

Tax-Exempt High Yield Bond Fund

Portfolio Manager

Albert Jalso, Senior Director, Head of U.S. Fixed Income.

Gerard Fitzpatrick, Managing Director, Head of Fixed Income Portfolio Management

Class	CUSIP	Ticker
Class M	78250H725	RHYTX
Class A	78249R156	RTHAX
Class C	78249R149	RTHCX
Class S	78249R123	RTHSX

Total net assets (all classes)[§]: \$1.81B

Weighted average duration[¶]: 7.21

Weighted average maturity^{¶, **}: 16.3

Net asset value (Class M)[§]: \$9.79

Fund inception date: 06/01/2015

Investment objective

The Tax Exempt High Yield Bond Fund seeks to provide a high level of current income that is exempt from federal tax, and as a secondary objective, total return. The Fund invests principally in municipal debt obligations providing federal tax-exempt interest income, but may invest up to 20% of the value of its net assets plus borrowings for investment purposes in municipal debt securities, the interest on which is subject to federal income tax, including the alternative minimum tax. The Fund generally intends to invest a substantial portion of its assets in medium- to low-quality municipal debt securities including those that are rated in the lowest rating category by a nationally recognized statistical rating organization ("NRSRO").

Performance review as of December 31, 2023

	Quarterly	Year to date	1 year	3 years	5 years	10 years	Since inception
Tax-Exempt High Yield Bond Fund – Class M ^{†,(a),(b)}	8.51%	8.16%	8.16%	-0.27%	2.64%	-	3.67%
Pre-liquidation After-Tax Return ^{^, 1, 2}	8.51%	8.16%	8.16%	-0.28%	2.61%	-	3.62%
Post-liquidation After-Tax Return ^{^, 2, 3}	5.72%	6.69%	6.69%	0.66%	2.90%	-	3.71%
Annual Total Operating Expenses: 0.79%	Annual Net Operating Expenses: 0.54%						
30 day SEC yield - Class Level	Subsidized: 4.31% ^{^, 4}			Unsubsidized: 4.06% ^{^, 5}			
Tax Equivalent Yield - Class Level ⁶	Subsidized: 7.29% ^{^, 4}			Unsubsidized: 6.87% ^{^, 5}			

[^] See After-Tax Return and SEC yield disclosures on page two.

The Fund first issued Class T Shares on March 17, 2017. The returns shown for Class M Shares prior to that date are the returns of the Fund's Class S Shares. Effective September 15th, 2017, Class T Shares were redesignated as Class M Shares.

Annual returns

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
-	-	2.29%	8.56%	2.19%	10.21%	4.17%	5.99%	-13.47%	8.16%

Performance information is historical and does not guarantee future results. Investment return and principal value will fluctuate so that redeemed shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. The most recent month-end performance for Russell Investments mutual funds is available by visiting: <https://russellinvestments.com/us/funds/performance-prices>.

Sector weightings^{1, 2} Subject to change

Sector	Weight
Tax Supported	31.6%
Health Care	13.2%
Education	12.6%
Transportation	12.3%
Other	10.2%
IDR/PCR	9.1%
Utilities	4.9%
Tobacco Settlement	3.8%
Housing	2.3%
Prerefunded/ETM	0.1%

¹ Data as of 11/30/2023

² Due to rounding, totals may not equal to 100%.

Quality rating^{1, 2} (as a percentage of market value)

	Percentage
AAA	4%
AA	9%
A	13%
BBB	27%
BB	12%
B	1%
CCC & below	3%
Unrated	32%

¹ Data as of 11/30/2023

² Debt instrument quality ratings are derived from the ratings of S&P and Moody's, such that if both S&P and Moody's rate an instrument, the lower of the two ratings is used, and if only one rates the instrument, that rating is used. If the debt instrument has not been rated by either of these two ratings agencies, the security is classified as "Unrated."

Nothing contained in this material is intended to constitute legal, tax, securities or investment advice, nor an opinion regarding the appropriateness of any investment. The general information contained in this publication should not be acted upon without obtaining specific legal, tax and investment advice from a licensed professional.

Fund facts - class level

3 year Sharpe ratio^{§, **}: -0.05

3 year Standard deviation^{§, **}: 4.61

3 year Alpha^{§, **}: -0.55

3 year Beta^{§, **}: 1.03

3 year R-squared^{§, **}: 88.07

[§] Data as of 12/31/2023

[¶] Data as of 11/30/2023

^{**} See key terms on page two.

Calculations are based upon the Fund's benchmark as stated in the prospectus.

Mutual Fund investing involves risk, principal loss is possible.

Fund objectives, risks, charges and expenses should be carefully considered before investing. A summary prospectus, if available, or a prospectus containing this and other important information can be obtained by calling 800-787-7354 or by visiting <https://russellinvestments.com>. Please read a prospectus carefully before investing.

Tax-Exempt High Yield Bond Fund (continued)

Third-Party Money Managers

The percentages below represent the target allocation of the fund's assets to each money manager's strategy. Russell Investment Management, LLC manages the fund's liquidity reserves and may manage assets to effect the fund's investment strategies and/or to actively manage the fund's overall exposures to seek to achieve the desired risk/return profile for the funds. This may constitute 5% or more of fund assets at any given time.

	Role	Target allocation	Year assigned
Russell Investment Management, LLC (RIM)*	Positioning Strategies and Cash Reserves	2.0%	2015
Goldman Sachs Asset Management, L.P.	Specialist	49.0%	2015
MacKay Shields LLC	Specialist	49.0%	2015

Money managers listed are current as of December 31, 2023. Subject to the Fund's Board approval, Russell Investment Management, LLC 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.

While the investment styles employed by the money managers are intended to be complementary, they may not in fact be complementary. A multi-manager approach could result in more exposure to certain types of securities and higher portfolio turnover.

Bond investors should carefully consider risks such as interest rate, credit, default and duration 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. Generally, when interest rates rise, prices of fixed income securities fall. Interest rates in the United States are at, or near, historic lows, which may increase a Fund's exposure to risks associated with rising rates. 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.

¹ The Net Annual Operating Expense Ratio may be less than the Total Operating Expense Ratio and represents the actual expenses expected to be borne by shareholders after application of: (a) a contractual transfer agency fee or advisory fee waiver through February 29, 2024; (b) a contractual cap and reimbursement on expenses through February 29, 2024; These contractual agreements may not be terminated during the relevant periods except at the Board of Trustee's discretion. Details of these agreements are in the current prospectus. Absent these reductions, the fund's return would have been lower

Income from funds managed for tax efficiency may be subject to an alternative minimum tax and/or any applicable state and local taxes. Please consult with your financial and tax advisors before investing.

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

AFTER-TAX and SEC YIELD

¹ Pre-Liquidation after-tax returns represent returns after taxes on fund distributions. Returns After Taxes on distributions may be the same as pre-tax returns for the same period if there were no distributions for that period.

² After-tax returns are calculated using the historical highest individual federal marginal income tax rates and the 3.8% net investment income tax, and do not reflect the impact of state and local taxes. If the Fund has realized capital losses, the return after taxes on distributions and sale of fund shares may be higher than the return before taxes and the return after taxes on distributions. The calculation of return after taxes on distributions and sale of fund shares assumes that a shareholder has sufficient capital gains of the same character to offset any capital losses on a sale of fund shares and that the shareholder may therefore deduct the entire capital loss. After-tax returns depend on an investor's tax situation and may differ from those shown. Post-liquidation returns may be adversely impacted by an investor's deferred tax liabilities. After-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

³ Post-Liquidation after-tax returns represent returns after taxes on distributions and realized taxable gain or loss from sale of Fund shares. Returns After Taxes on distributions may be the same as pre-tax returns for the same period if there were no distributions for that period.

⁴ The Fund's current yield for the 30-day period ending 12/31/2023.

⁵ The yield shown is what the yield would have been without the current fee waivers and expense reimbursements (unsubsidized), for the period ending 12/31/2023.

⁶ The tax equivalent yield is based on a tax rate of 43.4%, which includes 3.8% net investment income tax.

KEY TERMS:

Alpha - shows how a Fund did relative to what would have been expected given the Fund's Beta and the performance of the Fund's benchmark. For example, an alpha of 1.4 means that the Fund outperformed its estimated return by 1.4%.

Beta - a measure of the Fund's sensitivity to market changes using the Fund's benchmark as an approximation of the market; beta greater than 1 is more volatile than the market; beta less than 1 is less volatile than the market.

Standard deviation - defines how widely returns varied from a daily average over a given period of time. A higher standard deviation means a more volatile Fund. For example, a Fund with a standard deviation of 6 and an average annual return of 10% saw annualized monthly returns fall within 6 percentage points of that average (or between 4% and 16%) two-thirds of the time.

Sharpe ratio - a calculation that reflects the reward per each unit of risk in a portfolio. The higher the ratio, the better the Fund's risk-adjusted return.

R-squared - a statistic that indicates how much a Fund's fluctuations were attributable to movements in the Fund's benchmark.

Weighted average duration - approximates the percentage change in the price of a bond or the value of a portfolio of bonds for every one percentage point shift in interest rates.

Weighted average maturity - the weighted average of the remaining terms to maturity of bonds held by the Fund.

Important Information

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

Russell Investments' ownership is composed of a majority stake held by funds managed by TA Associates Management, L.P., with a significant minority stake held by funds managed by Reverence Capital Partners, L.P. Certain of Russell Investments' employees and Hamilton Lane Advisors, LLC also hold minority, non-controlling, ownership stakes.

Frank Russell Company is the owner of the Russell trademarks contained in this material and all trademark rights related to the Russell trademarks, which the members of the Russell Investments group of companies are permitted to use under license from Frank Russell Company. The members of the Russell Investments group of companies are not affiliated in any manner with Frank Russell Company or any entity operating under the "FTSE RUSSELL" brand.

Russell Investment Company mutual funds are distributed by Russell Investments Financial Services, LLC, member FINRA, part of Russell Investments.

Not a Deposit.
Not FDIC Insured.
May Lose Value.
Not Bank Guaranteed.
Not Insured by any Federal Government Agency.