

NOTICE TO SHAREHOLDERS

NOVEMBER 1, 2011

RUSSELL INVESTMENT COMPANY

Russell U.S. Small & Mid Cap Fund

IMPORTANT NOTICE REGARDING CHANGE IN INVESTMENT POLICY

Effective January 1, 2012, the Russell U.S. Small & Mid Cap Fund (the "Fund") will change its principal investment strategy of investing primarily in common stocks of small and medium capitalization U.S. companies to investing primarily in common stocks of small capitalization U.S. companies. As a result, the Fund's name will change to the Russell U.S. Small Cap Equity Fund and the Fund's primary benchmark will change from the Russell 2500[®] Index to the Russell 2000[®] Index. In connection with the name change, the Fund's non-fundamental investment policy will change as described below. Non-fundamental investment policies may be changed by the Fund's Board of Trustees without shareholder approval.

The Fund currently has the following non-fundamental investment policy:

"The Fund has a non-fundamental policy to invest, under normal circumstances, at least 80% of the value of its assets in small and medium capitalization equity securities economically tied to the U.S."

Effective January 1, 2012, the following non-fundamental investment policy will replace the current non-fundamental investment policy stated above:

"The Fund has a non-fundamental policy to invest, under normal circumstances, at least 80% of the value of its assets in small capitalization equity securities economically tied to the U.S."