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February 28, 2008

Nancy M. Morris, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-0609

Re: File No. S7-28-07; Enhanced Disclosure and New Prospectus Delivery Option for Registered Open-End Management Investment Companies (Release Nos. 33-8861; IC-28064)

Dear Ms. Morris:

Russell Investment Management Company ("RIMCo"), a wholly-owned subsidiary of Frank Russell Company ("Russell"), is an investment adviser registered with the Securities and Exchange Commission (the "Commission") under the Investment Advisers Act of 1940. RIMCo is the principal investment adviser of each series of Russell Investment Company ("RIC") and Russell Investment Funds ("RIF" and together with RIC, the "Investment Companies"). The Investment Companies are open-end management investment companies registered as such under the Investment Company Act of 1940, as amended (the "1940 Act"). Each series of the Investment Companies (the "Russell Funds" or the "Funds"), except their funds of funds and a RIC money market fund, is a manager of managers fund operating pursuant to a manager of managers exemptive order.¹

The Funds are offered through financial intermediaries, including registered investment advisers, broker-dealers, banks (including bank trust departments) and other financial services organizations that have been selected by the Funds' adviser or distributor ("financial intermediaries"). Most Funds are designed to provide a means for investors to obtain access to RIMCo's "multi-style, multi-manager diversification" investment method and to obtain RIMCo's and Russell's money manager research services.

RIMCo applauds the Commission's efforts to establish an improved mutual fund disclosure framework and harness the power of technology to deliver information in better, more usable formats. RIMCo is pleased to have this opportunity to comment upon the proposal (the "Proposal") set forth in the above-captioned Release (the "Proposing Release").

Information Regarding RIMCo.

Russell, RIMCo's parent, was founded in 1936 and has been providing comprehensive asset management consulting services for over 30 years to institutional investors, principally large corporate employee benefit plans. Russell is a subsidiary of The Northwestern Mutual Life Insurance Company. Founded in 1857, Northwestern Mutual is a mutual insurance company headquartered in Milwaukee, Wisconsin.

RIMCo was established in 1982 to serve as the investment management arm of Russell. RIMCo pioneered the "multi-style, multi-manager" investment method in mutual funds and, as of December

¹ SEC Release Nos. IC-21108 (June 2, 1995) (notice) and IC-21169 (June 28, 1995) (order).

31, 2007, managed over \$43.4 billion in 48 mutual fund portfolios. Unlike investment companies that have a single organization that acts as investment adviser, the Funds, other than those that are structured as funds of funds and RIC's money market fund, divide responsibility for investment advice between RIMCo and a number of unaffiliated sub-advisers ("money managers"). RIMCo utilizes the money manager research and other resources of Russell in providing services to the Funds. Russell's money manager research services include evaluating and recommending to RIMCo money managers to make specific portfolio investments for each asset class, according to designated investment objectives, styles and strategies.

RIMCo provides or oversees the provision of all investment advisory and portfolio management services for the Funds, including developing the investment program for each Fund. RIMCo manages the Funds by allocating assets among a Fund's money managers and directly managing assets it determines not to allocate to money managers. RIMCo selects, subject to the approval of the Funds' Board, money managers for the Funds, allocates Fund assets among those money managers, oversees them and evaluates their performance results. The Funds' money managers select the individual portfolio securities for the assets assigned to them. Except for funds of funds and the RIC money market fund, RIMCo allocates most of each Fund's assets to multiple money managers. RIMCo exercises investment discretion over the portion of each Fund's assets that RIMCo determines not to allocate to the money managers. RIMCo also exercises investment discretion for each Fund's cash reserves by selecting the individual portfolio securities for those portions of assets and may also directly manage portions of a Fund during transitions between money managers.

Comments on the Proposal.

1. Quarterly Updating Requirements.

We oppose the proposed requirement that the average annual total returns and portfolio holdings information in the summary prospectus ("Summary Prospectus") be updated quarterly.

We question the benefit to investors of providing this information quarterly. We believe that the costs and burdens associated with quarterly updating outweigh any benefit. Information regarding performance and holdings is readily available elsewhere. Additionally, we believe that quarterly updating of performance information places an inappropriate focus on short-term results. The Russell Funds, like most mutual funds, are intended for long-term investors, are subject to fluctuations in value, and should not be purchased by an investor on the basis of short-term results.

Quarterly updating of the Summary Prospectus would also result in different information appearing in the Summary Prospectus as compared to the statutory prospectus. We believe that inconsistent information would be confusing to investors and is inconsistent with the concept of integrated disclosure.

Under the Proposal, if a fund's fiscal year end does not correspond with the calendar year end, the fund's performance and portfolio holdings information would be required to be updated five times a year. Updating this information four or five times a year would impose a significant burden on RIMCo's resources. We would be required to develop new processes to produce the Summary Prospectus at least five times per year. This work would be in addition to other existing quarter end requirements, as the Summary Prospectus would not replace quarterly fund fact sheets currently in use.

We recommend that information in the Summary Prospectus be required to be updated on an annual basis and that the Summary Prospectus contain a legend directing investors to a web site or toll-free telephone number to obtain current top ten portfolio holdings information and updated

performance information. If these changes were made to the Proposal, we would consider using a Summary Prospectus. However, we would not be inclined to use the Summary Prospectus if there is a requirement to update any information in the Summary Prospectus on a quarterly basis.

2. Formatting Requirements.

We support the Commission's proposal not to impose any formatting requirements on the summary section of the prospectus ("Summary") or the Summary Prospectus, such as limitations on page length or required font sizes or layouts. We believe that both to comply with the requirements of the Proposal and to include all of the information we deem to be of sufficient importance for investors to be included in the Summary and Summary Prospectus, some flexibility with regard to the presentation of information is required. We believe that the proposed requirements relating to the order and content of the Summary and the Summary Prospectus are sufficient to address the Commission's goal of standardization.

3. Multiple Fund Prospectuses.

We oppose the Commission's proposal to require that summary information be presented separately for each fund covered by a multiple fund prospectus and that the information for multiple funds not be integrated. We believe that the current Proposal would be most useful for funds that are offered directly to investors, and much less useful for funds that are offered through financial intermediaries, like the Russell Funds, which are offered typically as part of an overall asset-allocation strategy, rather than on an individual basis. Combining information about multiple funds in a single document is an integral component of the sales process of the Russell Funds. Based on our experience working with financial intermediaries, we believe that a multi-fund presentation is most useful for conveying information about the Russell Funds to investors. A multi-fund presentation allows for the performance and fee information for all funds in an asset-allocated strategy to be presented in one place. Additionally, the ability to combine information would avoid the duplication of information that is the same for all funds. We recommend that the Commission permit the Summary and Summary Prospectus to contain information about multiple funds.

4. Content of Summary and Summary Prospectus -- Proposed Items.

We believe that certain of the proposed items should not be included in the Summary or Summary Prospectus. We believe that the top ten portfolio holdings, portfolio turnover and portfolio manager disclosure are less meaningful to an investor's initial purchase decision than the other required items, and should not be required in the Summary or Summary Prospectus.

Top Ten Portfolio Holdings. We oppose the Commission's proposal to include top ten portfolio holdings information in the Summary. We do not believe that this information is meaningful to an investor's initial purchase decision.

Top ten portfolio holdings information is not currently required in the prospectus. Further, this information would be stale by the time it reaches investors. As the Proposing Release indicates, this information is already available in a number of different places, and we do not believe it should be included in the Summary or Summary Prospectus. As an alternative, we recommend that the Summary Prospectus be required to contain a legend directing shareholders to the Funds' website for portfolio holdings information.

Portfolio Turnover. We oppose the Commission's proposal to include portfolio turnover information in the Summary or Summary Prospectus. We do not believe that portfolio turnover information is particularly meaningful or relevant to investors. Portfolio turnover may be higher or lower depending on the particular investment strategy being pursued. Some strategies by their nature result in higher

turnover. For example, certain tax managed strategies result in higher turnover as managers attempt to manage the impact of taxes. We are concerned that investors may unwittingly view a high level of turnover as a negative aspect of a fund. We acknowledge that costs associated with turnover affect a fund's performance, but believe that investors should evaluate a fund based on its overall performance and expenses, without becoming unduly focused on the single factor of turnover. In some cases, a fund with higher turnover can outperform and be less expensive than, a fund with lower turnover. Additionally, our research demonstrates that there is no correlation between portfolio turnover and returns of US large cap equity portfolios.

Portfolio Manager. We do not believe that the identity and length of service of portfolio managers rises to the level of key information that should be included in the Summary and Summary Prospectus. Fund investors generally do not know or recognize the name of their portfolio manager, particularly for a manager of managers fund. For most funds, a change of portfolio manager does not typically correspond with a change in investment strategy and, for a manager of managers fund, a change in portfolio manager would rarely result in a change in investment strategy. The Summary and Summary Prospectus should only contain information that is key to investors.

5. Prohibition of Additional Information.

We oppose the prohibition of the inclusion of information in the Summary and Summary Prospectus that is not required. We believe that there should be flexibility in the presentation of information in the Summary and Summary Prospectus. Important information regarding certain aspects of unique or particularly complex funds may not fit neatly into the prescribed categories.

Some of the Russell Funds for which RIMCo serves as investment adviser have unique or particularly complex structures. We believe that certain information necessary to adequately describe important features of those Funds would be excluded under the prescribed categories. For example, Russell has recently launched a set of Funds aimed at providing target distributions to investors in retirement. The prospectus for these Funds contains a full page of disclosure explaining the target distributions and the potential for return of capital. We believe that this is information that must be fully explained to investors in these Funds in the Summary and Summary Prospectus. This information does not fit squarely into any of the currently prescribed categories. A Summary or Summary Prospectus that does not include this information may not be beneficial to investors because it would not contain a full explanation of important features of the Funds.

We recommend that the Commission permit a fund to include additional information in the Summary and Summary Prospectus that is not required if such information is necessary to provide key information to investors.

6. Proposed Order of Information.

We respectfully suggest that the Commission move the location of the fee table in the Summary and Summary Prospectus. We believe that the principal investment strategies and principal risks sections should directly follow the investment objective section. We believe that the fee table should follow the performance table, as it currently does under Form N-1A.

We believe that the principal investment strategies and principal risks of a fund are directly related to the fund's investment objective, and should therefore not be separated by information about the fund's fees and expenses. On its own, a principal investment objective may not provide an investor with a significant level of useful information. Only when followed directly by an explanation of the fund's principal investment strategies and principal risks does the investment objective become meaningful to the average investor.

We agree with the current proposal which would continue to allow multiple fund prospectuses and do not believe that the Commission should prohibit multiple fund prospectuses. Prohibition of multiple fund prospectuses would impose a significant administrative burden, as the Funds currently utilize multiple fund prospectuses. The use of multiple fund prospectuses reduces printing, mailing, production and legal costs. We believe that the amount of work required to produce single fund prospectuses would be exponentially greater than the amount of work currently required to produce multiple fund prospectuses.

The presentation of the Russell Funds in multiple fund prospectuses is an important aspect of the sales process of those funds. Russell Funds are not marketed on an individual basis, but are promoted as components of an asset-allocation strategy. It is important for investors to be able to view information about the various funds in an easily accessible format, and we believe that the best format is a single document that contains information about multiple funds. The Russell Funds prospectuses present risk information for funds in a table which allows investors to view, in one place, a summary of the risks applicable to each of the funds presented in the document. Such a comparison would be much more difficult if an investor were to take individual fund prospectuses and attempt to compare risks. Similarly, operating expenses are currently shown in a table format that facilitates access to information for multiple funds in one place. Ease of access to information for each Russell Fund in a particular asset allocation is important to both financial intermediaries and investors.

We recommend that the Commission permit Summaries and Summary Prospectuses to contain information about multiple funds and further recommend that the Commission not prohibit multiple fund prospectuses.

7. Revised Heading Under “Annual Fund Operating Expenses.”

We believe that the proposed parenthetical following the Annual Fund Operating Expenses heading should clarify that investors do not pay the operating expenses directly at the account level, but that the expenses are paid out of fund assets. We suggest that the parenthetical should read, “expenses paid by the Fund and borne indirectly by shareholders.”

The Proposing Release indicates that investors do not understand that they pay ongoing costs every year when they invest in mutual funds. We believe that the current proposed language is unclear and would be confusing to investors. While the proposed revision to the language makes clear that the expenses in question are paid by investors as a percentage of the value of their investment in the fund, it does not make clear that the expenses in question would not be paid at the shareholder account level. Investors may interpret the language, as proposed, to mean that they would be required to make additional payments on a yearly basis to cover fund expenses.

8. Breakpoint Discount Disclosure.

We believe that the proposed disclosure at the beginning of the fee table regarding discounts on front-end sales charges for volume purchases (i.e., breakpoint discounts) is too specific. The proposed disclosure reads, “You may qualify for sales charge discounts if you and your family invest, or agree to invest in the future, at least \$[] in [name of fund family] funds.” The Russell Funds offer a number of different ways for investors to receive a reduced front-end sales charge on purchases of certain classes of shares. Some of the ways that investors may receive a reduced front-end sales charge are more complex than a simple agreement to invest a certain dollar amount in the Russell Funds.

We believe that a more generic statement alerting investors to the possibility of reduced front-end sales charges, followed by a referral to other disclosure documents or to a financial intermediary,

would be more useful to investors. We suggest language that allows for the possibility of various breakpoint discount arrangements such as, "You may qualify for sales charge discounts and should consult your financial professional for assistance. Additional details are available at [website address]."

9. Fee Table.

The Proposing Release asks whether the full fee table should be included in the Summary and Summary Prospectus or whether it would be more useful to investors to require disclosure of total annual operating expenses.

We believe that the full detailed fee table information provides more information than is necessary in the Summary but that a single total fee does not provide enough information. We believe that a summary document should present three numbers: (1) total annual operating expenses, excluding any Rule 12b-1 distribution and shareholder servicing fees; (2) Rule 12b-1 distribution and shareholder servicing fees; and (3) the sum of (1) and (2). This presentation would allow for the most comparability across funds and would allow investors to be able to determine how much of the total expense ratio is attributable to distribution or shareholders servicing, fees typically not retained by the fund company but rather paid to third party financial intermediaries. Any additional itemization would not be helpful in comparing expenses across funds as funds may include different types of expenses in different categories.

10. Availability of Fund's Statutory Prospectus and certain other Fund Documents.

We oppose the Commission's proposal that compliance with the conditions regarding availability of a fund's statutory prospectus and certain other fund documents would be required in order to meet the prospectus delivery obligations under Section 5(b)(2) of the Securities Act of 1933 (the "Securities Act").

As proposed, a fund may rely on Rule 498 under the Securities Act to meet its delivery obligations under Section 5(b)(2) if, among other things, the Summary Prospectus is given "greater prominence" than any materials accompanying it, and if the conditions surrounding availability of the fund's statutory prospectus and other materials set forth in proposed Rule 498(f) would be met. Many of these proposed conditions are ambiguous and subject to interpretation. This may create unintended litigation risk and associated cost. An alleged failure to meet delivery obligations could result in private litigation being filed under Section 12 of the Securities Act. As proposed, the consequences of non-compliance (i.e., violation of Section 5(b)(2)) would far outweigh the benefits associated with utilizing the Summary Prospectus. As a result, we would not be inclined to use the Summary Prospectus if compliance with proposed Rule 498(f) is required to meet the prospectus delivery obligations under Section 5(b)(2).

We respectfully recommend that the Commission treat the requirements set forth in proposed Rule 498(f) as conditions to compliance with Rule 498 only and not as conditions to compliance with Section 5(b)(2). We believe that this change would make use of the Summary Prospectus more widespread without any diminution of investor protection. Fund compliance programs under Rule 38a-1 under the 1940 Act would need to address compliance with proposed Rule 498, and funds would be subject to possible enforcement proceedings if they fail to comply with the rule.

11. Yield.

We request clarification on whether or not the Commission is proposing a new requirement that all funds provide yield information. Currently, no requirement exists to provide yield information for a fund. Current Item 2(c)(2)(iii) of Form N-1A allows a money market fund to provide yield information,

and Instruction 2(d) to Item 2(c)(2) permits a fund other than a money market fund to include yield information.

The Proposing Release states that, “[t]he proposed Summary Prospectus rule, similar to the current voluntary profile rule, would require that average annual total returns and yield be provided as of the end of the most recent calendar quarter prior to the Summary Prospectus’s first use.” The information required in the summary section of the prospectus is proposed to be the same as that required in the new Summary Prospectus. Proposed Rule 498(b)(2)(ii) states, “Provide in the table required by Item 4(b) of Form N-1A the Fund’s average annual total returns and, if applicable, yield as of the end of the most recent calendar quarter prior to the Summary Prospectus’s first use.”

We believe that this language can be read to impose a new requirement on all funds to provide yield information. We request guidance on the Commission’s intent with regard to this language.

12. Compliance Date.

We believe that the proposed compliance date would not provide sufficient time to prepare registration statements under the amendments. Given the number of Russell Funds, substantial work would be required to comply with the new Form N-1A requirements. Additionally, we note that in certain circumstances, this requirement could result in a registrant having fewer than six months to comply with the amendments. If a post-effective amendment is filed under Rule 485(a) prior to the end of the compliance period and the related post-effective amendment under Rule 485(b) is filed after the end of the compliance period, we believe that the filing under Rule 485(a) would be required to reflect the new Form N-1A requirements both from a practical perspective and because no material changes to the registration statement would be permitted under Rule 485(b). If there is a six month compliance period, this may actually result in a fund having fewer than four months to comply with the new Form N-1A requirements.

We recommend that the Commission provide for a one year transition period from the adoption of the amendments for funds to comply.

Please call the undersigned at 253-439-4917 if you have any questions regarding this comment letter.

Russell Investment Management Company

By: /s/ Greg J. Stark

Greg J. Stark
President and Chief Executive Officer