

LifePoints® Moderate Strategy Fund

Strategic Diversification in One Investment

Investment Strategy

- Seeks to provide high current income and moderate long-term capital appreciation.
- A diversified fund of funds, investing in a combination of underlying funds consisting of approximately 40% stocks and 60% bonds.
- Core equity exposure blends growth, market-oriented and value styles with exposure to stock investments in both U.S. and non-U.S. markets.

Fund Highlights

- Balances bond stability and income with a moderate allocation to stocks for growth potential.
- Diversifies across 4 broad asset classes, 8 funds and more than 50 manager products.
- Maintains an optimal target asset allocation for a moderate investor through regular rebalancing.

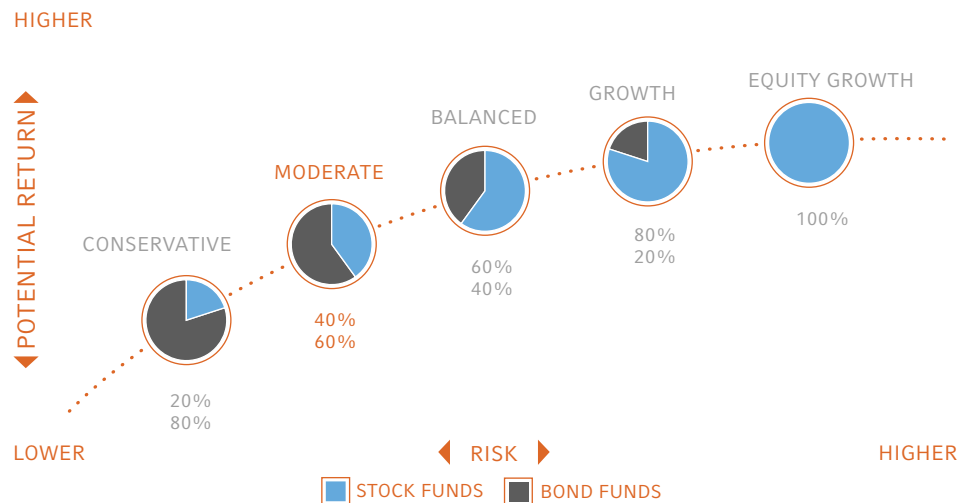
About the Fund



Jill Johnson
Russell Portfolio
Manager

In this fund, you can see Russell's proven investment process in action. We aim for consistent, risk-managed performance by assembling a complete portfolio of bond, stock and real estate funds for moderate investors. We've blended funds that help provide stability through exposure to investments in core bonds, but also help to provide return potential over more conservative selections. By allocating 40% of the fund to investments in U.S. large and small cap, non-U.S. and real estate securities, we aim to capture these asset classes' potential for higher returns. The fund also has a small allocation to a global equity fund to capture this additional investment strategy. – *Jill Johnson*

Your Challenge: Where Should You Be?



As you move from left to right on the graph – increasing risk – there are different investment strategies that may offer potentially higher returns. However, as with any type of portfolio structuring, attempting to manage risk and increase return could, at certain times, either unintentionally reduce returns or increase volatility.

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.

Not FDIC Insured
May Lose Value
No Bank Guarantee

LifePoints® Moderate Strategy Fund

Managing Money Differently

The Russell approach has been trusted for decades by many of the world's largest investors; our mutual funds allow you to employ that same approach. We identify investment managers we believe have exceptional capabilities, blend them to help manage risk through diversification, and constantly monitor them. Regardless of market conditions, Russell's investment approach remains constant.

Characteristics

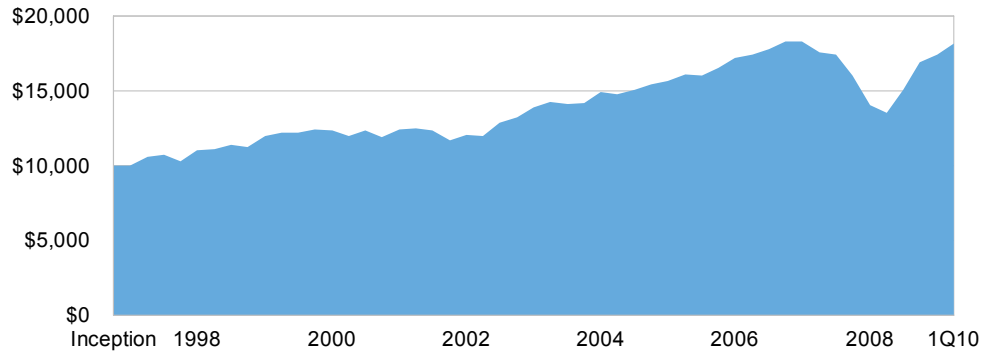
Total Net Assets – All Classes	\$1.0B
Net Asset Value – Class Level	\$10.21
Beta ¹ – Class Level	0.56
30-Day SEC Yield – Class Level	
Subsidized ²	3.21%
Unsubsidized ³	3.05%

¹ A statistical measure of a stock's volatility compared with the overall market, as measured by the Russell 3000® Index. A beta of less than one indicates lower risk than the market; a beta of more than one indicates higher risk than the market. The Russell 3000® Index measures the performance of the 3,000 largest U.S. securities based on total market capitalization.

² The fund's current yield for the 30-day period ending 03/31/2010.

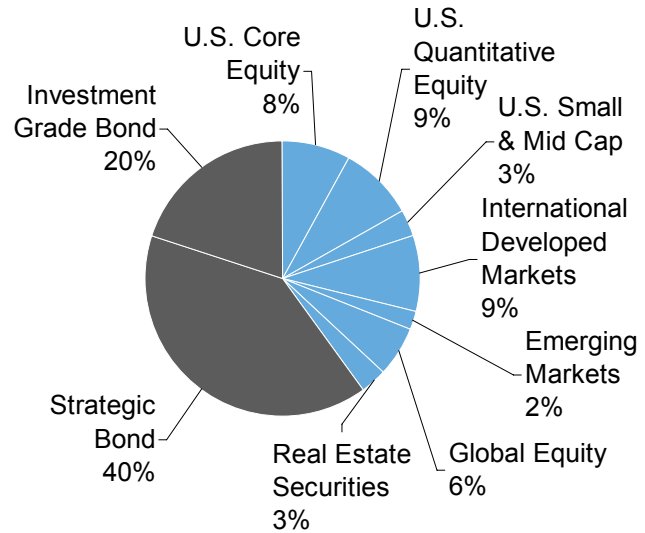
³ The yield shown is what the yield would have been without the current fee waivers and expense reimbursements (unsubsidized).

Growth of \$10,000 – Class S Shares



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.

Underlying Fund Allocation¹ – Allocations to underlying funds may vary.



¹ 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.

Moderate Strategy Fund – Allocation of Underlying Fund Assets – Russell Funds Class Y

Russell U.S. Core Equity Fund

Growth

BlackRock Capital Management, Inc.
Columbus Circle Investors
Montag & Caldwell, Inc.

Market-Oriented

First Eagle Investment Management, LLC
Lazard Asset Management, LLC
Russell Investment Management Company[†]
Suffolk Capital Management, LLC

Value

Institutional Capital, LLC
MFS Institutional Advisors, Inc.
Schneider Capital Management Corporation
Snow Capital Management L.P.

Russell U.S. Quantitative Equity Fund

Market-Oriented

Aronson+Johnson+Ortiz, L.P.
Goldman Sachs Asset Management, L.P.
INTECH Investment Management, LLC
Jacobs Levy Equity Management, Inc.
Numeric Investors, LLC
Russell Investment Management Company[†]

Russell U.S. Small & Mid Cap Fund¹

Growth

Next Century Growth Investors, LLC
Ranger Investment Management, L.P.
Tygh Capital Management, Inc.

Market-Oriented

ClariVest Asset Management, LLC

Value

Delphi Management, Inc.
DePrince, Race & Zollo, Inc.
Jacobs Levy Equity Management, Inc.
Signia Capital Management, LLC

Russell International Developed Markets Fund²

Growth

Axiom International Investors, LLC
Marsico Capital Management, LLC
UBS Global Asset Management (Americas), Inc.
William Blair & Company, LLC

Market-Oriented

AQR Capital Management, LLC
MFS Institutional Advisors, Inc.

Value

AllianceBernstein, L.P.
Mondrian Investment Partners Limited
Pzena Investment Management, LLC

Russell Emerging Markets Fund²

Growth

T. Rowe Price International, Inc.
UBS Global Asset Management (Americas), Inc.

Market-Oriented

Arrowstreet Capital, Limited Partnership
Genesis Asset Managers, LLP
Harding Loevner, LLC

Value

AllianceBernstein, L.P.

Russell Global Equity Fund²

Growth

Gartmore Global Partners
T. Rowe Price International, Inc.

Market-Oriented

MFS Institutional Advisors, Inc.

Value

Harris Associates, L.P.
Tradewinds Global Investors, LLC

Russell Real Estate Securities Fund³

U.S. Growth

Heitman Real Estate Securities, LLC

U.S. Market-Oriented

Cohen & Steers Capital Management, Inc.
INVESCO Advisers, Inc.,
through INVESCO Real Estate Division

Global Market-Oriented

Cohen & Steers Capital Management, Inc.

U.S. Value

AEW Capital Management, L.P.

Russell Strategic Bond Fund⁴

Fully Discretionary

Goldman Sachs Asset Management, L.P.
Pacific Investment Management Company, LLC

Sector Rotation

Brookfield Investment Management Inc.
Logan Circle Partners, L.P.
Metropolitan West Asset Management, LLC

Russell Investment Grade Bond Fund⁴

Enhanced Core

Neuberger Berman Fixed Income, LLC

Fully Discretionary

Pacific Investment Management Company, LLC
Western Asset Management and
Western Asset Management Company, Ltd.

Sector Rotation

Metropolitan West Asset Management, LLC

[†]The Fund's adviser, Russell Investment Management Company (RIMCo), may employ a proprietary "select holdings" strategy in which it exercises investment discretion for a portion of the Fund's assets it determines not to allocate to the money managers. The strategy is designed to increase the Fund's exposure to stocks that are viewed as attractive by multiple money managers. The use of the select holdings strategy will amplify the Fund's security risk and potential underperformance. In addition to managing this strategy, RIMCo performs other investment advisory functions for the Funds.

Money managers listed are current as of 03/31/10. 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.

¹ Small capitalization (small cap) investments involve stocks of companies with smaller levels of market capitalization (generally less than \$2 billion) than larger company stocks (large cap). Small cap investments are subject to considerable price fluctuations and are more volatile than large cap stocks. Investors should consider the additional risks involved in small cap investments.

² The fund's return and net asset value may be significantly affected by political or economic conditions and regulatory requirements in a particular country. Investments in non-U.S. markets can involve risks of currency fluctuation, political and economic instability, different accounting standards and foreign taxation. Such securities may be less liquid and more volatile. Investments in emerging or developing markets involve exposure to economic structures that are generally less diverse and mature, and political systems with less stability than in more developed countries.

³ Specific sector investing such as real estate can be subject to different and greater risks than more diversified investments. Declines in the value of real estate, economic conditions, property taxes, tax laws and interest rates all present potential risks to real estate investments. Fund investments in non-U.S. markets can involve risks of currency fluctuation, political and economic instability, different accounting standards and foreign taxation.

⁴ 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 subprime mortgages.

LifePoints® Moderate Strategy Fund

	Class A	Class C	Class E	Class S
CUSIP	782478630	782493365	782493522	782478101
TICKER	RMLAX	RMLCX	RMLEX	RMLSX

Performance Review

As of March 31, 2010

	Quarterly	Year to Date	Annualized					Since Inception	Inception Date	Annual Fund Operating Expenses	
			1 Year	3 Years	5 Years	10 Years	Total			Net †	
LifePoints® Moderate Strategy Fund – Class S † ^{(b)(c),1}	4.08%	4.08%	36.09%	1.35%	4.25%	4.08%	4.90%	10/02/97	1.14%	0.97%	

The fund offers other classes of shares with higher fees and expenses. These other classes may charge up to a 5.75% sales charge and a 0.25% distribution fee (Class A) or up to a 0.75% distribution fee and a 0.25% shareholder servicing fee (Class C), 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.

¹ The LifePoints® Moderate Strategy Fund is exposed to the specific risks of the underlying funds in proportion to their allocation.

Underlying Fund Performance for the LifePoints® Moderate Strategy Fund¹ – Russell Funds Class Y

Russell U.S. Core Equity	5.54%	5.54%	49.87%	-4.51%	1.93%	-0.69%	10.47%	10/15/81	0.65%	0.65%
Russell U.S. Quantitative Equity	4.96	4.96	47.50	-6.22	0.61	-0.99	8.60	05/29/87	0.88	0.88
Russell U.S. Small & Mid Cap ²	8.83	8.83	64.18	-6.24	1.82	3.19	10.68	12/28/81	0.82	0.82
Russell International Developed Markets ²	0.87	0.87	52.56	-7.30	3.56	1.15	10.01	01/31/83	0.84	0.84
Russell Emerging Markets ^{2,3}	3.44	3.44	93.21	5.63	15.60	9.98	7.99	01/29/93	1.37	1.37
Russell Global Equity ^{2,3}	3.98	3.98	57.80	-5.28	--	--	-4.77	02/28/07	1.09	1.09
Russell Real Estate Securities ^{2,3}	8.36	8.36	99.05	-10.35	4.19	11.49	10.42	07/28/89	0.91	0.91
Russell Strategic Bond † ^{(b),2}	3.73	3.73	23.67	5.68	5.18	6.22	6.30	01/29/93	0.62	0.61
Russell Investment Grade Bond ⁴	2.91	2.91	18.29	6.37	5.54	6.27	8.96	10/15/81	0.39	0.39

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.

†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 waiver through 02/28/2011;
- (b) a contractual advisory fee waiver and/or reimbursement through 02/28/2011;
- (c) a contractual cap on expenses through 02/28/2011

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.

¹ Performance is reported net of fund advisory and administrative fees, and gross of financial intermediary fees. The Russell Emerging Markets Fund is reported gross of advisory and administrative fees prior to April 1, 1995.

² See fund-specific disclosures on page 3.

³ The Fund first issued Class Y Shares on September 29, 2008. The returns shown for Class Y Shares prior to that date are the returns of the Fund's Class S Shares.

⁴ The 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.

For more information on Russell LifePoints® Funds or underlying Russell Funds, contact your investment professional or plan administrator for assistance.

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 asset allocation for any fund and/or the underlying funds in which a fund invests. In addition, the Funds may in the future invest in other funds which are not currently underlying funds.

Performance is based upon the actual mix of underlying funds recommended at each specific point in time, which may differ from the current mix. Details of past changes to underlying funds and/or allocations are available upon request.

Strategic asset allocation and diversification do not assure profit or protect against loss in declining markets.

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