

# Market Response

April 21, 2010

On April 16<sup>th</sup>, the U. S. Securities and Exchange Commission (SEC) filed a civil fraud suit against Goldman Sachs & Co. Goldman Sachs was charged with fraud over its marketing of a subprime mortgage product.

Russell has assessed the potential direct exposure to Goldman Sachs in the Russell Investment Company (RIC) mutual funds. As of March 31, 2010, these Funds' direct exposure to Goldman Sachs is limited and the funds had zero exposure to the synthetic collateralized debt obligation, ABACUS<sup>1</sup>. Current and future holdings are subject to risk.

Goldman Sachs Asset Management, L.P. (GSAM) is one of several money managers in certain RIC Funds. While its asset management business is part of the Goldman Sachs group of companies, it is a separate legal entity that is operated independently from Goldman Sachs & Co.

Russell will continue to monitor Goldman Sachs as necessary with respect to the services it provides to the Funds.

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*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 visiting [www.russell.com](http://www.russell.com). Please read the prospectus carefully before investing.*

Please remember that all investments carry some level of risk, including the potential loss of principal invested. They do not typically grow at an even rate of return and may experience negative growth. As with any type of portfolio structuring, attempting to reduce risk and increase return could, at certain times, unintentionally reduce returns.

These views are subject to change at any time based upon market or other conditions and are current as of the date at the top of the page.

Bond investors should carefully consider risks such as interest rate, credit, repurchase and reverse repurchase transaction 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.

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<sup>1</sup>Goldman Sachs may be a counterparty in instruments purchased by some of the RIC Funds' money managers, may be a borrower in the RIC Securities Lending Program, and may be a broker executing transactions for the Funds.