

Tacoma

October 1, 2008



**Russell Investment Company
Dividend Announcement**

Dear Shareholder:

On October 1, 2008, the following dividends payable were declared from Net Investment Income. Dividends will be payable on October 6, 2008, to shareholders of record effective with the opening of business on October 2, 2008.

Fund	Identifier	Net Investment Income
Russell U.S. Core Equity Fund - Class I	782493100	0.0276
Russell U.S. Core Equity Fund - Class E	782493290	0.0231
Russell U.S. Core Equity Fund - Class Y	782493282	0.0284
Russell U.S. Core Equity Fund - Class A	782494611	0.0208
Russell U.S. Core Equity Fund - Class C	782494595	0.0075
Russell U.S. Core Equity Fund - Class S	782494587	0.0211
Russell U.S. Quantitative Equity Fund - Class I	782493811	0.0226
Russell U.S. Quantitative Equity Fund - Class E	782493233	0.0207
Russell U.S. Quantitative Equity Fund - Class Y	782493225	0.0229
Russell U.S. Quantitative Equity Fund - Class A	782494579	0.0196
Russell U.S. Quantitative Equity Fund - Class C	782494561	0.0137
Russell U.S. Quantitative Equity Fund - Class S	782494553	0.0197
Russell Real Estate Securities Fund - Class S	782493761	0.2080
Russell Real Estate Securities Fund - Class E	782493647	0.1859
Russell Real Estate Securities Fund - Class C	782493423	0.1162
Russell Real Estate Securities Fund - Class A	782494405	0.1877
Russell Real Estate Securities Fund - Class Y	782478713	0.2166
Russell U. S. Value Fund - Class I	782478770	0.0361
Russell U. S. Value Fund - Class S	782478762	0.0335
Russell U.S. Value Fund - Class E	782478788	0.0296
Russell U.S. Value Fund - Class C	782478796	0.0132
Russell Tax Exempt Bond Fund - Class S	782493837	0.0656
Russell Tax Exempt Bond Fund - Class E	782493316	0.0607
Russell Tax Exempt Bond Fund - Class C	782493324	0.0466
Russell Investment Grade Bond Fund - Class I	782493407	0.2605
Russell Investment Grade Bond Fund - Class E	782493183	0.2478
Russell Investment Grade Bond Fund - Class Y	782493175	0.2630
Russell Investment Grade Bond Fund - Class C	782494827	0.2000
Russell Investment Grade Bond Fund - Class S	782494835	0.2536
Russell Strategic Bond Fund - Class I	782493738	0.0209

Fund	Identifier	Net Investment Income
Russell Strategic Bond Fund - Class E	782493167	0.0202
Russell Strategic Bond Fund - Class Y	782493159	0.0210
Russell Strategic Bond Fund - Class A	782494470	0.0199
Russell Strategic Bond Fund - Class C	782494462	0.0179
Russell Strategic Bond Fund - Class S	782494454	0.0198
Russell Short Duration Bond Fund - Class S	782493506	0.2016
Russell Short Duration Bond Fund - Class E	782493332	0.1905
Russell Short Duration Bond Fund - Class C	782493340	0.1583
Russell Short Duration Bond Fund - Class A	782494801	0.1917
Russell Short Duration Bond Fund - Class Y	782494421	0.2038

Key Dates

Ex: 10/02/08
Record: 10/02/08
Payable: 10/06/08

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, 88.41% of the Russell Investment Grade Bond Fund, 85.22% of the Russell Strategic Bond Fund and 90.43% of the Russell Short Duration Bond Fund dividends are exempt for the U.S. withholding tax.

Effective September 2, 2008, certain Russell Investment Company Funds changed their names as set forth below:

New Name	Former Name
Russell U.S. Core Equity Fund	Equity I Fund
Russell U.S. Quantitative Equity Fund	Equity Q Fund
Russell Real Estate Securities Fund	Real Estate Securities Fund
Russell U. S. Value Fund	Select Value Fund
Russell Tax Exempt Bond Fund	Tax Exempt Bond Fund
Russell Investment Grade Bond Fund	Fixed Income I Fund
Russell Strategic Bond Fund	Fixed Income III Fund
Russell Short Duration Bond Fund	Short Duration Bond Fund

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