.11	1.98	3.88	5.80
Annualized Return 1973-2011	10.10	10.00	9.61	9.17	8.62
Annualized Standard Deviation	17.58	14.58	11.71	9.21	7.47

Understanding risk:

Standard deviation

When you think of the weather in San Francisco and Kansas City, do you think it's the same? While the two cities have a similar average annual temperature of 57° and 54° respectively, they experience dramatically different ranges in temperature. This spread in temperature is the standard deviation. Generally, the weather in San Francisco varies 5° from the average (52° to 62°). However, there is a greater fluctuation in temperature for Kansas City, where the temperature can vary as much as 18° from the average (36° to 72°).

Now, consider what this means if applied to your investment portfolio. Although two portfolios can have similar annualized returns, the ride along the way can be significantly different. One portfolio may have a higher standard deviation, reflecting more ups and downs while the other portfolio could have a lower standard deviation, indicating a smoother ride.



	KANSAS CITY	SAN FRANCISCO
Average temperature:	54	57
Standard deviation:	18	5

Source: National Oceanic & Atmospheric Administration. (1971-2000). Normal Daily Mean Temperature, Degrees F. Retrieved May 22, 2006 from the World Wide Web: <http://www.ncdc.noaa.gov/oa/climate/online/ccd/nrmavg.txt>.

SOURCE DATA

Individual asset classes represented by the following indices:

large cap = S&P 500; **small cap** = Ibbotson & Associates, 1973–1978, Russell 2000®, 1979–2011;

bonds = Barclays Capital U.S. Aggregate Bond Index; **international** = MSCI® EAFE;

real estate = NAREIT Equity REIT Index.

Historical data is not recalculated on an annual basis.

Asset allocated mixes employ the same indices listed above and are rebalanced annually. They are represented by the following asset class breakdowns:

100% stock = 60% large cap, 10% small cap, 5% real estate, 25% international

80% stock/20% bond = 43% large cap, 10% small cap, 5% real estate, 22% international, 20% bonds

60% stock/40% bond = 34% large cap, 5% small cap, 17% international, 4% real estate, 40% bonds

40% stock/60% bond = 22% large cap, 3% small cap, 12% international, 3% real estate, 60% bonds

20% stock/80% bond = 11% large cap, 2% small cap, 6% international, 1% real estate, 80% bonds

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 Russell Investments online. Please read the prospectus carefully before investing.

www.russell.com

The S&P 500 Index is an index, with dividends reinvested, of 500 issues representative of leading companies in the U.S. large cap securities market (representative sample of leading companies in leading industries).

The Ibbotson Small-Company Index comprises the fifth-capitalization quintile of stocks on the New York Stock Exchange.

The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index, representative of the U.S. small capitalization securities market.

Barclays Capital U.S. Aggregate Bond Index, with income reinvested, is generally representative of intermediate-term government bonds, investment grade corporate debt securities, and mortgage-backed securities.

The MSCI EAFE Index, with dividends reinvested, is representative of the securities markets of twenty developed market countries in Europe, Australasia, and the Far East.

NAREIT Equity REIT Index, with dividends reinvested, is representative of tax qualified REITs listed on the New York Stock Exchange, American Stock Exchange, and the NASDAQ National Market System.

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.

Small capitalization (small cap) investments involve stocks of companies with smaller levels of market capitalization (generally less than \$2 billion) than larger company stocks (large cap). Small cap investments are subject to considerable price fluctuations and are more volatile than large company stocks. Investors should consider the additional risks involved in small cap investments.

Bond investors should carefully consider risks such as interest rate, credit, repurchase and reverse repurchase transaction risks. Greater risk, such as increased volatility, limited liquidity, prepayment, non-payment and increased default risk, is inherent in portfolios that invest in high yield ("junk") bonds or mortgage backed securities, especially mortgage backed securities with exposure to sub-prime mortgages. Investment in non-U.S. and emerging market securities is subject to the risk of currency fluctuations and to economic and political risks associated with such foreign countries.

Specific sector investing such as real estate can be subject to different and greater risks than more diversified investments. Declines in the value of real estate, economic conditions, property taxes, tax laws and interest rates all present potential risks to real estate investments. Fund investments in non-U.S. markets can involve risks of currency fluctuation, political and economic instability, different accounting standards and foreign taxation.

Non-U.S. markets entail different risks than those typically associated with U.S. markets, including currency fluctuations, political and economic instability, accounting changes, and foreign taxation. Securities may be less liquid and more volatile.

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