

RUSSELL MODEL STRATEGIES

# Multi-Asset Portfolio

See how some of the world's leading managers and strategies can be combined to work for you and your goals.



# Russell Model Strategies

## MULTI-ASSET PORTFOLIO

Broad diversification, access to some of the world's leading managers and strategies, and dynamic portfolio management† all in a single investment portfolio.



### A TOTAL PORTFOLIO SOLUTION

At Russell Investments, we believe an effective multi-asset portfolio is built from the best strategies. That's why we put our efforts into researching money managers from around the world—with the goal of finding top performers— then combining those managers and strategies into the funds within our portfolios. The below lists the funds' third-party money managers. Russell Investments oversees

the management of all the funds within our portfolios. We may manage 5% or more of fund assets not allocated to money managers, including liquidity reserves and assets managed directly, to effect the funds' investment strategies and/or to actively manage the funds' overall exposures to seek to achieve the desired risk/return profiles for the funds.



**Managing the managers in the Balanced Model Strategy.**

**SUMMARY OF MANAGER ACTIVITY**  
1985 – JUNE 2016

**345**  
TOTAL NUMBER OF MANAGER CHANGES

**191** ▲  
TOTAL NUMBER OF HIRES

**154** ▼  
TOTAL NUMBER OF TERMINATIONS

109 Fine-tuning/  
better fit

14 Style drift

27 Key professionals  
left firm

4 Consistent  
underperformance

Assets	22% U.S. Equity			10% Global Equity	15% International Equity	7% Alternatives			46% Fixed/Other Income																																																																																																																														
11 Russell Funds	17% Russell U.S. Strategic Equity		5% Russell U.S. Small Cap Equity	10% Russell Global Equity	9% Russell International Developed Markets	6% Russell Emerging Markets	2% Russell Commodity Strategies	3% Russell Global Infrastructure	2% Russell Global Real Estate Securities	4% Russell Multi-Strategy Income	8% Russell Global Opportunistic Credit	34% Russell Strategic Bond																																																																																																																											
65 Manager Strategies	<table border="1"> <tr><th>GROWTH</th><th>VALUE</th><th>DYNAMIC</th></tr> <tr><td>William Blair</td><td>Barrow Hanley</td><td>AJO</td></tr> <tr><td></td><td>Brandywine**</td><td>Suffolk</td></tr> <tr><td></td><td></td><th>DEFENSIVE</th></tr> <tr><td></td><td></td><td>Jacobs Levy</td></tr> <tr><td></td><td></td><td>PanAgora</td></tr> </table>			GROWTH	VALUE	DYNAMIC	William Blair	Barrow Hanley	AJO		Brandywine**	Suffolk			DEFENSIVE			Jacobs Levy			PanAgora	<table border="1"> <tr><th>GROWTH</th><th>GROWTH</th></tr> <tr><td>EAM</td><td>Wellington</td></tr> <tr><td>Falcon Point</td><td>MARKET-ORIENTED</td></tr> <tr><td>Timpani</td><td>MFS</td></tr> <tr><td></td><th>MARKET-ORIENTED</th></tr> <tr><td>Ancora</td><td>VALUE</td></tr> <tr><td>Copeland</td><td>Harris Associates</td></tr> <tr><td>PENN</td><td>Polaris</td></tr> <tr><td></td><td>Sanders Capital</td></tr> <tr><th>VALUE</th><td></td></tr> <tr><td>Cardinal</td><td></td></tr> <tr><td>DePrince, Race &amp; Zollo</td><td></td></tr> <tr><td>Jacobs Levy</td><td></td></tr> <tr><td>Robeco</td><td></td></tr> </table>			GROWTH	GROWTH	EAM	Wellington	Falcon Point	MARKET-ORIENTED	Timpani	MFS		MARKET-ORIENTED	Ancora	VALUE	Copeland	Harris Associates	PENN	Polaris		Sanders Capital	VALUE		Cardinal		DePrince, Race & Zollo		Jacobs Levy		Robeco		<table border="1"> <tr><th>GROWTH</th><th>VALUE</th><th>GROWTH</th></tr> <tr><td>MFS</td><td>Barrow Hanley</td><td>Harding Loevner</td></tr> <tr><td>Wellington</td><td>Pzena</td><td>Westwood</td></tr> <tr><th>MARKET-ORIENTED</th><td></td><th>MARKET-ORIENTED</th></tr> <tr><td>Numeric</td><td></td><td>Consilium**</td></tr> <tr><td></td><td></td><td>Numeric</td></tr> <tr><td></td><td></td><td>Oaktree</td></tr> <tr><td></td><td></td><th>VALUE</th></tr> <tr><td></td><td></td><td>AllianceBernstein</td></tr> <tr><td></td><td></td><td>Delaware</td></tr> </table>			GROWTH	VALUE	GROWTH	MFS	Barrow Hanley	Harding Loevner	Wellington	Pzena	Westwood	MARKET-ORIENTED		MARKET-ORIENTED	Numeric		Consilium**			Numeric			Oaktree			VALUE			AllianceBernstein			Delaware	<table border="1"> <tr><th>GLOBAL MARKET-ORIENTED</th><th>GLOBAL MARKET-ORIENTED</th><th>GLOBAL MARKET-ORIENTED</th></tr> <tr><td>CoreCommodity</td><td>Cohen &amp; Steers</td><td>Cohen &amp; Steers</td></tr> <tr><td>Credit Suisse</td><td>First State</td><td>Invesco</td></tr> <tr><td>Goldman Sachs</td><td>Lazard</td><td>Morgan Stanley*</td></tr> <tr><td></td><td>Nuveen</td><td></td></tr> </table>			GLOBAL MARKET-ORIENTED	GLOBAL MARKET-ORIENTED	GLOBAL MARKET-ORIENTED	CoreCommodity	Cohen & Steers	Cohen & Steers	Credit Suisse	First State	Invesco	Goldman Sachs	Lazard	Morgan Stanley*		Nuveen		<table border="1"> <tr><th>SPECIALIST</th><th>SPECIALIST</th></tr> <tr><td>Cohen &amp; Steers</td><td>Axiom</td></tr> <tr><td>DDJ</td><td>DDJ Capital</td></tr> <tr><td>Epoch**</td><td>DuPont</td></tr> <tr><td>Kopernik**</td><td>Lazard</td></tr> <tr><td>Lazard</td><td>Oaktree</td></tr> <tr><td>Loomis Sayles</td><td>THL</td></tr> <tr><td>Perkins/Janus**</td><td></td></tr> <tr><td>THL</td><td></td></tr> </table>		SPECIALIST	SPECIALIST	Cohen & Steers	Axiom	DDJ	DDJ Capital	Epoch**	DuPont	Kopernik**	Lazard	Lazard	Oaktree	Loomis Sayles	THL	Perkins/Janus**		THL		<table border="1"> <tr><th>SPECIALIST</th><th>GENERALIST</th></tr> <tr><td>Brookfield</td><td>Logan Circle</td></tr> <tr><td>Colchester</td><td>MetWest</td></tr> <tr><td>Pareto</td><td>Scout</td></tr> <tr><td></td><td>Western</td></tr> </table>		SPECIALIST	GENERALIST	Brookfield	Logan Circle	Colchester	MetWest	Pareto	Scout		Western
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Russell Investments Positioning Strategies	<p>Russell Investments oversees all investment advisory services to the funds and manages assets not allocated to money managers. This includes positioning strategies that are customized portfolios directly managed by Russell Investments. 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.</p>																																																																																																																																						

†Russell Investments Portfolio Managers are always looking for ways to actively manage risks and capture return opportunities. Our award-winning manager research approach allows the Portfolio Managers to quickly identify and change money managers, as needed. They also rely on our forward-looking market views and capital market insights to identify potential new opportunities and integrate them into their portfolios, when and where appropriate.

The investment styles employed by a Fund's money managers may not be complementary. This concentration may be beneficial or detrimental to a Fund's performance depending upon the performance of those securities and the overall economic environment. The multi-manager approach could increase a Fund's portfolio turnover rates which may result in higher levels of realized capital

gains or losses with respect to a Fund's portfolio securities, higher brokerage commissions and other transaction costs. This sample allocation represents Russell's Balanced Model Strategy. Model Strategies represent target allocations of Russell Funds; these models are not managed and cannot be invested in directly.

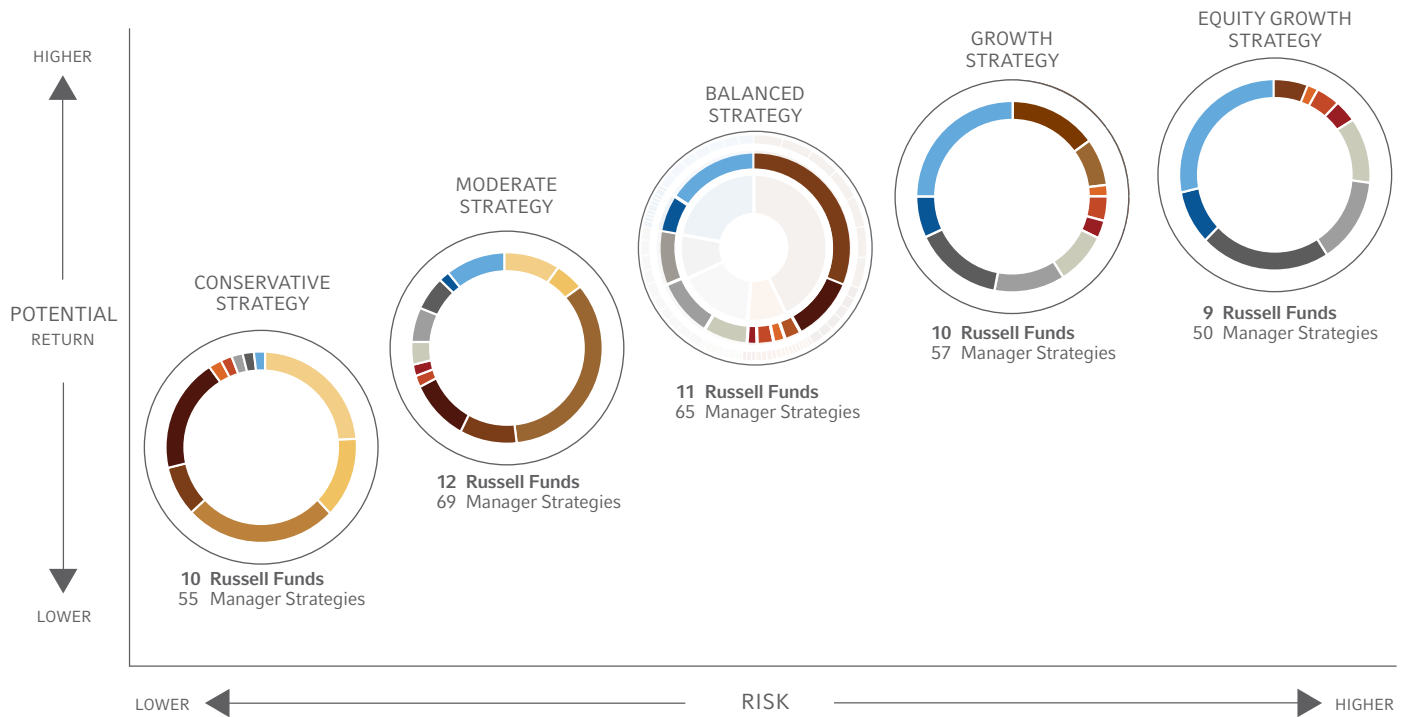
‡ For a sixth year in a row, Russell was voted among the top two for having the best manager due diligence practices by respondents in a 2014 FundFire survey of nearly 100 consultant relations professionals. This award does not apply to the mutual funds shown in this document.

\* Morgan Stanley Investment Management refers to Morgan Stanley Investment Management Inc. (New York, NY, USA) Morgan Stanley Investment Management Limited (London, UK) and Morgan Stanley Investment Management Company (Singapore).

\*\* Indicated managers are non-discretionary money managers. Russell Investments manages these

portions of the fund's assets based upon model portfolios provided by the managers. You and your financial advisor may work to combine selected funds that differ from the illustrated combinations depending upon individual investment objectives. See last page for additional disclosures.

# Model Strategies to match your goals and risk tolerance.



## ASSET CATEGORIES FUND NAME

	CONSERVATIVE STRATEGY	MODERATE STRATEGY	BALANCED STRATEGY	GROWTH STRATEGY	EQUITY GROWTH STRATEGY
<b>EQUITY FUNDS</b>					
Russell U.S. Strategic Equity	2%	11%	17%	25%	29%
Russell U.S. Small Cap Equity	—	2%	5%	7%	9%
Russell Int'l Developed Markets	2%	6%	9%	15%	21%
Russell Global Equity	—	6%	10%	12%	14%
Russell Emerging Markets	2%	4%	6%	9%	11%
<b>ALTERNATIVE FUNDS</b>					
Russell Commodity Strategies	2%	2%	2%	3%	4%
Russell Global Infrastructure	2%	2%	3%	4%	4%
Russell Global Real Estate Securities	—	—	2%	2%	2%
<b>FIXED/OTHER INCOME FUNDS</b>					
Russell Multi-Strategy Income	19%	10%	4%	—	—
Russell Global Opportunistic Credit	8%	9%	8%	8%	6%
Russell Strategic Bond	25%	33%	34%	15%	—
Russell Investment Grade Bond	14%	5%	—	—	—
Russell Short Duration Bond	24%	10%	—	—	—

Two additional fixed income funds available in the Conservative and Moderate Strategies.

Russell Funds	Russell Short Duration Bond	Russell Investment Grade Bond	
Manager Strategies	GENERALIST	GENERALIST	
	Logan Circle	Logan Circle	MetWest
	Scout	Loomis Sayles	Neuberger Berman
	SPECIALIST		
	THL		

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*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 Russell Investments online. Please read a prospectus carefully before investing.*

[www.russellinvestments.com](http://www.russellinvestments.com)

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**Investment style disclosures:**

Market-oriented investments are generally subject to risks similar to that of both growth and value style investing.

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.

Growth stocks may rise and fall significantly based, in part, on investors' perceptions of the company, rather than on fundamental analysis of the stocks.

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.

Value investments are subject to risks that their intrinsic values may never be realized by the market, or such stock may not turn out to have been undervalued.

A relative value strategy seeks to identify price discrepancies or liquidity mismatches in securities that share a common factor like interest rates, an index or an issuer. The goal is to capture gains and mitigate risk.

An event-driven strategy seeks gains from market movements of a financial instrument caused by specific events.

The equity hedge strategy utilizes long and short positions primarily in equity and equity-related instruments.

Tactical trading is an investment strategy across global markets that seeks gains based on themes or trends in equity markets, interest rates, commodity markets, government securities, currencies or futures markets.

**Asset class disclosures:**

Investments that are allocated across multiple types of securities may be exposed to a variety of risks based on the asset classes, investment styles, market sectors, and size of companies preferred by the investment managers. Investors should consider how the combined risks impact their total investment portfolio and understand that different risks can lead to varying financial consequences, including loss of principal. Please see a prospectus for further details.

Alternative strategies are subject to risks that include, but are not limited to: equity securities risks; derivatives risks; fixed income securities risks; currency trading risks; risks related to commodity investments; distressed securities risks; and non-U.S. securities risks. Additionally, the Fund will enter into short sales and certain of the Fund's money managers may utilize a short-only strategy. The making of short sales exposes the Fund to the risk of liability equal to the market value of the security that is sold, in addition to the costs associated with establishing, maintaining and closing out the short position. See the prospectus for additional information on these and other risk considerations and specific details regarding the Fund's strategies.

The degree of correlation among money managers' investment strategies and the market as a whole will vary as a result of market conditions and other factors. Some money managers will have a greater degree of correlation with each other and with the market than others.

**General disclosures:**

Money managers listed are current as of 06/08/2016. Subject to the Funds' Board approval, Russell 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.

Mutual Fund investing involves risks, principal loss is possible.

Model Strategies are exposed to the specific risks of the funds directly proportionate to their fund allocation. The funds comprising the strategies and the allocations to those funds have changed over time and may change in the future.

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

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