Investment proposal

PREPARED FOR:

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June 02, 2014

DATE

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- The results of the calculations used to generate this report may vary with each use of RPG and over time.
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- Allocations represent sample portfolios depicted by asset class. These allocations cannot be invested in directly. Actual combinations of underlying assets selected by you will depend upon your investment objectives and will differ from the illustrated combinations. Allocations to underlying assets within an asset class may vary.
- This analysis was conducted using hypothetical estimates of future market conditions based upon Russell strategic planning assumptions and with certain numerical applied models to that information. These assumptions may change over time. This analysis is not meant to serve as a direct prediction regarding the future performance of your assets or the income and capital gains that they might produce. Similarly, they are in no way intended to predict or guarantee future investment performance of any sort.
- This asset allocation study uses parameters (expected return, risk, and correlations) that describe the future expected behavior of the investment opportunities being considered. By limiting the number of parameters to the broad asset classes of U.S. Equity, Non-U.S. Equity, Global Real Estate, Commodities, Infrastructure, Alternative Strategies, Fixed Income, Global High Yield and Cash, each consisting of structurally distinct securities, Russell attempts to minimize forecast uncertainty. Other investments not considered may have characteristics similar or superior to those being analyzed.

Important information *(continued)*

- As with any type of portfolio structuring, attempting to reduce risk and increase return could, at certain times, unintentionally reduce returns. Rebalancing your portfolio may create tax consequences on the taxable portion. Financial models make assumptions regarding the actual mix of underlying assets and other parameters at a specific point in time, accordingly there are no assurances that the investment goals and objectives stated in this material will be met. Also, these models may not coincide with your actual investment results.
- The securities portfolios analyzed in this report were selected and entered by your investment professional. Other investments not considered in this report may have characteristics similar or superior to those proposed by your investment professional.
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- Should you decide to make use of this analysis in designing a portfolio, it is imperative you understand that–as a general proposition–past performance of markets and asset classes is not representative of future results, the investment return and principal value of an investment will fluctuate so that investments, when liquidated, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Strategic asset allocation and diversification do not assure profit or protect against loss in declining markets.
- The portfolio recommended by your investment professional is not FDIC insured, has no bank guarantee, and may lose value.
- Please refer to the glossary at the end of this report for an explanation of investment terminology and to the notes accompanying each analysis section of this report for an explanation of, and specific disclosures relating to, its content.

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RFS 9732

Revised March 2013

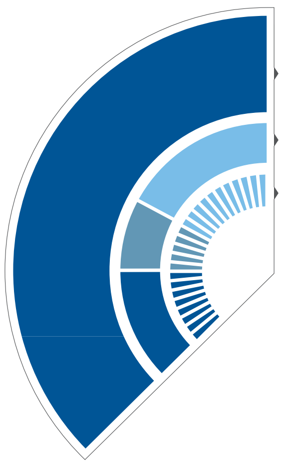
Securities and Insurance Products:

NOT INSURED BY FDIC OR ANY FEDERAL GOVERNMENT AGENCY	MAY LOSE VALUE	NOT A DEPOSIT OF OR GUARANTEED BY A BANK OR ANY BANK AFFILIATE

About Russell

Russell Investments is one of the world's leading investment services firms offering a full range of investment products and services to some of the world's largest investors in more than 47 countries. Since 1936, Russell has honed its expertise through decades of market cycles. Today, Russell's insight and expertise is available to you through your financial professional.

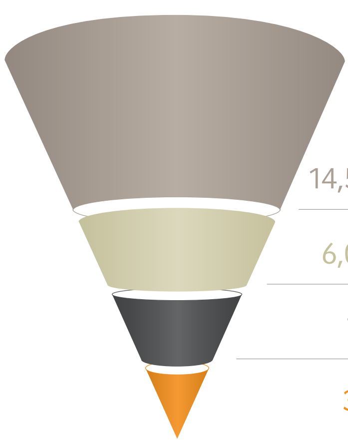
The Russell investment approach is designed to strategically diversify each individual portfolio for every season of the market.



INNOVATIVE Russell uses a proprietary investment process that goes beyond traditional methods–that builds layer upon layer of diversification to better manage your risk. With diversification as the focal point of the process, they allocate not only among investment styles and asset classes, but among leading investment managers as well.

INDEPENDENT Russell's team of investment professionals around the globe are dedicated to researching money managers through objective measurements. The managers they select are independent, which gives them the freedom to structure portfolios that remain clear and uncompromised at all times.

OBJECTIVE The Russell process uses both qualitative and quantitative methods to pick some of the world's best investment managers. This combination of objective analysis and face-to-face interviews contributes to a better understanding of a manager's prospects for success. From a global pool of 14,555 money manager products that Russell scrutinizes, only 389 are selected for specific assignments. All managers chosen are continually monitored for quality and performance, and are replaced or reassigned whenever necessary.



* As of 12/31/2012.

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

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.

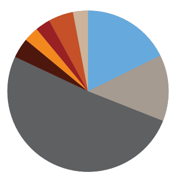
Proposed asset allocation

Asset allocation is the process of determining optimal allocations across the broad categories of assets (such as stocks, bonds, cash, real assets, etc.) that suit your risk tolerance and investment time horizon.

Different asset classes have different risk and return characteristics, and diversifying across them can help manage portfolio risks. This diversification attempts to take the middle road through the highs and lows of market performance, allowing your money the opportunity to grow regularly with fewer fluctuations along the way.

Based on the information you provided about your investing objectives, risk profile and financial needs, as well as the diversification opportunities available from a range of possible asset mixes, the following portfolio structure illustrates one potential solution for your review.

Proposed portfolio
Moderate



Asset Class	Amount	Weight %
US Equity	$44,250	18%
Non-US Equity	$33,250	13%
Fixed Income	$127,500	51%
Global High Yield Bond	$10,000	4%
Global Real Estate	$7,500	3%
Commodities	$7,500	3%
Infrastructure	$12,500	5%
Alternative Strategies	$7,500	3%
TOTAL	$250,000	100%

Expected risk and return levels of proposed asset allocation

The expected return and risk of the proposed portfolio is listed below. This information is generated by assigning proxy benchmark indexes weighted by the various asset styles in the portfolio.

	Proposed portfolio[1]
Expected Return	6.1%
Risk	8.5%

For the list of appropriate indexes, please see the endnotes of this report. Risk is measured as the standard deviation of return. Standard deviation is a statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution. The greater the degree of dispersion, the greater the risk.

Proposed asset allocation *(continued)*

Asset definitions:

U.S. EQUITY Investment in U.S. company stocks. Stock represents ownership and control in a corporation and may pay dividends as well as appreciate or depreciate in value. The value of a stock will rise and fall in response to the activities of the company that issued it, general market conditions, and economic conditions.

LARGE CAP Large capitalization investments involve stocks of companies generally having a market capitalization greater than $2 billion. The value of securities will rise and fall in response to the activities of the company that issued them, general market conditions and/or economic conditions.

MID CAP Refers to US company stocks with a relatively mid market capitalization. The definition of mid cap can vary among brokerages, but generally it is a company with a market capitalization of between $2 billion and $10 billion. Stock represents ownership and control in a corporation and may pay dividends as well as appreciate in value.

SMALL CAP Small capitalization 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 company stocks. Investors should consider the additional risks involved in small cap investments.

DEFENSIVE 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.

DYNAMIC 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.

NON-U.S. EQUITY Investment in non-US stocks. 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.

FIXED INCOME A government, municipal or corporate bond that pays a fixed rate of interest until the bond matures; or a preferred stock that pays a fixed dividend. Bond investors should carefully consider risks such as interest rate, credit, repurchase and reverse purchase 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.
A Fund may invest in derivatives, including futures, options, forwards and swaps. Investments in derivatives may cause the Fund's losses to be greater than if it invests only in conventional securities and can cause the Fund to be more volatile. Derivatives involve risks different from, or possibly greater than, the risks associated with other investments. The Fund's use of derivatives may cause the Fund's investment returns to be impacted by the performance of securities the Fund does not own and result in the Fund's total investment exposure exceeding the value of its portfolio.

GLOBAL HIGH YIELD BONDS The high yield market consists of the debt of corporations that have relatively high levels of leverage. These debt securities are rated as 'below investment grade,' or "junk bonds," i.e. BB rated or lower (using Standard and Poor's rating definition). These issuers have been assigned lower ratings by credit rating agencies based on their greater risk of default and/or loss on default. Hence, higher yields are required to attract and compensate investors for taking on that default risk.

Proposed asset allocation *(continued)*

EMERGING MARKET DEBT is a bond issued by the government of a country or a corporation located in a country that is defined as 'emerging.' There is no common standard for a country's inclusion in an EMD index, but in general, these countries are characterized by having economies with higher growth expectations, higher inflation, and rapidly changing economic environments. Some examples are: Latin American, Asian and African countries, Brazil, Russia, China, Hungary, and Turkey.

ALTERNATIVES Alternatives can include real estate, physical commodities (including oil, gold and copper), infrastructure (such as bridges, toll roads and utilities networks), multi-strategy funds, and hedge funds. These investing strategies have the potential to add a diversifying return stream. At certain points in history, the value of alternatives has been driven by aggregate price rises, so at times they may offer investors some protection from unanticipated inflation. Alternatives are sourced and consumed globally, adding to the global diversification of the portfolio.

GLOBAL REAL ESTATE A Real Estate Investment Trust (REIT) invests in real estate loans (mortgages and trust deeds) and/or has equity interests in real estate. 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, changes in economic conditions, property taxes, tax laws, and interest rates all present potential risks to real estate investments.

COMMODITIES are physical substances, such as food, grains, and metals, which are interchangeable with another product of the same type. They are most often used as inputs in the production of other goods or services. Investors can buy or sell these, usually through futures contracts. The price of the commodity is subject to supply and demand. Commodities are volatile investments on their own and should form only a small portion of a diversified portfolio to aid in diversification and as a potential hedge against inflation.
A Fund may invest in derivatives, including futures, options, forwards and swaps. Investments in derivatives may cause the Fund's losses to be greater than if it invests only in conventional securities and can cause the Fund to be more volatile. Derivatives involve risks different from, or possibly greater than, the risks associated with other investments. The Fund's use of derivatives may cause the Fund's investment returns to be impacted by the performance of securities the Fund does not own and result in the Fund's total investment exposure exceeding the value of its portfolio.

INFRASTRUCTURE Infrastructure assets are long-lived assets that provide sustainable services that are essential for a functioning economy. There are three broad categories, transportation, utilities, and communications. These include energy such as power generation plants, transmission, and renewables, water and wastewater networks and desalination plants, transportation such as ports, rail, airports, roads, bridges and parking, communications such as cable networks and satellites, and social structures such as hospitals, prisons, schools, courts, and public housing.

Investor profile definitions:

CONSERVATIVE The portfolios that may best suit a conservative investor seek to provide current income and low long-term capital appreciation.

MODERATE The portfolios that may best suit a moderate investor seek to provide high current income and moderate, long-term capital appreciation.

BALANCED The portfolios that may best suit a balanced investor seek to provide above-average capital appreciation and a moderate level of current income.

GROWTH The portfolios that may best suit a growth investor seek to provide high, long-term capital appreciation with low current income.

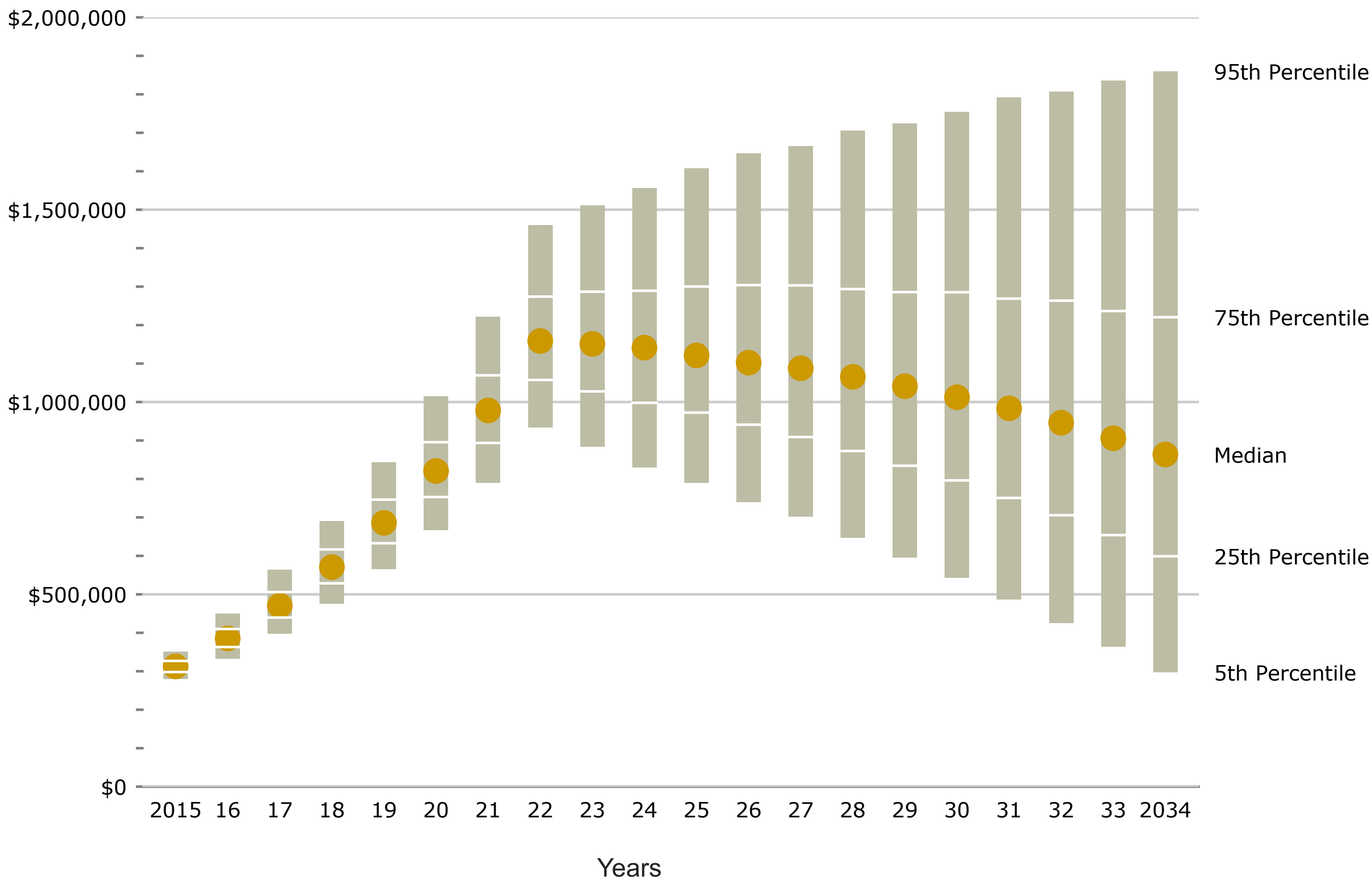
EQUITY GROWTH The portfolios that may best suit an equity growth investor seek to provide high, long-term capital appreciation.

Potential growth of proposed allocation [2]

Asset class assumptions as of December 31, 2013

Tax Status*: **taxable**

The range of portfolio values below can provide additional information about the relative risk of investing according to a specific asset allocation. This analysis was conducted using Monte Carlo simulation, a sophisticated mathematical approach used within the financial industry to model possible outcomes of future investment scenarios. While this method may reflect the uncertainty and randomness of future events, it is important to understand that it is based on assumptions about the future risk and expected returns of each asset class. Potential ending values are shown in nominal (i.e., not inflation-adjusted) terms.



Potential growth of proposed allocation [2] *(continued)*

PROBABILITY OF PORTFOLIO DEPLETION:

In 0% of simulated scenarios, the portfolio value was depleted before the end of the horizon.

	Potential ending values
95th percentile	$1,859,283
75th percentile	$1,220,504
Median (50th percentile)	$863,564
25th percentile	$598,992
5th percentile	$297,320

IMPORTANT: The projections or other information generated by RPG regarding the likelihood of various outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results.

*In the case of taxable accounts, simulations assume an initial tax basis equal to the securities' starting value, no harvesting of tax losses, single filing status at $100K annual salary to determine marginal rates, no state taxes, and the tax impact of annual rebalancing back to the proposed allocation. Projected growth values are adjusted for portfolio taxes only, not income taxes on the base salary.

Percentile values, including the Median which is the 50th Percentile, are solely for comparison purposes. These values can be used to compare relative probabilities of different outcomes. Half of the simulated outcomes fall between the 25th and the 75th percentiles and nine-tenths fall between the 5th and 95th percentiles. The 5th Percentile corresponds to wealth values in which 95% of the simulated cases exceed this level and only 5% fall below. It reflects simulated results assuming a series of extremely poor market conditions. Remember that it is possible to lose the entire value of a portfolio. A different set of assumptions would create a different probability distribution. Expert opinion regarding expected returns, volatility and market trends varies widely.

Russell's strategic planning assumptions change periodically. The data presented here is as of a certain point in time and results may vary with each use and over time. Your actual experience may be different than the Russell strategic planning assumptions.

This hypothetical example is for illustration only. There are no guarantees that any of the stated objectives will be met.

Portfolio contributions and withdrawals [2]

This table shows the contribution and withdrawal goals applied to your portfolio. These goals are reflected in the potential growth charting.

Contributions

Description	Start year	End year	Initial annual amount	Adjust for inflation?*	Additional annual increase
Savings	2015	2022	$50,000	No	15%

Withdrawals

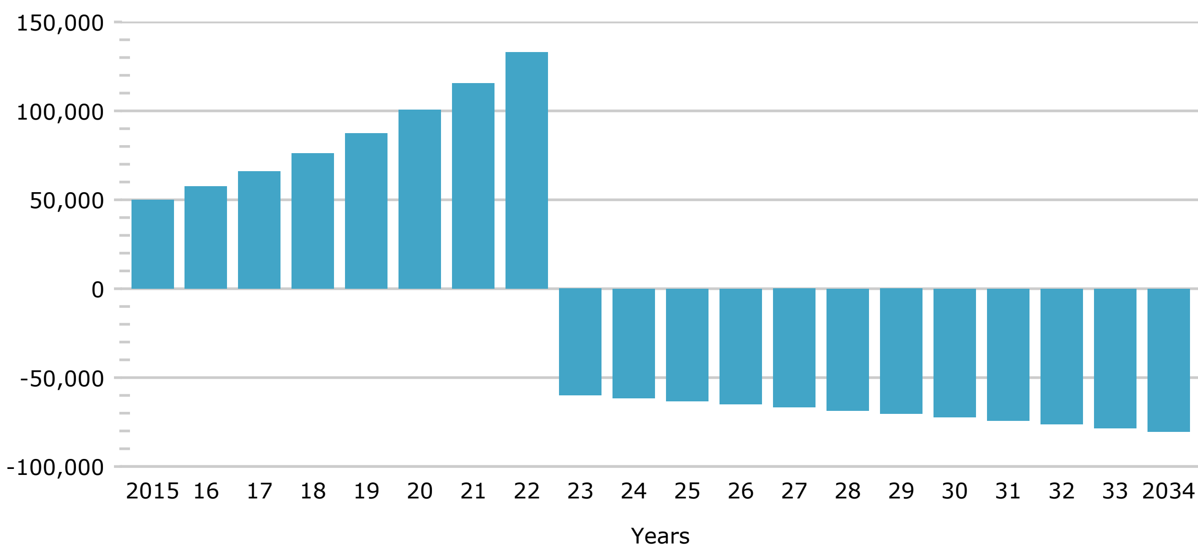
Description	Start year	End year	Initial annual amount	Adjust for inflation?*	Additional annual increase
Withdrawals	2023	2034	$60,000	Yes	0%

*Inflation assumption is 2.7% annually.

The Initial Annual Amount is the value used for first year (Start Year) calculations. The *adjust for inflation* and *additional annual increase* values, if applicable, are made to annual amounts of subsequent years.

Summary of annual contributions and withdrawals

This chart summarizes the net results of the goals listed above. A positive value for a year corresponds to a net portfolio contribution. A negative value for a year corresponds to a net portfolio withdrawal.



Proposed implementation

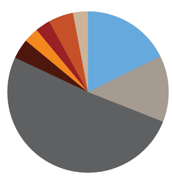
As of June 02, 2014

The proposed holdings shown below were selected by your financial professional to match your target asset allocation, based on your investor profile.

The investments recommended in this implementation plan have been selected from Russell Investments product offerings. Russell uses a comprehensive method of diversification and includes some of the top independent money managers from around the globe. Other investments that were not considered may have characteristics similar or superior to those being proposed by your financial professional. The analysis used in creating your proposed allocation does not search for, analyze or favor certain securities or investments. See the proposed asset allocation section for investor profile definitions.

Regular, ongoing review of your portfolio is vital to ensure your investment strategy is adhered to and your goals are being met. Your financial professional can help you understand your portfolio results. If you determine that your investment objectives have changed and your plan needs reevaluation, your financial professional can help you review your investment strategy and make any necessary revisions.

Proposed portfolio
Moderate



Asset Class	Amount	Weight %
US Equity	$44,250	18%
Non-US Equity	$33,250	13%
Fixed Income	$127,500	51%
Global High Yield Bond	$10,000	4%
Global Real Estate	$7,500	3%
Commodities	$7,500	3%
Infrastructure	$12,500	5%
Alternative Strategies	$7,500	3%
TOTAL	$250,000	100%

Strategy: Russell Moderate Model Strategy - Class S

SYMBOL	NAME	AMOUNT	WEIGHTING
RSESX	Russell U.S. Strategic Equity Fund-Class S	$27,500.00	11.00%
RLESX	Russell U.S. Small Cap Equity Fund-Class S	$10,000.00	4.00%
RGESX	Russell Global Equity Fund-Class S	$15,000.00	6.00%
RINTX	Russell International Dev Markets Fund-Class S	$15,000.00	6.00%
REMSX	Russell Emerging Markets Fund-Class S	$10,000.00	4.00%
RFCTX	Russell Strategic Bond Fund-Class S	$82,500.00	33.00%
RFATX	Russell Investment Grade Bond Fund-Class S	$45,000.00	18.00%
RCCSX	Russell Commodity Strategies Fund-Class S	$7,500.00	3.00%
RGISX	Russell Global Infrastructure Fund-Class S	$12,500.00	5.00%
RMSSX	Russell Multi-Strategy Alternative Fund-Class S	$7,500.00	3.00%
RRESX	Russell Global Real Estate Sec Fund-Class S	$7,500.00	3.00%
RGCSX	Russell Global Opportunistic Credit Fund-Class S	$10,000.00	4.00%
TOTAL		**$250,000.00**	**100.00%**

Proposed implementation

***Model strategy weighted average expense ratio: 0.90%**

*The model strategy weighted average net expense ratio is the estimated weighted-average net expense ratio of the underlying mutual funds. Ratios are calculated by multiplying each fund allocation by the fund's net expense ratio and then summing these values. The expense ratio for an individual investor's portfolio will vary based on their specific allocations to various funds as well as the actual net expense ratios of the underlying mutual funds, which may vary over time.

In the case of mutual funds listed above, 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 www.russell.com. Please read a prospectus carefully before investing.

Risk profile questionnaire

1. The investment I am now considering represents the following percentage of my total investment portfolio.	80-100%	60-80%	40-60%	20-40%	20% or less
	●	○	○	○	○
	1	2	3	4	5
2. In how many years do you expect to start spending the money you're investing?	1 Year	2-5 Years	6-10 Years	11-20 Years	21+ Years
	○	○	●	○	○
	1	2	3	4	5
3. I do not foresee any major expenses that might cause me to make withdrawals from this investment before that time.	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
	○	○	○	●	○
	5	4	3	2	1
4. When I start making withdrawals from this investment, they will be used to fund my living expenses.	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
	○	●	○	○	○
	1	2	3	4	5
5. When it comes to investing, protecting the money I have is my highest priority.	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
	○	○	●	○	○
	1	2	3	4	5
6. I always choose investments with the highest possible return.	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
	○	●	○	○	○
	5	4	3	2	1
7. I prefer an investment strategy designed to grow steadily and avoid sharp ups and downs.	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
	○	●	○	○	○
	1	2	3	4	5
8. To meet my financial goals, my investments must grow at a high rate of return.	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
	○	●	○	○	○
	5	4	3	2	1
9. I am unwilling to wait several years to recover from losses I incur in an extended down market.	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
	○	○	●	○	○
	1	2	3	4	5
10. I prefer investments that are low risk, even if returns are lower than the rate of inflation.	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
	○	●	○	○	○
	1	2	3	4	5

Conservative	10 - 19
Moderate	20 - 26
Balanced	27 - 33
Growth	34 - 40
Equity Growth	41 - 50

Total Score 26

Endnotes

1 Expected return and risk

These Asset Class Capital Market Forecast assumptions are created by using a globally integrated perspective, country-specific equity risk premiums, a comprehensive term structure for determining yield curves, distributions of asset returns, sensitivity to market conditions and a building block approach to individual asset classes. The forecast assumptions take into account the dynamic behavior of returns using a statistical factor model that incorporates random (i.e. time-varying) volatility. The model includes a number of initial conditions, such as nominal and real yield curves, equity dividend yields, credit spreads and exchange rates. The creation of the Asset Class Capital Market Forecasts also incorporate historical index data for the Russell 3000®, market-cap weighted combination of regional equities excluding US (this is not EAFE) for International Developed Equity, FTSE EPRA/NAREIT Developed Real Estate Index, Dow Jones UBS Commodity Total Return Index, S&P Global Infrastructure Index, various Barclays Bond Indices for Fixed Income, and bond prices based on 150 securities for cash. Global High Yield Bond forecasts are constructed using a market-cap weighted combination of High Yield from Europe, the UK and the US based on High Yield characteristics from Barclays. Alternative strategies forecasts are developed using the HFRI Index. Forecasts are updated periodically, because our assumptions about the capital markets evolve over time.

Indexes are unmanaged, and do not reflect the deduction of any management fees, and cannot be invested in directly. They are provided for general comparison purposes only. Index performance is not indicative of any specific investment, and should not be viewed as a representation of future results. Deductions for fees and expenses are not reflected in index returns. If they were deducted, returns would be lower. Index return information is provided by vendors and although deemed reliable, is not guaranteed by Russell or its affiliates.

Asset class assumptions

20-year horizon as of December 31, 2013

			Correlations								
Asset Class	**Mean Return**	**Standard Deviation**	**U.S. Equity**	**Non-U.S. Equity**	**Global Real Estate**	**Infra-structure**	**Comm-odities**	**Alt Strats**	**Fixed Income**	**Global HY Bond**	**Cash**
U.S. Equity	8.0%	19.2%	1								
Non-U.S. Equity	8.2%	20.6%	0.86	1							
Global Real Estate	7.8%	22.1%	0.75	0.79	1						
Infrastructure	7.9%	17.7%	0.73	0.68	0.80	1					
Commodities	7.3%	17.3%	0.37	0.40	0.44	0.47	1				
Alternative Strategies	5.0%	7.3%	0.51	0.48	0.44	0.52	0.55	1			
Fixed Income	4.6%	3.9%	0.25	0.21	0.19	0.25	0.27	0.60	1		
Global High Yield Bond	6.8%	16.8%	0.28	0.22	0.22	0.26	0.17	0.26	0.37	1	
Cash	3.8%	6.4%	0.25	0.21	0.17	0.25	0.31	0.83	0.69	0.18	1

*Correlation coefficients, which can range from 1.0 to -1.0, measure the degree to which the movements of two variables are related. A correlation coefficient of 1.0 means that two variables move in a completely synchronized manner, while -1.0 means they move completely opposite. A coefficient of zero means that movements are completely unrelated. Combining asset classes with lower or negative correlations may help reduce the volatility of returns over time.

Endnotes *(continued)*

2 Potential growth of proposed allocation

Monte Carlo simulation methodology:

These simulations are created using strategic planning assumptions developed from Russell's proprietary models that incorporate historical data from market and economic indexes as described above. The forecasts assume a well diversified portfolio and that the mix of investments in this portfolio is maintained for the entire simulated horizon, with no additional investments, no margin borrowing or short sales, annual rebalancing back to the proposed allocation, no transaction fees on this rebalancing. Russell's strategic planning assumptions are updated at least annually.

Because assumptions about the capital markets evolve over time, results of the calculations may vary over time. Your portfolio may not be adequately diversified, which could affect the validity of the simulation process described above when applied to your actual circumstances. Furthermore, these forecasts do not consider return and risk differences associated with holding a highly concentrated position, nor how long a security has been held. Other asset classes and investments not considered in this analysis may produce different results. There also may be other considerations pertinent to your situation that have not been addressed, including, but not limited to, market conditions, the tax position of your assets or cash flows, or other available assets, such as personal real estate or other investments not included in this analysis.

Key Assumptions:

Within the simulations, the probability distribution of returns is a modified normal distribution. As with the familiar "bell curve," not all outcomes are treated as equally likely. Instead, returns are more likely to be clustered around the middle. To reflect the historic behavior of the securities markets, the Monte Carlo Simulator allows more extreme events than would be seen within a normal distribution.

IMPORTANT: The projections or other information generated by RPG regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.

3 Associated risks

The recommendations and estimates contained within this proposal are based upon your personal financial information as provided to your investment professional, including your investment horizon, risk preferences, and current investment holdings. Please remember that all investments carry some level of risk.

As with any type of portfolio structuring, attempting to reduce risk and increase returns could, at certain times unintentionally reduce returns. The investment return and principal value of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Diversification does not assure a profit and does not protect against loss in a declining market. Past performance is not representative of future results.

Risk is measured as the standard deviation of return. Standard deviation measures how much, on average, individual returns of a given group vary (or deviate) from the average (or mean) returns for this same group. For example, in a normal distribution, if your average rate of return is 6.0% over 20 years with a standard deviation of 4.0%, over that period, your return went as high as 10.0% (6% + 4%) and as low as 2.0% (6% - 4%). The greater degree of deviation, the greater degree of risk.

US Large Cap equity: Large cap stocks tend to resist being viewed as speculative stocks; in fact many of them are considered perfect for defensive investing because of their immense size, their history of consistency and tendency to pay dividends. They do experience their ups and downs, but large cap stocks are not normally victims of the stock volatility that their smaller siblings experience.

US Mid Cap equity: Middle capitalization (middle cap) investments involve stocks of companies generally having a market capitalization between $2 billion and $10 billion and considered more volatile than large cap companies. Mid cap investments are often considered to offer more growth potential than larger caps (but less than small caps) and less risk than small caps (but more than large caps).

Endnotes *(continued)*

US Small Cap equity: While small-cap stocks have historically earned higher returns than other types of investments, they also carry a higher risk of market fluctuations. Therefore, they may be appropriate for investors with a long investment time frame who hold a well-diversified portfolio.

International developed equity: Non-US markets entail different risks than those typically associated with US markets, including currency fluctuations, political and economic instability, accounting changes, and foreign taxation. Securities may be less liquid and more volatile.

Global equity: Involves risk associated with investments primarily in equity securities of companies located around the world, including the United States. International securities can involve risks relating to political and economic instability or regulatory conditions. Investments in emerging or developing markets involve exposure to economic structures that are generally less diverse and mature, and to political systems which have less stability than those of more developed countries.

Emerging markets: Investments in emerging or developing markets involve exposure to economic structures that are generally less diverse and mature, and to political systems which can be expected to have less stability than those of more developed countries. Securities may be less liquid and more volatile than US and longer-established non-US markets.

Global real estate: 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.

Commodities: Exposure to the commodities markets may subject the Fund to greater volatility than investments in traditional securities, particularly if the investments involve leverage. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates or sectors affecting a particular industry or commodity and international economic, political and regulatory developments. The use of leveraged commodity-linked derivatives creates an opportunity for increased return, but also creates the possibility for a greater loss.

Global infrastructure: Investments in infrastructure-related companies have greater exposure to the potential adverse economic, regulatory, political and other changes affecting such entities. Investment in infrastructure-related companies are subject to various risks including governmental regulations, high interest costs associated with capital construction programs, costs associated with compliance and changes in environmental regulation, economic slowdown and surplus capacity, competition from other providers of services and other factors. Investment in non-U.S. and emerging market securities is subject to the risk of currency fluctuations and to economic and political risks associated with such foreign countries.

Alternative strategies: Alternative strategies often engage in leveraging and other speculative investment practices that may increase the risk of investment loss. They can be highly illiquid and are not required to provide periodic pricing or valuation information to investors. Alternative strategies may involve complex tax structures and delays in distributing important tax information and often charge high fees.

Fixed income: 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. Investment in non-U.S. and emerging market securities is subject to the risk of currency fluctuations and to economic and political risks associated with such foreign countries.

Endnotes *(continued)*

Global high yield bond: Bonds that are rated below investment grade at the time of purchase. These bonds have a higher risk of default or other adverse credit events, but typically pay higher yields than better quality bonds in order to make them attractive to investors.

Growth: Investments focusing on stocks of companies whose earnings/profitability are accelerating in the short term or have grown consistently over the long term. Such investments may provide minimal dividends which could otherwise cushion stock prices in a market decline. Stock value may rise and fall significantly based, in part, on investors' perceptions of the company, rather than on fundamental analysis of the stocks. Investors should carefully consider the additional risks involved in growth investments.

Value: Investments focusing on stocks of income producing companies whose price is low relative to one or more valuation factors, such as earnings or book value. Such investments are subject to risks that their intrinsic values may never be realized by the market, or, such stock may turn out not have been undervalued. Investors should carefully consider the additional risks involved in value investments.

Market-oriented: Investments generally subject to risks similar to that of both growth and value style investing. These include the risk that a value style investment's intrinsic values may never be realized by the market, or, such stock may turn out not to have been undervalued. Growth style investments may provide minimal dividends which could otherwise cushion stock prices in a market decline. Growth stock value may rise and fall significantly based, in part, on investors' perceptions of the company, rather than on fundamental analysis of the stocks. Investors should carefully consider all the risks involved in market-oriented investments.

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 Life-Points® 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.

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.

Income from funds managed for tax efficiency may be subject to an alternative minimum tax, and/or any applicable state and local taxes.

On August 15, 2012, the Russell U.S. Quantitative Equity Fund was renamed the Russell U.S. Defensive Equity Fund. In addition, the Fund changed its investment strategy from a quantitative investment approach to a defensive style of investing and discontinued the limited long-short strategy. As a result, the Fund’s primary benchmark changed from the Russell 1000® Index to the Russell 1000® Defensive Index™.

On August 15, 2012, the Russell U.S. Growth Fund was renamed the Russell U.S. Dynamic Equity Fund. In addition, the fund changed its investment strategy from investing in growth stocks to a dynamic style of investing and may implement a limited long-short strategy. As a result, the Fund’s primary benchmark changed from the Russell 1000® Index to the Russell 1000® Dynamic Index™.

On October 15, 2012, the Russell U.S. Value Fund was merged into the Russell U.S. Defensive Equity Fund.

The Multi-strategy Alternative Fund may be subject to risks related to equity securities; fixed income securities, including non-investment grade fixed income securities, which involve higher volatility and higher risk of default than investment grade fixed income securities; non-U.S. and emerging markets securities, which involve risks such as currency fluctuation and political and economic instability that could result in additional volatility; currency trading, which may involve instruments that have volatile prices, are illiquid or create economic leverage; commodity investments, which may have greater volatility than investments in traditional securities; illiquid securities; and derivatives, including futures, options, forwards and swaps. Investments in derivatives may cause the Fund's losses to be greater than if it invests only in conventional securities and can cause the Fund to be more volatile. Derivatives

Endnotes *(continued)*

involve risks different from, or possibly greater than, the risks associated with other investments. The Fund's use of derivatives may cause the Fund's investment returns to be impacted by the performance of securities the Fund does not own and result in the Fund's total investment exposure exceeding the value of its portfolio. Additionally, the Fund may enter into short sales and certain money managers may utilize a short strategy. Short sales expose 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. Short sales have the potential for unlimited loss.