

Tacoma

December 18, 2008



**Russell Investment Company
Dividend Announcement**

Dear Shareholder:

On December 18, 2008, the following dividends payable was declared from net investment income and capital gains, respectively. Dividends will be payable on December 23, 2008, to shareholders of record effective with the opening of business on December 19, 2008.

Fund	Identifier	Net Investment Income	Short Term Capital Gains	Long Term Capital Gains
Russell Investment Grade Bond - Class I	782493407	0.0000	0.0000	0.0000
Russell Investment Grade Bond - Class E	782493183	0.0000	0.0000	0.0000
Russell Investment Grade Bond - Class Y	782493175	0.0000	0.0000	0.0000
Russell Investment Grade Bond - Class C	782494827	0.0000	0.0000	0.0000
Russell Investment Grade Bond - Class S	782494835	0.0000	0.0000	0.0000
Russell Short Duration Bond - Class S	782493506	0.0310	0.0000	0.0000
Russell Short Duration Bond - Class E	782493332	0.0194	0.0000	0.0000
Russell Short Duration Bond - Class C	782493340	0.0000	0.0000	0.0000
Russell Short Duration Bond - Class A	782494801	0.0237	0.0000	0.0000
Russell Short Duration Bond - Class Y	782494421	0.0353	0.0000	0.0000
Russell Strategic Bond - Class I	782493738	0.0213	0.0145	0.0260
Russell Strategic Bond - Class E	782493167	0.0192	0.0145	0.0260
Russell Strategic Bond - Class Y	782493159	0.0217	0.0145	0.0260
Russell Strategic Bond - Class A	782494470	0.0186	0.0145	0.0260
Russell Strategic Bond - Class C	782494462	0.0118	0.0145	0.0260
Russell Strategic Bond - Class S	782494454	0.0204	0.0145	0.0260
Russell Tax Exempt Bond - Class S	782493837	0.0873	0.0000	0.0000
Russell Tax Exempt Bond - Class E	782493316	0.0832	0.0000	0.0000
Russell Tax Exempt Bond - Class C	782493324	0.0706	0.0000	0.0000
Russell US Small & Mid Cap - Class I	782493209	0.0560	0.0000	0.0000
Russell US Small & Mid Cap - Class E	782493274	0.0338	0.0000	0.0000
Russell US Small & Mid Cap - Class Y	782493266	0.0764	0.0000	0.0000
Russell US Small & Mid Cap - Class A	782494546	0.0577	0.0000	0.0000
Russell US Small & Mid Cap - Class C	782494538	0.0166	0.0000	0.0000
Russell US Small & Mid Cap - Class S	782494520	0.0655	0.0000	0.0000

Fund	Identifier	Net Investment Income	Short Term Capital Gains	Long Term Capital Gains
Russell International Developed Markets - Class I	782493605	0.0000	0.0000	0.0000
Russell International Developed Markets - Class E	782493217	0.0000	0.0000	0.0000
Russell International Developed Markets - Class Y	782493191	0.0000	0.0000	0.0000
Russell International Developed Markets - Class A	782494512	0.0000	0.0000	0.0000
Russell International Developed Markets - Class C	782494496	0.0000	0.0000	0.0000
Russell International Developed Markets - Class S	782494488	0.0000	0.0000	0.0000
Russell Tax Managed US Large Cap - Class S	782493720	0.2024	0.0000	0.0000
Russell Tax Managed US Large Cap - Class E	782478879	0.1589	0.0000	0.0000
Russell Tax Managed US Large Cap - Class C	782478309	0.0110	0.0000	0.0000
Russell Tax Managed US Mid & Small Cap - Class S	782478408	0.0835	0.0000	0.0000
Russell Tax Managed US Mid & Small Cap - Class E	782478887	0.0534	0.0000	0.0000
Russell Tax Managed US Mid & Small Cap - Class C	782478507	0.0000	0.0000	0.0000
Russell Emerging Markets - Class S	782493746	0.0000	0.0000	0.4950
Russell Emerging Markets - Class E	782493654	0.0000	0.0000	0.4950
Russell Emerging Markets - Class C	782493431	0.0000	0.0000	0.4950
Russell Emerging Markets - Class A	782494603	0.0000	0.0000	0.4950
Russell Emerging Markets - Class Y	782494439	0.0000	0.0000	0.4950
Russell US Core Equity - Class I	782493100	0.1162	0.0000	0.0000
Russell US Core Equity - Class E	782493290	0.1039	0.0000	0.0000
Russell US Core Equity - Class Y	782493282	0.1186	0.0000	0.0000
Russell US Core Equity - Class A	782494611	0.1010	0.0000	0.0000
Russell US Core Equity - Class C	782494595	0.0597	0.0000	0.0000
Russell US Core Equity - Class S	782494587	0.1099	0.0000	0.0000
Russell US Quantitative Equity - Class I	782493811	0.1106	0.0000	0.0000
Russell US Quantitative Equity - Class E	782493233	0.0973	0.0000	0.0000
Russell US Quantitative Equity - Class Y	782493225	0.1132	0.0000	0.0000
Russell US Quantitative Equity - Class A	782494579	0.0929	0.0000	0.0000
Russell US Quantitative Equity - Class C	782494561	0.0471	0.0000	0.0000
Russell US Quantitative Equity - Class S	782494553	0.1038	0.0000	0.0000
Russell US Value - Class I	782478770	0.0373	0.0000	0.0000
Russell US Value - Class S	782478762	0.0362	0.0000	0.0000
Russell US Value - Class E	782478788	0.0325	0.0000	0.0000
Russell US Value - Class C	782478796	0.0221	0.0000	0.0000
Russell US Growth - Class I	782478820	0.0330	0.0000	0.0000
Russell US Growth - Class S	782478812	0.0163	0.0000	0.0000
Russell US Growth - Class E	782478838	0.0057	0.0000	0.0000
Russell US Growth - Class C	782478846	0.0000	0.0000	0.0000
Russell Global Equity - Class S	782478119	0.0879	0.0000	0.0000
Russell Global Equity - Class E	782478127	0.0703	0.0000	0.0000
Russell Global Equity - Class C	782478135	0.0104	0.0000	0.0000
Russell Global Equity - Class A	782478143	0.0807	0.0000	0.0000

Fund	Identifier	Net Investment Income	Short Term Capital Gains	Long Term Capital Gains
Russell Global Equity - Class Y	782494447	0.0931	0.0000	0.0000
Russell Real Estate Securities - Class S	782493761	0.1390	0.0000	0.0000
Russell Real Estate Securities - Class E	782493647	0.1235	0.0000	0.0000
Russell Real Estate Securities - Class C	782493423	0.0767	0.0000	0.0000
Russell Real Estate Securities - Class A	782494405	0.1241	0.0000	0.0000
Russell Real Estate Securities - Class Y	782478713	0.1498	0.0000	0.0000

Key Dates

Ex: 12/19/08
Record: 12/19/08
Payable: 12/23/08

With the enactment of The American Jobs Creation Act of 2004, Registered Investment Companies are now able to exempt from withholding the qualified interest income dividends paid to foreign investors. Of the net investment income dividends paid above 100% of the Russell Short Duration Bond Fund dividends, 100% of the Russell Strategic Bond Fund dividends and 0% of the Russell Tax Exempt Bond Fund dividends are exempt from the U.S. withholding tax.

If you have any questions or need additional information, please feel free to call Russell Investments at 1-800-787-7354.

