

# U.S. Strategic Equity Fund

## Portfolio Manager

Kevin Divney  
Megan Roach, CFA

Class	CUSIP	Ticker
Class M	78250G768	RUSTX
Class A	78249R859	RSEAX
Class C	78249R842	RSECX
Class E	78249R834	RSEEX
Class S	78249R826	RSESX

Total net assets (all classes)<sup>§</sup>:  
\$2.47B

Market value (fund level)<sup>§</sup>: \$2.47B

Net asset value (Class M)<sup>§</sup>: \$12.03

Fund inception date: 08/06/2012

## Investment strategy

The U.S. Strategic Equity Fund seeks to provide long-term capital growth. The Fund invests in medium and large capitalization common stocks traded in the U.S. market. The Fund blends growth, value, market-oriented, defensive and dynamic styles and money managers that focus on those distinct styles.

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<sup>§, \*\*</sup>: -

3 year Standard deviation<sup>§, \*\*</sup>: -

3 year Alpha<sup>§, \*\*</sup>: -

3 year Beta<sup>§, \*\*</sup>: -

3 year R-squared<sup>§, \*\*</sup>: -

<sup>§</sup> Data as of 09/30/2019

\*\* 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.

## Performance review as of September 30, 2019

	Quarterly	Year to date	Annualized				
			1 year	3 years	5 years	10 years	Since inception
U.S. Strategic Equity Fund – Class M <sup>†, (a), (b)</sup>	0.87%	20.88%	0.68%	11.76%	9.05%	-	11.97%
Annual Total Operating Expenses	1.02%		Annual Net Operating Expenses 0.64%				

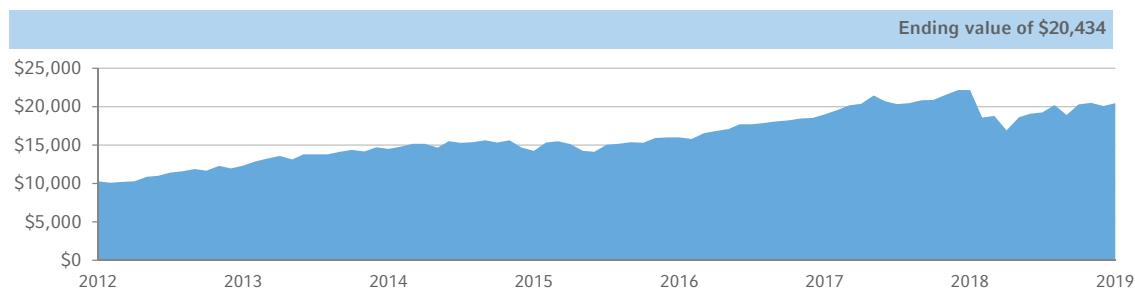
<sup>†</sup> The Net Annual Operating Expense Ratio may be less than the Total Operating Expense Ratio and represents the actual expenses expected to be borne by shareholders after application of: (a) a contractual transfer agency fee or advisory fee waiver through February 29, 2020; (b) a contractual cap and reimbursement on expenses through February 29, 2020. 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.

## Annual returns

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	-	-	-	-	31.65%	11.70%	-0.10%	11.07%	21.30%	9.38%

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>.

## Growth of \$10,000 – Class M shares (since inception through September 30, 2019)



## Top ten holdings<sup>1, 2</sup> Subject to change

Holding	Weight
Microsoft Corp.	5.2%
IQVIA Holdings, Inc.	2.1%
Mastercard, Inc.	2.0%
Alphabet, Inc.	2.0%
Ball Corp.	2.0%
Visa, Inc.	1.9%
KKR & Co. Inc. Class A	1.8%
UnitedHealth Group Inc.	1.7%
Constellation Brands, Inc.	1.7%
Dollar Tree, Inc.	1.6%

<sup>1</sup> Data as of 08/31/2019

<sup>2</sup> The top ten holdings list excludes shares of the investment vehicles in which the Fund invests its cash.

## Sector weightings<sup>1, 2</sup>

Sector	Weight
Financial Services	23.9%
Technology	20.8%
Consumer Discretionary	15.3%
Health Care	13.3%
Materials and Processing	6.2%
Producer Durables	6.1%
Energy	6.0%
Consumer Staples	5.3%
Utilities	3.1%
Finance	1.8%

<sup>1</sup> Data as of 08/31/2019

<sup>2</sup> Due to rounding, totals may not equal to 100%.

## U.S. Strategic Equity Fund (continued)

### Target allocation of fund assets

The percentages below represent the target allocation of the Fund's assets to each money manager's strategy and Russell Investment Management, LLC (RIM) strategy. This does not include liquidity reserves managed directly by Russell Investments, which may constitute 5% or more of Fund assets at any given time. Russell Investment Management, LLC (RIM) may change a Fund's asset allocation at any time, including not allocating Fund assets to one or more money manager strategies.

	Role	Target allocation	Year assigned
Brandywine Global Investment Management, LLC‡	Value	30.0%	2015
HS Management Partners, LLC‡	Growth	-	2018
Jackson Square Partners, LLC‡	Growth	30.0%	2019
Jacobs Levy Equity Management Inc.	Market-Oriented	-	2012
Russell Investment Management, LLC (RIM)*	Positioning Strategies	40.0%	2015

Money Managers listed are current as of September 30, 2019. 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. Russell Investment Management, LLC (RIM) may change a Fund's asset allocation at any time, including not allocating Fund assets to one or more money manager strategies. Although all of the Fund's money managers are listed, RIM may not have allocated assets to the strategies employed by one or more of these money managers. 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.

Certain of the Fund's money managers may employ a limited long-short strategy pursuant to which they sell securities short. In a long/short strategy, although the Fund's potential for gain as a result of a short sale is limited to the price at which it sold the security short less the cost of borrowing the security, its potential for loss is theoretically unlimited because there is no limit to the cost of replacing the borrowed security. The Fund will incur a loss as a result of the short sale if the price of the security increases between the date on which the Fund replaces the borrowed security. The Fund will realize a gain if the security declines in price between those dates. The making of short sales exposes the Fund to the risk of liability for the market value of the security that is sold (the amount of which liability increases as the market value of the underlying security increases), in addition to the costs associated with establishing, maintaining and closing out the short position.

Dynamic style emphasizes investments in equity securities of companies that are believed to be currently undergoing or are expected to undergo positive change that will lead to stock price appreciation. Dynamic stocks typically have higher than average stock price volatility, characteristics indicating lower financial quality (which may include greater financial leverage), and/or less business stability.

Defensive style emphasizes investments in equity securities of companies that are believed to have lower than average stock price volatility, characteristics indicating high financial quality (which may include lower financial leverage), and/or stable business fundamentals.

Investments in medium capitalization companies may involve greater risks because these companies generally have narrower markets, more limited managerial and financial resources and a less diversified product offering than larger, more established companies. Some medium capitalization stocks may also be thinly traded, and thus, difficult to buy and sell in the market.

\*RIM manages this portion of the Fund's assets to effect the Fund's investment strategies and/or to actively manage the Fund's overall exposures. Positioning strategies are used to seek excess return and manage portfolio risks by targeting specific exposures. These strategies are used in conjunction with allocations to third-party managers to fully reflect Russell Investments' strategic and dynamic views with integrated liquidity and risk management.

‡ This money manager is a non-discretionary manager. Russell Investment Management, LLC (RIM) manages this portion of the fund's assets based upon a model portfolio provided by the money manager.

The Fund offers other classes of shares with higher fees and expenses. These other classes may charge up to a 0.75% distribution fee and a 0.25% shareholder servicing fee which will result in a higher expense ratio and lower performance than that shown above. For a full description of other available classes, please see the prospectus.

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.

### 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.

### 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 with minority stakes held by funds managed by Reverence Capital Partners and Russell Investments' management.

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