Russell Investments

LifePoints® Funds

Target Portfolio Series

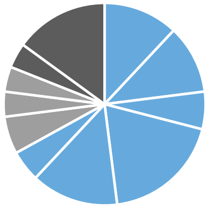
Growth Strategy Fund

1Q12 Quarterly Review

Growth Strategy Fund performance snapshot

As of March 31, 2012

Underlying fund allocation



Equity

- 12% U.S. Core Equity
- 11% U.S. Quantitative Equity
- 6% U.S. Small Cap Equity
- 19% Int'l Developed Markets
- 14% Global Equity
- 5% Emerging Markets

Real Asset

- 6% Commodity Strategies
- 4% Global Infrastructure
- 4% Global Real Estate Securities

Fixed Income

- 4% Global Opportunistic Credit
- 15% Strategic Bond

Performance review

	QTR	YTD	ANNUALIZED 1YR	3YR	5YR	10YR
GROWTH STRATEGY FUND - CLASS S (%) †(a), (b)	**10.10**	**10.10**	**-0.02**	**19.56**	**0.77**	**5.12**
Russell 1000® Index	12.90	12.90	7.86	24.03	2.19	4.53
Barclays Capital U.S. Aggregate Bond Index	0.30	0.30	7.71	6.83	6.25	5.80
Simple 80/20 benchmark‡	9.40	9.40	2.02	18.24	1.18	5.38

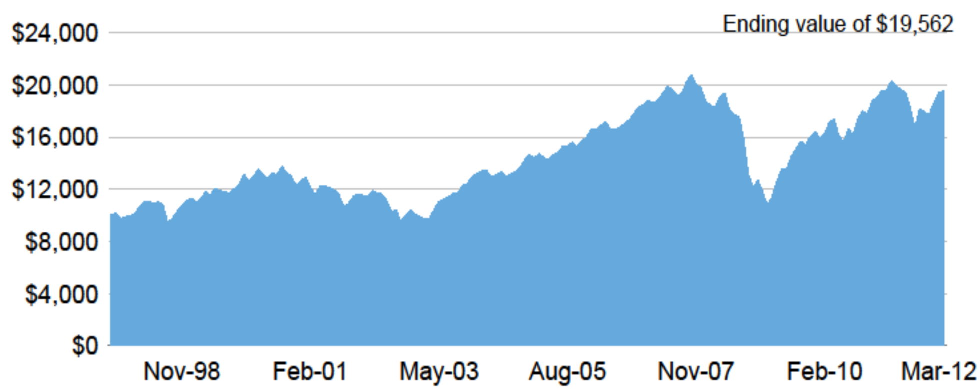
†ANNUAL FUND OPERATING EXPENSES % — Total 1.34 — Net 1.16

Fund inception date: 9/16/97

Calendar year returns

2002	2003	2004	2005	2006
-13.57%	28.74%	13.20%	8.70%	15.88%
2007	**2008**	**2009**	**2010**	**2011**
7.27%	-35.96%	29.28%	14.30%	-5.28%

Growth of $10,000 (since inception)



Underlying fund performance – Russell Funds Class Y (%)

	QTR	YTD	ANNUALIZED 1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION	INCEPTION DATE‡	ANNUAL FUND OP EXPENSE† TOTAL	NET
Russell U.S. Core Equity	13.82	13.82	4.66	21.97	1.06	3.94	10.44	10/15/81	0.64	0.64
Russell U.S. Quantitative Equity	13.07	13.07	9.44	23.26	0.93	3.68	8.93	05/29/87	0.83	0.83
Russell U.S. Small Cap Equity*	14.29	14.29	1.00	28.04	1.05	5.70	10.84	12/28/81	0.82	0.82
Russell Int'l Developed Markets	11.53	11.53	-6.84	16.36	-3.83	5.16	9.41	01/31/83	0.81	0.81
Russell Global Equity	13.25	13.25	-1.18	21.59	-0.65	--	-0.40	02/28/07	1.07	1.07
Russell Emerging Markets	13.95	13.95	-7.66	28.10	5.10	14.25	7.60	01/29/93	1.36	1.36
Russell Commodity Strategies †(a)	0.94	0.94	-15.61	--	--	--	8.00	06/30/10	1.37	1.12
Russell Global Infrastructure †(a)	7.55	7.55	1.97	--	--	--	8.51	09/30/10	1.43	1.18
Russell Global Real Estate Securities	12.32	12.32	1.62	33.12	-3.11	9.17	10.28	07/28/89	0.93	0.93
Russell Global Opportunistic Credit †(a)	6.00	6.00	7.31	--	--	--	6.91	09/30/10	1.15	0.88
Russell Strategic Bond	2.37	2.37	6.58	12.61	6.38	6.14	6.42	01/29/93	0.61	0.61

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. Current to the most recent month-end performance for Russell mutual funds is available by visiting www.russell.com/us/fundperformance.

Growth Strategy Fund first issued Class S Shares on February 2, 2000. The returns shown for Class S Shares prior to that date are the returns of the Fund's Class E Shares.

* On 1/1/12, the Russell U.S. Small & Mid Cap Fund was renamed Russell U.S. Small Cap Equity Fund.

‡ For information on the constituents of the simple benchmark and the underlying fund performance since inception, see the performance notes on the disclosure page.

† 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 advisory fee waiver and/or reimbursement through February 28, 2013; and (b) a contractual cap on expenses through February 28, 2013. 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.

Growth Strategy Fund- allocation breakdown

As of March 31, 2012

* *New this quarter*

Money managers	Manager style	Percentage
Russell U.S. Core Equity		**12.00%**
Columbus Circle	Growth	1.32%
BlackRock	Growth	1.32%
SGA	Growth	1.68%
Suffolk	Market-oriented	1.08%
Lazard	Market-oriented	2.40%
Snow Capital	Value	0.84%
Institutional Capital	Value	2.64%
Schneider	Value	0.72%
Russell U.S. Quantitative Equity		**11.00%**
AJO	Market-oriented	1.10%
INTECH	Market-oriented	2.64%
Numeric Investors	Market-oriented	2.42%
Jacobs Levy	Market-oriented	2.42%
PanAgora	Market-oriented	2.42%
Russell. U.S. Small Cap Equity		**6.00%**
EAM	Growth	0.30%
Falcon Point	Growth	0.60%
Next Century Growth	Growth	0.45%
Ranger	Growth	0.75%
ClariVest	Market-oriented	0.60%
PENN	Market-oriented	0.30%
Chartwell	Value	0.75%
DePrince, Race & Zollo	Value	0.75%
Huber	Value	0.30%
Jacobs Levy	Value	0.75%
Signia Capital	Value	0.45%
Russell Int'l Developed Markets		**19.00%**
Axiom	Growth	1.52%
Marsico	Growth	2.47%
Driehaus	Growth	0.95%
William Blair & Co.	Growth	1.71%
AQR Capital	Market-oriented	2.66%
MFS	Market-oriented	2.28%
del Rey	Value	2.09%
Pzena	Value	2.66%
Mondrian	Value	2.66%

Money managers	Manager style	Percentage
Russell Global Equity		**14.00%**
T. Rowe Price	Growth	2.80%
GLG Inc.	Market-oriented	2.10%
MFS	Market-oriented	2.80%
Harris Associates	Value	2.80%
Tradewinds	Value	2.10%
Sanders Capital	Value	1.40%
Russell Emerging Markets		**5.00%**
UBS	Growth	0.63%
Arrowstreet	Market-oriented	1.00%
Genesis	Market-oriented	0.88%
Harding Loevner	Market-oriented	0.75%
Victoria 1522	Market-oriented	0.38%
AllianceBernstein	Value	0.75%
Delaware Management	Value	0.63%
Russell Commodity Strategies		**6.00%**
Goldman Sachs	Global Market-oriented	2.40%
Credit Suisse	Global Market-oriented	2.40%
Jefferies	Global Market-oriented	1.20%
Russell Global Infrastructure		**4.00%**
Cohen & Steers	Global Market-oriented	0.80%
Nuveen	Global Market-oriented	1.60%
Macquarie Capital	Global Market-oriented	1.60%
Russell Global Real Estate Securities		**4.00%**
Cohen & Steers	Global Market-oriented	1.36%
INVESCO	Global Market-oriented	1.32%
AEW	Global Market-oriented	1.32%
Russell Global Opportunistic Credit		**4.00%**
Oaktree Capital	Sector strategies	1.60%
Stone Harbor	Sector strategies	1.60%
DDJ Capital	Sector strategies	0.80%
Russell Strategic Bond		**15.00%**
Goldman Sachs	Fully discretionary	3.75%
PIMCO	Fully discretionary	3.15%
Brookfield	Sector strategies	1.05%
Logan Circle	Sector strategies	3.75%
MetWest	Sector strategies	3.30%
TOTAL		**100.00%**

The LifePoints Funds are a series of fund of funds which expose an investor to the risks of the underlying funds proportionate to their allocation. Investment in LifePoints Funds involves direct expenses of each fund and indirect expenses of the underlying funds, which together can be higher than those incurred when investing directly in an underlying fund.

Due to rounding, totals may not equal 100%. The above represents the percentage of fund assets allocated to money managers, excluding the fund's cash reserves. Fund assets not allocated to money managers are managed directly by Russell for a variety of purposes.

Money managers listed are current as of 03/31/12. Subject to the fund's 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.

Manager and fund changes since last quarter

The value of active management - Russell continually researches money managers from around the globe, allowing you to focus on the benefits of long-term diversification, active management and goal-oriented planning.

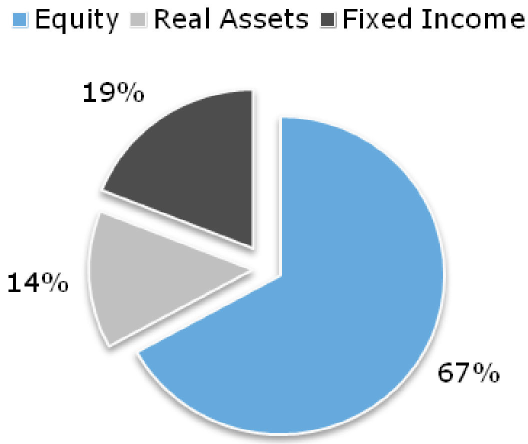
Manager changes

Fund Name	Terminated
Russell U.S. Core Equity	RIMCo (Select Holdings Strategy)

Fund changes

No fund changes this quarter.

Growth Strategy Fund



The Growth Strategy Fund ("Strategy") outperformed its simple benchmark for the first quarter. From a broad asset class perspective, the equity funds were the main driver of the Strategy's total performance, while the fixed income funds marginally contributed. All the underlying funds posted positive absolute returns. Based on the percentage allocation in the Strategy, the International Developed Markets Fund contributed the most to Strategy performance, followed by the Global Equity Fund and the U.S. Core Equity Fund. The Commodity Strategies Fund contributed the least to Strategy performance, followed by the Global Opportunistic Credit Fund and the Global Infrastructure Fund.

Equity

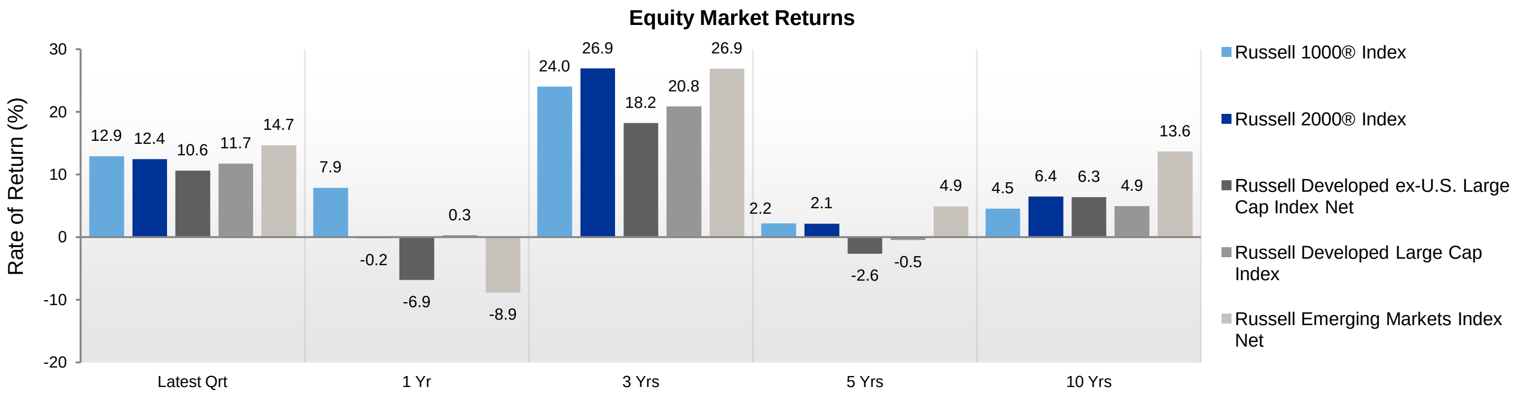
The U.S. Small Cap Equity Fund outperformed its primary benchmark due to stock selection in the financial services, technology and materials and processing sectors. The Emerging Markets Fund underperformed its primary benchmark. This was primarily due to an overweight position in the telecommunication services and consumer staples sectors. While strong stock selection in financials marginally contributed, the fund still underperformed as a whole. In addition the fund suffered due to poor stock selection in Asian emerging markets, such as China, Korea, Taiwan and Thailand.

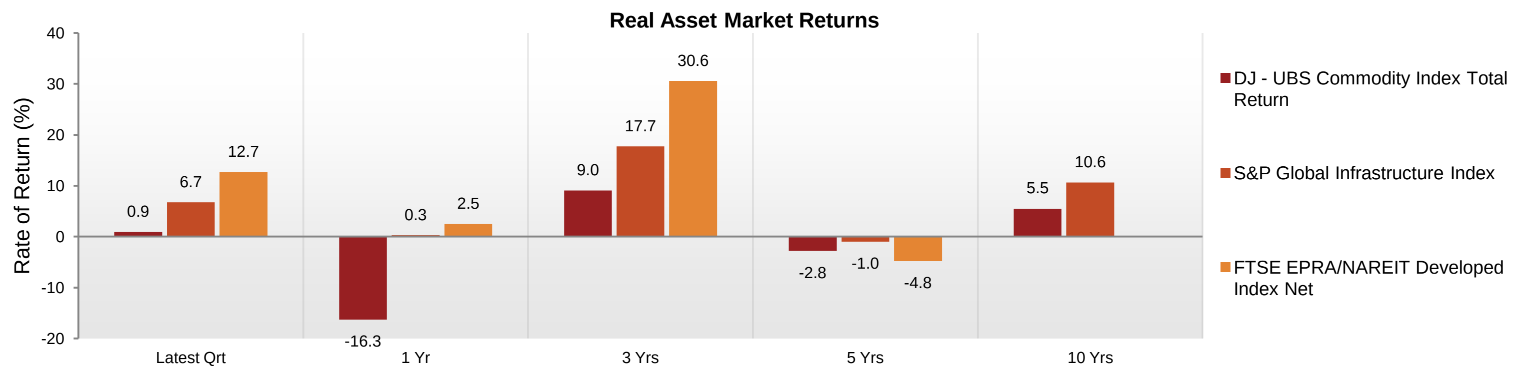
Fixed Income

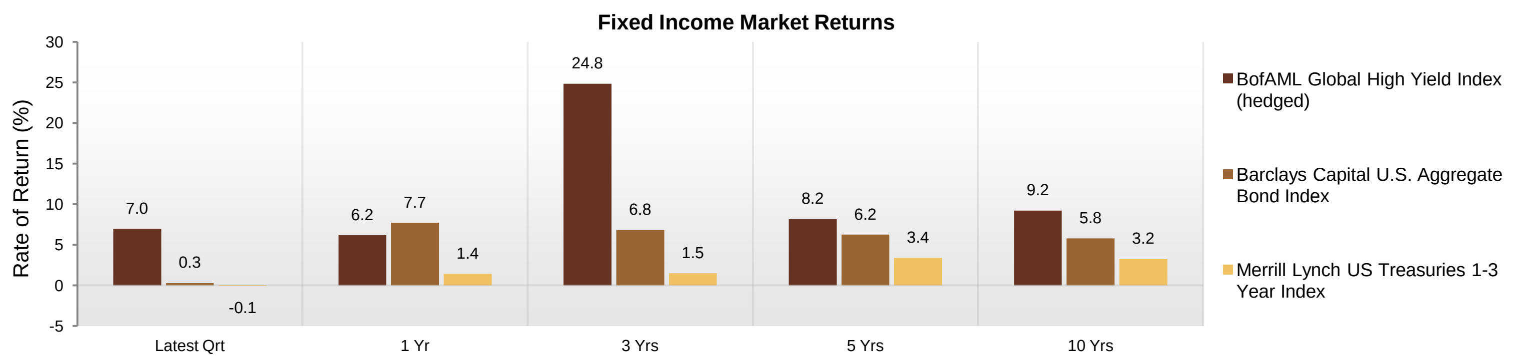
The Strategic Bond Fund outperformed its primary benchmark primarily due to an overweight to investment grade financials and out-of-benchmark exposures to high-yield corporates and non-agency mortgages. In addition, an overweight in commercial mortgage-backed securities and out-of-benchmark exposure to emerging market debt contributed positively, but to a smaller extent. The Global Opportunistic Credit Fund underperformed its primary benchmark due to emerging market corporate and local currency bonds exposure.

Real Assets

The Global Infrastructure Fund outperformed its primary benchmark, and had the strongest performance of all real asset funds. Stock selection in North America and an effective overweight in emerging markets contributed to outperformance. Poor selection in Asia and Pacific ex-Japan only detracted marginally from the strong gains. The Global Real Estate Securities Fund underperformed its primary benchmark. The underperformance was due to poor stock selection in the Asia and Pacific ex-Japan region.







Source Russell Investments. The 1 year, 3 year, 5 year and 10 year returns shown above are annualized to the most recent quarter end. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investments.

Summary

After a volatile 2011, global markets posted strong first quarter 2012 results. Positive economic data from the U.S. along with progress in the Eurozone helped lift investor sentiment. Solid quarterly returns continued to support economic recovery. Across the board, equity markets led the way, delivering returns in the low to mid teens.

Equity Markets

U.S. large cap equities, represented by the Russell 1000® Index, continued their climb upward in the first quarter, posting low double-digit returns. Growth stocks outperformed their value counterparts as investors' risk appetites grew. From a sector perspective, leadership reversed from 2011 with Financials and Technology leading the drive and Utilities bringing up the rear. Small cap stocks represented by the Russell 2000® Index also posted low double-digit returns.

Non-U.S. equities (represented by the Russell developed and emerging markets indexes) rebounded in the first quarter also posting double-digit returns. Emerging markets was the best performing part of the market. Gains from Europe reflected meaningful action taken by European leaders and the European Central Bank throughout the quarter which helped calm the markets and reduce volatility.

Real Asset Markets

Global real estate markets matched global equity market returns up over 12% (FTSE EPRA/NAREIT Dev Index). Commodities (DJ-UBS Commodity Index) were slightly up for the quarter with gains in the Unleaded Gas sub-index being offset by declines in the Natural Gas sub-index, both which made headline news over the quarter.

Fixed Income Markets

The broad fixed income market as represented by the BarCap Agg Index lagged equity markets and finished essentially flat for the quarter. As the markets favored riskier assets, global high yield was among the top performing sectors in fixed income space.

Right-sizing perceptions of China

China is the largest emerging market economy.

› At **11% of global GDP**[1] it is integral to, but not the sole driver of, global growth.

› Last year, we believe Chinese authorities pursued a **step-by-step program** to reign in growth to curb inflation and unwanted credit expansion.

› Recent downward GDP revisions by the Chinese government from **8% to 7.5**%[2] are not hugely concerning. Russell believes it had always been part of the authorities' long term strategy to see slower (while still very strong) growth as the Chinese system matures.

› We believe moderating growth still means strong growth and history shows that China tends to have **above trend growth.**

› In fact, since 2005 China's GDP has **grown more than projected** every year. The table shows China's target and actual GDP growth from 2005-2011. Every year, actual GDP growth has been higher.

Year	2005	2006	2007	2008	2009	2010	2011
Target GDP (%)[2]	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Actual GDP (%)[3]	**11.3**	**12.7**	**14.2**	**9.6**	**9.2**	**10.4**	**9.2**

› Russell believes even if this year was different than years past and China **only grew at 7.5%,** that would still be strong growth and help support global economic growth.

Source: [1]CIA World Factbook, 2011 estimates, [2]The Wall Street Journal, [3]National Bureau of Statistics

Each of the LifePoints® Funds, Target Portfolio Series, invests its assets in shares of a number of underlying Russell Funds. From time to time, the fund's adviser may modify the target strategic asset allocation for any fund and/or the underlying funds in which a fund invests including the addition of new underlying funds. A Fund's actual allocation may vary from the target strategic asset allocation at any point in time. In addition, the fund's adviser may also manage assets of the underlying funds directly for a variety of purposes.

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.

Small cap investments are subject to considerable price fluctuations and are more volatile than large company stocks.

Investments in global equity may be significantly affected by political or economic conditions and regulatory requirements in a particular country. International markets can involve risks of currency fluctuation, political and economic instability, different accounting standards and foreign taxation. Emerging or developing markets involve exposure to economic structures that are generally less diverse and mature. Such securities may be less liquid and more volatile.

Commodities may have greater volatility than traditional securities. The value of commodities may be affected by changes in overall market movements, changes in interest rates or sectors affecting a particular industry or commodity, and international economic, political and regulatory developments.

Investments in infrastructure-related companies have greater exposure to adverse economic, financial, regulatory, and political risks, including governmental regulations. Global securities may be significantly affected by political or economic conditions and regulatory requirements in a particular country.

Declines in the value of real estate, economic conditions, property taxes, tax laws and interest rates all present potential risks. Investments in international markets can involve risks of currency fluctuation, political and economic instability, different accounting standards, and foreign taxation.

Bond investors should carefully consider risks such as interest rate and credit risks. An increase in volatility and default risk are inherent in portfolios that invest in high yield ("junk") bonds or mortgage-backed securities, with exposure to sub-prime mortgages. Investment in international and emerging market debt is subject to currency fluctuations and to economic and political risks.

The Russell 1000® Index is an index of 1000 issues representative of the U.S. large capitalization securities market.

The Russell 2000® Index is an index of 2000 issues representative of the U.S. small capitalization securities market.

The Russell Developed ex-U.S. Large Cap index offers investors access to the large-cap segment of the developed equity universe, excluding securities classified in the U.S., representing approximately 40% of the global equity market. This index includes the largest securities in the Russell Developed ex-U.S. Index.

The Russell Developed Large Cap index offers investors access to the large-cap segment of the developed equity universe representing approximately 70% of the global equity market. This index includes the largest securities in the Russell Developed Index.

The Russell Emerging Markets index measures the performance of the largest investable securities in emerging countries globally, based on market capitalization. The index covers 21% of the investable global market.

Dow Jones — UBS Commodity Total Return Index℠, which is a broadly diversified collateralized commodities futures index comprised of futures contracts on 20 physical commodities.

S&P Global Infrastructure Index provides liquid and tradable exposure to 75 companies from around the world that represent the listed infrastructure universe. The index has balanced weights across three distinct infrastructure clusters: utilities, transportation and energy.

FTSE EPRA/NAREIT Developed Index is a global market capitalization weighted index composed of listed real estate securities in the North American, European and Asian real estate markets.

The Bank of America Merrill Lynch (BofAML) Global High Yield Index tracks the performance in US dollars on either a currency hedged or unhedged basis of Canadian Dollar, British sterling, US dollar and euro denominated developed market below investment grade corporate debt publicly issued in the major US or eurobond markets.

The Barclays Capital U.S. Aggregate Bond Index is an index, with income reinvested, generally representative of intermediate-term government bonds, investment-grade corporate debt securities and mortgage-backed securities.

The Merrill Lynch US Treasuries 1-3 Year Index is an index representative of coupon-bearing U.S. Treasury debt with terms to maturity of at least one year. Source: Merrill Lynch, used with permission. Merrill Lynch is licensing the Merrill Lynch Indices "as is", makes no warranties regarding same, does not guarantee the quality, accuracy, and/or completeness of the Merrill Lynch Indices or any data included therein or derived there from, and assumes no liability in connection with their use.

PERFORMANCE NOTES

Simple 80/20 benchmark is a blended index consisting of the Russell Developed Large Cap Index Net representing the equity and real asset funds and the Barclays Capital U.S. Aggregate Bond Index representing the fixed income funds.

The Russell U.S. Core Equity Fund, Russell U.S. Quantitative Equity Fund, Russell U.S. Small Cap Equity Fund, Russell International Developed Markets Fund and Russell Investment Grade Bond Fund first issued Class Y Shares on March 30, 2000. The returns shown for Class Y Shares prior to that date are the returns of the Fund's Class I Shares.

The Russell Emerging Markets Fund, Russell Global Equity Fund, Russell Global Real Estate Securities Fund and Russell Short Duration Bond Fund first issued Class Y Shares on September 26, 2008. The returns shown for Class Y Shares prior to that date are the returns of the Fund's Class S Shares.

The Russell Strategic Bond Fund first issued Class Y Shares on June 7, 2000, closed its Class Y Shares on November 19, 2001 and reopened its Class Y Shares on June 23, 2005. The returns shown for Class Y Shares prior to June 23, 2005 are the returns of the Fund's Class I Shares.

Russell Investments

Fund objectives, risks, charges and expenses should be carefully considered before investing. A prospectus containing this and other important information can be obtained by calling 800-787-7354 or by visiting www.russell.com. Please read the prospectus carefully before investing.

Russell Investment Group is a Washington, USA corporation, which operates through subsidiaries worldwide, including Russell Investments, and is a subsidiary of The Northwestern Mutual Life Insurance Company.

Securities products and services offered through Russell Financial Services, Inc., member FINRA, part of Russell Investments.

First used April 2012   RFS 7961