ANNUAL FINANCIAL STATEMENTS

Russell Investments Corporate Class Inc.

JUNE 30, 2011

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Russell Investments Corporate Class Inc.

Management and independent auditor's report

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements have been prepared by Russell Investments Canada Limited (the "Manager"), the Manager of the Russell LifePoints Class Portfolios and Russell Sovereign Investment Classes (the "Funds"). The Manager is responsible for the information and representation contained in these financial statements and other sections of this report. This responsibility includes selecting appropriate accounting policies and making judgments and estimates in accordance with accounting principles generally accepted in Canada. The significant accounting policies which the Manager believes are appropriate for the Funds are described in Note 2 to the financial statements.

The Board of Directors of the Manager is responsible for reviewing and approving the financial statements and overseeing the Manager's performance of its financial reporting responsibilities.

PricewaterhouseCoopers LLP are the external auditors of the Funds. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the unitholders their opinion on the financial statements. Their audit report follows.

On behalf of Russell Investments Canada Limited

David B. Feather
President & Chief Executive Officer

David Steele
Managing Director, Operations and Chief Financial Officer

Toronto, Ontario
September 28, 2011

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of the Classes as listed in Note 1 to the financial statements (the "Classes"):

We have audited the accompanying financial statements of each of the Classes, which comprise the statement of investment portfolio as at June 30, 2011 and the statements of net assets, operations and changes in net assets as at and for the periods indicated in Note 1 and the related notes, which are comprised of a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of each of the Classes in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements of each of the Classes based on each of our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in each of our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of each of the Classes present fairly, in all material respects, the financial position of each of the Classes, the results of each of their operations and the changes in each of their net assets as at and for the periods indicated in Note 1 in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants

Toronto, Ontario
September 28, 2011

Russell LifePoints Balanced Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Statements of Net Assets

As at		June 30, 2011		June 30, 2010
Assets				
Investments at fair value	$	51,025	$	30,112
Cash		179		1
Receivable for capital shares issued		1,283		63
Capital tax reimbursement receivable (Note 4)		-		34
Reimbursement receivable (Note 5)		4		30
Unrealized appreciation on foreign currency exchange spot contracts		-		-
Unrealized appreciation on forward foreign currency exchange contracts		-		81
Total assets		52,491		30,321
Liabilities				
Payable for capital shares redeemed		62		119
Management fee payable		90		61
Capital tax payable		-		34
Accrued expenses		6		13
Unrealized depreciation on foreign currency exchange contracts		-		64
Unrealized depreciation on foreign currency exchange spot contracts		-		86
Total liabilities		158		377
Net assets representing shareholders' equity	$	52,333	$	29,944
Net assets per series (see Schedule of Class Share Transactions)				
Series B	$	39,792	$	22,151
Series F		1,934		1,401
Series F-6		172		140
Series I-6	$	10,435	$	6,252
Net assets per share				
Series B	$	11.95	$	10.98
Series F		12.43		11.26
Series F-6		79.54		76.54
Series I-6	$	76.22	$	74.42

Approved by the Board of Directors of Russell Investments Corporate Class Inc.

Director Director

Statements of Operations

For the periods ended June 30,		2011		2010
Investment income				
Income distributions from Underlying Funds	$	1,608	$	1,169
Interest income		1		
Futures contracts		-		-
Forward foreign currency exchange contracts		355		-
Other income		1		-
Total investment income		1,965		1,169
Expenses				
Management fees		949		534
Custodian fees		25		17
Legal fees		2		1
Audit fees		3		1
Fund administration expense		4		2
Transfer agent		10		5
Registration and other filing fees		2		2
Directors' fees		-		9
Independent review committee fees		-		-
Securityholder reporting costs		6		18
Capital Tax		-		34
Total expenses		1,001		623
Capital Tax absorbed by the Manager (Note 4)		-		(34)
Expense reimbursement (Note 5)		(4)		(30)
Expenses, net		997		559
Net investment income (loss)		968		610
Net realized and unrealized gain (loss)				
Net realized gain (loss) on:				
Investments		747		93
Foreign currency-related transactions		-		52
		747		145
Net change in unrealized appreciation (depreciation) on:				
Investments		1,813		(281)
Forward foreign currency exchange contracts		69		(69)
		1,882		(350)
Net realized and unrealized gain (loss)		2,629		(205)
Net increase (decrease) in net assets from operations	$	3,597	$	405
Increase (decrease) in net assets from operations per Series				
Series B	$	2 603	$	345
Series F		189		53
Series F-6		18		1
Series I-6	$	787	$	6
Increase (decrease) in net assets from operations per share*				
Series B shares	$	1.08	$	0.23
Series F shares		1.33		0.47
Series F-6 shares		9.49		1.11
Series I-6 shares	$	7.25	$	0.12

*Based on the weighted average number of shares outstanding during the period.

See accompanying notes which are an integral part of the financial statements.

Russell LifePoints Balanced Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Statements of Changes in Net Assets

For the periods ended June 30,	2011	2010
Net Assets beginning of period		
Series B	$ 22,151	$ 9,316
Series F	1,401	759
Series F-6	140	45
Series I-6	6,252	1,525
	29,944	11,645
Increase (decrease) in net assets from operations		
Series B	2,603	345
Series F	189	53
Series F-6	18	1
Series I-6	787	6
	3,597	405
Dividends and distributions		
Dividends		
Series B	(122)	(67)
Series F	(6)	(4)
Series F-6	(1)	-
Series I-6	(33)	(18)
	(162)	(89)
Capital Gains		
Series B	(468)	-
Series F	(29)	-
Series F-6	(3)	-
Series I-6	(131)	-
	(631)	-
Return of Capital		
Series B	-	-
Series F	-	-
Series F-6	(9)	(5)
Series I-6	(516)	(247)
	(525)	(252)
Net increase (decrease) in net assets from dividends and distributions	(1,318)	(341)

Statements of Changes in Net Assets *(cont'd)*

For the periods ended June 30,	2011	2010
Capital share transactions		
Proceeds:		
From shares issued		
Series B	$ 22,513	$ 17,059
Series F	686	871
Series F-6	32	99
Series I-6	5,467	5,760
	28,698	23,789
From reinvestment of dividends and distributions		
Series B	588	66
Series F	33	4
Series F-6	-	-
Series I-6	208	104
	829	174
Redemption of shares		
Series B	(7,473)	(4,568)
Series F	(340)	(282)
Series F-6	(5)	-
Series I-6	(1,599)	(878)
	(9,417)	(5,728)
Net increase (decrease) in net assets from Capital share transactions	20,110	18,235
Total net increase (decrease) in net assets	22,389	18,299
Net assets end of period		
Series B	$ 39,792	$ 22,151
Series F	1,934	1,401
Series F-6	172	140
Series I-6	10,435	6,252
	$ 52,333	$ 29,944

See accompanying notes which are an integral part of the financial statements.

Russell LifePoints Balanced Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Statement of Investment Portfolio

as at June 30, 2011

Number of Units		Average Cost (000) $	Fair Value (000) $
	Underlying Funds – 97.5%		
	Domestic Equities – 17.7%		
1,495,968	Russell Canadian Equity Fund, Series 'B' Units	7,148	7,987
121,456	Russell Smaller Companies Pool, Series 'O' Units	1,252	1,275
		8,400	9,262
	International Equities – 33.3%		
56,034	Russell Emerging Markets Equity Pool, Series 'O' Units	1,248	1,210
44,179	Russell Global Equity Fund, Series 'B' Units	3,653	4,109
1,652,780	Russell Overseas Equity Fund, Series 'B' Units	5,223	5,633
2,082,075	Russell US Equity Fund, Series 'B' Units	5,992	6,491
		16,116	17,443
	Domestic Fixed Income – 46.5%		
4,270,580	Russell Canadian Fixed Income Fund, Series 'B' Units	24,164	24,320
	Total Investments – 97.5%	48,680	51,025
	Other Assets and Liabilities, Net – 2.5%		1,308
	Net Assets – 100.0%		52,333

Summary of Investment Portfolio

All portfolio categories are included in the following table:

	Percentage of Net Assets (%)	
Portfolio by Category	**As at June 30, 2011**	**As at June 30, 2010**
Domestic Equities	17.7	18.0
International Equities	33.3	34.0
Domestic Fixed Income	46.5	48.6
Other Assets and Liabilities, Net	2.5	(0.6)
	100.0	100.0

See accompanying notes which are an integral part of the financial statements.

Russell LifePoints Balanced Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Class specific financial instruments risks (note 8)

as at June 30, 2011 and 2010

Financial Instrument Risks

The Class may be exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, currency risk and other price risk). The value of investments within the Underlying Funds' holdings can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, and market and company news related to specific securities within the Underlying Funds.

Other Price Risk

The impact on net assets of the Class due to a 5% change in the Benchmark*, using historical correlation between the Class's return as compared to the return of the Class's Benchmark, with all other variables held constant, is approximately $2.8 million as at June 30, 2011 and approximately $1.5 million as at June 30, 2010. Regression analysis has been utilized to estimate the historical correlation. The analysis uses data based on the monthly net returns of the Series B shares of the Class since the creation date and assumes that short-term interest rates were constant throughout this period. The returns of the other series of the Class are substantially similar to that of the Series B shares and any difference is attributed to the difference in expense structure. The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

* The benchmark as of June 30, 2011 is comprised of 50% DEX Universe Bond Index, 16.7% S&P/TSX Capped Composite Index and 33.3% Russell Developed Large Cap Index Net ("Benchmark"). A portion of the Class's benchmark was changed from MSCI World Index to Russell Developed Large Cap Index on December 31, 2010. Historical performance prior to December 31, 2010 is linked to the MSCI World Index calculated with net dividends invested daily.

Credit Risk

As at June 30, 2011 and 2010, the Class had no direct investments in debt securities. As at June 30, 2011, the Class has no direct exposure to derivative contracts. As at June 30, 2010, all counterparties to derivative contracts had a credit rating of A1 or higher. As at June 30, 2011 and 2010, the Class was also exposed to indirect credit risk in the event that the Underlying Funds invest in debt instruments and derivatives.

Liquidity Risk

As at June 30, 2011 and 2010, the Class's exposure to liquidity risk is minimal.

Interest Rate Risk

As at June 30, 2011 and 2010, the Class has no significant direct exposure to interest rate risk. The Class is exposed to indirect interest rate risk in the event that the Underlying Funds invest in interest-bearing financial instruments.

Currency Risk

As at June 30, 2011, the Class has no direct exposure to currency risk. The table below indicates the currencies to which the Class had exposure as at June 30, 2010, on its trading monetary, non-monetary assets and liabilities as well as the underlying principal amount of forward currency contracts.

as at June 30, 2010

Currency	Currency Risk Exposed Holdings (including derivatives)*	Forward Foreign Currency Exchange Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	$ -	$ (5,429)	$ (5,429)	(18.13)

* Amounts include monetary and non-monetary items.

As at June 30, 2011, the Class was exposed to indirect, unhedged currency risk through its holdings in Underlying Funds. As at June 30, 2010, the Class was exposed to indirect U.S. dollar exposure of $5.2 million from holdings in the Russell US Equity Fund and Russell Global Equity Fund. By entering into the forward foreign currency exchange contracts, the Class effectively reduced this indirect U.S. dollar exposure to -$0.2 million or -0.8% of the net assets as at June 30, 2010. Had the Canadian dollar strengthened or weakened by 5% in relation to this net U. S. dollar exposure,with all other variables held constant, the estimated net assets would have decreased or increased, by approximately $12 thousand as at June 30, 2010. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Fair Value of Financial Instruments

The tables below indicate the inputs used in valuing the Class's financial instruments carried at fair value.

as at June 30, 2011

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Funds	$ 51,025	$ -	$ -	$ 51,025
Currency Forward and Spot Contracts	-	-	-	-
Financial Assets	51,025	-	-	51,025
Financial Liabilities				
Currency Forward and Spot Contracts	-	-	-	-
Financial Liabilities	-	-	-	-
Financial Assets and Liabilities, Net	$ 51,025	$ -	$ -	$ 51,025

as at June 30, 2010

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Funds	$ 30,112	$ -	$ -	$ 30,112
Currency Forward and Spot Contracts	-	81	-	81
Financial Assets	30,112	81	-	30,193
Financial Liabilities				
Currency Forward and Spot Contracts	-	(150)	-	(150)
Financial Liabilities	-	(150)	-	(150)
Financial Assets and Liabilities, Net	$ 30,112	$ (69)	$ -	$ 30,043

(i) Quoted prices in active markets for identical assets
(ii) Significant other observable inputs
(iii) Significant unobservable inputs

See accompanying notes which are an integral part of the financial statements.

Russell LifePoints Balanced Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Financial statements – supplementary schedules

Schedule of Class Share Transactions (Note 3)

for the periods ended June 30,

	2011	2010
Series B Shares		
Shares Beginning of Period	2,017,750	889,797
Shares Issued for Cash	1,901,649	1,530,616
Shares Issued for Reinvestment of Dividends and Distributions	52,278	5,982
Shares Redeemed	(641,158)	(408,645)
Shares Outstanding	3,330,519	2,017,750
Series F Shares		
Shares Beginning of Period	124,422	71,685
Shares Issued for Cash	56,407	76,896
Shares Issued for Reinvestment of Dividends and Distributions	2,828	340
Shares Redeemed	(28,126)	(24,499)
Shares Outstanding	155,531	124,422
Series F-6 Shares		
Shares Beginning of Period	1,828	593
Shares Issued for Cash	393	1,235
Shares Issued for Reinvestment of Dividends and Distributions	-	-
Shares Redeemed	(61)	-
Shares Outstanding	2,160	1,828
Series I-6 Shares		
Shares Beginning of Period	84,006	20,260
Shares Issued for Cash	70,824	73,565
Shares Issued for Reinvestment of Dividends and Distributions	2,724	1,336
Shares Redeemed	(20,650)	(11,155)
Shares Outstanding	136,904	84,006

Schedule of Fees (Note 5)

as at June 30,

	2011
Annual management fee rate	%
Series B	2.15
Series F	0.95
Series F-6	0.95
Series I-6	2.15

See accompanying notes which are an integral part of the financial statements.

Russell LifePoints Balanced Growth Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Statements of Net Assets

As at		June 30, 2011		June 30, 2010
Assets				
Investments at fair value	$	65,550	$	51,078
Cash		74		1
Receivable for capital shares issued		62		89
Capital tax reimbursement receivable (Note 4)		-		58
Reimbursement receivable (Note 5)		25		47
Unrealized appreciation on foreign currency exchange spot contracts		-		141
Unrealized appreciation on forward foreign currency exchange contracts		-		-
Total assets		65,711		51,414
Liabilities				
Payable for capital shares redeemed		35		34
Management fee payable		110		104
Capital tax payable		-		58
Accrued expenses		6		6
Unrealized depreciation on foreign currency exchange contracts		-		131
Unrealized depreciation on foreign currency exchange spot contracts		-		161
Total liabilities		151		494
Net assets representing shareholders' equity	$	65,560	$	50,920
Net assets per series (see Schedule of Class Share Transactions)				
Series B	$	57,799	$	45,221
Series F		2,712		2,132
Series F-7		140		68
Series I-7	$	4,909	$	3,499
Net assets per share				
Series B	$	12.10	$	10.98
Series F		12.59		11.26
Series F-7		79.11		75.93
Series I-7	$	75.12	$	73.15

Approved by the Board of Directors of Russell Investments Corporate Class Inc.

Director Director

Statements of Operations

For the periods ended June 30,		2011		2010
Investment income				
Income distributions from Underlying Funds	$	2,330	$	2,230
Futures contracts		-		-
Forward foreign currency exchange contracts		671		-
Other income		-		1
Total investment income		3,001		2,231
Expenses				
Management fees		1,498		1,082
Custodian fees		26		23
Legal fees		4		3
Audit fees		8		2
Fund administration expense		6		6
Transfer agent		16		11
Registration and other filing fees		3		3
Directors' fees		-		6
Independent review committee fees		-		1
Securityholder reporting costs		18		32
Capital Tax		-		58
Total expenses		1,579		1,227
Capital Tax absorbed by the Manager (Note 4)		-		(58)
Expense reimbursement (Note 5)		(24)		(47)
Expenses, net		1,555		1,122
Net investment income (loss)		1,446		1,109
Net realized and unrealized gain (loss)				
Net realized gain (loss) on:				
Investments		1,383		297
Foreign currency-related transactions		-		197
		1,383		494
Net change in unrealized appreciation (depreciation) on:				
Investments		3,775		(180)
Forward foreign currency exchange contracts		151		(151)
		3,926		(331)
Net realized and unrealized gain (loss)		5,309		163
Net increase (decrease) in net assets from operations	$	6,755	$	1,272
Increase (decrease) in net assets from operations per Series				
Series B	$	6,026	$	1,183
Series F		310		113
Series F-7		4		(1)
Series I-7	$	415	$	(23)
Increase (decrease) in net assets from operations per share*				
Series B shares	$	1.35	$	0.35
Series F shares		1.56		0.60
Series F-7 shares		4.26		(2.78)
Series I-7 shares	$	8.15	$	(0.77)

*Based on the weighted average number of shares outstanding during the period.

See accompanying notes which are an integral part of the financial statements.

Russell LifePoints Balanced Growth Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Statements of Changes in Net Assets

For the periods ended June 30,	2011	2010
Net Assets beginning of period		
Series B	$ 45,221	$ 25,855
Series F	2,132	1,784
Series F-7	68	-
Series I-7	3,499	1,179
	50,920	28,818
Increase (decrease) in net assets from operations		
Series B	6,026	1,183
Series F	310	113
Series F-7	4	(1)
Series I-7	415	(23)
	6,755	1,272
Dividends and distributions		
Dividends		
Series B	(257)	(193)
Series F	(12)	(9)
Series F-7	(1)	-
Series I-7	(22)	(15)
	(292)	(217)
Capital Gains		
Series B	(1,014)	-
Series F	(45)	-
Series F-7	(2)	-
Series I-7	(78)	-
	(1,139)	-
Return of Capital		
Series B	-	-
Series F	-	-
Series F-7	(5)	(2)
Series I-7	(281)	(164)
	(286)	(166)
Net increase (decrease) in net assets from dividends and distributions	(1,717)	(383)

Statements of Changes in Net Assets *(cont'd)*

For the periods ended June 30,	2011	2010
Capital share transactions		
Proceeds:		
From shares issued		
Series B	$ 16,336	$ 26,642
Series F	1,260	831
Series F-7	120	116
Series I-7	3,130	2,578
	20,846	30,167
From reinvestment of dividends and distributions		
Series B	1,241	189
Series F	54	8
Series F-7	-	1
Series I-7	60	10
	1,355	208
Redemption of shares		
Series B	(9,754)	(8,455)
Series F	(987)	(595)
Series F-7	(44)	(46)
Series I-7	(1,814)	(66)
	(12,599)	(9,162)
Net increase (decrease) in net assets from Capital share transactions	9,602	21,213
Total net increase (decrease) in net assets	14,640	22,102
Net assets end of period		
Series B	$ 57,799	$ 45,221
Series F	2,712	2,132
Series F-6	140	68
Series I-6	4,909	3,499
	$ 65,560	$ 50,920

See accompanying notes which are an integral part of the financial statements.

Russell LifePoints Balanced Growth Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Statement of Investment Portfolio

as at June 30, 2011

Number of Units		Average Cost (000) $	Fair Value (000) $
	Underlying Funds – 100.0%		
	Domestic Equities – 21.5%		
2,340,153	Russell Canadian Equity Fund, Series 'B' Units	10,209	12,493
155,579	Russell Smaller Companies Pool, Series 'O' Units	1,578	1,633
		11,787	14,126
	International Equities – 40.9%		
72,580	Russell Emerging Markets Equity Pool, Series 'O' Units	1,621	1,568
71,287	Russell Global Equity Fund, Series 'B' Units	5,571	6,631
2,544,722	Russell Overseas Equity Fund, Series 'B' Units	7,736	8,673
3,197,975	Russell US Equity Fund, Series 'B' Units	8,735	9,970
		23,663	26,842
	Domestic Fixed Income – 37.6%		
4,316,560	Russell Canadian Fixed Income Fund, Series 'B' Units	24,256	24,582
	Total Investments – 100.0%	59,706	65,550
	Other Assets and Liabilities, Net – 0.0%		10
	Net Assets – 100.0%		65,560

Summary of Investment Portfolio

All portfolio categories are included in the following table:

	Percentage of Net Assets (%)	
Portfolio by Category	**As at June 30, 2011**	**As at June 30, 2010**
Domestic Equities	21.5	20.9
International Equities	40.9	40.4
Domestic Fixed Income	37.6	39.0
Other Assets and Liabilities, Net	-	(0.3)
	100.0	100.0

See accompanying notes which are an integral part of the financial statements.

Russell LifePoints Balanced Growth Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Class specific financial instruments risks (note 8)

as at June 30, 2011 and 2010

Financial Instrument Risk

The Class may be exposed to a variety of financial risks: credit risk, liquidity risk and market price risk (including interest rate risk, currency risk and other price risk). The value of investments within the Underlying Funds' holdings can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, and market and company news related to specific securities within the Underlying Funds.

Other Price Risk

The impact on net assets of the Class due to a 5% change in the Benchmark*, using historical correlation between the Class's return as compared to the return of the Class's Benchmark, with all other variables held constant, is approximately $3.6 million as at June 30, 2011 and approximately $2.6 million as at June 30, 2010. Regression analysis has been utilized to estimate the historical correlation. The analysis uses data based on the monthly net returns of the Series B shares of the Class since the creation date and assumes that short-term interest rates were constant throughout this period. The returns of the other series of the Class are substantially similar to that of the Series B shares and any difference is attributed to the difference in expense structure. The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

* The benchmark as of June 30, 2011 is comprised of 40% DEX Universe Bond Index, 20% S&P/TSX Capped Composite Index and 40% Russell Developed Large Cap Index Net ("Benchmark"). A portion of the Class's benchmark was changed from MSCI World Index to Russell Developed Large Cap Index on December 31, 2010. Historical performance prior to December 31, 2010 is linked to the MSCI World Index calculated with net dividends invested daily.

Credit Risk

As at June 30, 2011 and 2010, the Class had no direct investments in debt securities. As at June 30, 2011, the Class has no direct exposure to derivative contracts. As at June 30, 2010, all counterparties to derivative contracts had a credit rating of A1 or higher. As at June 30, 2011 and 2010, the Class was also exposed to indirect credit risk in the event that the Underlying Funds invest in debt instruments and derivatives.

Liquidity Risk

As at June 30, 2011 and 2010, the Class's exposure to liquidity risk is minimal.

Interest Rate Risk

As at June 30, 2011 and 2010, the Class has no significant direct exposure to interest rate risk. The Class is exposed to indirect interest rate risk in the event that the Underlying Funds invest in interest-bearing financial instruments.

Currency Risk

As at June 30, 2011, the Class has no direct exposure to currency risk. The table below indicates the currencies to which the Class had exposure as at June 30, 2010, on its trading monetary, non-monetary assets and liabilities as well as the underlying principal amount of forward currency contracts.

as at June 30, 2010

Currency	Currency Risk Exposed Holdings (including derivatives)*	Forward Foreign Currency Exchange Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	$ -	$ (11,066)	$ (11,066)	(21.73)

* Amounts include monetary and non-monetary items.

As at June 30, 2011, the Class was exposed to indirect, unhedged currency risk through its holdings in Underlying Funds. As at June 30, 2010, the Class was exposed to indirect U.S. dollar exposure of $10.6 million from holdings in the Russell US Equity Fund and Russell Global Equity Fund. By entering into the forward foreign currency exchange contracts, the Class effectively reduced this indirect U.S. dollar exposure to -$0.5 million or -1.0% of the net assets as at June 30, 2010. Had the Canadian dollar strengthened or weakened by 5% in relation to this net U. S. dollar exposure, with all other variables held constant, the estimated net assets would have decreased or increased, by approximately $25 thousand as at June 30, 2010. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Fair Value of Financial Instruments

The tables below indicate the inputs used in valuing the Class's financial instruments carried at fair value.

as at June 30, 2011

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Funds	$ 65,550	$ -	$ -	$ 65,550
Currency Forward and Spot Contracts	-	-	-	-
Financial Assets	65,550	-	-	65,550
Financial Liabilities				
Currency Forward and Spot Contracts	-	-	-	-
Financial Liabilities	-	-	-	-
Financial Assets and Liabilities, Net	$ 65,550	$ -	$ -	$ 65,550

as at June 30, 2010

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Funds	$ 51,078	$ -	$ -	$ 51,078
Currency Forward and Spot Contracts	-	141	-	141
Financial Assets	51,078	141	-	51,219
Financial Liabilities				
Currency Forward and Spot Contracts	-	(292)	-	(292)
Financial Liabilities	-	(292)	-	(292)
Financial Assets and Liabilities, Net	$ 51,078	$ (151)	$ -	$ 50,927

(i) Quoted prices in active markets for identical assets
(ii) Significant other observable inputs
(iii) Significant unobservable inputs

See accompanying notes which are an integral part of the financial statements.

Russell LifePoints Balanced Growth Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Financial statements – supplementary schedules

Schedule of Class Share Transactions (Note 3)

for the periods ended June 30,

	2011	2010
Series B Shares		
Shares Beginning of Period	4,120,302	2,455,517
Shares Issued for Cash	1,365,031	2,396,425
Shares Issued for Reinvestment of Dividends and Distributions	109,865	16,934
Shares Redeemed	(818,808)	(748,574)
Shares Outstanding	4,776,390	4,120,302
Series F Shares		
Shares Beginning of Period	189,418	167,605
Shares Issued for Cash	101,406	72,672
Shares Issued for Reinvestment of Dividends and Distributions	4,590	750
Shares Redeemed	(80,042)	(51,609)
Shares Outstanding	215,372	189,418
Series F-7 Shares		
Shares Beginning of Period	896	1
Shares Issued for Cash	1,450	1,464
Shares Issued for Reinvestment of Dividends and Distributions	-	13
Shares Redeemed	(576)	(582)
Shares Outstanding	1,770	896
Series I-7 Shares		
Shares Beginning of Period	47,830	15,697
Shares Issued for Cash	40,535	32,866
Shares Issued for Reinvestment of Dividends and Distributions	787	125
Shares Redeemed	(23,809)	(858)
Shares Outstanding	65,343	47,830

Schedule of Fees (Note 5)

as at June 30,

	2011
Annual management fee rate	%
Series B	2.25
Series F	1.00
Series F-7	1.00
Series I-7	2.25

See accompanying notes which are an integral part of the financial statements.

Russell LifePoints Long-Term Growth Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Statements of Net Assets

As at		June 30, 2011		June 30, 2010
Assets				
Investments at fair value	$	12,978	$	10,020
Cash		8		-
Receivable for capital shares issued		16		6
Capital tax reimbursement receivable (Note 4)		-		11
Reimbursement receivable (Note 5)		14		29
Unrealized appreciation on foreign currency exchange spot contracts		-		39
Unrealized appreciation on forward foreign currency exchange contracts		-		-
Total assets		13,016		10,105
Liabilities				
Payable for capital shares redeemed		3		17
Management fee payable		23		21
Capital tax payable		-		11
Accrued expenses		4		11
Unrealized depreciation on forward foreign currency exchange contracts		-		34
Unrealized depreciation on foreign currency exchange spot contracts		-		43
Total liabilities		30		137
Net assets representing shareholders' equity	$	12,986	$	9,968
Net assets per Series (see Schedule of Class Share Transactions)				
Series B	$	11,537	$	9,236
Series F	$	1,449	$	732
Net assets per share				
Series B	$	12.40	$	10.86
Series F	$	12.92	$	11.14

Approved by the Board of Directors of Russell Investments Corporate Class Inc.

Director Director

Statements of Operations

For the periods ended June 30,		2011		2010
Investment income				
Income distributions from Underlying Funds	$	416	$	383
Futures contracts		-		-
Forward foreign currency exchange contracts		185		-
Total investment income		601		383
Expenses				
Management fees		312		240
Custodian fees		17		12
Legal fees		1		1
Audit fees		1		1
Fund administration expense		1		1
Transfer agent		4		2
Registration and other filing fees		1		1
Directors' fees		-		6
Independent review committee fees		-		-
Securityholder reporting costs		1		15
Capital Tax		-		11
Total expenses		338		290
Capital Tax absorbed by the Manager (Note 4)		-		(11)
Expense reimbursement (Note 5)		(14)		(29)
Expenses, net		324		250
Net investment income (loss)		277		133
Net realized and unrealized gain (loss)				
Net realized gain (loss) on:				
Investments		566		166
Foreign currency-related transactions		-		60
		566		226
Net change in unrealized appreciation (depreciation) on:				
Investments		836		(21)
Forward foreign currency exchange contracts		40		(38)
		876		(59)
Net realized and unrealized gain (loss)		1,442		167
Net increase (decreased) in net assets from operations	$	1,719	$	300
Increase (decrease) in net assets from operations per Series				
Series B	$	1,552	$	244
Series F	$	167	$	56
Increase (decrease) in net assets from operations per share*				
Series B	$	1.73	$	0.32
Series F	$	1.76	$	0.77

*Based on the weighted average number of shares outstanding during the period.

See accompanying notes which are an integral part of the financial statements.

Russell LifePoints Long-Term Growth Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Statements of Changes in Net Assets

For the periods ended June 30,	2011	2010
Net Assets beginning of period		
Series B	$ 9,236	$ 7,242
Series F	732	802
	9,968	8,044
Increase (decrease) in net assets from operations		
Series B	1,552	244
Series F	167	56
	1,719	300
Dividends and distributions		
Dividends		
Series B	(73)	(57)
Series F	(9)	(4)
	(82)	(61)
Capital Gains		
Series B	(128)	-
Series F	(10)	-
	(138)	-
Return of Capital		
Series B	-	-
Series F	-	-
	-	-
Net decrease in net assets from distributions	(220)	(61)
Capital share transactions		
Proceeds:		
From shares issued		
Series B	2,620	3,338
Series F	631	214
	3,251	3,552
From reinvestment of dividends and distributions		
Series B	200	57
Series F	19	4
	219	61
Redemption of shares		
Series B	(1,870)	(1,588)
Series F	(81)	(340)
	(1,951)	(1,928)
Net increase (decrease) in net assets from Capital share transactions	1,519	1,685
Total net increase (decrease) in net assets	3,018	1,924
Net assets end of period		
Series B	$ 11,537	$ 9,236
Series F	1,449	732
	$ 12,986	$ 9,968

Statement of Investment Portfolio

as at June 30, 2011

Number of Units		Average Cost (000) $	Fair Value (000) $
	Underlying Funds – 99.9%		
	Domestic Equities – 28.8%		
612,910	Russell Canadian Equity Fund, Series 'B' Units	2,607	3,272
44,363	Russell Smaller Companies Pool, Series 'O' Units	448	466
		3,055	3,738
	International Equities – 53.4%		
22,062	Russell Emerging Markets Equity Pool, Series 'O' Units	493	477
17,626	Russell Global Equity Fund, Series 'B' Units	1,379	1,639
667,952	Russell Overseas Equity Fund, Series 'B' Units	2,016	2,277
815,614	Russell US Equity Fund, Series 'B' Units	2,216	2,543
		6,104	6,936
	Domestic Fixed Income – 17.7%		
404,628	Russell Canadian Fixed Income Fund, Series 'B' Units	2,265	2,304
	Total Investments – 99.9%	11,424	12,978
	Other Assets and Liabilities, Net – 0.1%		8
	Net Assets – 100.0%		12,986

Summary of Investment Portfolio

All portfolio categories are included in the following table:

	Percentage of Net Assets (%)	
Portfolio by Category	**As at June 30, 2011**	**As at June 30, 2010**
Domestic Equities	28.8	27.9
International Equities	53.4	53.5
Domestic Fixed Income	17.7	19.1
Other Assets and Liabilities, Net	0.1	(0.5)
	100.0	100.0

See accompanying notes which are an integral part of the financial statements.

Russell LifePoints Long-Term Growth Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Class specific financial instruments risks (note 8)

as at June 30, 2011 and 2010

Financial Instrument Risks

The Class may be exposed to a variety of financial risks: credit risk, liquidity risk and market price risk (including interest rate risk, currency risk and other price risk). The value of investments within the Underlying Funds' holdings can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, and market and company news related to specific securities within the Underlying Funds.

Other Price Risk

The impact on net assets of the Class due to a 5% change in the Benchmark*, using historical correlation between the Class's return as compared to the return of the Class's Benchmark, with all other variables held constant, is approximately $0.7 million as at June 30, 2011 and approximately $0.5 million as at June 30, 2010. Regression analysis has been utilized to estimate the historical correlation. The analysis uses data based on the monthly net returns of the Series B shares of the Class since the creation date and assumes that short-term interest rates were constant throughout this period. The returns of the other series of the Class are substantially similar to that of the Series B shares and any difference is attributed to the difference in expense structure. The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

* The benchmark as of June 30, 2011 is comprised of 40% DEX Universe Bond Index, 20% S&P/TSX Capped Composite Index and 40% Russell Developed Large Cap Index Net ("Benchmark"). A portion of the Class's benchmark was changed from MSCI World Index to Russell Developed Large Cap Index on December 31, 2010. Historical performance prior to December 31, 2010 is linked to the MSCI World Index calculated with net dividends invested daily.

Credit Risk

As at June 30, 2011 and 2010, the Class had no direct investments in debt securities. As at June 30, 2011, the Class has no direct exposure to derivative contracts. As at June 30, 2010, all counterparties to derivative contracts had a credit rating of A1 or higher. As at June 30, 2011 and 2010, the Class was also exposed to indirect credit risk in the event that the Underlying Funds invest in debt instruments and derivatives.

Liquidity Risk

As at June 30, 2011 and 2010, the Class's exposure to liquidity risk is minimal.

Interest Rate Risk

As at June 30, 2011 and 2010, the Class has no significant direct exposure to interest rate risk. The Class is exposed to indirect interest rate risk in the event that the Underlying Funds invest in interest-bearing financial instruments.

Currency Risk

As at June 30, 2011, the Class has no direct exposure to currency risk. The table below indicates the currencies to which the Class had exposure as at June 30, 2010, on its trading monetary, non-monetary assets and liabilities as well as the underlying principal amount of forward currency contracts.

as at June 30, 2010

Currency	Currency Risk Exposed Holdings (including derivatives)*	Forward Foreign Currency Exchange Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	$ -	$ (2,831)	$ (2,831)	(28.40)

* Amounts include monetary and non-monetary items.

As at June 30, 2011, the Class was exposed to indirect, unhedged currency risk through its holdings in Underlying Funds. As at June 30, 2010, the Class was exposed to indirect U.S. dollar exposure of $2.7 million from holdings in the Russell US Equity Fund and Russell Global Equity Fund. By entering into the forward foreign currency exchange contracts, the Class effectively reduced this indirect U.S. dollar exposure to -$0.1 million or -1.2% of the net assets as at June 30, 2010. Had the Canadian dollar strengthened or weakened by 5% in relation to this net U. S. dollar exposure, with all other variables held constant, the estimated net assets would have decreased or increased, by approximately $6 thousand as at June 30, 2010. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Fair Value of Financial Instruments

The tables below indicate the inputs used in valuing the Class's financial instruments carried at fair value.

as at June 30, 2011

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Funds	$ 12,978	$ -	$ -	$ 12,978
Currency Forward and Spot Contracts	-	-	-	-
Financial Assets	12,978	-	-	12,978
Financial Liabilities				
Currency Forward and Spot Contracts	-	-	-	-
Financial Liabilities	-	-	-	-
Financial Assets and Liabilities, Net	$ 12,978	$ -	$ -	$ 12,978

as at June 30, 2010

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Funds	$ 10,020	$ -	$ -	$ 10,020
Currency Forward and Spot Contracts	-	39	-	39
Financial Assets	10,020	39	-	10,059
Financial Liabilities				
Currency Forward and Spot Contracts	-	(77)	-	(77)
Financial Liabilities	-	(77)	-	(77)
Financial Assets and Liabilities, Net	$ 10,020	$ (38)	$ -	$ 9,982

(i) Quoted prices in active markets for identical assets
(ii) Significant other observable inputs
(iii) Significant unobservable inputs

See accompanying notes which are an integral part of the financial statements.

Russell LifePoints Long-Term Growth Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Financial statements – supplementary schedules

Schedule of Class Share Transactions (Note 3)

for the periods ended June 30,

	2011	2010
Series B Shares		
Shares Beginning of Period	850,754	690,176
Shares Issued for Cash	211,909	295,952
Shares Issued for Reinvestment of Dividends and Distributions	17,322	5,111
Shares Redeemed	(149,486)	(140,485)
Shares Outstanding	930,499	850,754
Series F Shares		
Shares Beginning of Period	65,731	75,603
Shares Issued for Cash	51,184	18,530
Shares Issued for Reinvestment of Dividends and Distributions	1,566	391
Shares Redeemed	(6,307)	(28,793)
Shares Outstanding	112,174	65,731

Schedule of Fees (Note 5)

as at June 30,

	2011
Annual management fee rate	%
Series B	2.40
Series F	1.05

See accompanying notes which are an integral part of the financial statements.

Russell LifePoints All Equity Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Statements of Net Assets

As at		June 30, 2011		June 30, 2010
Assets				
Investments at fair value	$	4,844	$	3,267
Cash		-		-
Receivable for capital shares issued		4		-
Capital tax reimbursement receivable (Note 4)		-		4
Reimbursement receivable (Note 5)		16		23
Unrealized appreciation on foreign currency exchange spot contracts		-		14
Unrealized appreciation on forward foreign currency exchange contracts		-		-
Total assets		4,864		3,308
Liabilities				
Payable for capital shares redeemed		48		3
Management fee payable		6		5
Capital tax payable		-		4
Accrued expenses		6		6
Unrealized depreciation on forward foreign currency exchange contracts		-		12
Unrealized depreciation on foreign currency exchange spot contracts		-		19
Total liabilities		60		49
Net assets representing shareholders' equity	$	4,804	$	3,259
Net assets per series (see Schedule of Class Share Transactions)				
Series B	$	2,947	$	1,645
Series F	$	1,857	$	1,614
Net assets per share				
Series B	$	12.53	$	10.73
Series F	$	13.10	$	11.04

Approved by the Board of Directors of Russell Investments Corporate Class Inc.

Director Director

Statements of Operations

For the periods ended June 30,		2011		2010
Investment income				
Income distributions from Underlying Funds	$	118	$	128
Futures contracts		-		-
Forward foreign currency exchange contracts		78		-
Total investment income		196		128
Expenses				
Management fees		94		83
Custodian fees		18		12
Legal fees		1		-
Audit fees		1		1
Fund administration expense		-		1
Transfer agent		2		-
Registration and other filing fees		-		-
Directors' fees		1		6
Independent review committee fees		-		-
Securityholder reporting costs		1		5
Capital Tax		-		4
Total expenses		118		112
Capital Tax absorbed by the Manager (Note 4)		-		(4)
Expense reimbursement (Note 5)		(19)		(23)
Expenses, net		99		85
Net investment income (loss)		97		43
Net realized and unrealized gain (loss)				
Net realized gain (loss) on securities				
Investments		218		178
Foreign currency-related transactions		-		34
		218		212
Net change in unrealized appreciation (depreciation) on:				
Investments		403		(67)
Forward foreign currency exchange contracts		17		(17)
		420		(84)
Net realized and unrealized gain (loss)		638		128
Net increase (decrease) in net assets from operations	$	735	$	171
Increase (decrease) in net assets from operations per Series				
Series B	$	391	$	105
Series F	$	344	$	66
Increase (decrease) in net assets from operations per share*				
Series B shares	$	1.86	$	0.52
Series F shares	$	2.37	$	0.46

*Based on the weighted average number of shares outstanding during the period.

See accompanying notes which are an integral part of the financial statements.

Russell LifePoints All Equity Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Statements of Changes in Net Assets

For the periods ended June 30,	2011	2010
Net Assets beginning of period		
Series B	$ 1,645	$ 2,193
Series F	1,614	1,535
	3,259	3,728
Increase (decrease) in net assets from operations		
Series B	391	105
Series F	344	66
	735	171
Dividends and distributions		
Dividends		
Series B	(22)	(19)
Series F	(14)	(14)
	(36)	(33)
Capital Gains		
Series B	(39)	-
Series F	(29)	-
	(68)	-
Return on Capital		
Series B	-	-
Series F	-	-
	-	-
Net increase (decrease) in net assets from dividends and distributions	(104)	(33)
Capital share transactions		
Proceeds:		
From shares issued		
Series A	2,056	844
Series F	87	98
	2,143	942
From reinvestment of dividends and distributions		
Series A	59	19
Series F	43	14
	102	33
Redemption of shares		
Series A	(1,143)	(1,497)
Series F	(188)	(85)
	(1,331)	(1,582)
Net increase (decrease) in net assets from Capital share transactions	914	(607)
Total net increase (decrease) in net assets	1,545	(469)
Net assets end of period		
Series B	$ 2,947	$ 1,645
Series F	1,857	1,614
	$ 4,804	$ 3,259

Statement of Investment Portfolio

as at June 30, 2011

Number of Units		Average Cost (000) $	Fair Value (000) $
	Underlying Funds – 100.8%		
	Domestic Equities – 33.8%		
259,367	Russell Canadian Equity Fund, Series 'B' Units	1,044	1,384
22,936	Russell Smaller Companies Pool, Series 'O' Units	231	241
		1,275	1,625
	International Equities – 67.0%		
11,334	Russell Emerging Markets Equity Pool, Series 'O' Units	253	245
7,942	Russell Global Equity Fund, Series 'B' Units	626	739
310,180	Russell Overseas Equity Fund, Series 'B' Units	947	1,057
377,887	Russell US Equity Fund, Series 'B' Units	1,014	1,178
		2,840	3,219
	Total Investments – 100.8%	4,115	4,844
	Other Assets and Liabilities, Net – (0.8)%		(40)
	Net Assets – 100.0%		4,804

Summary of Investment Portfolio

All portfolio categories are included in the following table:

	Percentage of Net Assets (%)	
Portfolio by Category	**As at June 30, 2011**	**As at June 30, 2010**
Domestic Equities	33.8	33.3
International Equities	67.0	67.0
Other Assets and Liabilities, Net	(0.8)	(0.3)
	100.0	100.0

See accompanying notes which are an integral part of the financial statements.

Russell LifePoints All Equity Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Class specific financial instruments risks (note 8)

as at June 30, 2011 and 2010

Financial Instrument Risks

The Class may be exposed to a variety of financial risks: credit risk, liquidity risk and market price risk (including interest rate risk, currency risk and other price risk). The value of investments within the Underlying Funds, holdings can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, and market and company news related to specific securities within the Underlying Funds.

Other Price Risk

The impact on net assets of the Class due to a 5% change in the Benchmark*, using historical correlation between the Class's return as compared to the return of the Class's Benchmark, with all other variables held constant, is approximately $0.3 million as at June 30, 2011 and approximately $0.2 million as at June 30, 2010. Regression analysis has been utilized to estimate the historical correlation. The analysis uses data based on the monthly net returns of the Series B shares of the Class since the creation date and assumes that short-term interest rates were constant throughout this period. The returns of the other series of the Class are substantially similar to that of the Series B shares and any difference is attributed to the difference in expense structure. The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

* The benchmark as of June 30, 2011 is comprised of 33.3% S&P/TSX Capped Composite Index and 66.7% Russell Developed Large Cap Index Net ("Benchmark"). A portion of the Class's benchmark was changed from MSCI World Index to Russell Developed Large Cap Index on December 31, 2010. Historical performance prior to December 31, 2010 is linked to the MSCI World Index calculated with net dividends invested daily.

Credit Risk

As at June 30, 2011 and 2010, the Class had no direct investments in debt securities. As at June 30, 2011, the Class has no direct exposure to derivative contracts. As at June 30, 2010, all counterparties to derivative contracts had a credit rating of A1 or higher. As at June 30, 2011 and 2010, the Class was also exposed to indirect credit risk in the event that the Underlying Funds invest in debt instruments and derivatives.

Liquidity Risk

As at June 30, 2011 and 2010, the Class's exposure to liquidity risk is minimal.

Interest Rate Risk

As at June 30, 2011 and 2010, the Class has no significant direct exposure to interest rate risk. The Class is exposed to indirect interest rate risk in the event that the Underlying Funds invest in interest-bearing financial instruments.

Currency Risk

As at June 30, 2011, the Class has no direct exposure to currency risk. The table below indicates the currencies to which the Class had exposure as at June 30, 2010, on its trading monetary, non-monetary assets and liabilities as well as the underlying principal amount of forward currency contracts.

as at June 30, 2010

Currency	Currency Risk Exposed Holdings (including derivatives)*	Forward Foreign Currency Exchange Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	$ -	$ (1,171)	$ (1,171)	(35.93)

* Amounts include monetary and non-monetary items.

As at June 30, 2011, the Class was exposed to indirect, unhedged currency risk through its holdings in Underlying Funds. As at June 30, 2010, the Class was exposed to indirect U.S. dollar exposure of $1.1 million from holdings in the Russell US Equity Fund and Russell Global Equity Fund. By entering into the forward foreign currency exchange contracts, the Class effectively reduced this indirect U.S. dollar exposure to -$0.1 million or -1.70% of the net assets as at June 30, 2010. Had the Canadian dollar strengthened or weakened by 5% in relation to this net U. S. dollar exposure, with all other variables held constant, the estimated net assets would have decreased or increased, by approximately $3 thousand as at June 30, 2010. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Fair Value of Financial Instruments

The tables below indicate the inputs used in valuing the Class's financial instruments carried at fair value.

as at June 30, 2011

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Funds	$ 4,844	$ -	$ -	$ 4,844
Currency Forward and Spot Contracts	-	-	-	-
Financial Assets	4,844	-	-	4,844
Financial Liabilities				
Currency Forward and Spot Contracts	-	-	-	-
Financial Liabilities	-	-	-	-
Financial Assets and Liabilities, Net	$ 4,844	$ -	$ -	$ 4,844

as at June 30, 2010

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Funds	$ 3,267	$ -	$ -	$ 3,267
Currency Forward and Spot Contracts	-	14	-	14
Financial Assets	3,267	14	-	3,281
Financial Liabilities				
Currency Forward and Spot Contracts	-	(31)	-	(31)
Financial Liabilities	-	(31)	-	(31)
Financial Assets and Liabilities, Net	$ 3,267	$ (17)	$ -	$ 3,250

(i) Quoted prices in active markets for identical assets
(ii) Significant other observable inputs
(iii) Significant unobservable inputs

See accompanying notes which are an integral part of the financial statements.

Russell LifePoints All Equity Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Financial statements – supplementary schedules

Schedule of Class Share Transactions (Note 3)

for the periods ended June 30,

	2011	2010
Series B Shares		
Shares Beginning of Period	153,229	207,998
Shares Issued for Cash	172,974	72,874
Shares Issued for Reinvestment of Dividends and Distributions	5,157	1,691
Shares Redeemed	(96,180)	(129,334)
Shares Outstanding	235,180	153,229
Series F Shares		
Shares Beginning of Period	146,143	143,970
Shares Issued for Cash	6,527	8,251
Shares Issued for Reinvestment of Dividends and Distributions	3,571	1,278
Shares Redeemed	(14,491)	(7,356)
Shares Outstanding	141,750	146,143

Schedule of Fees (Note 5)

as at June 30,

	2011
Annual management fee rate	%
Series B	2.50
Series F	1.10

See accompanying notes which are an integral part of the financial statements.

Russell Managed Yield Class

Financial statements

Thousands of dollars except per share amounts

Statements of Net Assets

As at		June 30, 2011		June 30, 2010
Assets				
Investments at fair value	$	707,329	$	289,544
Cash		20,877		5,882
Receivable for capital shares issued		9,617		5,455
Margin deposit on futures contracts		75		-
Capital tax reimbursement receivable (Note 4)		-		346
Unrealized appreciation on forward agreement		18,081		7,108
Unrealized appreciation on forward foreign currency exchange contracts		4		-
Unrealized appreciation on futures contracts		-		85
Total assets		755,983		308,420
Liabilities				
Margin payable on futures contracts		-		77
Payable for securities purchased		1,400		1,500
Payable for capital shares redeemed		1,688		3,005
Management fee payable		537		281
Capital tax payable		-		346
Accrued expenses		320		136
Unrealized depreciation on forward foreign currency exchange contracts		203		-
Unrealized depreciation on futures contracts		95		-
Total liabilities		4,243		5,345
Net assets representing shareholders' equity	$	751,740	$	303,075
Net assets per series (see Schedule of Class Share Transactions)				
Series B	$	414,416	$	212,796
Series E		46,586		16,673
Series E-3		1,492		-
Series E-5		1,262		-
Series F		189,921		73,606
Series F-3		12,659		-
Series F-5		14,907		-
Series I-3		25,530		-
Series I-5		15,434		-
US Dollar Hedged Series B		21,441		-
US Dollar Hedged Series F		7,104		-
US Dollar Hedged Series I-5	$	988	$	-
Net assets per share (see Schedule of Net Assets per Share and Net Asset Value per Share)				
Series B	$	11.84	$	11.51
Series E		10.98		10.66
Series E-3		75.57		-
Series E-5		73.92		-
Series F		12.04		11.63
Series F-3		75.67		-
Series F-5		74.06		-
Series I-3		75.24		-
Series I-5		73.81		-
US Dollar Hedged Series B		9.89		-
US Dollar Hedged Series F		9.83		-
US Dollar Hedged Series I-5	$	73.16	$	-

Approved by the Board of Directors of Russell Investments Corporate Class Inc.

Director Director

See accompanying notes which are an integral part of the financial statements.

Statements of Operations

For the periods ended June 30,		2011		2010
Investment income				
Interest	$	87	$	5
Futures contracts		422		150
Forward foreign currency exchange contracts		49		-
Other income		2		-
Total investment income (loss)		560		155
Expenses				
Management fees		6,826		2,167
Custodian fees		71		49
Legal fees		71		12
Audit fees		48		8
Fund administration expense		20		26
Transfer agent		139		69
Registration and other filing fees		60		13
Directors' fees		3		6
Independent review committee fees		1		3
Securityholder reporting costs		179		78
Commissions and other portfolio transaction costs		-		-
Capital Tax		-		346
Total expenses		7,418		2,777
Capital Tax absorbed by the Manager (Note 4)		-		(346)
Expense reimbursement (Note 5)		-		-
Expenses, net		7,418		2,431
Net investment income (loss)		(6,858)		(2,276)
Net realized and unrealized gain (loss)				
Net realized gain (loss) on:				
Investments		28,079		10,475
Foreign currency-related transactions		89		(31)
		28,168		10,444
Net change in unrealized appreciation (depreciation) on:				
Investments		(17,151)		(24)
Forward foreign currency exchange contracts		(200)		-
Forward agreement		10,722		3,446
Futures contracts		(180)		71
		(6,809)		3,493
Net realized and unrealized gain (loss)		21,359		13,937
Net increase (decrease) in net assets from operations	$	14,501	$	11,661
Increase (decrease) in net assets from operations per Series				
Series B	$	8,470	$	8,221
Series E		761		524
Series E-3		17		-
Series E-5		20		-
Series F		4,395		2,916
Series F-3		261		-
Series F-5		243		-
Series I-3		268		-
Series I-5		87		-
US Dollar Hedged Series B		(27)		-
US Dollar Hedged Series F		19		-
US Dollar Hedged Series I-5	$	(13)	$	-
Increase (decrease) in net assets from operations per share*				
Series B shares	$	0.28	$	0.68
Series E shares		0.27		0.59
Series E-3 shares		1.50		-
Series E-5 shares		0.34		-
Series F shares		0.33		0.80
Series F-3 shares		2.22		-
Series F-5 shares		1.97		-
Series I-3 shares		1.51		-
Series I-5 shares		0.61		-
US Dollar Hedged Series B		(0.01)		-
US Dollar Hedged Series F		0.04		-
US Dollar Hedged Series I-5	$	(2.61)	$	-

*Based on the weighted average number of shares outstanding during the period.

Russell Managed Yield Class

Financial statements

Thousands of dollars except per share amounts

Statements of Changes in Net Assets

For the periods ended June 30,	2011	2010
Net Assets beginning of period		
Series B	$ 212,796	$ 42,197
Series E	16,673	-
Series E-3	-	-
Series E-5	-	-
Series F	73,606	16,952
Series F-3	-	-
Series F-5	-	-
Series I-3	-	-
Series I-5	-	-
US Dollar Hedged Series B	-	-
US Dollar Hedged Series F	-	-
US Dollar Hedged Series I-5	-	-
	303,075	59,149
Increase (decrease) in net assets from operations		
Series B	8,470	8,221
Series E	761	524
Series E-3	17	-
Series E-5	20	-
Series F	4,395	2,916
Series F-3	261	-
Series F-5	243	-
Series I-3	268	-
Series I-5	87	-
US Dollar Hedged Series B	(27)	-
US Dollar Hedged Series F	19	-
US Dollar Hedged Series I-5	(13)	-
	14,501	11,661
Dividends and distributions		
Dividends		
Series B	-	-
Series E	-	-
Series E-3	-	-
Series E-5	-	-
Series F	-	-
Series F-3	-	-
Series F-5	-	-
Series I-3	-	-
Series I-5	-	-
US Dollar Hedged Series B	-	-
US Dollar Hedged Series F	-	-
US Dollar Hedged Series I-5	-	-
	-	-
Capital Gains		
Series B	-	-
Series E	-	-
Series E-3	-	-
Series E-5	-	-
Series F	-	-
Series F-3	-	-
Series F-5	-	-
Series I-3	-	-
Series I-5	-	-
US Dollar Hedged Series B	-	-
US Dollar Hedged Series F	-	-
US Dollar Hedged Series I-5	-	-
	-	-
Return of Capital		
Series B	-	-
Series E	-	-
Series E-3	(25)	-
Series E-5	(199)	-
Series F	-	-
Series F-3	(264)	-
Series F-5	(452)	-
Series I-3	(402)	-
Series I-5	(525)	-
US Dollar Hedged Series B	-	-
US Dollar Hedged Series F	-	-
US Dollar Hedged Series I-5	(5)	-
	(1,872)	-
Net decrease in net assets from dividends and distributions	(1,872)	-

Statements of Changes in Net Assets *(cont'd)*

For the periods ended June 30,	2011	2010
Capital share transactions		
Proceeds:		
From shares issued		
Series B	$ 350,664	$ 222,078
Series E	44,303	17,299
Series E-3	2,375	-
Series E-5	8,011	-
Series F	191,234	74,200
Series F-3	15,689	-
Series F-5	18,348	-
Series I-3	28,039	-
Series I-5	21,707	-
US Dollar Hedged Series B	21,527	-
US Dollar Hedged Series F	7,141	-
US Dollar Hedged Series I-5	1,206	-
	710,244	313,577
From reinvestment of dividends and distributions		
Series B	1	-
Series E	-	-
Series E-3	3	-
Series E-5	16	-
Series F	61	-
Series F-3	65	-
Series F-5	79	-
Series I-3	74	-
Series I-5	154	-
US Dollar Hedged Series B	-	-
US Dollar Hedged Series F	-	-
US Dollar Hedged Series I-5	2	-
	455	-
Redemption of shares		
Series B	(157,515)	(59,700)
Series E	(15,151)	(1,150)
Series E-3	(878)	-
Series E-5	(6,586)	-
Series F	(79,375)	(20,462)
Series F-3	(3,092)	-
Series F-5	(3,311)	-
Series I-3	(2,449)	-
Series I-5	(5,989)	-
US Dollar Hedged Series B	(59)	-
US Dollar Hedged Series F	(56)	-
US Dollar Hedged Series I-5	(202)	-
	(274,663)	(81,312)
Net increase (decrease) in net assets from Capital share transactions	436,036	232,265
Total net increase (decrease) in net assets	448,665	243,926
Net assets end of period		
Series B	$ 414,416	$ 212,796
Series E	46,586	16,673
Series E-3	1,492	-
Series E-5	1,262	-
Series F	189,921	73,606
Series F-3	12,659	-
Series F-5	14,907	-
Series I-3	25,530	-
Series I-5	15,434	-
US Dollar Hedged Series B	21,441	-
US Dollar Hedged Series F	7,104	-
US Dollar Hedged Series I-5	988	-
	$ 751,740	$ 303,075

See accompanying notes which are an integral part of the financial statements.

Russell Managed Yield Class

Financial statements

Thousands of dollars except per share amounts

Statement of Investment Portfolio

as at June 30, 2011

Number of Units		Average Cost (000) $	Fair Value (000) $
	Equities – 94.1%		
	Consumer Discretionary – 18.7%		
753,858	Canadian Tire Corp. Ltd., Class 'A'	48,467	47,531
1,355,550	Gildan Activewear Inc.	48,467	45,940
1,295,770	Thomson Reuters Corp.	48,467	46,881
		145,401	140,352
	Consumer Staples – 6.4%		
999,075	Metro Inc., Class 'A'	48,467	47,936
	Energy – 12.0%		
1,505,848	Enbridge Inc.	48,467	47,133
1,649,918	Husky Energy Inc.	48,467	43,327
		96,934	90,460
	Financials – 19.2%		
2,835,745	Brookfield Properties Corp.	48,467	48,293
1,331,181	Power Corp. of Canada	48,468	49,493
1,604,842	Sun Life Financial Inc.	48,467	46,492
		145,402	144,278
	Materials – 31.5%		
2,755,098	Centerra Gold Inc.	48,468	44,054
3,192,499	Eldorado Gold Corp.	48,468	45,302
702,567	Inmet Mining Corp.	48,468	48,604
3,132,183	Kinross Gold Corp.	48,468	47,609
3,408,777	Osisko Mining Corp.	48,468	50,960
		242,340	236,529
	Utilities – 6.3%		
1,476,798	Fortis Inc.	48,468	47,774
	Total Equities – 94.1%	727,012	707,329
	Less: Transaction costs included in average cost	(29)	
	Total Investments – 94.1%	726,983	
	Other Assets and Liabilities, Net – 5.9%		44,411
	Net Assets – 100.0%		751,740

Summary of Investment Portfolio

All portfolio categories are included in the following table:

Portfolio by Category*	Percentage of Net Assets (%) As at June 30, 2011	As at June 30, 2010
Bond Forwards	0.1	0.2
Corporate Bonds and Notes	27.3	26.1
Foreign Bonds and Notes	14.3	12.9
Government of Canada Bonds	25.6	29.0
Provincial Government Bonds	23.0	23.3
Municipal Government Bonds	0.6	0.3
Mortgage-Backed Securities	2.7	1.7
Short-Term Securities	3.6	3.3
Other Assets and Liabilities, Net	2.8	3.2
	100.0	100.0

* These are portfolio categories of the Russell Canadian Fixed Income Fund. Russell Managed Yield Class is exposed to these portfolio categories as a result of a forward agreement.

See accompanying notes which are an integral part of the financial statements.

Russell Managed Yield Class

Financial statements

Thousands of dollars except per share amounts

Futures Contracts (0.02%)

as at June 30, 2011

Long Positions	Number of Contracts		Average cost per unit	Contracted Value (000) $	Notional Value (000) $	Unrealized Appreciation (Depreciation) (000) $
Canada 10 Year Bond Futures; expiration date September 2011.	94	CAD	123.99	11,750	11,655	(95)
Total Unrealized Appreciation (Depreciation) on Open Futures Contracts Purchased (including foreign currency gain (loss) on futures contracts)						(95)

Forward Agreement (2.41%)

as at June 30, 2011

As part of its investment strategy, the Class has entered into a forward agreement under which it will forward sell or swap its portfolio of Canadian securities in return for exposure to an investment in units of Russell Canadian Fixed Income Fund, Series A. As a consequence, Russell Managed Yield Class will forgo any benefits of an increase in the value of its portfolio of Canadian securities. The details of the forward agreement are as follows:

	Maturity	Counterpartty	Credit Rating of Counterparty*	Notional Number of Units	Value to be Paid (000) $	Value to be Received (000) $	Unrealized Appreciation (Depreciation) (000) $
Russell Canadian Fixed Income Fund, Series A	July 6, 2011	Bank of Montreal	A1	5,974,502	708,771	726,852	18,081
							18,081

*Commercial paper rating per Standard and Poor's Commercial Paper Guide.

Forward Foreign Currency Exchange Contracts (-0.03%)

as at June 30, 2011

Counterparty	Credit Rating of Counterparty*	Settlement Date	Amount Sold (000) $		Amount Bought (000) $		Forward Rate	Current Rate	Unrealized Appreciation (Depreciation) (000) $
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	20	USD	20	0.964	0.965	-
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	6	USD	6	0.964	0.965	-
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	1	USD	1	0.964	0.965	-
Bank of New York Mellon (The), New York	A1+	2011/08/05	CAD	6	USD	6	0.966	0.966	-
Bank of New York Mellon (The), New York	A1+	2011/08/05	CAD	102	USD	106	0.966	0.966	-
Bank of New York Mellon (The), New York	A1+	2011/08/05	CAD	6,730	USD	6,967	0.966	0.966	-
Bank of New York Mellon (The), New York	A1+	2011/08/05	CAD	739	USD	765	0.966	0.966	-
BNP Paribas SA, Paris	A1+	2011/08/05	CAD	6,959	USD	7,205	0.966	0.966	-
Societe Generale, Paris	A1	2011/08/05	CAD	6,959	USD	7,206	0.966	0.966	-
UBS AG, Zurich	A1	2011/08/05	CAD	6,959	USD	7,205	0.966	0.966	-
Bank of New York Mellon (The), New York	A1+	2011/07/07	USD	126	CAD	122	1.031	1.036	1
Bank of New York Mellon (The), New York	A1+	2011/07/07	USD	44	CAD	43	1.031	1.036	-
Bank of New York Mellon (The), New York	A1+	2011/07/07	USD	51	CAD	50	1.021	1.036	1
Bank of New York Mellon (The), New York	A1+	2011/07/07	USD	4	CAD	4	1.031	1.036	-
Bank of New York Mellon (The), New York	A1+	2011/07/07	USD	159	CAD	155	1.020	1.036	2
Bank of New York Mellon (The), New York	A1+	2011/07/07	USD	2	CAD	2	1.016	1.036	-
									4
Bank of America, San Francisco	A1	2011/07/07	CAD	3,665	USD	3,780	0.970	0.965	(17)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	139	USD	143	0.970	0.965	(1)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	295	USD	304	0.970	0.965	(1)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	3,665	USD	3,780	0.970	0.965	(17)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	775	USD	796	0.973	0.965	(6)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	761	USD	777	0.980	0.965	(11)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	73	USD	75	0.980	0.965	(1)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	428	USD	436	0.981	0.965	(7)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	31	USD	31	0.975	0.965	-
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	85	USD	86	0.980	0.965	(1)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	847	USD	867	0.977	0.965	(10)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	96	USD	98	0.978	0.965	(1)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	594	USD	608	0.978	0.965	(8)

See accompanying notes which are an integral part of the financial statements.

Forward Foreign Currency Exchange Contracts (-0.03%)

as at June 30, 2011

Counterparty	Credit Rating of Counterparty*	Settlement Date	Amount Sold (000) $		Amount Bought (000) $		Forward Rate	Current Rate	Unrealized Appreciation (Depreciation) (000) $
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	56	USD	57	0.978	0.965	(1)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	125	USD	129	0.969	0.965	-
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	293	USD	302	0.971	0.965	(2)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	135	USD	137	0.985	0.965	(3)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	49	USD	50	0.980	0.965	(1)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	238	USD	243	0.981	0.965	(4)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	87	USD	90	0.973	0.965	(1)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	358	USD	368	0.973	0.965	(3)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	148	USD	151	0.980	0.965	(2)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	360	USD	365	0.987	0.965	(8)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	312	USD	316	0.985	0.965	(6)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	54	USD	56	0.971	0.965	-
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	128	USD	132	0.965	0.965	-
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	112	USD	116	0.970	0.965	(1)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	115	USD	119	0.970	0.965	(1)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	5,031	USD	5,188	0.970	0.965	(23)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	14	USD	14	0.973	0.965	-
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	24	USD	25	0.980	0.965	-
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	24	USD	25	0.981	0.965	-
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	318	USD	326	0.977	0.965	(4)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	316	USD	323	0.978	0.965	(4)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	67	USD	70	0.969	0.965	-
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	583	USD	592	0.985	0.965	(12)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	49	USD	50	0.980	0.965	(1)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	1	USD	2	0.973	0.965	-
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	100	USD	102	0.980	0.965	(2)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	32	USD	33	0.987	0.965	(1)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	19	USD	19	0.985	0.965	-
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	16	USD	16	0.971	0.965	-
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	41	USD	43	0.965	0.965	-
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	1	USD	1	0.970	0.965	-
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	407	USD	420	0.970	0.965	(2)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	148	USD	151	0.978	0.965	(2)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	69	USD	71	0.978	0.965	(1)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	67	USD	69	0.971	0.965	-
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	9	USD	9	0.985	0.965	-
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	93	USD	96	0.973	0.965	(1)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	79	USD	81	0.973	0.965	(1)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	27	USD	28	0.987	0.965	(1)
Bank of New York Mellon (The), New York	A1+	2011/07/07	CAD	4	USD	4	0.965	0.965	-
Deutsche Bank AG, London	A1	2011/07/07	CAD	3,665	USD	3,780	0.970	0.965	(17)
State Street Corp., Boston	A1+	2011/07/07	CAD	3,665	USD	3,780	0.970	0.965	(17)
Bank of New York Mellon (The), New York	A1+	2011/07/07	USD	6,973	CAD	6,730	1.036	1.036	-
Bank of New York Mellon (The), New York	A1+	2011/07/07	USD	765	CAD	739	1.036	1.036	-
Bank of New York Mellon (The), New York	A1+	2011/08/05	USD	78	CAD	75	1.035	1.035	-
Bank of New York Mellon (The), New York	A1+	2011/08/05	USD	122	CAD	118	1.037	1.035	-
Bank of New York Mellon (The), New York	A1+	2011/08/05	USD	16	CAD	15	1.035	1.035	-
Bank of New York Mellon (The), New York	A1+	2011/08/05	USD	39	CAD	38	1.037	1.035	-
Bank of New York Mellon (The), New York	A1+	2011/08/05	USD	6	CAD	6	1.035	1.035	-
Bank of New York Mellon (The), New York	A1+	2011/08/05	USD	4	CAD	4	1.037	1.035	-
BNP Paribas SA, Paris	A1+	2011/07/07	USD	7,210	CAD	6,959	1.036	1.036	-
Societe Generale, Paris	A1	2011/07/07	USD	7,211	CAD	6,959	1.036	1.036	-
UBS AG, Zurich	A1	2011/07/07	USD	7,211	CAD	6,959	1.036	1.036	-
									(203)

*Commercial paper rating per Standard and Poor's Commercial Paper Guide.

See accompanying notes which are an integral part of the financial statements.

Russell Managed Yield Class

Financial statements

Thousands of dollars except per share amounts

Class specific financial instruments risks (note 8)

as at June 30, 2011 and 2010

Financial Instrument Risks

The Class is exposed to the financial instruments' risks of the Russell Canadian Fixed Income Fund (the "Underlying Fund"). The Class was created to obtain the exposure to fixed income securities of Canadian issuers by virtue of a forward agreement. By entering into the forward agreement, the Class eliminated the direct risk exposure to its equity holdings and assumes the risk exposure of the Underlying Fund and the credit risk of the counterparty of the forward agreement. For the credit rating of the counterparty to the forward agreement as at June 30, 2011 please refer to the Statement of Investment Portfolio. As at June 30, 2010, all counterparties had a credit rating of A1 or higher.

Other Price Risk

The impact on net assets of the Class due to a 5% change in the Benchmark*, using historical correlation between the Class's return as compared to the return of the Class's Benchmark, with all other variables held constant, is approximately $34.3 million as at June 30, 2011 and approximately $13.5 million as at June 30, 2010. Regression analysis has been utilized to estimate the historical correlation. The analysis uses data based on the monthly net returns of the Series B shares of the Class since the creation date and assumes that short-term interest rates were constant throughout this period. The returns of the other series of the Class are substantially similar to that of the Series B shares and any difference is attributed to the difference in expense structure. The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

*The Class's benchmark is the DEX Universe Bond Index ("Benchmark").

Credit Risk

The Underlying Fund invested in debt securities with the following credit ratings*:

as at

	% of Net Assets	
Debt Securities by credit rating	**June 30, 2011**	**June 30, 2010**
AAA	30.99	34.75
AA	22.64	25.29
A	27.32	20.75
BBB	10.37	10.48
Below BBB	1.10	1.80
Unrated	1.17	0.41

*Commercial paper rating per Standard and Poor's Commercial Paper Guide.

Liquidity Risk

As at June 30, 2011 and 2010, the Class's exposure to liquidity risk is minimal. The Class retains sufficient cash positions to maintain liquidity and, if necessary, can finance redemptions or payments of expenses through partial settlement of the forward agreement.

Currency Risk

The US Dollar Hedged Series aims to minimize currency exposure between the U.S. dollar and Canadian dollar with respect to the Canadian dollar value of the net assets attributed to the relevant US Dollar Hedged Series. By entering into the forward foreign currency exchange contracts, each US Dollar Hedged Series has effectively reduced currency risks from the movements of the U.S. and Canadian dollar exchange rate. The US Dollar Hedged Series may have indirect exposure to the effect of currency movements between Canadian dollar and other currencies in the Underlying Fund. The table below indicates the reduced currency risk of each US Dollar Hedged Series as at June 30, 2011.

as at June 30, 2011

US Dollar Hedged Series	Net Assets of the US Dollar Hedged Series	Forward Foreign Currency Exchange Contracts	Net Exposure	As a % of Net Assets of the US Dollar Hedged Series
US Dollar Hedged Series B	$ 21,441	$ 20,690	$ 751	3.50
US Dollar Hedged Series F	7,104	6,779	325	4.57
US Dollar Hedged Series I-5	$ 988	$ 729	$ 259	26.21

Had the Canadian dollar strengthened or weakened by 5% in relation to all currencies, with all other variables held constant, the estimated net assets of the US Dollar Hedged Series would have decreased or increased, by approximately $67 thousand as at June 30, 2011. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

As at June 30, 2011 and 2010, the other Series of the Class had no direct currency risk as all the Class's financial instruments are denominated in Canadian dollars. The tables below indicate the currencies which the Underlying Fund had significant exposure as at period end, on its trading monetary, non-monetary assets and liabilities as well as the underlying principal amount of forward currency contracts.

as at June 30, 2011

Currency	Currency Risk Exposed Holdings (including derivatives)*	Forward Foreign Currency Exchange Contracts	Net Exposure	As a % of Net Assets
Euro	$ 33,705	$ (34,486)	$ (781)	(0.03)
U.S. Dollar	31,972	(31,368)	604	0.03
British Pound	13,848	(14,372)	(524)	(0.02)
Japanese Yen	26	-	26	0.00
Australian Dollar	$ 2	$ -	$ 2	0.00

as at June 30, 2010

Currency	Currency Risk Exposed Holdings (including derivatives)*	Forward Foreign Currency Exchange Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	$ 161,086	$ (158,502)	$ 2,584	0.12
Euro Currency	9,408	(16,111)	(6,703)	(0.32)
British Pound	4,928	(4,937)	(9)	0.00
Japanese Yen	$ 9	$ -	$ 9	0.00

* Amounts include monetary and non-monetary items.

Had the Canadian dollar strengthened or weakened by 5% in relation to all currencies, with all other variables held constant, the estimated net assets of the Underlying Fund would have decreased or increased, respectively, by approximately $34 thousand as at June 30, 2011, and approximately $0.2 million as at June 30, 2010. This would have impacted the Class's net assets by $10 thousand as at June 30, 2011 and $30 thousand as at June 30, 2010. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

See accompanying notes which are an integral part of the financial statements.

Russell Managed Yield Class

Financial statements

Thousands of dollars except per share amounts

Interest Rate Risk

As at June 30, 2011 and 2010, the Class had no significant direct exposure to interest rate risk. The table below summarizes the Underlying Fund's exposure to interest rate risks. It includes the Underlying Fund's assets and trading liabilities at fair values, categorized by the earlier of contractual repricing or maturity dates.

as at

Bonds	June 30, 2011	June 30, 2010
Less than 1 year	$ 143,978	$ 14,538
1–3 years	616,965	512,115
3–5 years	246,503	248,509
> 5 years	$ 1,221,725	$ 1,160,915

Had the prevailing interest rates increased or decreased by 1.00%, with all other variables held constant, the estimated net assets of the Underlying Fund would have decreased or increased, respectively, by approximately $143.0 million as at June 30, 2011 and approximately $140.0 million as at June 30, 2010. This would have impacted the Class's net assets by $42.5 million as at June 30, 2011 and $18.6 million as at June 30, 2010. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Fair Value of Financial Instruments

The tables below indicate the inputs used in valuing the Class's financial instruments carried at fair value.

as at June 30, 2011

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Equities	$ 707,329	$ -	$ -	$ 707,329
Futures	-	-	-	-
Forward Currency Contracts	-	4	-	4
Forward Agreement	-	18,081	-	18,081
Financial Assets	707,329	18,085	-	725,414
Financial Liabilities				
Equities	-	-	-	-
Futures	(95)	-	-	(95)
Forward Contracts Currency	-	(203)	-	(203)
Forward Agreement	-	-	-	-
Financial Liabilities	(95)	(203)	-	(298)
Financial Assets and Liabilities, Net	$ 707,234	$ 17,882	$ -	$ 725,116

as at June 30, 2010

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Equities	$ 289,544	$ -	$ -	$ 289,544
Futures	85	-	-	85
Forward Agreement	-	7,108	-	7,108
Financial Assets	289,628	7,108	-	296,737
Financial Liabilities				
Financial Liabilities	-	-	-	-
Financial Assets and Liabilities, Net	$ 289,628	$ 7,108	$ -	$ 296,737

(i) Quoted prices in active markets for identical assets
(ii) Significant other observable inputs
(iii) Significant unobservable inputs

See accompanying notes which are an integral part of the financial statements.

Thousands of dollars except per share amounts

Financial statements – supplementary schedules

Schedule of Class Share Transactions (Note 3)

for the periods ended June 30,

	2011	2010
Series B Shares		
Shares Beginning of Period	18,492,692	3,917,115
Shares Issued for Cash	29,957,358	19,878,047
Shares Issued for Reinvestment of Dividends and Distributions	53	-
Shares Redeemed	(13,454,102)	(5,302,470)
Shares Outstanding	34,996,001	18,492,692
US Dollar Hedged Series B		
Shares Beginning of Period	-	-
Shares Issued for Cash	2,173,102	-
Shares Issued for Reinvestment of Dividends and Distributions	-	-
Shares Redeemed	(4,167)	-
Shares Outstanding	2,168,935	-
Series E Shares		
Shares Beginning of Period	1,564,691	-
Shares Issued for Cash	4,073,496	1,674,645
Shares Issued for Reinvestment of Dividends and Distributions	-	-
Shares Redeemed	(1,394,371)	(109,954)
Shares Outstanding	4,243,816	1,564,691
Series E-3 Shares		
Shares Beginning of Period	-	-
Shares Issued for Cash	31,335	-
Shares Issued for Reinvestment of Dividends and Distributions	42	-
Shares Redeemed	(11,634)	-
Shares Outstanding	19,743	-
Series E-5 Shares		
Shares Beginning of Period	-	-
Shares Issued for Cash	105,267	-
Shares Issued for Reinvestment of Dividends and Distributions	209	-
Shares Redeemed	(88,401)	-
Shares Outstanding	17,075	-
Series F Shares		
Shares Beginning of Period	6,330,843	1,567,239
Shares Issued for Cash	16,136,662	6,583,352
Shares Issued for Reinvestment of Dividends and Distributions	5,118	674
Shares Redeemed	(6,694,499)	(1,820,422)
Shares Outstanding	15,778,124	6,330,843
US Dollar Hedged Series F		
Shares Beginning of Period	-	-
Shares Issued for Cash	727,492	-
Shares Issued for Reinvestment of Dividends and Distributions	-	-
Shares Redeemed	(5,004)	-
Shares Outstanding	722,488	-

Schedule of Class Share Transactions *(cont'd)*

for the periods ended June 30,

	2011	2010
Series F-3 Shares		
Shares Beginning of Period	-	-
Shares Issued for Cash	207,410	-
Shares Issued for Reinvestment of Dividends and Distributions	860	-
Shares Redeemed	(40,982)	-
Shares Outstanding	167,288	-
Series F-5 Shares		
Shares Beginning of Period	-	-
Shares Issued for Cash	244,779	-
Shares Issued for Reinvestment of Dividends and Distributions	1,059	-
Shares Redeemed	(44,556)	-
Shares Outstanding	201,282	-
Series I-3 Shares		
Shares Beginning of Period	-	-
Shares Issued for Cash	370,901	-
Shares Issued for Reinvestment of Dividends and Distributions	986	-
Shares Redeemed	(32,577)	-
Shares Outstanding	339,310	-
Series I-5 Shares		
Shares Beginning of Period	-	-
Shares Issued for Cash	287,925	-
Shares Issued for Reinvestment of Dividends and Distributions	2,069	-
Shares Redeemed	(80,896)	-
Shares Outstanding	209,098	-
US Dollar Hedged Series I-5		
Shares Beginning of Period	-	-
Shares Issued for Cash	16,078	-
Shares Issued for Reinvestment of Dividends and Distributions	34	-
Shares Redeemed	(2,603)	-
Shares Outstanding	13,509	-

See accompanying notes which are an integral part of the financial statements.

Russell Managed Yield Class

Financial statements

Thousands of dollars except per share amounts

Financial statements – supplementary schedules *(cont'd)*

Schedule of Net Assets per Unit and Net Asset Value per Share (Note 7)

As at	June 30, 2011	June 30, 2010
Series B Shares		
Net assets per share	$ 11.84	$ 11.51
Net asset value per share	11.86	11.51
US Dollar Hedged Series B		
Net assets per share	9.89	-
Net asset value per share	9.90	-
Series E Shares		
Net assets per share	10.98	10.66
Net asset value per share	11.00	10.66
Series E-3 Shares		
Net assets per share	75.57	-
Net asset value per share	75.71	-
Series E-5 Shares		
Net assets per share	73.92	-
Net asset value per share	74.07	-
Series F Shares		
Net assets per share	12.04	11.63
Net asset value per share	12.06	11.63
US Dollar Hedged Series F		
Net assets per share	9.83	-
Net asset value per share	9.85	-
Series F-3 Shares		
Net assets per share	75.67	-
Net asset value per share	75.82	-
Series F-5 Shares		
Net assets per share	74.06	-
Net asset value per share	74.20	-
Series I-3 Shares		
Net assets per share	75.24	-
Net asset value per share	75.39	-
Series I-5 Shares		
Net assets per share	73.81	-
Net asset value per share	73.95	-
US Dollar Hedged Series I-5		
Net assets per share	73.16	-
Net asset value per share	$ 73.31	$ -

Schedule of Fees (Note 5)

as at June 30,

	2011
Annual management fee rate	%
Series B	1.25
Series E	1.15
Series E-3	1.15
Series E-5	1.15
Series F	0.70
Series F-3	0.70
Series F-5	0.70
Series I-3	1.25
Series I-5	1.25

See accompanying notes which are an integral part of the financial statements.

Russell Canadian Dividend Class

Financial statements

Thousands of dollars except per share amounts

Statements of Net Assets

As at	June 30, 2011	June 30, 2010
Assets		
Investments at fair value	$ 30,568	$ 12,909
Cash	8	2
Receivable for capital shares issued	247	30
Capital tax reimbursement receivable (Note 4)	-	15
Reimbursement receivable (Note 5)	23	25
Total assets	30,846	12,981
Liabilities		
Payable for capital shares redeemed	15	141
Management fee payable	34	17
Capital tax payable	-	15
Accrued expenses	6	8
Total liabilities	55	181
Net assets representing shareholders' equity	$ 30,791	$ 12,800
Net assets per series (see Schedule of Class Share Transactions)		
Series B	$ 18,896	$ 8,712
Series E	2,552	1,497
Series F	$ 9,343	$ 2,591
Net assets per share		
Series B	$ 11.60	$ 10.31
Series E	11.67	10.34
Series F	$ 11.88	$ 10.42

Approved by the Board of Directors of Russell Investments Corporate Class Inc.

Director Director

Statements of Operations

For the periods ended June 30,	2011	2010
Investment income		
Income distributions from Underlying Fund	$ 456	$ 76
Futures contracts	-	-
Forward foreign currency exchange contracts	-	-
Other income	4	-
Total investment income (loss)	460	76
Expenses		
Management fees	353	100
Custodian fees	7	11
Legal fees	4	3
Audit fees	2	-
Transfer agent	5	2
Registration and other filing fees	1	-
Directors' fees	-	-
Board of directors' expense	-	-
Independent review committee fees	-	-
Securityholder reporting costs	12	11
Capital Tax	-	15
Total expenses	384	142
Capital Tax absorbed by the Manager (Note 4)	-	(15)
Expense reimbursement (Note 5)	(23)	(25)
Expenses, net	361	102
Net investment income (loss)	99	(26)
Net realized and unrealized gain (loss)		
Net realized gain (loss) on:		
Investments	224	26
Foreign currency-related transactions	(1)	-
	223	26
Net change in unrealized appreciation (depreciation) on:		
Investments	1,690	(40)
Forward foreign currency exchange contracts	-	-
	1,690	(40)
Net realized and unrealized gain (loss)	1,913	(14)
Net increase (decreased) in net assets from operations	$ 2,012	$ (40)
Increase (decrease) in net assets from operations per series		
Series B	$ 1,368	$ (34)
Series E	227	-
Series F	$ 417	$ (6)
Increase (decrease) in net assets from operations per share*		
Series B shares	$ 1.17	$ (0.08)
Series E shares	1.28	(0.01)
Series F shares	$ 0.82	$ (0.06)

*Based on the weighted average number of shares outstanding during the period.

See accompanying notes which are an integral part of the financial statements.

Russell Canadian Dividend Class

Financial statements

Thousands of dollars except per share amounts

Statements of Changes in Net Assets

For the periods ended June 30,	2011	2010
Net Assets beginning of period		
Series B	$ 8,712	$ -
Series E	1,497	-
Series F	2,591	-
	12,800	-
Increase (decrease) in net assets from operations		
Series B	1,368	(34)
Series E	227	-
Series F	417	(6)
	2,012	(40)
Dividends and distributions		
Dividends		
Series B	(260)	(51)
Series E	(41)	(10)
Series F	(116)	(14)
	(417)	(75)
Net increase (decrease) in net assets from dividends and distributions	(417)	(75)
Capital share transactions		
Proceeds:		
From shares issued		
Series B	15,131	9,668
Series E	841	1,497
Series F	8,057	3,473
	24,029	14,638
From reinvestment of dividends and distributions		
Series B	246	48
Series E	41	10
Series F	95	14
	382	72
Redemption of shares		
Series B	(6,301)	(919)
Series E	(13)	-
Series F	(1,701)	(876)
	(8,015)	(1,795)
Net increase (decrease) in net assets from Capital share transactions	16,396	12,915
Total net increase (decrease) in net assets	17,991	12,800
Net assets end of period		
Series B	$ 18,896	$ 8,712
Series E	2,552	1,497
Series F	9,343	2,591
	$ 30,791	$ 12,800

Statement of Investment Portfolio

as at June 30, 2011

Number of Units		Average Cost (000) $	Fair Value (000) $
	Underlying Fund – 99.3%		
	Domestic Equities – 99.3%		
2,455,201	Russell Canadian Dividend Pool, Series 'O'	28,919	30,568
	Total Investments – 99.3%	28,919	30,568
	Other Assets and Liabilities, Net – 0.7%		223
	Net Assets – 100.0%		30,791

Summary of Investment Portfolio

All portfolio categories are included in the following table:

	Percentage of Net Assets (%)	
Portfolio by Category*	**As at June 30, 2011**	**As at June 30, 2010**
Consumer Discretionary	9.9	8.4
Consumer Staples	2.2	4.3
Energy	20.5	20.8
Financials	26.5	22.4
Industrials	3.0	3.4
Information Technology	2.1	1.5
Materials	15.5	14.1
Telecommunication Services	8.0	7.1
Utilities	3.1	2.7
Preferred Stocks	1.4	1.8
Short-Term Securities	3.7	7.6
Other Assets and Liabilities, Net	4.0	5.9
	100.0	100.0

* These are portfolio categories of the Russell Canadian Dividend Pool. Russell Canadian Dividend Class is exposed to these portfolio categories as a result of investing substantially all of its assets in units of the Underlying Fund.

See accompanying notes which are an integral part of the financial statements.

Thousands of dollars except per share amounts

Class specific financial instruments risks (note 8)

as at June 30, 2011 and 2010

Financial Instrument Risks

The Class is exposed to the financial instruments' risks of the Underlying Fund as a result of investing substantially all of its assets in units of the Underlying Fund.

Other Price Risk

The impact on net assets of the Class due to a 5% change in the Benchmark*, using historical correlation between the Class's return as compared to the return of the Class's Benchmark, with all other variables held constant, is approximately $1.2 million as at June 30, 2011 and approximately $0.5 million as at June 30, 2010. Regression analysis has been utilized to estimate the historical correlation. The analysis uses data based on the monthly net returns of the Series B shares of the Class since the creation date and assumes that short term interest rates were constant throughout this period. The returns of the other series of the Class are substantially similar to that of the Series B shares and any difference is attributed to the difference in expense structure. The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

* The Class's benchmark is the S&P/TSX Capped Composite Index, ("Benchmark").

Credit Risk

As at June 30, 2011 and 2010, the Class had no direct investments in debt securities. As at June 30, 2011 and 2010, the Class has no direct exposures to derivative contracts. The Class is exposed to indirect credit risk in the event the Underlying Fund holds debt securities or derivative contracts.

Liquidity Risk

As at June 30, 2011 and 2010, the Underlying Fund primarily invests in securities that are traded in active markets and can be readily disposed of. The Class is exposed to indirect liquidity risk through its holdings in the Underlying Fund. As at June 30, 2011 and 2010, the Class's exposure to liquidity risk was minimal.

Interest Rate Risk

As at June 30, 2011 and 2010, the Class has no significant direct exposure to interest rate risk. The Class holds no interest bearing securities and the majority of the Underlying Fund's financial assets and liabilities are non-interest bearing, accordingly, the Class and the Underlying Fund are not subject to significant interest rate risk.

Currency Risk

As at June 30, 2011 and 2010, the Class has no direct exposure to currency risk. The table below indicate the currencies which the Underlying Fund had significant exposure as at period end, on its trading monetary, non-monetary assets and liabilities as well as the underlying principal amount of forward currency contracts.

as at June 30, 2011

Currency	Currency Risk Exposed Holdings (including derivatives)*	Forward Foreign Currency Exchange Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	$ 32,180	$ (22,751)	$ 9,429	3.5
Euro	$ 7,341	$ -	$ 7,341	2.7

* Amounts include monetary and non-monetary items.

Had the Canadian dollar strengthened or weakened by 5% in relation to all currencies, with all other variables held constant, the estimated net assets of the Underlying Fund would have decreased or increased, respectively, by approximately $0.8 million as at June 30, 2011. This would have impacted the Class's net assets by $94 thousand as at June 30, 2011. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material. As at June 30, 2010, the Class and the Underlying Fund had no significant exposure to currency risk.

Fair Value of Financial Instruments

The tables below indicate the inputs used in valuing the Class's financial instruments carried at fair value.

as at June 30, 2011

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Fund	$ 30,568	$ -	$ -	$ 30,568
Financial Assets	30,568	-	-	30,568
Financial liabilities	-	-	-	-
Financial Liabilities	-	-	-	-
Financial Assets and Liabilities, Net	$ 30,568	$ -	$ -	$ 30,568

as at June 30, 2010

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Fund	$ 12,909	$ -	$ -	$ 12,909
Financial Assets	12,909	-	-	12,909
Financial liabilities	-	-	-	-
Financial Liabilities	-	-	-	-
Financial Assets and Liabilities, Net	$ 12,909	$ -	$ -	$ 12,909

(i) Quoted prices in active markets for identical assets
(ii) Significant other observable inputs
(iii) Significant unobservable inputs

See accompanying notes which are an integral part of the financial statements.

Thousands of dollars except per share amounts

Financial statements – supplementary schedules

Schedule of Class Share Transactions (Note 3)

for the periods ended June 30,

	2011	2010
Series B Shares		
Shares Beginning of Period	845,447	-
Shares Issued for Cash	1,301,193	928,941
Shares Issued for Reinvestment of Dividends and Distributions	21,100	4,541
Shares Redeemed	(538,507)	(88,035)
Shares Outstanding	1,629,233	845,447
Series E Shares		
Shares Beginning of Period	144,764	-
Shares Issued for Cash	71,574	143,863
Shares Issued for Reinvestment of Dividends and Distributions	3,449	901
Shares Redeemed	(1,090)	-
Shares Outstanding	218,697	144,764
Series F Shares		
Shares Beginning of Period	248,716	-
Shares Issued for Cash	674,335	330,616
Shares Issued for Reinvestment of Dividends and Distributions	7,926	1,287
Shares Redeemed	(144,236)	(83,187)
Shares Outstanding	786,741	248,716

Schedule of Fees (Note 5)

as at June 30,

	2011
Annual management fee rate	%
Series B	1.75
Series E	1.45
Series F	0.80

See accompanying notes which are an integral part of the financial statements.

Russell Canadian Equity Class

Financial statements

Thousands of dollars except per share amounts

Statements of Net Assets

As at		June 30, 2011		June 30, 2010
Assets				
Investments at fair value	$	72,461	$	57,089
Cash		105		61
Receivable for capital shares issued		202		217
Capital tax reimbursement receivable (Note 4)		-		65
Reimbursement receivable (Note 5)		67		87
Total assets		72,835		57,519
Liabilities				
Payable for capital shares redeemed		83		91
Management fee payable		97		98
Capital tax payable		-		65
Accrued expenses		(4)		6
Total liabilities		176		260
Net assets representing shareholders' equity	$	72,659	$	57,259
Net assets per series (see Schedule of Class Share Transactions)				
Series B	$	42,695	$	35,103
Series E		4,023		1,402
Series F	$	25,941	$	20,754
Net assets per share				
Series B	$	14.44	$	12.31
Series E		12.74		10.80
Series F	$	15.14	$	12.70

Approved by the Board of Directors of Russell Investments Corporate Class Inc.

Director Director

Statements of Operations

For the periods ended June 30,		2011		2010
Investment income				
Income distributions from Underlying Fund	$	438	$	-
Interest		-		3
Forward foreign currency exchange contracts		-		-
Other income		2		-
Total investment income (loss)		440		3
Expenses				
Management fees		1,495		1,077
Custodian fees		22		16
Legal fees		6		3
Audit fees		10		4
Transfer agent		18		25
Registration and other filing fees		4		4
Directors' fees		-		6
Independent review committee fees		-		1
Securityholder reporting costs		17		46
Capital Tax		-		65
Total expenses		1,572		1,247
Capital Tax absorbed by the Manager (Note 4)		-		(65)
Expense reimbursement (Note 5)		(67)		(87)
Expenses, net		1,505		1,095
Net investment income (loss)		(1,065)		(1,092)
Net realized and unrealized gain (loss)				
Net realized gain (loss) on:				
Investments		3,087		2,420
Foreign currency-related transactions		(3)		-
		3,084		2,420
Net change in unrealized appreciation (depreciation) on:				
Investments		8,909		2,400
Forward foreign currency exchange contracts		-		-
		8,909		2,400
Net realized and unrealized gain (loss)		11,993		4,820
Net increase (decrease) in net assets from operations	$	10,928	$	3,728
Increase (decrease) in net assets from operations per series				
Series B	$	6,316	$	1,861
Series E		295		(15)
Series F	$	4,317	$	1,882
Increase (decrease) in net assets from operations per share*				
Series B shares	$	2.18	$	0.74
Series E shares		1.31		(0.18)
Series F shares	$	2.45	$	1.19

*Based on the weighted average number of shares outstanding during the period.

See accompanying notes which are an integral part of the financial statements.

Russell Canadian Equity Class

Financial statements

Thousands of dollars except per share amounts

Statements of Changes in Net Assets

For the periods ended June 30,	2011	2010
Net Assets beginning of period		
Series B	$ 35,103	$ 24,057
Series E	1,402	-
Series F	20,754	17,795
	57,259	41,852
Increase (decrease) in net assets from operations		
Series B	6,316	1,861
Series E	295	(15)
Series F	4,317	1,882
	10,928	3,728
Dividends and distributions		
Dividends		
Series B	(258)	-
Series E	(24)	-
Series F	(157)	-
	(439)	-
Net increase (decrease) in net assets from dividends and distributions	(439)	-
Capital Share transactions		
Proceeds:		
From shares issued		
Series B	16,463	22,446
Series E	2,587	1,614
Series F	9,286	10,791
	28,336	34,851
From reinvestment of dividends and distributions		
Series B	255	-
Series E	23	-
Series F	183	-
	461	-
Redemption of shares		
Series B	(15,184)	(13,261)
Series E	(260)	(197)
Series F	(8,442)	(9,714)
	(23,886)	(23,172)
Net increase (decrease) in net assets from Capital share transactions	4,911	11,679
Total net increase (decrease) in net assets	15,400	15,407
Net assets end of period		
Series B	$ 42,695	$ 35,103
Series E	4,023	1,402
Series F	25,941	20,754
	$ 72,659	$ 57,259

Statement of Investment Portfolio

as at June 30, 2011

Number of Units		Average Cost (000) $	Fair Value (000) $
	Underlying Fund – 99.7%		
	Domestic Equities – 99.7%		
5,190,886	Russell Canadian Equity Pool, Series 'O' Units	53,168	72,461
	Total Investments – 99.7%	53,168	72,461
	Other Assets and Liabilities, Net – 0.3%		198
	Net Assets – 100.0%		72,659

Summary of Investment Portfolio

All portfolio categories are included in the following table:

	Percentage of Net Assets (%)	
Portfolio by Category*	**As at June 30, 2011**	**As at June 30, 2010**
Consumer Discretionary	5.8	6.2
Consumer Staples	2.3	3.3
Energy	25.2	25.2
Financials	27.8	29.3
Health Care	1.7	0.2
Industrials	5.3	5.6
Information Technology	4.9	5.5
Materials	18.6	15.1
Telecommunication Services	3.6	5.2
Utilities	0.1	-
Short-Term Securities	1.1	2.2
Other Assets and Liabilities, Net	3.8	2.2
	100.0	100.0

* These are portoflio categories of the Russell Canadian Equity Pool. Russell Canadian Equity Class is exposed to these portfolio categories as a result of investing substantially all of its assets in units of the Underlying Fund.

See accompanying notes which are an integral part of the financial statements.

Russell Canadian Equity Class

Financial statements

Thousands of dollars except per share amounts

Class specific financial instruments risks (note 8)

as at June 30, 2011 and 2010

Financial Instrument Risks

The Class is exposed to the financial instruments' risks of the Underlying Fund as a result of investing substantially all of its assets in units of the Underlying Fund.

Other Price Risk

The impact on net assets of the Class due to a 5% change in the Benchmark*, using historical correlation between the Class's return as compared to the return of the Class's Benchmark, with all other variables held constant, is approximately $3.6 million as at June 30, 2011 and approximately $2.7 million as at June 30, 2010. Regression analysis has been utilized to estimate the historical correlation. The analysis uses data based on the monthly net returns of the Series B shares of the Class since the creation date and assumes that short term interest rates were constant throughout this period. The returns of the other series of the Class are substantially similar to that of the Series B shares and any difference is attributed to the difference in expense structure. The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

* The Class's benchmark is the S&P/TSX Capped Composite Index, ("Benchmark").

Credit Risk

As at June 30, 2011 and 2010, the Class and the Underlying Fund have no significant investments in debt securities. As at June 30, 2011 and 2010, the Class has no direct exposures to derivative contracts. The Class is exposed to indirect credit risk in the event the Underlying Fund holds derivative contracts. As at June 30, 2011 and 2010, all counterparties to derivatives held by the Underlying Fund had a credit rating of A1+ and A1+ or higher, respectively.

Liquidity Risk

As at June 30, 2011 and 2010, the Underlying Fund primarily invests in securities that are traded in active markets and can be readily disposed of. The Class is exposed to indirect liquidity risk through its holdings in the Underlying Fund. As at June 30, 2011 and 2010, the Class's exposure to liquidity risk was minimal.

Interest Rate Risk

As at June 30, 2011 and 2010, the Class has no significant direct exposure to interest rate risk. The Class holds no interest bearing securities and the majority of the Underlying Fund's financial assets and liabilities are non-interest bearing, accordingly, the Class and the Underlying Fund are not subject to significant interest rate risk.

Currency Risk

As at June 30, 2011 and 2010, the Class has no direct exposure to currency risk. The tables below indicate the currencies which the Underlying Fund had significant exposure as at period end, on its trading monetary, non-monetary assets and liabilities as well as the underlying principal amount of forward currency contracts.

as at June 30, 2011

Currency	Currency Risk Exposed Holdings (including derivatives)*	Forward Foreign Currency Exchange Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	$ 29,361	$ (15,989)	$ 13,372	1.42
British Pound	2,127	-	2,127	0.23
Norwegian Krone	$ 1,222	$ -	$ 1,222	0.13

as at June 30, 2010

Currency	Currency Risk Exposed Holdings (including derivatives)*	Forward Foreign Currency Exchange Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	$ 21,150	$ (10,840)	$ 10,301	1.17
British Pound	$ 2,420	$ -	$ 2,420	0.27

* Amounts include monetary and non-monetary items.

Had the Canadian dollar strengthened or weakened by 5% in relation to all currencies, with all other variables held constant, the estimated net assets of the Underlying Fund would have decreased or increased, respectively, by approximately $0.8 million as at June 30, 2011 and approximately $0.6 million as at June 30, 2010. This would have impacted the Class's net assets by $64 thousand as at June 30, 2011 and $41 thousand as at June 30, 2010. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Fair Value of Financial Instruments

The tables below indicate the inputs used in valuing the Class's financial instruments carried at fair value.

as at June 30, 2011

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Fund	$ 72,461	$ -	$ -	$ 72,461
Financial Assets	72,461	-	-	72,461
Financial liabilities	-	-	-	-
Financial Liabilities	-	-	-	-
Financial Assets and Liabilities, Net	$ 72,461	$ -	$ -	$ 72,461

as at June 30, 2010

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Fund	$ 57,809	$ -	$ -	$ 57,809
Financial Assets	57,809	-	-	57,809
Financial liabilities	-	-	-	-
Financial Liabilities	-	-	-	-
Financial Assets and Liabilities, Net	$ 57,809	$ -	$ -	$ 57,809

(i) Quoted prices in active markets for identical assets
(ii) Significant other observable inputs
(iii) Significant unobservable inputs

See accompanying notes which are an integral part of the financial statements.

Russell Canadian Equity Class

Financial statements

Thousands of dollars except per share amounts

Financial statements – supplementary schedules

Schedule of Class Share Transactions (Note 3)

for the periods ended June 30,

	2011	2010
Series B Shares		
Shares Beginning of Period	2,851,211	2,119,445
Shares Issued for Cash	1,146,986	1,767,889
Shares Issued for Reinvestment of Dividends and Distributions	18,142	-
Shares Redeemed	(1,059,510)	(1,036,123)
Shares Outstanding	2,956,829	2,851,211
Series E Shares		
Shares Beginning of Period	129,793	-
Shares Issued for Cash	204,342	146,961
Shares Issued for Reinvestment of Dividends and Distributions	1,868	-
Shares Redeemed	(20,298)	(17,168)
Shares Outstanding	315,705	129,793
Series F Shares		
Shares Beginning of Period	1,634,612	1,547,899
Shares Issued for Cash	629,419	834,579
Shares Issued for Reinvestment of Dividends and Distributions	12,328	1,144
Shares Redeemed	(562,661)	(749,010)
Shares Outstanding	1,713,698	1,634,612

Schedule of Fees (Note 5)

as at June 30,

	2011
Annual management fee rate	%
Series B	2.50
Series E	1.85
Series F	1.00

See accompanying notes which are an integral part of the financial statements.

Russell Smaller Companies Class

Financial statements

Thousands of dollars except per share amounts

Statements of Net Assets

As at		June 30, 2011
Assets		
Investments at fair value	$	2,894
Cash		-
Receivable for capital shares issued		34
Reimbursement receivable (Note 5)		19
Unrealized appreciation on foreign currency exchange spot contracts		-
Unrealized appreciation on forward foreign currency exchange contracts		-
Total assets		2,947
Liabilities		
Payable for capital shares redeemed		3
Management fee payable		3
Capital tax payable		-
Accrued expenses		3
Unrealized depreciation on forward foreign currency exchange contracts		-
Unrealized deppreciation on foreign currency exchange spot contracts		-
Total liabilities		9
Net assets representing shareholders' equity	$	2,938
Net assets per series (see Schedule of Class Share Transactions)		
Series B	$	755
Series E		149
Series F	$	2,034
Net assets per share		
Series B	$	10.50
Series E		10.55
Series F	$	10.60

Approved by the Board of Directors of Russell Investments Corporate Class Inc.

Director Director

Statements of Operations

For the period ended June 30,		2011**
Investment income		
Income distributions from Underlying Fund	$	6
Futures contracts		-
Forward foreign currency exchange contracts		-
Total investment income (loss)		6
Expenses		
Management fees		17
Custodian fees		5
Legal fees		-
Audit fees		1
Fund administration expense		-
Transfer agent		-
Registration and other filing fees		-
Directors' fees		-
Independent review committee fees		-
Securityholder reporting costs		11
Capital Tax		-
Total expenses		34
Expense reimbursement (Note 5)		(19)
Expenses, net		15
Net investment income (loss)		(9)
Net realized and unrealized gain (loss)		
Net realized gain (loss) on:		
Investments		4
Foreign currency-related transactions		(3)
		1
Net change in unrealized appreciation (depreciation) on:		
Investments		(137)
Forward foreign currency exchange contracts		-
		(137)
Net realized and unrealized gain (loss)		(136)
Net increase (decrease) in net assets from operations	$	(145)
Increase (decrease) in net assets from operations per Series		
Series B	$	(22)
Series E		(8)
Series F	$	(115)
Increase (decrease) in net assets from operations per share*		
Series B shares	$	(0.46)
Series E shares		(1.11)
Series F shares	$	(1.22)

*Based on the weighted average number of shares outstanding during the period.

**From October 25, 2010 (formation of fund) to June 30, 2011

See accompanying notes which are an integral part of the financial statements.

Russell Smaller Companies Class

Financial statements

Thousands of dollars except per share amounts

Statements of Changes in Net Assets

For the period ended June 30,		**2011****
Net Assets beginning of period		
Series B	$	-
Series E		-
Series F		-
		-
Increase (decrease) in net assets from operations		
Series B		(22)
Series E		(8)
Series F		(115)
		(145)
Dividends and distributions		
Return of Capital		
Series B		-
Series E		-
Series F		-
		-
Net decrease in net assets from dividends and distributions		-
Capital share transactions		
Proceeds:		
From shares issued		
Series B		830
Series E		165
Series F		2,508
		3,503
From reinvestment of dividends and distributions		
Series B		-
Series E		-
Series F		-
		-
Redemption of shares		
Series B		(53)
Series E		(8)
Series F		(359)
		(420)
Net increase (decrease) in net assets from Capital share transactions		3,083
Total net increase (decrease) in net assets		2,938
Net assets end of period		
Series B	$	755
Series E		149
Series F		2,034
	$	2,938

*From October 25, 2010 (formation of fund) to June 30, 2011

Statement of Investment Portfolio

as at June 30, 2011

Number of Units		Average Cost (000) $	Fair Value (000) $
	Underlying Fund – 98.5%		
	Domestic Equities – 98.5%		
275,676	Russell Smaller Companies Pool, Series 'O' Units	3,031	2,894
	Total Investments – 98.5%	3,031	2,894
	Other Assets and Liabilities, Net – 1.5%		44
	Net Assets – 100.0%		2,938

Summary of Investment Portfolio

All portfolio categories are included in the following table:

	Percentage of Net Assets (%)
Portfolio by Category*	**As at June 30, 2011**
Australia	4.8
Canada	72.0
Israel	1.5
United States	15.1
Other Assets and Liabilities, Net	6.6
	100.0

* These are portfolio categories of the Russell Smaller Companies Pool. Russell Smaller Companies Class is exposed to these portfolio categories as a result of investing substantially all of its assets in units of the Underlying Fund.

See accompanying notes which are an integral part of the financial statements.

Russell Smaller Companies Class

Financial statements

Thousands of dollars except per share amounts

Class specific financial instruments risks (note 8)

as at June 30, 2011

Financial Instrument Risks

The Class is exposed to the financial instruments' risks of the Underlying Fund as a result of investing substantially all of its assets in units of the Underlying Fund.

Other Price Risk

The impact on net assets of the Class due to a 5% change in the Benchmark*, using historical correlation between the Class's return as compared to the return of the Class's Benchmark, with all other variables held constant, is approximately $0.1 million as at June 30, 2011. Regression analysis has been utilized to estimate the historical correlation. The analysis uses data based on the monthly net returns of the Series B shares of the Class since the creation date and assumes that short term interest rates were constant throughout this period. The returns of the other series of the Class are substantially similar to that of the Series B shares and any difference is attributed to the difference in expense structure. The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

*The Class's benchmark is the S&P/TSX Small Cap Index, ("Benchmark").

Credit Risk

As at June 30, 2011, the Class and the Underlying Fund have no significant investments in debt securities. As at June 30, 2011, the Class has no direct exposure to derivative contracts. The Class is exposed to indirect credit risk in the event the Underlying Fund holds derivative contracts. As at June 30, 2011, all counterparties to derivatives held by the Underlying Fund had a credit rating of A1+ or higher.

Liquidity Risk

As at June 30, 2011, the Underlying Fund primarily invests in securities that are traded in active markets and can be readily disposed of. The Class is exposed to indirect liquidity risk through its holdings in the Underlying Fund. As at June 30, 2011, the Class's direct exposure to liquidity risk was minimal.

Interest Rate Risk

As at June 30, 2011, the Class has no significant direct exposure to interest rate risk. The Class holds no interest bearing securities and the majority of the Underlying Fund's financial assets and liabilities are non-interest bearing, accordingly, the Class and the Underlying Fund are not subject to significant interest rate risk.

Currency Risk

As at June 30, 2011, the Class has no direct exposure to currency risk. The table below indicates the currencies which the Underlying Fund had significant exposure to as at period end, on its trading monetary, non-monetary assets and liabilities as well as the underlying principal amount of forward currency contracts.

as at June 30, 2011

Currency	Currency Risk Exposed Holdings (including derivatives)*	Forward Foreign Currency Exchange Contracts	Net Exposure	As a % of Net Assets
Swiss Franc	$ 1,445	$ (981)	$ 464	0.48
U.S. Dollar	13,612	(13,233)	379	0.40
Australian Dollar	$ 855	$ (592)	$ 263	0.27

* Amounts include monetary and non-monetary items.

Had the Canadian dollar strengthened or weakened by 5% in relation to all currencies, with all other variables held constant, the estimated net assets of the Underlying Fund would have decreased or increased, by approximately $55 thousand as at June 30, 2011. This would have impacted the Class's net assets by $2 thousand as at June 30, 2011. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Fair Value of Financial Instruments

The table below indicates the inputs used in valuing the Class's financial instruments carried at fair value.

as at June 30, 2011

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Fund	$ 2,894	$ -	$ -	$ 2,894
Financial Assets	2,894	-	-	2,894
Financial liabilities	-	-	-	-
Financial Liabilities	-	-	-	-
Financial Assets and Liabilities, Net	$ 2,894	$ -	$ -	$ 2,894

(i) Quoted prices in active markets for identical assets
(ii) Significant other observable inputs
(iii) Significant unobservable inputs

See accompanying notes which are an integral part of the financial statements.

Russell Smaller Companies Class

Financial statements

Thousands of dollars except per share amounts

Financial statements – supplementary schedules

Schedule of Class Share Transactions (Note 3)

for the period ended June 30,

	2011*
Series B Shares	
Shares Beginning of Period	-
Shares Issued for Cash	76,637
Shares Issued for Reinvestment of Dividends and Distributions	-
Shares Redeemed	(4,765)
Shares Outstanding	71,872
Series E Shares	
Shares Beginning of Period	-
Shares Issued for Cash	14,829
Shares Issued for Reinvestment of Dividends and Distributions	-
Shares Redeemed	(732)
Shares Outstanding	14,097
Series F Shares	
Shares Beginning of Period	-
Shares Issued for Cash	223,301
Shares Issued for Reinvestment of Dividends and Distributions	-
Shares Redeemed	(31,333)
Shares Outstanding	191,968

*From October 25, 2010 (formation of fund) to June 30, 2011

Schedule of Fees (Note 5)

as at June 30,

	2011
Annual management fee rate	%
Series B Shares	2.00
Series E Shares	1.70
Series F Shares	1.00

See accompanying notes which are an integral part of the financial statements.

Russell US Equity Class

Financial statements

Thousands of dollars except per share amounts

Statements of Net Assets

As at		June 30, 2011		June 30, 2010
Assets				
Investments at fair value	$	38,397	$	27,992
Cash		39		6
Receivable for capital shares issued		135		59
Capital tax reimbursement receivable (Note 4)		-		32
Reimbursement receivable (Note 5)		43		61
Total assets		38,614		28,150
Liabilities				
Payable for capital shares redeemed		42		64
Management fee payable		51		48
Capital tax payable		-		32
Accrued expenses		2		10
Total liabilities		95		154
Net assets representing shareholders' equity	$	38,519	$	27,996
Net assets per series (see Schedule of Class Share Transactions)				
Series B	$	21,534	$	16,869
Series E		2,095		729
Series F	$	14,890	$	10,398
Net assets per share				
Series B	$	12.11	$	10.19
Series E		12.41		10.37
Series F	$	12.64	$	10.46

Approved by the Board of Directors of Russell Investments Corporate Class Inc.

Director　　　　　　Director

Statements of Operations

For the periods ended June 30,		2011		2010
Investment income				
Income distributions from Underlying Fund	$	-	$	-
Interest		-		1
Forward foreign currency exchange contracts		-		
Total investment income (loss)		-		1
Expenses				
Management fees		717		536
Custodian fees		16		17
Legal fees		5		2
Audit fees		5		2
Transfer agent		9		12
Registration and other filing fees		2		2
Directors' fees		-		7
Independent review committee fees		-		-
Securityholder reporting costs		6		28
Capital Tax		-		32
Total expenses		760		638
Capital Tax absorbed by the Manager (Note 4)		-		(32)
Expense reimbursement (Note 5)		(43)		(61)
Expenses, net		717		545
Net investment income (loss)		(717)		(544)
Net realized and unrealized gain (loss)				
Net realized gain (loss) on:				
Investments		825		622
Foreign currency-related transactions		(8)		5
		817		627
Net change in unrealized appreciation (depreciation) on:				
Investments		5,577		384
Forward foreign currency exchange contracts		-		-
		5,577		384
Net realized and unrealized gain (loss)		6,394		1,011
Net increase (decrease) in net assets from operations	$	5,677	$	467
Increase (decrease) in net assets from operations per series				
Series B	$	3,179	$	63
Series E		169		(37)
Series F	$	2,329	$	441
Increase (decrease) in net assets from operations per share*				
Series B shares	$	1.89	$	0.04
Series E shares		1.43		(0.78)
Series F shares	$	2.10	$	0.44

*Based on the weighted average number of shares outstanding during the period.

See accompanying notes which are an integral part of the financial statements.

Russell US Equity Class

Financial statements

Thousands of dollars except per share amounts

Statements of Changes in Net Assets

For the periods ended June 30,	2011	2010
Net Assets beginning of period		
Series B	$ 16,869	$ 13,149
Series E	729	-
Series F	10,398	10,311
	27,996	23,460
Increase (decrease) in net assets from operations		
Series B	3,179	63
Series E	169	(37)
Series F	2,329	441
	5,677	467
Capital Share transactions		
Proceeds:		
From shares issued		
Series B	8,482	8,023
Series E	1,325	797
Series F	5,390	4,114
	15,197	12,934
From reinvestment of dividends and distributions		
Series B	-	-
Series E	-	-
Series F	-	-
	-	-
Redemption of shares		
Series B	(6,996)	(4,366)
Series E	(128)	(31)
Series F	(3,227)	(4,468)
	(10,351)	(8,865)
Net increase (decrease) in net assets from Capital share transactions	4,846	4,069
Total net increase (decrease) in net assets	10,523	4,536
Net assets end of period		
Series B	$ 21,534	$ 16,869
Series E	2,095	729
Series F	14,890	10,398
	$ 38,519	$ 27,996

Statement of Investment Portfolio

as at June 30, 2011

Number of Units		Average Cost (000) $	Fair Value (000) $
	Underlying Fund – 99.7%		
	International Equities – 99.7%		
3,396,590	Russell US Equity Pool, Series 'O' Units	30,779	38,397
	Total Investments – 99.7%	30,779	38,397
	Other Assets and Liabilities, Net – 0.3%		122
	Net Assets – 100.0%		38,519

Summary of Investment Portfolio

All portfolio categories are included in the following table:

	Percentage of Net Assets (%)	
Portfolio by Category*	**As at June 30, 2011**	**As at June 30, 2010**
Consumer Discretionary	13.9	11.1
Consumer Staples	7.6	8.7
Energy	10.5	10.7
Financials	13.3	15.7
Health Care	12.9	9.9
Industrials	9.7	8.4
Information Technology	15.8	21.4
Materials	4.3	4.4
Telecommunication Services	3.1	1.6
Utilities	1.6	2.2
Bonds	-	0.1
Short-Term Securities	3.3	4.0
Other Assets and Liabilities, Net	4.0	1.8
	100.0	100.0

* These are portfolio categories of the Russell US Equity Pool. Russell US Equity Class is exposed to these portfolio categories as a result of investing substantially all of its assets in units of the Underlying Fund.

See accompanying notes which are an integral part of the financial statements.

Russell US Equity Class

Financial statements

Thousands of dollars except per share amounts

Class specific financial instruments risks (note 8)

as at June 30, 2011 and 2010

Financial Instrument Risks

The Class is exposed to the financial instruments' risks of the Underlying Fund as a result of investing substantially all of its assets in units of the Underlying Fund.

Other Price Risk

The impact on net assets of the Class due to a 5% change in Benchmark*, using historical correlation between the Class's return as compared to the return of the Class's Benchmark, with all other variables held constant, is approximately $1.9 million as at June 30, 2011 and approximately $1.3 million as at June 30, 2010. Regression analysis has been utilized to estimate the historical correlation. The analysis uses data based on the monthly net returns of the Series B units of the Class since inception and assumes that short-term interest rates were constant throughout this period. The returns of other Series of the Class are substantially similar to that of the Series B units and any difference is attributed to the difference in expense structure. The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

* The Class's benchmark is the Russell 3000® Index, ("Benchmark").

Credit Risk

As at June 30, 2011 and 2010, the Class and the Underlying Fund have no significant investments in debt securities. As at June 30, 2011 and 2010, the Class has no direct exposures to derivative contracts.The Class is exposed to indirect credit risk in the event the Underlying Fund holds derivative contracts. As at June 30, 2011 and 2010, the Underlying Fund had no exposure to any derivative contracts.

Liquidity Risk

As at June 30, 2011 and 2010, the Underlying Fund primarily invests in securities that are traded in active markets and can be readily disposed of. The Class is exposed to indirect liquidity risk through its holdings in the Underlying Fund. As at June 30, 2011 and 2010, the Class's exposure to liquidity risk was minimal.

Interest Rate Risk

As at June 30, 2011 and 2010, the Class has no significant direct exposure to interest rate risk. The Class holds no interest bearing securities and the majority of the Underlying Fund's financial assets and liabilities are non-interest bearing, accordingly, the Class and the Underlying Fund are not subject to significant interest rate risk.

Currency Risk

As at June 30, 2011 and 2010, the Class has no direct exposure to currency risk. The tables below indicate the currencies which the Underlying Fund had significant exposure as at period end, on its trading monetary, non-monetary assets and liabilities as well as the underlying principal amount of forward currency contracts.

as at June 30, 2011

Currency	Currency Risk Exposed Holdings (including derivatives)*	Forward Foreign Currency Exchange Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	$ 444,845	$ -	$ 444,845	97.64
Swiss Franc	3	-	3	0.00
Euro	$ 1	$ -	$ 1	0.00

as at June 30, 2010

Currency	Currency Risk Exposed Holdings (including derivatives)*	Forward Foreign Currency Exchange Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	$ 387,271	$ -	$ 387,271	98.96
Euro Currency	16	-	16	0.00
Swiss Franc	$ 2	$ -	$ 2	0.00

* Amounts include monetary and non-monetary items.

Had the Canadian dollar strengthened or weakened by 5% in relation to all currencies, with all other variables held constant, the estimated net assets of the Underlying Fund would have decreased or increased, respectively, by approximately $22.2 million as at June 30, 2011 and approximately $19.4 million as at June 30, 2010. This would have impacted the Class's net assets by $1.9 million as at June 30, 2011 and $1.4 million as at June 30, 2010. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Fair Value of Financial Instruments

The tables below indicate the inputs used in valuing the Class's financial instruments carried at fair value.

as at June 30, 2011

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Fund	$ 38,397	$ -	$ -	$ 38,397
Currency Forward and Spot Contracts	-	-	-	-
Financial Assets	38,397	-	-	38,397
Financial Liabilities	-	-	-	-
Financial Liabilities	-	-	-	-
Financial Assets and Liabilities, Net	$ 38,397	$ -	$ -	$ 38,397

as at June 30, 2010

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Fund	$ 27,992	$ -	$ -	$ 27,992
Currency Forward and Spot Contracts	-	-		-
Financial Assets	27,992	-	-	27,992
Financial Liabilities	-	-	-	-
Financial Liabilities	-	-	-	-
Financial Assets and Liabilities, Net	$ 27,992	$ -	$ -	$ 27,992

(i) Quoted prices in active markets for identical assets
(ii) Significant other observable inputs
(iii) Significant unobservable inputs

See accompanying notes which are an integral part of the financial statements.

Russell US Equity Class

Financial statements

Thousands of dollars except per share amounts

Financial statements – supplementary schedules

Schedule of Class Share Transactions (Note 3)

for the periods ended June 30,

	2011	2010
Series B Shares		
Shares Beginning of Period	1,656,119	1,320,296
Shares Issued for Cash	727,271	744,994
Shares Issued for Reinvestment of Dividends and Distributions	-	-
Shares Redeemed	(604,511)	(409,171)
Shares Outstanding	1,778,879	1,656,119
Series E Shares		
Shares Beginning of Period	70,224	-
Shares Issued for Cash	109,101	73,001
Shares Issued for Reinvestment of Dividends and Distributions	-	-
Shares Redeemed	(10,472)	(2,777)
Shares Outstanding	168,853	70,224
Series F Shares		
Shares Beginning of Period	993,897	1,024,913
Shares Issued for Cash	449,284	377,877
Shares Issued for Reinvestment of Dividends and Distributions	706	433
Shares Redeemed	(265,912)	(409,326)
Shares Outstanding	1,177,975	993,897

Schedule of Fees (Note 5)

as at June 30,

	2011
Annual management fee rate	%
Series B	2.50
Series E	1.85
Series F	1.00

See accompanying notes which are an integral part of the financial statements.

Russell Overseas Equity Class

Financial statements

Thousands of dollars except per share amounts

Statements of Net Assets

As at		June 30, 2011		June 30, 2010
Assets				
Investments at fair value	$	29,037	$	23,274
Cash		16		24
Receivable for capital shares issued		131		32
Capital tax reimbursement receivable (Note 4)		-		27
Reimbursement receivable (Note 5)		40		53
Total assets		29,224		23,410
Liabilities				
Payable for capital shares redeemed		28		47
Management fee payable		41		36
Capital tax payable		-		27
Accrued expenses		2		9
Total liabilities		71		119
Net assets representing shareholders' equity	$	29,153	$	23,291
Net assets per series (see Schedule of Class Share Transactions)				
Series B	$	15,208	$	12,642
Series E		1,618		614
Series F	$	12,327	$	10,035
Net assets per share				
Series B	$	11.69	$	10.07
Series E		11.58		9.90
Series F	$	12.21	$	10.34

Approved by the Board of Directors of Russell Investments Corporate Class Inc.

Director   Director

Statements of Operations

For the periods ended June 30,		2011		2010
Investment income				
Income distributions from Underlying Fund	$	-	$	-
Interest income		5		-
Futures contracts		-		-
Forward foreign currency exchange contracts		-		-
Total investment income (loss)		5		-
Expenses				
Management fees		558		450
Custodian fees		16		13
Legal fees		4		2
Audit fees		5		2
Transfer agent		7		11
Registration and other filing fees		2		2
Directors' fees		1		6
Independent review committee fees		-		-
Securityholder reporting costs		8		26
Capital Tax				27
Total expenses		601		539
Capital Tax absorbed by the Manager (Note 4)		-		(27)
Expense reimbursement (Note 5)		(40)		(53)
Expenses, net		561		459
Net investment income (loss)		(556)		(459)
Net realized and unrealized gain (loss)				
Net realized gain (loss) on:				
Investments		660		480
Foreign currency-related transactions		(3)		(3)
		657		477
Net change in unrealized appreciation (depreciation) on:				
Investments		3,993		(459)
Forward foreign currency exchange contracts		-		-
		3,993		(459)
Net realized and unrealized gain (loss)		4,650		18
Net increase (decrease) in net assets from operations	$	4,094	$	(441)
Increase (decrease) in net assets from operations per series				
Series B	$	2,076	$	(355)
Series E		123		(62)
Series F	$	1,895	$	(24)
Increase (decrease) in net assets from operations per share*				
Series B shares	$	1.63	$	(0.32)
Series E shares		1.23		(1.51)
Series F shares	$	1.84	$	(0.02)

*Based on the weighted average number of shares outstanding during the period.

See accompanying notes which are an integral part of the financial statements.

Russell Overseas Equity Class

Financial statements

Thousands of dollars except per share amounts

Statements of Changes in Net Assets

For the periods ended June 30,	2011	2010
Net Assets beginning of period		
Series B	$ 12,642	$ 10,619
Series E	614	-
Series F	10,035	11,085
	23,291	21,704
Increase (decrease) in net assets from operations		
Series B	2,076	(355)
Series E	123	(62)
Series F	1,895	(24)
	4,094	(441)
Capital Share transactions		
Proceeds:		
From shares issued		
Series B	5,257	6,336
Series E	950	698
Series F	3,660	5,242
	9,867	12,276
From reinvestment of dividends and distributions		
Series B	-	-
Series E	-	-
Series F	-	-
	-	-
Redemption of shares		
Series B	(4,767)	(3,958)
Series E	(69)	(22)
Series F	(3,263)	(6,268)
	(8,099)	(10,248)
Net increase (decrease) in net assets from Capital share transactions	1,768	2,028
Total net increase (decrease) in net assets	5,862	1,587
Net assets end of period		
Series B	$ 15,208	$ 12,642
Series E	1,618	614
Series F	12,327	10,035
	$ 29,153	$ 23,291

Statement of Investment Portfolio

as at June 30, 2011

Number of Units		Average Cost (000) $	Fair Value (000) $
	Underlying Fund – 99.6%		
	International Equities – 99.6%		
2,403,091	Russell Overseas Equity Pool, Series 'O' Units	24,086	29,037
	Total Investments – 99.6%	24,086	29,037
	Other Assets and Liabilities, Net – 0.4%		116
	Net Assets – 100.0%		29,153

Summary of Investment Portfolio

All portfolio categories are included in the following table:

	Percentage of Net Assets (%)	
Portfolio by Category*	**As at June 30, 2011**	**As at June 30, 2010**
Australia	2.7	2.8
Austria	0.4	0.2
Belgium	0.7	0.3
Bermuda	0.2	0.1
Brazil	1.2	1.0
Canada	1.0	1.1
China	0.2	0.6
Cyprus	-	0.1
Czech Republic	0.1	0.1
Denmark	1.3	0.7
Finland	0.7	1.7
France	11.7	10.6
Germany	7.3	7.1
Greece	-	0.2
Hong Kong	1.6	3.4
India	0.9	1.0
Indonesia	0.2	0.2
Ireland	1.1	0.7
Israel	0.7	0.5
Italy	3.2	2.5
Japan	15.1	15.1
Luxembourg	0.6	0.5
Mexico	0.2	0.3
Netherlands	4.4	4.8
New Zealand	-	0.1
Norway	1.2	0.7
Panama	0.1	-
Poland	0.1	-
Portugal	-	0.1
Russia	0.2	0.1
Singapore	2.1	2.7
South Africa	0.6	0.3
South Korea	1.1	0.6
Spain	3.4	2.5
Sweden	0.6	2.2
Switzerland	6.0	9.0
Taiwan	0.9	0.5
Thailand	0.4	0.3
Turkey	0.1	0.8
United Kingdom	22.1	20.4
United States	0.8	1.0
Preferred Stocks	0.1	-
Short-Term Securities	1.3	2.0
Other Assets and Liabilities, Net	3.4	1.1
	100.0	100.0

*These are portfolio categories of the Russell Overseas Equity Pool. Russell Overseas Equity Class is exposed to these portfolio categories as a result of investing substantially all of its assets in units of the Underlying Fund.

See accompanying notes which are an integral part of the financial statements.

Russell Overseas Equity Class

Financial statements

Thousands of dollars except per share amounts

Class specific financial instruments risks (note 8)

as at June 30, 2011 and 2010

Financial Instrument Risks

The Class is exposed to the financial instruments' risks of the Underlying Fund as a result of investing substantially all of its assets in units of the Underlying Fund.

Other Price Risk

The impact on net assets of the Class due to a 5% change in Benchmark*, using historical correlation between the Class's return as compared to the return of the Class's Benchmark, with all other variables held constant, is approximately $1.4 million as at June 30, 2011 and approximately $1.1 million as at June 30, 2010. Regression analysis has been utilized to estimate the historical correlation. The analysis uses data based on the monthly net returns of the Series B units of the Class since inception and assumes that short-term interest rates were constant throughout this period. The returns of other Series of the Class are substantially similar to that of the Series B units and any difference is attributed to the difference in expense structure. The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

* The Class's benchmark as of June 30, 2011 is the Russell Developed ex-North America Large Cap Index Net, ("Benchmark"). The Class's benchmark was changed from MSCI EAFE Index to Russell Developed ex-North America Large Cap Index Net on December 31, 2010. Historical performance prior to December 31, 2010 is linked to the MSCI EAFE Index calculated with net dividends invested daily.

Credit Risk

As at June 30, 2011 and 2010, the Class and the Underlying Fund have no significant investments in debt securities. As at June 30, 2011 and 2010, the Class has no direct exposures to derivative contracts. The Class is exposed to indirect credit risk in the event the Underlying Fund holds derivative contracts. As at June 30, 2011 and 2010, all counterparties to derivatives held by the Underlying Fund had a credit rating of A1 or higher.

Liquidity Risk

As at June 30, 2011 and 2010, the Underlying Fund primarily invests in securities that are traded in active markets and can be readily disposed of. The Class is exposed to indirect liquidity risk through its holdings in the Underlying Fund. As at June 30, 2011 and 2010, the Class's exposure to liquidity risk was minimal.

Interest Risk

As at June 30, 2011 and 2010, the Class has no significant direct exposure to interest rate risk. The Class holds no interest bearing securities and the majority of the Underlying Fund's financial assets and liabilities are non-interest bearing, accordingly, the Class and the Underlying Fund are not subject to significant interest rate risk.

Currency Risk

As at June 30, 2011 and 2010, the Class has no direct exposure to currency risk. The tables below indicate the currencies which the Underlying Fund had significant exposure as at period end, on its trading monetary, non-monetary assets and liabilities as well as the underlying principal amount of forward currency contracts.

as at June 30, 2011

Currency	Currency Risk Exposed Holdings (including derivatives)*	Forward Foreign Currency Exchange Contracts	Net Exposure	As a % of Net Assets
Euro	$ 129,464	$ (2,493)	$ 126,971	32.65
British Pound	84,143	291	84,434	21.72
Japanese Yen	59,149	4,263	63,412	16.32
Swiss Franc	23,489	4,418	27,907	7.17
U.S. Dollar	25,584	(3,587)	21,998	5.66
Australian Dollar	9,244	4,704	13,947	3.59
Singapore Dollar	8,694	895	9,589	2.47
Hong Kong Dollar	5,903	2,387	8,290	2.13
Swedish Krona	2,290	2,205	4,494	1.16
South Korean Won	4,364	(44)	4,320	1.11
Danish Krone	4,915	(1,090)	3,825	0.98
Norwegian Krone	4,599	(1,269)	3,331	0.86
South African Rand	2,483	12	2,495	0.64
Brazilian Real	2,528	(48)	2,480	0.64
Thai Baht	1,549	-	1,549	0.40
Taiwan Dollar	908	-	908	0.23
Indonesian Rupiah	884	-	884	0.23
Mexican Peso	856	-	856	0.22
Czech Koruna	568	-	568	0.15
Israeli Shekel	-	521	521	0.13
New Turkish Lira	419	-	419	0.11
Polish Zloty	209	-	209	0.05
New Zealand Dollar	180	(35)	145	0.04
China Renminbi	$ 25	$ -	$ 25	0.01

as at June 30, 2010

Currency	Currency Risk Exposed Holdings (including derivatives)*	Forward Foreign Currency Exchange Contracts	Net Exposure	As a % of Net Assets
New Turkish Lira	$ 2,837	$ 8	$ 2,829	0.77
Norwegian Krone	2,390	262	2,652	0.72
Danish Krone	2,547	388	2,159	0.59
South Korean Won	2,146	-	2,146	0.59
Brazilian Real	1,543	-	1,543	0.42
Thai Baht	1,225	-	1,225	0.33
South African Rand	1,171	-	1,171	0.32
Taiwan Dollar	1,061	-	1,061	0.29
Mexican Peso	695	-	695	0.19
Indonesian Rupiah	605	-	605	0.16
Israeli Shekel	-	556	556	0.15
New Zealand Dollar	420	69	489	0.13
Czech Koruna	$ 464	$ -	$ 464	0.13

* Amounts include monetary and non-monetary items.

Had the Canadian dollar strengthened or weakened by 5% in relation to all currencies, with all other variables held constant, the estimated net assets of the Underlying Fund would have decreased or increased, respectively, by approximately $19.2 million as at June 30, 2011 and approximately $18.3 million as at June 30, 2010. This would have impacted the Class's net assets by $1.4 million as at June 30, 2011 and $1.2 million as at June 30, 2010. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

See accompanying notes which are an integral part of the financial statements.

Thousands of dollars except per share amounts

Fair Value of Financial Instruments

The tables below indicate the inputs used in valuing the Class's financial instruments carried at fair value.

as at June 30, 2011

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Fund	$ 29,037	$ -	$ -	$ 29,037
Financial Assets	29,037	-	-	29,037
Financial Liabilities				
Financial Liabilities	-	-	-	-
Financial Assets and Liabilities, Net	$ 29,037	$ -	$ -	$ 29,037

as at June 30, 2010

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Fund	$ 23,274	$ -	$ -	$ 23,274
Financial Assets	23,274	-	-	23,274
Financial Liabilities				
Financial Liabilities	-	-	-	-
Financial Assets and Liabilities, Net	$ 23,274	$ -	$ -	$ 23,274

(i) Quoted prices in active markets for identical assets
(ii) Significant other observable inputs
(iii) Significant unobservable inputs

See accompanying notes which are an integral part of the financial statements.

Russell Overseas Equity Class

Financial statements

Thousands of dollars except per share amounts

Financial statements – supplementary schedules

Schedule of Class Share Transactions (Note 3)

for the periods ended June 30,

	2011	2010
Series B Shares		
Shares Beginning of Period	1,255,600	1,035,011
Shares Issued for Cash	462,229	585,037
Shares Issued for Reinvestment of Dividends and Distributions	-	-
Shares Redeemed	(417,092)	(364,448)
Shares Outstanding	1,300,737	1,255,600
Series E Shares		
Shares Beginning of Period	62,055	-
Shares Issued for Cash	83,719	64,181
Shares Issued for Reinvestment of Dividends and Distributions	-	-
Shares Redeemed	(5,996)	(2,126)
Shares Outstanding	139,778	62,055
Series F Shares		
Shares Beginning of Period	970,333	1,068,774
Shares Issued for Cash	313,042	474,947
Shares Issued for Reinvestment of Dividends and Distributions	315	459
Shares Redeemed	(274,275)	(573,847)
Shares Outstanding	1,009,415	970,333

Schedule of Fees (Note 5)

as at June 30,

	2011
Annual management fee rate	%
Series B	2.50
Series E	1.85
Series F	1.00

See accompanying notes which are an integral part of the financial statements.

Russell Global Equity Class

Financial statements

Thousands of dollars except per share amounts

Statements of Net Assets

As at		June 30, 2011		June 30, 2010
Assets				
Investments at fair value	$	21,444	$	15,579
Cash		-		15
Receivable for capital shares issued		40		26
Capital tax reimbursement receivable (Note 4)		-		18
Reimbursement receivable (Note 5)		46		38
Total assets		21,530		15,676
Liabilities				
Bank overdraft		-		-
Payable for capital shares redeemed		29		8
Management fee payable		30		25
Capital tax payable		-		18
Accrued expenses		3		6
Total liabilities		62		57
Net assets representing shareholders' equity	$	21,468	$	15,619
Net assets per series (see Schedule of Class Share Transactions)				
Series B	$	10,890	$	8,915
Series E		1,784		698
Series F	$	8,794	$	6,006
Net assets per share				
Series B	$	11.90	$	10.12
Series E		12.25		10.35
Series F	$	12.41	$	10.38

Approved by the Board of Directors of Russell Investments Corporate Class Inc.

Director

Director

Statements of Operations

For the periods ended June 30,		2011		2010
Investment income				
Income distributions from Underlying Fund	$	-	$	-
Interest		1		1
Forward foreign currency exchange contracts		-		-
Total investment income (loss)		1		1
Expenses				
Management fees		400		283
Custodian fees		14		9
Legal fees		15		3
Audit fees		3		1
Transfer agent		4		6
Registration and other filing fees		1		1
Directors' fees		1		6
Independent review committee fees		-		-
Securityholder reporting costs		6		16
Capital Tax		-		18
Total expenses		444		343
Capital Tax absorbed by the Manager (Note 4)		-		(18)
Expense reimbursement (Note 5)		(46)		(38)
Expenses, net		398		287
Net investment income (loss)		(397)		(286)
Net realized and unrealized gain (loss)				
Net realized gain (loss) on:				
Investments		460		322
Foreign currency-related transactions		(4)		(1)
		456		321
Net change in unrealized appreciation (depreciation) on:				
Investments		2,966		263
Forward foreign currency exchange contracts		-		-
		2,966		263
Net realized and unrealized gain (loss)		3,422		584
Net increase (decrease) in net assets from operations	$	3,025	$	298
Increase (decrease) in net assets from operations per series				
Series B	$	1,597	$	91
Series E		147		(39)
Series F	$	1,281	$	246
Increase (decrease) in net assets from operations per share*				
Series B shares	$	1.78	$	0.12
Series E shares		1.37		(0.87)
Series F shares	$	1.93	$	0.44

*Based on the weighted average number of shares outstanding during the period.

See accompanying notes which are an integral part of the financial statements.

Russell Global Equity Class

Financial statements

Thousands of dollars except per share amounts

Statements of Changes in Net Assets

For the periods ended June 30,	2011	2010
Net Assets beginning of period		
Series B	$ 8,915	$ 6,510
Series E	698	-
Series F	6,006	5,732
	15,619	12,242
Increase (decrease) in net assets from operations		
Series B	1,597	91
Series E	147	(39)
Series F	1,281	246
	3,025	298
Capital Share transactions		
Proceeds:		
From shares issued		
Series B	3,812	4,752
Series E	1,068	765
Series F	3,562	2,705
	8,442	8,222
From reinvestment of dividends and distributions		
Series B	-	-
Series E	-	-
Series F	-	-
	-	-
Redemption of shares		
Series B	(3,434)	(2,438)
Series E	(129)	(28)
Series F	(2,055)	(2,677)
	(5,618)	(5,143)
Net increase (decrease) in net assets from Capital share transactions	2,824	3,079
Total net increase (decrease) in net assets	5,849	3,377
Net assets end of period		
Series B	$ 10,890	$ 8,915
Series E	1,784	698
Series F	8,794	6,006
	$ 21,468	$ 15,619

See accompanying notes which are an integral part of the financial statements.

Statement of Investment Portfolio

as at June 30, 2011

Number of Units		Average Cost (000) $	Fair Value (000) $
	Underlying Fund – 99.9%		
	International Equities – 99.9%		
1,819,193	Russell Global Equity Pool, Series 'O' Units	17,657	21,444
	Total Investments – 99.9%	17,657	21,444
	Other Assets and Liabilities, Net – 0.1%		24
	Net Assets – 100.0%		21,468

Summary of Investment Portfolio

All portfolio categories are included in the following table:

	Percentage of Net Assets (%)	
Portfolio by Category*	**As at June 30, 2011**	**As at June 30, 2010**
Australia	0.2	0.1
Austria	0.4	0.2
Belgium	0.6	0.7
Bermuda	0.2	0.3
Brazil	1.5	1.7
Canada	1.8	1.4
Cayman Island	0.3	0.4
China	0.9	0.9
Czech Republic	0.1	0.1
Denmark	0.8	0.7
Finland	0.4	1.3
France	5.1	5.2
Germany	4.6	4.0
Greece	0.1	-
Guernsey	0.1	-
Hong Kong	0.5	1.2
India	0.2	0.4
Indonesia	0.2	0.2
Ireland	1.2	1.0
Israel	-	0.3
Italy	1.1	0.4
Japan	4.7	5.0
Luxembourgh	0.2	0.3
Malaysia	0.1	-
Mexico	0.2	0.4
Netherlands	2.8	4.5
Norway	0.4	-
Panama	-	0.5
Poland	0.1	-
Russia	0.3	0.2
Singapore	0.3	0.5
South Africa	0.3	0.1
South Korea	0.9	0.8
Spain	2.1	1.6
Sweden	1.0	2.2
Switzerland	8.3	9.0
Taiwan	-	-
Thailand	0.2	
Turkey	0.2	0.7
United Kingdom	7.9	9.0
United States	44.1	39.8
Preferred Stocks	0.2	0.2
Short-Term Securities	2.0	4.4
Other Assets and Liabilities, Net	3.4	0.3
	100.0	100.0

*These are portfolio categories of the Russell Global Equity Pool. Russell Global Equity Class is exposed to these portfolio categories as a result of investing substantially all of its assets in units of the Underlying Fund.

Thousands of dollars except per share amounts

Class specific financial instruments risks (note 8)

as at June 30, 2011 and 2010

Financial Instrument Risks

The Class is exposed to the financial instruments' risks of the Underlying Fund as a result of investing substantially all of its assets in units of the Underlying Fund.

Other Price Risk

The impact on net assets of the Class due to a 5% change in Benchmark*, using historical correlation between the Class's return as compared to the return of the Class's Benchmark, with all other variables held constant, is approximately $0.9 million as at June 30, 2011 and approximately $0.7 million as at June 30, 2010. Regression analysis has been utilized to estimate the historical correlation. The analysis uses data based on the monthly net returns of the Series B units of the Class since inception and assumes that short-term interest rates were constant throughout this period. The returns of other Series of the Class are substantially similar to that of the Series B units and any difference is attributed to the difference in expense structure. The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

* The Class's benchmark as of June 30, 2011 is the Russell Developed Large Cap Index Net, ("Benchmark"). The Class's benchmark was changed from MSCI World Index to Russell Developed Large Cap Index Net on December 31, 2010. Historical performance prior to December 31, 2010 is linked to the MSCI World Index calculated with net dividends invested daily.

Credit Risk

As at June 30, 2011 and 2010, the Class and the Underlying Fund have no significant investments in debt securities. As at June 30, 2011 and 2010, the Class has no direct exposures to derivative contracts. The Class is exposed to indirect credit risk in the event the Underlying Fund holds derivative contracts. As at June 30, 2011 and 2010, all counterparties to derivatives held by the Underlying Fund had a credit rating of A1 or higher.

Liquidity Risk

As at June 30, 2011 and 2010, the Underlying Fund primarily invests in securities that are traded in active markets and can be readily disposed of. The Class is exposed to indirect liquidity risk through its holdings in the Underlying Fund. As at June 30, 2011 and 2010, the Class's exposure to liquidity risk was minimal.

Interest Risk

As at June 30, 2011 and 2010, the Class has no significant direct exposure to interest rate risk. The Class holds no interest bearing securities and the majority of the Underlying Fund's financial assets and liabilities are non-interest bearing, accordingly, the Class and the Underlying Fund are not subject to significant interest rate risk.

Currency Risk

As at June 30, 2011 and 2010, the Class has no direct exposure to currency risk. The tables below indicate the currencies which the Underlying Fund had significant exposure as at period end, on its trading monetary, non-monetary assets and liabilities as well as the underlying principal amount of forward currency contracts.

as at June 30, 2011

Currency	Currency Risk Exposed Holdings (including derivatives)*	Forward Foreign Currency Exchange Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	$ 143,109	$ 40	$ 143,149	52.74
Euro	44,292	319	44,611	16.44
Swiss Franc	21,680	2,473	24,153	8.90
British Pound	20,991	(1,387)	19,604	7.23
Japanese Yen	11,835	3,618	15,453	5.69
Hong Kong Dollar	4,172	972	5,144	1.90
Swedish Krona	2,733	977	3,710	1.37
Brazilian Real	3,308	-	3,308	1.22
Australian Dollar	712	1,382	2,094	0.77
Danish Krone	2,141	(472)	1,669	0.62
South Korean Won	1,650	-	1,650	0.61
South African Rand	868	-	868	0.32
New Turkish Lira	516	-	516	0.19
Singapore Dollar	7	471	478	0.18
Indonesian Rupiah	449	-	449	0.17
Thai Baht	432	-	432	0.16
Malaysian Ringgit	394	-	394	0.15
Czech Koruna	279	-	279	0.10
Norwegian Krone	1,096	(849)	247	0.09
Israeli Shekel	-	203	203	0.07
Polish Zloty	146	-	146	0.05
New Zealand Dollar	-	21	21	0.01
Taiwan Dollar	7	-	7	0.00
Mexican Peso	$ 0	$ -	$ -	0.00

as at June 30, 2010

Currency	Currency Risk Exposed Holdings (including derivatives)*	Forward Foreign Currency Exchange Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	$ 130,639	$ 1,656	$ 132,295	50.25
Euro Currency	48,107	(8,095)	40,012	15.20
Swiss Franc	22,864	475	23,339	8.87
British Pound	24,108	(908)	23,200	8.81
Japanese Yen	12,421	5,703	18,124	6.88
Hong Kong Dollar	5,390	57	5,447	2.07
Brazilian Real	4,109	(4)	4,105	1.56
Swedish Krona	5,782	(3,609)	2,173	0.83
Australian Dollar	294	1,674	1,968	0.75
New Turkish Lira	1,859	-	1,859	0.71
Singapore Dollar	1,207	218	1,425	0.54
Danish Krone	1,838	(720)	1,118	0.42
South Korean Won	747	-	747	0.28
Indonesian Rupiah	567	-	567	0.22
Czech Koruna	232	-	232	0.09
Norwegian Krone	0	208	208	0.08
South African Rand	171	-	171	0.06
New Zealand Dollar	-	31	31	0.01
Taiwan Dollar	7	-	7	0.00
Mexican Peso	0	-	0	0.00
Israeli Shekel	$ -	$ (5)	$ (5)	0.00

* Amounts include monetary and non-monetary items.

See accompanying notes which are an integral part of the financial statements.

Russell Global Equity Class

Financial statements

Thousands of dollars except per share amounts

Class specific financial instruments risks (note 8)

as at June 30, 2011 and 2010

Had the Canadian dollar strengthened or weakened by 5% in relation to all currencies, with all other variables held constant, the estimated net assets of the Underlying Fund would have decreased or increased, respectively, by approximately $13.4 million as at June 30, 2011 and approximately $12.9 million as at June 30, 2010. This would have impacted the Class's net assets by $1.0 million as at June 30, 2011 and $0.8 million as at June 30, 2010. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Fair Value of Financial Instruments

The tables below indicate the inputs used in valuing the Class's financial instruments carried at fair value.

as at June 30, 2011

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Fund	$ 21,444	$ -	$ -	$ 21,444
Financial Assets	21,444	-	-	21,444
Financial Liabilities				
Financial Liabilities	-	-	-	-
Financial Assets and Liabilities, Net	$ 21,444	$ -	$ -	$ 21,444

as at June 30, 2010

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Fund	$ 15,579	$ -	$ -	$ 15,579
Financial Assets	15,579	-	-	15,579
Financial Liabilities				
Financial Liabilities	-	-	-	-
Financial Assets and Liabilities, Net	$ 15,579	$ -	$ -	$ 15,579

(i) Quoted prices in active markets for identical assets
(ii) Significant other observable inputs
(iii) Significant unobservable inputs

See accompanying notes which are an integral part of the financial statements.

Russell Global Equity Class

Financial statements

Thousands of dollars except per share amounts

Financial statements – supplementary schedules

Schedule of Class Share Transactions (Note 3)

for the periods ended June 30,

	2011	2010
Series B Shares		
Shares Beginning of Period	881,094	664,094
Shares Issued for Cash	333,734	448,208
Shares Issued for Reinvestment of Dividends and Distributions	-	-
Shares Redeemed	(299,596)	(231,208)
Shares Outstanding	915,232	881,094
Series E Shares		
Shares Beginning of Period	67,438	-
Shares Issued for Cash	88,836	69,972
Shares Issued for Reinvestment of Dividends and Distributions	-	-
Shares Redeemed	(10,639)	(2,534)
Shares Outstanding	145,635	67,438
Series F Shares		
Shares Beginning of Period	578,717	579,409
Shares Issued for Cash	300,803	247,865
Shares Issued for Reinvestment of Dividends and Distributions	186	30
Shares Redeemed	(170,858)	(248,587)
Shares Outstanding	708,848	578,717

Schedule of Fees (Note 5)

as at June 30,

	2011
Annual management fee rate	%
Series B	2.50
Series E	1.85
Series F	1.00

See accompanying notes which are an integral part of the financial statements.

Russell Emerging Markets Equity Class

Financial statements

Thousands of dollars except per share amounts

Statements of Net Assets

As at	June 30, 2011	June 30, 2010
Assets		
Investments at fair value	$ 19,254	$ 13,593
Cash	13	2
Receivable for capital shares issued	65	47
Capital tax reimbursement receivable (Note 4)	-	15
Reimbursement receivable (Note 5)	-	29
Total assets	19,332	13,686
Liabilities		
Payable for capital shares redeemed	39	20
Management fee payable	27	24
Capital tax payable	-	15
Accrued expenses	6	3
Total liabilities	72	62
Net assets representing shareholders' equity	$ 19,260	$ 13,624
Net assets per series (see Schedule of Class Share Transactions)		
Series B	$ 9,421	$ 7,387
Series E	1,104	447
Series F	$ 8,735	$ 5,790
Net assets per share		
Series B	$ 16.05	$ 14.38
Series E	12.29	10.94
Series F	$ 16.86	$ 14.84

Approved by the Board of Directors of Russell Investments Corporate Class Inc.

Director Director

Statements of Operations

For the periods ended June 30,	2011	2010
Investment income		
Income distributions from Underlying Fund	$ -	$ -
Interest Income	4	-
Futures contracts	-	-
Forward foreign currency exchange contracts	-	-
Total investment income (loss)	4	-
Expenses		
Management fees	412	264
Custodian fees	14	10
Legal fees	4	1
Audit fees	4	1
Transfer agent	5	5
Registration and other filing fees	1	1
Directors' fees	1	1
Independent review committee fees	-	-
Securityholder reporting costs	5	14
Capital Tax	-	15
Total expenses	446	312
Capital Tax absorbed by the Manager (Note 4)	-	(15)
Expense reimbursement (Note 5)	-	(29)
Expenses, net	446	268
Net investment income (loss)	(442)	(268)
Net realized and unrealized gain (loss)		
Net realized gain (loss) on:		
Investments	663	616
Foreign currency-related transactions	(8)	-
	655	616
Net change in unrealized appreciation (depreciation) on:		
Investments	1,483	530
Forward foreign currency exchange contracts	-	-
	1,483	530
Net realized and unrealized gain (loss)	2,138	1,146
Net increase (decrease) in net assets from operations	$ 1,696	$ 878
Increase (decrease) in net assets from operations per series		
Series B	$ 886	$ 363
Series E	38	(19)
Series F	$ 772	$ 534
Increase (decrease) in net assets from operations per share*		
Series B shares	$ 1.56	$ 0.85
Series E shares	0.59	(0.70)
Series F shares	$ 1.64	$ 1.41

*Based on the weighted average number of shares outstanding during the period.

See accompanying notes which are an integral part of the financial statements.

Russell Emerging Markets Equity Class

Financial statements

Thousands of dollars except per share amounts

Statements of Changes in Net Assets

For the periods ended June 30,	2011	2010
Net Assets beginning of period		
Series B	$ 7,387	$ 4,657
Series E	447	-
Series F	5,790	4,763
	13,624	9,420
Increase (decrease) in net assets from operations		
Series B	886	363
Series E	38	(19)
Series F	772	534
	1,696	878
Dividends and distributions		
Dividends		
Series B	-	-
Series E	-	-
Series F	-	-
	-	-
Net decrease in net assets from dividends and disstributions	-	-
Capital Share transactions		
Proceeds:		
From shares issued		
Series B	4,690	3,981
Series E	665	478
Series F	3,978	3,991
	9,333	8,450
From reinvestment of dividends and distributions		
Series B	-	-
Series E	-	-
Series F	-	-
	-	-
Redemption of shares		
Series B	(3,542)	(1,614)
Series E	(46)	(12)
Series F	(1,805)	(3,498)
	(5,393)	(5,124)
Net increase (decrease) in net assets from Capital share transactions	3,940	3,326
Total net increase (decrease) in net assets	5,636	4,204
Net assets end of period		
Series B	$ 9,421	$ 7,387
Series E	1,104	447
Series F	8,735	5,790
	$ 19,260	$ 13,624

See accompanying notes which are an integral part of the financial statements.

Statement of Investment Portfolio

as at June 30, 2011

Number of Units		Average Cost (000) $	Fair Value (000) $
	Underlying Fund – 100.0%		
	International Equities – 100.0%		
891,355	Russell Emerging Markets Equity Pool, Series 'O' Units	14,778	19,254
	Total Investments – 100.0%	14,778	19,254
	Other Assets and Liabilities, Net – 0.0%		6
	Net Assets – 100.0%		19,260

Summary of Investment Portfolio

All portfolio categories are included in the following table:

	Percentage of Net Assets (%)	
Portfolio by Category*	**As at June 30, 2011**	**As at June 30, 2010**
Argentina	0.3	-
Bermuda	0.3	0.6
Brazil	10.3	12.4
Canada	0.3	-
Cayman Islands	0.5	-
Chile	1.1	0.7
China	6.7	10.1
Colombia	0.5	-
Czech Republic	0.3	-
Egypt	0.4	0.9
Hong Kong	5.0	10.4
Hungary	0.5	0.2
India	5.8	4.1
Indonesia	2.3	2.4
Israel	0.2	-
Jordan	0.3	-
Kazakstan	0.7	0.6
Kenya	0.2	-
Luxembourg	1.4	2.1
Malaysia	0.6	0.9
Mexico	5.0	3.4
Netherlands	0.7	0.4
Netherlands Antilles	0.2	0.4
Nigeria	1.3	-
Oman	-	0.4
Pakistan	0.7	-
Panama	0.2	-
Papua New Guinea	0.2	-
Peru	0.4	-
Philippines	0.2	0.4
Poland	2.0	0.7
Russia	6.7	7.0
Singapore	-	0.5
Slovenia	0.2	-
South Africa	4.4	3.5
South Korea	12.2	13.0
Sri Lanka	0.2	-
Switzerland	0.5	0.3
Taiwan	6.8	6.5
Thailand	2.4	1.9
Turkey	3.3	2.7
United Kingdom	4.1	3.6
United States	1.6	0.9
Preferred Stocks	5.3	4.9
Short-Term Securities	0.2	1.4
Other Assets and Liabilities, Net	3.5	2.7
	100.0	100.0

*These are portfolio categories of the Russell Emerging Markets Equity Pool. Russell Emerging Markets Equity Class is exposed to these portfolio categories as a result of investing substantially all of its assets in units of the Underlying Fund.

Russell Emerging Markets Equity Class

Financial statements

Thousands of dollars except per share amounts

Class specific financial instruments risks (note 8)

as at June 30, 2011 and 2010

Financial Instrument Risks

The Class is exposed to the financial instruments' risks of the Underlying Fund as a result of investing substantially all of its assets in units of the Underlying Fund.

Other Price Risk

The impact on net assets of the Class due to a 5% change in Benchmark*, using historical correlation between the Class's return as compared to the return of the Class's Benchmark, with all other variables held constant, is approximately $1.1 million as at June 30, 2011 and approximately $0.8 million as at June 30, 2010. Regression analysis has been utilized to estimate the historical correlation. The analysis uses data based on the monthly net returns of the Series B units of the Class since inception and assumes that short-term interest rates were constant throughout this period. The returns of other Series of the Class are substantially similar to that of the Series B units and any difference is attributed to the difference in expense structure. The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

* The Class's benchmark as of June 30, 2011 is the Russell Emerging Markets Index Net, ("Benchmark"). The Class's benchmark was changed from MSCI Emerging Markets Index to Russell Emerging Markets Index Net on December 31, 2010. Historical performance prior to December 31, 2010 is linked to the MSCI Emerging Markets Index calculated with net dividends invested daily.

Credit Risk

As at June 30, 2011 and 2010, the Class and the Underlying Fund have no significant investments in debt securities. As at June 30, 2011 and 2010, the Class has no direct exposures to derivative contracts.The Class is exposed to indirect credit risk in the event the Underlying Fund holds derivative contracts. As at June 30, 2011 and 2010, all counterparties to derivatives held by the Underlying Fund had a credit rating of A1 or higher.

Liquidity Risk

As at June 30, 2011 and 2010, the Underlying Fund primarily invests in securities that are traded in active markets and can be readily disposed of. The Class is exposed to indirect liquidity risk through its holdings in the Underlying Fund. As at June 30, 2011 and 2010, the Class's exposure to liquidity risk was minimal.

Interest Risk

As at June 30, 2011 and 2010, the Class has no significant direct exposure to interest rate risk. The Class holds no interest bearing securities and the majority of the Underlying Fund's financial assets and liabilities are non-interest bearing, accordingly, the Class and the Underlying Fund are not subject to significant interest rate risk.

Currency Risk

As at June 30, 2011 and 2010, the Class has no direct exposure to currency risk. The tables below indicate the currencies which the Underlying Fund had significant exposure as at period end, on its trading monetary, non-monetary assets and liabilities as well as the underlying principal amount of forward currency contracts.

as at June 30, 2011

Currency	Currency Risk Exposed Holdings (including derivatives)*	Forward Foreign Currency Exchange Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	$ 112,271	$ 2,718	$ 114,989	49.37
South Korean Won	22,424	-	22,424	9.63
Hong Kong Dollar	19,255	(36)	19,219	8.25
Brazilian Real	11,169	(34)	11,135	4.78
South African Rand	10,777	-	10,777	4.63
New Turkish Lira	6,662	-	6,662	2.86
Thai Baht	5,700	-	5,700	2.45
Polish Zloty	5,590	-	5,590	2.40
Indonesian Rupiah	5,371	-	5,371	2.31
Indian Rupee	4,792	-	4,792	2.06
Taiwan Dollar	4,331	-	4,331	1.86
Nigeria Naira	3,030	-	3,030	1.30
British Pound	2,833	-	2,833	1.22
Mexican Peso	1,926	-	1,926	0.83
Pakistan Rupee	1,745	-	1,745	0.75
Malaysian Ringgit	1,484	-	1,484	0.64
Hungarian Forint	1,117	19	1,136	0.49
Jordanian Dinar	706	-	706	0.30
Czech Koruna	656	-	656	0.28
Sri Lanka Rupee	569	-	569	0.24
Israeli Shekel	529	-	529	0.23
Kenyan Shilling	475	-	475	0.20
Euro	397	-	397	0.17
Egyptian Pound	203	-	203	0.09
Philippine Peso	24	-	24	0.01
China Renminbi	$ -	$ -	$ -	0.00

as at June 30, 2010

Currency	Currency Risk Exposed Holdings (including derivatives)*	Forward Foreign Currency Exchange Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	$ 35,141	$ 20	$ 35,161	28.04
Hong Kong Dollar	25,016	(201)	24,815	19.79
South Korean Won	17,590	(26)	17,564	14.01
Brazilian Real	13,377	-	13,377	10.67
Taiwan Dollar	6,596	-	6,596	5.26
South African Rand	5,417	(55)	5,362	4.28
New Turkish Lira	3,347	(21)	3,326	2.65
British Pound	3,325	-	3,325	2.65
Indonesian Rupiah	3,056	-	3,056	2.44
Mexican Peso	2,588	-	2,588	2.06
Thai Baht	2,347	(120)	2,227	1.78
Egyptian Pound	1,152	-	1,152	0.92
Malaysian Ringgit	1,115	-	1,115	0.89
Polish Zloty	875	-	875	0.70
Indian Rupee	739	-	739	0.59
Singapore Dollar	594	-	594	0.47
Philippine Peso	374	-	374	0.30
Chilean Peso	300	-	300	0.24
Hungarian Forint	228	-	228	0.18
Israeli Shekel	3	-	3	0.00
Euro Currency	$ -	$ -	$ -	0.00

* Amounts include monetary and non-monetary items.

See accompanying notes which are an integral part of the financial statements.

Thousands of dollars except per share amounts

Class specific financial instruments risks (note 8)

as at June 30, 2011 and 2010 (cont'd)

Had the Canadian dollar strengthened or weakened by 5% in relation to all currencies, with all other variables held constant, the estimated net assets of the Underlying Fund would have decreased or increased, respectively, by approximately $11.3 million as at June 30, 2011 and approximately $6.1 million as at June 30, 2010. This would have impacted the Class's net assets by $0.9 million as at June 30, 2011 and $0.7 million as at June 30, 2010. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Fair Value of Financial Instruments

The tables below indicate the inputs used in valuing the Class's financial instruments carried at fair value.

as at June 30, 2011

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Fund	$ 19,254	$ -	$ -	$ 19,254
Financial Assets	19,254	-	-	19,254
Financial Liabilities				
Financial Liabilities	-	-	-	-
Financial Assets and Liabilities, Net	$ 19,254	$ -	$ -	$ 19,254

as at June 30, 2010

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Fund	$ 13,593	$ -	$ -	$ 13,593
Financial Assets	13,593	-	-	13,593
Financial Liabilities				
Financial Liabilities	-	-	-	-
Financial Assets and Liabilities, Net	$ 13,593	$ -	$ -	$ 13,593

(i) Quoted prices in active markets for identical assets
(ii) Significant other observable inputs
(iii) Significant unobservable inputs

See accompanying notes which are an integral part of the financial statements.

Russell Emerging Markets Equity Class

Financial statements

Thousands of dollars except per share amounts

Financial statements – supplementary schedules

Schedule of Class Share Transactions (Note 3)

for the periods ended June 30,

	2011	2010
Series B Shares		
Shares Beginning of Period	513,507	356,472
Shares Issued for Cash	288,571	268,547
Shares Issued for Reinvestment of Dividends and Distributions	-	-
Shares Redeemed	(215,108)	(111,512)
Shares Outstanding	586,970	513,507
Series E Shares		
Shares Beginning of Period	40,860	-
Shares Issued for Cash	52,629	41,967
Shares Issued for Reinvestment of Dividends and Distributions	-	-
Shares Redeemed	(3,666)	(1,107)
Shares Outstanding	89,823	40,860
Series F Shares		
Shares Beginning of Period	390,142	360,462
Shares Issued for Cash	233,803	257,693
Shares Issued for Reinvestment of Dividends and Distributions	127	27
Shares Redeemed	(105,928)	(228,040)
Shares Outstanding	518,144	390,142

Schedule of Fees (Note 5)

as at June 30,

	2011
Annual management fee rate	%
Series B	2.80
Series E	2.15
Series F	1.20

See accompanying notes which are an integral part of the financial statements.

Russell Money Market Class

Financial statements

Thousands of dollars except per share amounts

Statements of Net Assets

As at		June 30, 2011		December 31, 2010
Assets				
Investments at fair value	$	6,229	$	8,840
Cash		-		-
Dividends and interest receivable		5		-
Receivable for capital shares issued		-		2,116
Capital tax reimbursement receivable (Note 4)		-		12
Reimbursement receivable (Note 5)		18		18
Total assets		6,252		10,986
Liabilities				
Bank overdraft		5		-
Payable for capital shares redeemed		29		8
Management fee payable		1		3
Capital tax payable		-		12
Accrued expenses		4		4
Total liabilities		39		27
Net assets representing shareholders' equity	$	6,213	$	10,959
Net assets per series (see Schedule of Class Share Transactions)				
Series B	$	3,960	$	8,644
Series E		158		-
Series F	$	2,095	$	2,315
Net assets per share				
Series B	$	9.99	$	9.99
Series E		10.15		10.09
Series F	$	10.04	$	10.02

Approved by the Board of Directors of Russell Investments Corporate Class Inc.

Director Director

Statements of Operations

For the periods ended June 30,		2011		2010
Investment income				
Income distributions from Underlying Fund	$	64	$	8
Interest Income		7		-
Futures contracts		-		-
Forward foreign currency exchange contracts		-		-
Total investment income (loss)		71		8
Expenses				
Management fees		62		19
Custodian fees		14		10
Legal fees		3		-
Audit fees		3		1
Transfer agent		3		1
Registration and other filing fees		-		-
Directors' fees		1		4
Independent review committee fees		-		-
Securityholder reporting costs		2		6
Capital Tax		-		12
Total expenses		88		53
Capital Tax absorbed by the Manager (Note 4)		-		(12)
Expense reimbursement (Note 5)		(18)		(18)
Expenses, net		70		23
Net investment income (loss)		1		(15)
Net realized and unrealized gain (loss)				
Net realized gain (loss)				
Investments		-		-
Foreign currency-related transactions		-		-
Net realized and unrealized gain (loss)		-		-
Net increase (decreased) in net assets from operations	$	1	$	(15)
Increase (decrease) in net assets from operations per series				
Series B	$	-	$	(11)
Series E		1		-
Series F	$	-	$	(4)
Increase (decrease) in net assets from operations per share*				
Series B shares	$	-	$	(0.05)
Series E shares		0.20		-
Series F shares	$	-	$	(0.06)

*Based on the weighted average number of shares outstanding during the period.

See accompanying notes which are an integral part of the financial statements.

Russell Money Market Class

Financial statements

Thousands of dollars except per share amounts

Statements of Changes in Net Assets

For the periods ended June 30,	2011	2010
Net Assets beginning of period		
Series B	$ 8,644	$ 2,946
Series E	-	-
Series F	2,315	69
	10,959	3,015
Increase (decrease) in net assets from operations		
Series B	-	(11)
Series E	1	-
Series F	-	(4)
	1	(15)
Capital share transactions		
Proceeds:		
From shares issued		
Series B	17,764	9,883
Series E	157	-
Series F	2,239	5,756
	20,160	15,639
From reinvestment of dividends and distributions		
Series B	-	-
Series E	-	-
Series F	-	-
	-	-
Redemption of shares		
Series B	(22,448)	(4,174)
Series E	-	-
Series F	(2,459)	(3,506)
	(24,907)	(7,680)
Net increase (decrease) in net assets from Capital share transactions	(4,747)	7,959
Total net increase (decrease) in net assets	(4,746)	7,944
Net assets end of period		
Series B	$ 3,960	$ 8,644
Series E	158	-
Series F	2,095	2,315
	$ 6,213	$ 10,959

Statement of Investment Portfolio

as at June 30, 2011

Number of Units		Average Cost (000) $	Fair Value (000) $
	Underlying Fund – 100.3%		
	Domestic Fixed Income – 100.3%		
622,861	Russell Money Market Pool, Series 'O' Units	6,229	6,229
	Total Investments – 100.3%	6,229	6,229
	Other Assets and Liabilities, Net – (0.3)%		(16)
	Net Assets – 100.0%		6,213

Summary of Investment Portfolio

All portfolio categories are included in the following table:

	Percentage of Net Assets (%)	
Portfolio by Category*	**As at June 30, 2011**	**As at June 30, 2010**
Government Obligations	90.5	65.8
Corporate Obligations	8.9	30.5
Other Assets and Liabilities, Net	0.6	3.7
	100.0	100.0

* These are portfolio categories of the Russell Money Market Pool. Russell Money Market Class is exposed to these portfolio categories as a result of investing substantially all of its assets in units of the Underlying Fund.

See accompanying notes which are an integral part of the financial statements.

Thousands of dollars except per share amounts

Class specific financial instruments risks (note 8)

as at June 30, 2011 and 2010

Financial Instrument Risks

The Class is exposed to the financial instruments, risks of the Underlying Fund as a result of investing substantially all of its assets in units of the Underlying Fund.

Other Price Risk

The impact on net assets of the Class due to a 5% change in Benchmark*, using historical correlation between the Class's return as compared to the return of the Class's Benchmark, with all other variables held constant, is approximately $0.1 million as at June 30, 2011 and approximately $0.2 million as at June 30, 2010. Regression analysis has been utilized to estimate the historical correlation. The analysis uses data based on the monthly net returns of the Series B units of the Class since inception and assumes that short-term interest rates were constant throughout this period. The returns of other Series of the Class are substantially similar to that of the Series B units and any difference is attributed to the difference in expense structure. The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

* The Class's benchmark is the DEX 30-Day T-Bill ("Benchmark").

Credit Risk

As at June 30, 2011 and 2010, the Class has no significant direct exposure to credit risk. The Underlying Fund invested in debt securities with the following credit ratings*:

as at

	% of Net Assets	
Debt Securities by credit rating	**June 30, 2011**	**June 30, 2010**
AAA	79.80	43.23
AA	13.77	31.32
A	5.81	19.37
BBB	0.00	2.40

*Commercial paper rating per Standard and Poor's Commercial Paper Guide.

As at June 30, 2011 and 2010, the Class and the Underlying Fund had no exposures to derivative contracts.

Liquidity Risk

As at June 30, 2011 and 2010, the Underlying Fund primarily invests in securities that are traded in active markets and can be readily disposed of. The Class is exposed to indirect liquidity risk through its holdings in the Underlying Fund. As at June 30, 2011 and 2010, the Class's exposure to liquidity risk was minimal.

Interest Risk

As at June 30, 2011 and 2010, the Underlying Fund has minimal sensitivity to change in interest rates since its securities tend to be short-term in nature, accordingly, the Class and the Underlying Fund are not subject to significant interest rate risk.

Currency Risk

As at June 30, 2011 and 2010, the Class and Underlying Fund have no significant exposure to currency risk.

Fair Value of Financial Instruments

The tables below indicate the inputs used in valuing the Class's financial instruments carried at fair value.

as at June 30, 2011

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Fund	$ 6,229	$ -	$ -	$ 6,229
Financial Assets	6,229	-	-	6,229
Financial liabilities				
Financial Liabilities	-	-	-	-
Financial Assets and Liabilities, Net	$ 6,229	$ -	$ -	$ 6,229

as at June 30, 2010

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Fund	$ 8,840	$ -	$ -	$ 8,840
Financial Assets	8,840	-	-	8,840
Financial liabilities				
Financial Liabilities	-	-	-	-
Financial Assets and Liabilities, Net	$ 8,840	$ -	$ -	$ 8,840

(i) Quoted prices in active markets for identical assets
(ii) Significant other observable inputs
(iii) Significant unobservable inputs

See accompanying notes which are an integral part of the financial statements.

Russell Money Market Class

Financial statements

Thousands of dollars except per share amounts

Financial statements – supplementary schedules

Schedule of Class Share Transactions (Note 3)

for the periods ended June 30,

	2011	2010
Series B Shares		
Shares Beginning of Period	865,647	294,255
Shares Issued for Cash	1,779,523	989,048
Shares Issued for Reinvestment of Dividends and Distributions	-	-
Shares Redeemed	(2,248,801)	(417,656)
Shares Outstanding	396,369	865,647
Series E Shares		
Shares Beginning of Period	10	-
Shares Issued for Cash	15,540	10
Shares Issued for Reinvestment of Dividends and Distributions	-	-
Shares Redeemed	-	-
Shares Outstanding	15,550	10
Series F Shares		
Shares Beginning of Period	231,106	6,912
Shares Issued for Cash	223,079	574,594
Shares Issued for Reinvestment of Dividends and Distributions	-	-
Shares Redeemed	(245,431)	(350,400)
Shares Outstanding	208,754	231,106

Schedule of Fees (Note 5)

as at June 30,

	2011
Annual management fee rate	%
Series B	0.65
Series E	0.50
Series F	0.50

See accompanying notes which are an integral part of the financial statements.

Russell Income Essentials Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Statements of Net Assets

As at	June 30, 2011	June 30, 2010
Assets		
Investments at fair value	$ 163,490	$ 71,797
Cash	68	151
Receivable for capital shares issued	3,438	1,176
Capital tax reimbursement receivable (Note 4)	-	83
Reimbursement receivable (Note 5)	-	48
Unrealized appreciation on foreign currency exchange spot contracts	-	116
Total assets	166,996	73,371
Liabilities		
Payable for capital shares redeemed	194	79
Management fee payable	177	84
Capital tax payable	-	83
Accrued expenses	15	11
Unrealized depreciation on forward foreign currency exchange contracts	-	106
Unrealized deppreciation on foreign currency exchange spot contracts	-	138
Total liabilities	386	501
Net assets representing shareholders' equity	$ 166,610	$ 72,870
Net assets per series (see Schedule of Class Share Transactions)		
Series B	$ 70,882	$ 29,770
Series E	3,163	11
Series E-5	1,704	400
Series E-6	-	-
Series E-7	1,178	-
Series F	24,794	10,311
Series F-5	13,242	8,618
Series F-6	4,286	1,619
Series F-7	2,487	3,024
Series I-5	34,710	13,359
Series I-6	4,379	2,479
Series I-7	$ 5,785	$ 3,279
Net assets per share		
Series B	$ 12.35	$ 11.60
Series E	11.46	10.74
Series E-5	10.75	10.58
Series E-6	10.46	10.41
Series E-7	10.35	10.37
Series F	12.70	11.80
Series F-5	83.66	81.70
Series F-6	82.04	80.84
Series F-7	79.17	78.88
Series I-5	81.31	80.25
Series I-6	78.87	78.71
Series I-7	$ 76.77	$ 77.43

Approved by the Board of Directors of Russell Investments Corporate Class Inc.

Director   Director

Statements of Operations

For the periods ended June 30,	2011	2010
Investment income		
Income distributions from Underlying Funds	$ 4,513	$ 1,908
Futures contracts	-	-
Forward foreign currency exchange contracts	721	-
Total investment income (loss)	5,234	1,908
Expenses		
Management fees	1,905	584
Custodian fees	40	36
Legal fees	8	2
Audit fees	11	2
Transfer agent	30	14
Registration and other filing fees	7	3
Directors' fees	-	7
Independent review committee	-	1
Securityholder reporting costs	41	23
Capital Tax	-	83
Total expenses	2,042	755
Capital Tax absorbed by the Manager (Note 4)	-	(83)
Expense reimbursement (Note 5)	-	(48)
Expenses, net	2,042	624
Net investment income (loss)	3,192	1,284
Net realized and unrealized gain (loss)		
Net realized gain (loss) on:		
Investments	510	397
Foreign currency-related transactions	(24)	149
	486	546
Net change in unrealized appreciation (depreciation) on:		
Investments	4,888	22
Forward foreign currency exchange contracts	126	(82)
	5,014	(60)
Net realized and unrealized gain (loss)	5,500	486
Net increase (decrease) in net assets from operations	$ 8,692	$ 1,770
Increase (decrease) in net assets from operations per Series		
Series B	$ 3,400	$ 365
Series E	39	-
Series E-5	46	1
Series E-6	7	-
Series E-7	14	-
Series F	1,538	365
Series F-5	1,020	355
Series F-6	203	21
Series F-7	221	198
Series I-5	1,560	249
Series I-6	259	125
Series I-7	$ 385	$ 91
Increase (decrease) in net assets from operations per share*		
Series B	$ 0.83	$ 0.30
Series E	0.49	-
Series E-5	0.74	0.07
Series E-6	0.48	-
Series E-7	0.33	-
Series F	0.98	0.64
Series F-5	7.17	4.71
Series F-6	7.11	2.45
Series F-7	8.02	5.82
Series I-5	5.51	2.90
Series I-6	5.91	5.13
Series I-7	$ 6.12	$ 4.05

*Based on the weighted average number of shares outstanding during the period.

See accompanying notes which are an integral part of the financial statements.

Russell Income Essentials Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Statements of Changes in Net Assets

For the periods ended June 30,	2011	2010
Net Assets beginning of period		
Series B	$ 29,770	$ 3,916
Series E	11	-
Series E-5	400	-
Series E-6	-	-
Series E-7	-	-
Series F	10,311	3,628
Series F-5	8,618	2,800
Series F-6	1,619	-
Series F-7	3,024	1,837
Series I-5	13,359	2,075
Series I-6	2,479	755
Series I-7	3,279	712
	72,870	15,723
Increase (decrease) in net assets from operations		
Series B	3,400	365
Series E	39	-
Series E-5	46	1
Series E-6	7	-
Series E-7	14	-
Series F	1,538	365
Series F-5	1,020	355
Series F-6	203	21
Series F-7	221	198
Series I-5	1,560	249
Series I-6	259	125
Series I-7	385	91
	8,692	1,770
Dividends and distributions		
Dividends		
Series B	(79)	-
Series E	(2)	-
Series E-5	(2)	-
Series E-6	-	-
Series E-7	(1)	-
Series F	(29)	-
Series F-5	(15)	-
Series F-6	(5)	-
Series F-7	(3)	-
Series I-5	(39)	-
Series I-6	(5)	-
Series I-7	(6)	-
	(186)	-
Capital Gains		
Series B	(684)	-
Series E	-	-
Series E-5	(9)	-
Series E-6	-	-
Series E-7	-	-
Series F	(222)	-
Series F-5	(190)	-
Series F-6	(39)	-
Series F-7	(63)	-
Series I-5	(313)	-
Series I-6	(56)	-
Series I-7	(82)	-
	(1,658)	-

Statements of Changes in Net Assets *(cont'd)*

For the periods ended June 30,	2011	2010
Return of Capital		
Series B	$ -	$ -
Series E	-	-
Series E-5	(37)	(7)
Series E-6	(9)	-
Series E-7	(36)	-
Series F	-	-
Series F-5	(602)	(320)
Series F-6	(147)	(43)
Series F-7	(157)	(189)
Series I-5	(1,185)	(359)
Series I-6	(215)	(117)
Series I-7	(353)	(129)
	(2,741)	(1,164)
Net decrease in net assets from dividends and distributions	(4,585)	(1,164)
Capital share transactions		
Proceeds:		
From shares issued		
Series B	53,116	26,913
Series E	3,884	11
Series E-5	1,305	406
Series E-6	200	-
Series E-7	1,809	-
Series F	18,856	7,425
Series F-5	6,728	6,838
Series F-6	2,667	1,607
Series F-7	2,097	3,456
Series I-5	26,109	11,807
Series I-6	2,311	1,815
Series I-7	3,667	3,092
	122,749	63,370
From reinvestment of dividends and distributions		
Series B	740	-
Series E	3	-
Series E-5	2	-
Series E-6	9	-
Series E-7	6	-
Series F	252	-
Series F-5	148	48
Series F-6	83	39
Series F-7	60	113
Series I-5	409	123
Series I-6	58	17
Series I-7	80	39
	1,850	379

See accompanying notes which are an integral part of the financial statements.

Russell Income Essentials Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Statements of Changes in Net Assets *(cont'd)*

For the periods ended June 30,	2011	2010
Redemption of shares		
Series B	(15,381)	(1,424)
Series E	(772)	-
Series E-5	(1)	-
Series E-6	(207)	-
Series E-7	(614)	-
Series F	(5,912)	(1,107)
Series F-5	(2,465)	(1,103)
Series F-6	(95)	(5)
Series F-7	(2,692)	(2,391)
Series I-5	(5,190)	(536)
Series I-6	(452)	(116)
Series I-7	(1,185)	(526)
	(34,966)	(7,208)
Net increase (decrease) in net assets from Capital share transactions	89,633	56,541
Total net increase (decrease) in net assets	93,740	57,147
Net assets end of period		
Series B	$ 70,882	$ 29,770
Series E	3,163	11
Series E-5	1,704	400
Series E-6	-	-
Series E-7	1,178	-
Series F	24,794	10,311
Series F-5	13,242	8,618
Series F-6	4,286	1,619
Series F-7	2,487	3,024
Series I-5	34,710	13,359
Series I-6	4,379	2,479
Series I-7	5,785	3,279
	$ 166,610	$ 72,870

Statement of Investment Portfolio

as at June 30, 2011

Number of Units		Average Cost (000) $	Fair Value (000) $
	Underlying Funds – 98.1%		
	Domestic Equities – 12.2%		
1,629,417	Russell Canadian Dividend Pool, Series 'O' Units	18,879	20,287
	International Equities – 24.1%		
1,114,625	Russell Global Equity Pool, Series 'O' Units	11,784	13,139
1,014,622	Russell Overseas Equity Pool, Series 'O' Units	11,165	12,260
1,310,206	Russell US Equity Pool, Series 'O' Units	13,329	14,811
		36,278	40,210
	Domestic Fixed Income – 61.8%		
4,996,608	Russell Core Plus Fixed Income Pool, Series 'O' Units	50,377	50,535
5,039,934	Russell Fixed Income Pool, Series 'O' Units	52,241	52,458
		102,618	102,993
	Total Investments – 98.1%	157,775	163,490
	Other Assets and Liabilities, Net – 1.9%		3,120
	Net Assets – 100.0%		166,610

Summary of Investment Portfolio

All portfolio categories are included in the following table:

	Percentage of Net Assets (%)	
Portfolio by Category	**As at June 30, 2011**	**As at June 30, 2010**
Domestic Equities	12.2	10.6
International Equities	24.1	22.8
Domestic Fixed Income	61.8	65.1
Other Assets and Liabilities, Net	1.9	1.5
	100.0	100.0

See accompanying notes which are an integral part of the financial statements.

Russell Income Essentials Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Class specific financial instruments risks (note 8)

as at June 30, 2011 and 2010

Financial Instrument Risks

The Class may be exposed to a variety of financial risks: credit risk, liquidity risk and market price risk (including interest rate risk, currency risk and other price risk). The value of investments within the Underlying Funds' holdings can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, and market and company news related to specific securities within the Underlying Funds.

Other Price Risk

The impact on net assets of the Class due to a 5% change in the Benchmark*, using historical correlation between the Class' return compared to the return of the Class' Benchmark, with all other variables held constant, is approximately $9.2 million as at June 30, 2011 and approximately $3.9 million as at June 30, 2010. Regression analysis has been utilized to estimate the historical correlation. The analysis uses data based on the monthly net returns of the Series B shares of the Class since the creation date and assumes that short-term interest rates were constant throughout this period. The returns of the other series of the Class are substantially similar to that of the Series B shares and any difference is attributed to the difference in expense structure. The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

* The benchmark as of June 30, 2011 is comprised of 12% S&P/TSX Capped Composite Index, 65% DEX Universe Bond Index and 23% Russell Developed Large Cap Index Net. A portion of the Class's benchmark was changed from MSCI World Index to Russell Developed Large Cap Index on December 31, 2010. Historical performance prior to December 31, 2010 is linked to the MSCI World Index calculated with net dividends invested daily.

Credit Risk

As at June 30, 2011 and 2010, the Class had no direct investments in debt securities. As at June 30, 2011, the Class has no direct exposure to derivative contracts. As at June 30, 2010, all counterparties to derivative contracts had a credit rating of A1 or higher. As at June 30, 2011 and 2010, the Class was also exposed to indirect credit risk in the event that the Underlying Funds invest in debt instruments and derivatives.

Liquidity Risk

As at June 30, 2011 and 2010, the Class's exposure to liquidity risk is minimal.

Interest Rate Risk

As at June 30, 2011 and 2010, the Class has no significant direct exposure to interest rate risk. The Class is exposed to indirect interest rate risk in the event that the Underlying Funds invest in interest-bearing financial instruments.

Currency Risk

As at June 30, 2011, the Class's direct exposure to currency risk was not significant. The table below indicates the currencies to which the Class had exposure as at June 30, 2010, on its trading monetary, non-monetary assets and liabilities as well as the underlying principal amount of forward currency contracts.

as at June 30, 2010

Currency	Currency Risk Exposed Holdings (including derivatives)*	Forward Foreign Currency Exchange Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	$ -	$ (8,979)	$ (8,979)	(12.32)

* Amounts include monetary and non-monetary items.

As at June 30, 2011, the Class was exposed to indirect, unhedged currency risk through its holdings in Underlying Funds. As at June 30, 2010, the Class was exposed to indirect U.S. dollar exposure of $8.5 million, from holdings in the Russell US Equity Pool and Russell Global Equity Pool. By entering into the forward foreign currency exchange contracts, the Class effectively reduced this indirect U.S. dollar exposure to -$14 thousand or -0.10% of the net assets as at June 30, 2010. Had the Canadian dollar strengthened or weakened by 5% in relation to this net U.S. dollar exposure, with all other variables held constant, the estimated net assets would have decreased or increased, by approximately $25 thousand as at June 30, 2010. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Fair Value of Financial Instruments

The tables below indicate the inputs used in valuing the Class's financial instruments carried at fair value.

as at June 30, 2011

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Funds	$ 163,490	$ -	$ -	$ 163,490
Currency Forward and Spot Contracts	-	-	-	-
Financial Assets	163,490	-	-	163,490
Financial Liabilities				
Currency Forward and Spot Contracts	-	-	-	-
Financial Liabilities	-	-	-	-
Financial Assets and Liabilities, Net	$ 163,490	$ -	$ -	$ 163,490

as at June 30, 2010

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Funds	$ 71,797	$ -	$ -	$ 71,797
Currency Forward and Spot Contracts	-	116	-	116
Financial Assets	71,797	116	-	71,913
Financial Liabilities				
Currency Forward and Spot Contracts	-	(244)	-	(244)
Financial Liabilities	-	(244)	-	(244)
Financial Assets and Liabilities, Net	$ 71,797	$ (128)	$ -	$ 71,669

(i) Quoted prices in active markets for identical assets
(ii) Significant other observable inputs
(iii) Significant unobservable inputs

See accompanying notes which are an integral part of the financial statements.

Russell Income Essentials Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Financial statements – supplementary schedules

Schedule of Class Share Transactions (Note 3)

for the periods ended June 30,

	2011	2010
Series B Shares		
Shares Beginning of Period	2,567,377	364,612
Shares Issued for Cash	4,371,712	2,325,295
Shares Issued for Reinvestment of Dividends and Distributions	63,416	-
Shares Redeemed	(1,263,468)	(122,530)
Shares Outstanding	5,739,037	2,567,377
Series E Shares		
Shares Beginning of Period	1,055	-
Shares Issued for Cash	343,073	1,055
Shares Issued for Reinvestment of Dividends and Distributions	237	-
Shares Redeemed	(68,448)	-
Shares Outstanding	275,917	1,055
Series E-5 Shares		
Shares Beginning of Period	37,773	-
Shares Issued for Cash	120,616	37,773
Shares Issued for Reinvestment of Dividends and Distributions	183	-
Shares Redeemed	(54)	-
Shares Outstanding	158,518	37,773
Series E-6 Shares		
Shares Beginning of Period	10	-
Shares Issued for Cash	18,869	10
Shares Issued for Reinvestment of Dividends and Distributions	837	-
Shares Redeemed	(19,705)	-
Shares Outstanding	11	10
Series E-7 Shares		
Shares Beginning of Period	10	-
Shares Issued for Cash	171,850	10
Shares Issued for Reinvestment of Dividends and Distributions	601	-
Shares Redeemed	(58,645)	-
Shares Outstanding	113,816	10
Series F Shares		
Shares Beginning of Period	873,845	335,445
Shares Issued for Cash	1,529,598	634,193
Shares Issued for Reinvestment of Dividends and Distributions	21,178	44
Shares Redeemed	(473,006)	(95,837)
Shares Outstanding	1,951,615	873,845
Series F-5 Shares		
Shares Beginning of Period	105,489	35,610
Shares Issued for Cash	80,368	82,564
Shares Issued for Reinvestment of Dividends and Distributions	1,783	581
Shares Redeemed	(29,359)	(13,266)
Shares Outstanding	158,281	105,489

Financial statements – supplementary schedules *(cont'd)*

Schedule of Class Share Transactions (Note 3)

for the periods ended June 30,

	2011	2010
Series F-6 Shares		
Shares Beginning of Period	20,026	1
Shares Issued for Cash	32,355	19,612
Shares Issued for Reinvestment of Dividends and Distributions	1,011	469
Shares Redeemed	(1,156)	(56)
Shares Outstanding	52,236	20,026
Series F-7 Shares		
Shares Beginning of Period	38,337	23,738
Shares Issued for Cash	26,250	42,597
Shares Issued for Reinvestment of Dividends and Distributions	755	1,410
Shares Redeemed	(33,929)	(29,408)
Shares Outstanding	31,413	38,337
Series I-5 Shares		
Shares Beginning of Period	166,460	26,589
Shares Issued for Cash	318,973	144,903
Shares Issued for Reinvestment of Dividends and Distributions	5,027	1,508
Shares Redeemed	(63,544)	(6,540)
Shares Outstanding	426,916	166,460
Series I-6 Shares		
Shares Beginning of Period	31,496	9,769
Shares Issued for Cash	28,959	22,963
Shares Issued for Reinvestment of Dividends and Distributions	727	206
Shares Redeemed	(5,661)	(1,442)
Shares Outstanding	55,521	31,496
Series I-7 Shares		
Shares Beginning of Period	42,347	9,269
Shares Issued for Cash	47,181	39,231
Shares Issued for Reinvestment of Dividends and Distributions	1,035	497
Shares Redeemed	(15,198)	(6,650)
Shares Outstanding	75,365	42,347

Schedule of Fees (Note 5)

as at June 30,

	2011
Annual management fee rate	%
Series B	1.75
Series E	1.50
Series E-5	1.50
Series E-6	1.50
Series E-7	1.50
Series F	0.75
Series F-5	0.75
Series F-6	0.75
Series F-7	0.75
Series I-5	1.75
Series I-6	1.75
Series I-7	1.75

See accompanying notes which are an integral part of the financial statements.

Russell Diversified Monthly Income Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Statements of Net Assets

As at		June 30, 2011		June 30, 2010
Assets				
Investments at fair value	$	182,664	$	139,497
Cash		127		1
Receivable for capital shares issued		1,582		929
Capital tax reimbursement receivable (Note 4)		-		158
Reimbursement receivable (Note 5)		-		-
Unrealized appreciation on foreign currency exchange spot contracts		-		381
Total assets		184,373		140,966
Liabilities				
Payable for capital shares redeemed		321		1,122
Management fee payable		180		184
Capital tax payable		-		158
Accrued expenses		8		21
Unrealized depreciation on forward foreign currency exchange contracts		-		351
Unrealized deppreciation on foreign currency exchange spot contracts		-		435
Total liabilities		509		2,271
Net assets representing shareholders' equity	$	183,864	$	138,695
Net assets per series (see Schedule of Class Share Transactions)				
Series B	$	61,468	$	31,622
Series E		323		132
Series E-5		4,000		337
Series E-7		677		30
Series F		15,856		14,106
Series F-5		12,370		10,956
Series F-7		14,362		16,962
Series I-5		36,222		28,272
Series I-7	$	38,586	$	36,278
Net assets per share				
Series B	$	12.84	$	11.44
Series E		12.08		10.72
Series E-5		11.18		10.48
Series E-7		10.93		10.42
Series F		13.21		11.64
Series F-5		87.27		80.85
Series F-7		81.95		77.49
Series I-5		84.06		78.77
Series I-7	$	79.62	$	76.18

Approved by the Board of Directors of Russell Investments Corporate Class Inc.

Director Director

Statements of Operations

For the periods ended June 30,		2011		2010
Investment income				
Income distributions from Underlying Funds	$	3,659	$	3,401
Futures contracts		-		-
Forward foreign currency exchange contracts		1,789		-
Other income		(6)		-
Total investment income (loss)		5,442		3,401
Expenses				
Management fees		2,746		1,920
Custodian fees		33		36
Legal fees		11		7
Audit fees		21		9
Transfer agent		43		34
Registration and other filing fees		12		8
Directors' fees		-		7
Independent review committee fees		-		1
Securityholder reporting costs		48		95
Capital Tax		-		158
Total expenses		2,914		2,275
Capital Tax absorbed by the Manager (Note 4)		-		(158)
Expense reimbursement (Note 5)		-		-
Expenses, net		2,914		2,117
Net investment income (loss)		2,528		1,284
Net realized and unrealized gain (loss)				
Net realized gain (loss) on:				
Investments		5,122		1,042
Foreign currency-related transactions		(24)		1,293
		5,098		2,335
Net change in unrealized appreciation (depreciation) on:				
Investments		11,838		2,888
Forward foreign currency exchange contracts		403		27
		12,241		2,915
Net realized and unrealized gain (loss)		17,339		5,250
Net increase (decrease) in net assets from operations	$	19,867	$	6,534
Increase (decrease) in net assets from operations per Series				
Series B	$	5,117	$	963
Series E		27		(1)
Series E-5		109		(5)
Series E-7		73		(26)
Series F		1,975		857
Series F-5		1,648		502
Series F-7		2,112		1,040
Series I-5		3,933		1,033
Series I-7	$	4,873	$	2,171
Increase (decrease) in net assets from operations per share*				
Series B	$	1.35	$	0.44
Series E		1.31		(0.11)
Series E-5		0.56		(1.71)
Series E-7		1.29		(6.96)
Series F		1.75		0.79
Series F-5		12.01		4.33
Series F-7		11.82		5.39
Series I-5		10.14		3.61
Series I-7	$	10.30	$	4.96

*Based on the weighted average number of shares outstanding during the period.

See accompanying notes which are an integral part of the financial statements.

Russell Diversified Monthly Income Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Statements of Changes in Net Assets

For the periods ended June 30,	2011	2010
Net Assets beginning of period		
Series B	$ 31,622	$ 13,877
Series E	132	-
Series E-5	337	-
Series E-7	30	-
Series F	14,106	9,392
Series F-5	10,956	7,039
Series F-7	16,962	11,022
Series I-5	28,272	15,062
Series I-7	36,278	27,921
	138,695	84,313
Increase (decrease) in net assets from operations		
Series B	5,117	963
Series E	27	(1)
Series E-5	109	(5)
Series E-7	73	(26)
Series F	1,975	857
Series F-5	1,648	502
Series F-7	2,112	1,040
Series I-5	3,933	1,033
Series I-7	4,873	2,171
	19,867	6,534
Dividends and distributions		
Dividends		-
Series B	(62)	-
Series E	-	-
Series E-5	(4)	-
Series E-7	(1)	-
Series F	(17)	-
Series F-5	(12)	-
Series F-7	(15)	-
Series I-5	(38)	-
Series I-7	(41)	-
	(190)	-
Capital Gains		
Series B	(487)	-
Series E	(3)	-
Series E-5	(5)	-
Series E-7	(5)	-
Series F	(187)	-
Series F-5	(169)	-
Series F-7	(233)	-
Series I-5	(427)	-
Series I-7	(548)	-
	(2,064)	-
Return of Capital		
Series B	-	-
Series E	-	-
Series E-5	(121)	(2)
Series E-7	(46)	(1)
Series F	-	-
Series F-5	(599)	(480)
Series F-7	(1,035)	(1,072)
Series I-5	(1,660)	(1,158)
Series I-7	(2,726)	(2,438)
	(6,187)	(5,151)
Net increase (decrease) in net assets from dividends and distributions	(8,441)	(5,151)

Statements of Changes in Net Assets *(cont'd)*

For the periods ended June 30,	2011	2010
Capital share transactions		
Proceeds:		
From shares issued		
Series B	$ 34,376	$ 27,045
Series E	251	150
Series E-5	3,554	342
Series E-7	625	1,039
Series F	4,912	7,979
Series F-5	5,128	8,268
Series F-7	4,312	13,380
Series I-5	14,879	20,044
Series I-7	10,839	16,428
	78,876	94,675
From reinvestment of dividends and distributions		
Series B	542	-
Series E	3	-
Series E-5	130	2
Series E-7	3	1
Series F	200	-
Series F-5	250	161
Series F-7	499	504
Series I-5	884	572
Series I-7	941	793
	3,452	2,033
Redemption of shares		
Series B	(9,640)	(10,263)
Series E	(87)	(17)
Series E-5	-	-
Series E-7	(2)	(983)
Series F	(5,133)	(4,122)
Series F-5	(4,832)	(4,534)
Series F-7	(8,240)	(7,912)
Series I-5	(9,621)	(7,281)
Series I-7	(11,030)	(8,597)
	(48,585)	(43,709)
Net increase (decrease) in net assets from Capital share transactions	33,743	52,999
Total net increase (decrease) in net assets	45,169	54,382
Net assets end of period		
Series B	$ 61,468	$ 31,622
Series E	323	132
Series E-5	4,000	337
Series E-7	677	30
Series F	15,856	14,106
Series F-5	12,370	10,956
Series F-7	14,362	16,962
Series I-5	36,222	28,272
Series I-7	38,586	36,278
	$ 183,864	$ 138,695

See accompanying notes which are an integral part of the financial statements.

Russell Diversified Monthly Income Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Statement of Investment Portfolio

as at June 30, 2011

Number of Units		Average Cost (000) $	Fair Value (000) $
	Underlying Funds – 99.3%		
	Domestic Equities – 21.7%		
2,559,379	Russell Canadian Equity Pool, Series 'O' Units	27,479	35,728
394156	Russell Smaller Companies Pool, Series 'O' Units	3,945	4,137
		31,424	39,865
	International Equities – 40.0%		
207,613	Russell Emerging Markets Equity Pool, Series 'O' Units	4,615	4,485
1,512,662	Russell Global Equity Pool, Series 'O' Units	14,741	17,831
1,954,397	Russell Overseas Equity Pool, Series 'O' Units	20,234	23,615
2,459,632	Russell US Equity Pool, Series 'O' Units	23,118	27,805
		62,708	73,736
	Domestic Fixed Income – 37.6%		
3,343,087	Russell Core Plus Fixed Income Pool, Series 'O' Units	32,748	33,811
3,386,843	Russell Fixed Income Pool, Series 'O' Units	34,317	35,252
		67,065	69,063
	Total Investments – 99.3%	161,197	182,664
	Other Assets and Liabilities, Net – 0.7%		1,200
	Net Assets – 100.0%		183,864

Summary of Investment Portfolio

All portfolio categories are included in the following table:

	Percentage of Net Assets (%)	
Portfolio by Category*	**As at June 30, 2011**	**As at June 30, 2010**
Domestic Equities	21.7	20.4
International Equities	40.0	39.9
Domestic Fixed Income	37.6	40.3
Other Assets and Liabilities, Net	0.7	(0.6)
	100.0	100.0

See accompanying notes which are an integral part of the financial statements.

Thousands of dollars except per share amounts

Class specific financial instruments risks (note 8)

as at June 30, 2011 and 2010

Financial Instrument Risks

The Class may be exposed to a variety of financial risks: credit risk, liquidity risk and market price risk (including interest rate risk, currency risk and other price risk). The value of investments within the Underlying Funds' holdings can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, and market and company news related to specific securities within the Underlying Funds.

Other Price Risk

The impact on net assets of the Class due to a 5% change in the Benchmark*, using historical correlation between the Class's return as compared to the return of the Class's Benchmark, with all other variables held constant, is approximately $10.2 million as at June 30, 2011 and approximately $7.2 million as at June 30, 2010. Regression analysis has been utilized to estimate the historical correlation. The analysis uses data based on the monthly net returns of the Series B shares of the Class since the creation date and assumes that short-term interest rates were constant throughout this period. The returns of the other series of the Class are substantially similar to that of the Series B shares and any difference is attributed to the difference in expense structure. The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

* The benchmark as of June 30, 2011 is comprised of 20% S&P/TSX Capped Composite Index, 40% DEX Universe Bond Index and 40% Russell Developed Large Cap Index Net. A portion of the Class's benchmark was changed from MSCI World Index to Russell Developed Large Cap Index on December 31, 2010. Historical performance prior to December 31, 2010 is linked to the MSCI World Index calculated with net dividends invested daily.

Credit Risk

As at June 30, 2011 and 2010, the Class had no direct investments in debt securities. As at June 30, 2011, the Class has no direct exposure to derivative contracts. As at June 30, 2010, all counterparties to derivative contracts had a credit rating of A1 or higher. As at June 30, 2011 and 2010, the Class was also exposed to indirect credit risk in the event that the Underlying Funds invest in debt instruments and derivatives.

Liquidity Risk

As at June 30, 2011 and 2010, the Class's exposure to liquidity risk is minimal.

Interest Rate Risk

As at June 30, 2011 and 2010, the Class has no significant direct exposure to interest rate risk. The Class is exposed to indirect interest rate risk in the event that the Underlying Funds invest in interest-bearing financial instruments.

Currency Risk

As at June 30, 2011, the Class's direct exposure to currency risk was not significant. The table below indicates the currencies to which the Class had exposure as at June 30, 2010, on its trading monetary, non-monetary assets and liabilities as well as the underlying principal amount of forward currency contracts.

as at June 30, 2010

Currency	Currency Risk Exposed Holdings (including derivatives)*	Forward Foreign Currency Exchange Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	$ -	$ (29,857)	$ (29,857)	(21.53)

* Amounts include monetary and non-monetary items.

As at June 30, 2011, the Class was exposed to indirect, unhedged currency risk through its holdings in Underlying Funds. As at June 30, 2010, the Class was exposed to indirect U.S. dollar exposure of $28.7 million from holdings in the Russell US Equity Pool and Russell Global Equity Pool. By entering into the forward foreign currency exchange contracts, the Class effectively reduced this indirect U.S. dollar exposure to -$1.2 million or -0.9% of the net assets as at June 30, 2010. Had the Canadian dollar strengthened or weakened by 5% in relation to this net U. S. dollar exposure, with all other variables held constant, the estimated net assets would have decreased or increased, by approximately $60 thousand as at June 30, 2010. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Fair Value of Financial Instruments

The tables below indicate the inputs used in valuing the Class's financial instruments carried at fair value.

as at June 30, 2011

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Funds	$ 182,664	$ -	$ -	$ 182,664
Currency Forward and Spot Contracts	-	-	-	-
Financial Assets	182,664	-	-	182,664
Financial Liabilities				
Currency Forward and Spot Contracts	-	-	-	-
Financial Liabilities	-	-	-	-
Financial Assets and Liabilities, Net	$ 182,664	$ -	$ -	$ 182,664

as at June 30, 2010

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Funds	139,497	$ -	$ -	$ 139,497
Currency Forward and Spot Contracts	-	381	-	381
Financial Assets	139,497	381	-	139,878
Financial Liabilities				
Currency Forward and Spot Contracts	-	(786)	-	(786)
Financial Liabilities	-	(786)	-	(786)
Financial Assets and Liabilities, Net	$ 139,497	$ (405)	$ -	$ 139,092

(i) Quoted prices in active markets for identical assets
(ii) Significant other observable inputs
(iii) Significant unobservable inputs

See accompanying notes which are an integral part of the financial statements.

Thousands of dollars except per share amounts

Financial statements – supplementary schedules

Schedule of Class Share Transactions (Note 3)

for the periods ended June 30,

	2011	2010
Series B Shares		
Shares Beginning of Period	2,765,028	1,308,032
Shares Issued for Cash	2,750,267	2,335,797
Shares Issued for Reinvestment of Dividends and Distributions	46,000	-
Shares Redeemed	(775,471)	(878,801)
Shares Outstanding	4,785,824	2,765,028
Series E Shares		
Shares Beginning of Period	12,264	-
Shares Issued for Cash	21,423	13,832
Shares Issued for Reinvestment of Dividends and Distributions	278	-
Shares Redeemed	(7,252)	(1,568)
Shares Outstanding	26,713	12,264
Series E-5 Shares		
Shares Beginning of Period	32,132	-
Shares Issued for Cash	313,970	31,982
Shares Issued for Reinvestment of Dividends and Distributions	11,545	150
Shares Redeemed	-	-
Shares Outstanding	357,647	32,132
Series E-7 Shares		
Shares Beginning of Period	2,923	-
Shares Issued for Cash	58,941	93,406
Shares Issued for Reinvestment of Dividends and Distributions	258	98
Shares Redeemed	(174)	(90,581)
Shares Outstanding	61,948	2,923
Series F Shares		
Shares Beginning of Period	1,212,319	879,365
Shares Issued for Cash	382,338	679,884
Shares Issued for Reinvestment of Dividends and Distributions	16,686	413
Shares Redeemed	(410,991)	(347,343)
Shares Outstanding	1,200,352	1,212,319
Series F-5 Shares		
Shares Beginning of Period	135,511	90,383
Shares Issued for Cash	58,881	97,815
Shares Issued for Reinvestment of Dividends and Distributions	2,910	1,921
Shares Redeemed	(55,556)	(54,608)
Shares Outstanding	141,746	135,511

Financial statements – supplementary schedules *(cont'd)*

Schedule of Class Share Transactions (Note 3)

for the periods ended June 30,

	2011	2010
Series F-7 Shares		
Shares Beginning of Period	218,906	144,877
Shares Issued for Cash	52,572	165,232
Shares Issued for Reinvestment of Dividends and Distributions	6,125	6,223
Shares Redeemed	(102,355)	(97,426)
Shares Outstanding	175,248	218,906
Series I-5 Shares		
Shares Beginning of Period	358,945	196,442
Shares Issued for Cash	176,085	244,364
Shares Issued for Reinvestment of Dividends and Distributions	10,613	6,975
Shares Redeemed	(114,724)	(88,836)
Shares Outstanding	430,919	358,945
Series I-7 Shares		
Shares Beginning of Period	476,191	368,897
Shares Issued for Cash	134,809	204,214
Shares Issued for Reinvestment of Dividends and Distributions	11,808	9,920
Shares Redeemed	(138,203)	(106,840)
Shares Outstanding	484,605	476,191

Schedule of Fees (Note 5)

as at June 30,

	2011
Annual management fee rate	%
Series B	1.80
Series E	1.55
Series E-5	1.55
Series E-7	1.55
Series F	0.80
Series F-5	0.80
Series F-7	0.80
Series I-5	1.80
Series I-7	1.80

See accompanying notes which are an integral part of the financial statements.

Russell Enhanced Canadian Growth & Income Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Statements of Net Assets

As at		June 30, 2011		June 30, 2010
Assets				
Investments at fair value	$	25,914	$	4,651
Cash		-		317
Receivable for capital shares issued		437		25
Capital tax reimbursement receivable (Note 4)		-		6
Reimbursement receivable (Note 5)		26		9
Total assets		26,377		5,008
Liabilities				
Payable for capital shares redeemed		8		35
Management fee payable		25		7
Capital tax payable		-		6
Accrued expenses		8		-
Total liabilities		41		48
Net assets representing shareholders' equity	$	26,336	$	4,960
Net assets per series (see Schedule of Class Share Transactions)				
Series B	$	9,676	$	2,506
Series E		1,740		-
Series E-5		91		-
Series E-6		-		-
Series E-7		-		-
Series F		5,486		419
Series F-5		1,300		-
Series F-6		1,043		-
Series F-7		1,310		-
Series I-5		2,477		585
Series I-6		867		209
Series I-7	$	2,346	$	1,241
Net assets per share				
Series B	$	10.63	$	9.62
Series E		10.70		9.64
Series E-5		75.34		71.42
Series E-6		74.41		71.21
Series E-7		73.50		71.05
Series F		10.77		9.64
Series F-5		75.75		71.21
Series F-6		75.01		71.30
Series F-7		74.11		71.14
Series I-5		74.80		71.14
Series I-6		73.77		70.92
Series I-7	$	72.91	$	70.76

Approved by the Board of Directors of Russell Investments Corporate Class Inc.

Director Director

Statements of Operations

For the periods ended June 30,		2011		2010
Investment income				
Income distributions from Underlying Funds	$	454	$	19
Total investment income (loss)		454		19
Expenses				
Management fees		263		12
Custodian fees		18		1
Legal fees		3		-
Audit fees		1		1
Transfer agent		3		-
Registration and other filing fees		2		-
Board of directors' expense		-		-
Independent review committee fees		-		-
Securityholder reporting costs		19		8
Capital Tax		-		6
Total expenses		309		28
Capital Tax absorbed by the Manager (Note 4)		-		(6)
Expense reimbursement (Note 5)		(29)		(9)
Expenses, net		280		13
Net investment income (loss)		174		6
Net realized and unrealized gain (loss)				
Net realized gain (loss) on:				
Investments		101		-
Foreign currency-related transactions		(2)		-
		99		-
Net change in unrealized appreciation (depreciation) on:				
Investments		532		(117)
		532		(117)
Net realized and unrealized gain (loss)		631		(117)
Net increase (decrease) in net assets from operations	$	805	$	(111)
Increase (decrease) in net assets from operations per Series				
Series B	$	434	$	(50)
Series E		(36)		-
Series E-5		2		-
Series E-6		-		-
Series E-7		-		-
Series F		52		(10)
Series F-5		22		-
Series F-6		(23)		-
Series F-7		62		-
Series I-5		96		(12)
Series I-6		38		(6)
Series I-7	$	158	$	(33)
Increase (decrease) in net assets from operations per share*				
Series B	$	0.67	$	(0.46)
Series E		(0.82)		(0.33)
Series E-5		2.36		(2.51)
Series E-6		-		(2.51)
Series E-7		-		(2.51)
Series F		0.22		(0.41)
Series F-5		2.71		(2.49)
Series F-6		(4.69)		(2.41)
Series F-7		5.07		(2.41)
Series I-5		4.80		(3.57)
Series I-6		4.75		(3.23)
Series I-7	$	5.98	$	(3.12)

*Based on the weighted average number of shares outstanding during the period.

See accompanying notes which are an integral part of the financial statements.

Russell Enhanced Canadian Growth & Income Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Statements of Changes in Net Assets

For the periods ended June 30,	2011	2010
Net Assets beginning of period		
Series B	$ 2,506	$ -
Series E	-	-
Series E-5	-	-
Series E-6	-	-
Series E-7	-	-
Series F	419	-
Series F-5	-	-
Series F-6	-	-
Series F-7	-	-
Series I-5	585	-
Series I-6	209	-
Series I-7	1,241	-
	4,960	-
Increase (decrease) in net assets from operations		
Series B	434	(50)
Series E	(36)	-
Series E-5	2	-
Series E-6	-	-
Series E-7	-	-
Series F	52	(10)
Series F-5	22	-
Series F-6	(23)	-
Series F-7	62	-
Series I-5	96	(12)
Series I-6	38	(6)
Series I-7	158	(33)
	805	(111)
Dividends and distributions		
Dividends		
Series B	(30)	-
Series E	(6)	-
Series E-5	-	-
Series E-6	-	-
Series E-7	-	-
Series F	(18)	-
Series F-5	(4)	-
Series F-6	(3)	-
Series F-7	(4)	-
Series I-5	(8)	-
Series I-6	(3)	-
Series I-7	(8)	-
	(84)	-
Return of Capital		
Series B	-	-
Series E	-	-
Series E-5	(4)	-
Series E-6	-	-
Series E-7	-	-
Series F	-	-
Series F-5	(33)	-
Series F-6	(26)	-
Series F-7	(69)	-
Series I-5	(79)	(4)
Series I-6	(38)	(2)
Series I-7	(141)	(15)
	(390)	(21)
Net increase (decrease) in net assets from dividends and distributions	(474)	(21)

Statements of Changes in Net Assets *(cont'd)*

For the periods ended June 30,	2011	2010
Capital share transactions		
Proceeds:		
From shares issued		
Series B	$ 11,125	$ 2,591
Series E	1,776	-
Series E-5	96	-
Series E-6	-	-
Series E-7	-	-
Series F	5,559	429
Series F-5	1,548	-
Series F-6	1,094	-
Series F-7	1,371	-
Series I-5	3,105	598
Series I-6	918	216
Series I-7	1,372	1,292
	27,964	5,126
From reinvestment of dividends and distributions		
Series B	30	-
Series E	6	-
Series E-5	-	-
Series E-6	-	-
Series E-7	-	-
Series F	18	-
Series F-5	10	-
Series F-6	1	-
Series F-7	2	-
Series I-5	32	3
Series I-6	7	1
Series I-7	3	-
	109	4
Redemption of shares		
Series B	(4,389)	(35)
Series E	-	-
Series E-5	(3)	-
Series E-6	-	-
Series E-7	-	-
Series F	(544)	-
Series F-5	(243)	-
Series F-6	-	-
Series F-7	(52)	-
Series I-5	(1,254)	-
Series I-6	(264)	-
Series I-7	(279)	(3)
	(7,028)	(38)
Net increase (decrease) in net assets from Capital share transactions	21,045	5,092
Total net increase (decrease) in net assets	21,376	4,960
Net assets end of period		
Series B	$ 9,676	$ 2,506
Series E	1,740	-
Series E-5	91	-
Series E-6	-	-
Series E-7	-	-
Series F	5,486	419
Series F-5	1,300	-
Series F-6	1,043	-
Series F-7	1,310	-
Series I-5	2,477	585
Series I-6	867	209
Series I-7	2,346	1,241
	$ 26,336	$ 4,960

See accompanying notes which are an integral part of the financial statements.

Russell Enhanced Canadian Growth & Income Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Statement of Investment Portfolio

as at June 30, 2011

Number of Units		Average Cost (000) $	Fair Value (000) $
	Underlying Funds – 98.4%		
	Domestic Equities – 61.3%		
650,466	Russell Canadian Dividend Pool, Series 'O' Units	7,936	8,098
575,992	Russell Canadian Equity Pool, Series 'O' Units	7,795	8,041
		15,731	16,139
	International Equities – 1.8%		
78	Russell Emerging Markets Equity Pool, Series 'O' Units	2	2
242	Russell Overseas Equity Pool, Series 'O' Units	3	3
41,822	Russell US Equity Pool, Series 'O' Units	465	473
		470	478
	Domestic Fixed Income – 35.3%		
462,472	Russell Core Plus Fixed Income Pool, Series 'O' Units	4,682	4,677
443,888	Russell Fixed Income Pool, Series 'O' Units	4,615	4,620
		9,297	9,297
	Total Investments – 98.4%	25,498	25,914
	Other Assets and Liabilities, Net – 1.6%		422
	Net Assets – 100.0%		26,336

Summary of Investment Portfolio

All portfolio categories are included in the following table:

	Percentage of Net Assets (%)	
Portfolio by Category*	**As at June 30, 2011**	**As at June 30, 2010**
Domestic Equities	61.3	55.7
International Equities	1.8	1.5
Domestic Fixed Income	35.3	36.6
Other Assets and Liabilities, Net	1.6	6.2
	100.0	100.0

See accompanying notes which are an integral part of the financial statements.

Russell Enhanced Canadian Growth & Income Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Class specific financial instruments risks (note 8)

as at June 30, 2011 and 2010

Financial Instrument Risks

The Class may be exposed to a variety of financial risks: credit risk, liquidity risk and market price risk (including interest rate risk, currency risk and other price risk). The value of investments within the Underlying Funds' holdings can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, and market and company news related to specific securities within the Underlying Funds.

Other Price Risk

The impact on net assets of the Class due to a 5% change in Benchmark, using historical correlation between the Class's return as compared to the return of the Class's Benchmark, with all other variables held constant, is approximately $1.2 million as at June 30, 2011 and approximately $0.5 million as at June 30, 2010. Regression analysis has been utilized to estimate the historical correlation. The analysis uses data based on the monthly net returns of the Series B units of the Class since inception and assumes that short-term interest rates were constant throughout this period. The returns of other Series of the Class are substantially similar to that of the Series B units and any difference is attributed to the difference in expense structure. The historical correlation may not be representative of the future correlation, and accordingly the impact on net assets could be materially different.

* The benchmark is comprised of 40% DEX Universe Bond Index and 60% S&P/ TSX Capped Composite Index.

Credit Risk

As at June 30, 2011 and 2010, the Class had no direct investments in debt securities or derivative contracts. As at June 30, 2011 and 2010, the Class was also exposed to indirect credit risk in the event that the Underlying Funds invest in debt instruments and derivatives.

Liquidity Risk

As at June 30, 2011 and 2010, the Class's exposure to liquidity risk is minimal.

Interest Rate Risk

As at June 30, 2011 and 2010, the Class has no significant direct exposure to interest rate risk. The Class is exposed to indirect interest rate risk in the event that the Underlying Funds invest in interest-bearing financial instruments.

Currency Risk

As at June 30, 2011 and 2010, the Class and the Underlying Fund have no significant exposure to currency risk.

Fair Value of Financial Instruments

The tables below indicate the inputs used in valuing the Class's financial instruments carried at fair value.

as at June 30, 2011

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Funds	$ 25,914	$ -	$ -	$ 25,914
Financial Assets	25,914	-	-	25,914
Financial Liabilities				
Financial Liabilities	-	-	-	-
Financial Assets and Liabilities, Net	$ 25,914	$ -	$ -	$ 25,914

as at June 30, 2010

Classification	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Financial Assets				
Underlying Funds	$ 4,651	$ -	$ -	$ 4,651
Financial Assets	4,651	-	-	4,651
Financial Liabilities				
Financial Liabilities	-	-	-	-
Financial Assets and Liabilities, Net	$ 4,651	$ -	$ -	$ 4,651

(i) Quoted prices in active markets for identical assets
(ii) Significant other observable inputs
(iii) Significant unobservable inputs

See accompanying notes which are an integral part of the financial statements.

Russell Enhanced Canadian Growth & Income Class Portfolio

Financial statements

Thousands of dollars except per share amounts

Financial statements – supplementary schedules

Schedule of Class Share Transactions (Note 3)

for the periods ended June 30,

	2011	2010
Series B Shares		
Shares Beginning of Period	260,542	-
Shares Issued for Cash	1,057,542	264,137
Shares Issued for Reinvestment of Dividends and Distributions	2,866	-
Shares Redeemed	(410,890)	(3,595)
Shares Outstanding	910,060	260,542
Series E Shares		
Shares Beginning of Period	10	-
Shares Issued for Cash	162,106	10
Shares Issued for Reinvestment of Dividends and Distributions	553	-
Shares Redeemed	(28)	-
Shares Outstanding	162,641	10
Series E-5 Shares		
Shares Beginning of Period	1	-
Shares Issued for Cash	1,253	1
Shares Issued for Reinvestment of Dividends and Distributions	-	-
Shares Redeemed	(39)	-
Shares Outstanding	1,215	1
Series E-6 Shares		
Shares Beginning of Period	1	-
Shares Issued for Cash	-	1
Shares Issued for Reinvestment of Dividends and Distributions	-	-
Shares Redeemed	-	-
Shares Outstanding	1	1
Series E-7 Shares		
Shares Beginning of Period	1	-
Shares Issued for Cash	-	1
Shares Issued for Reinvestment of Dividends and Distributions	-	-
Shares Redeemed	-	-
Shares Outstanding	1	1
Series F Shares		
Shares Beginning of Period	43,483	-
Shares Issued for Cash	514,081	43,524
Shares Issued for Reinvestment of Dividends and Distributions	1,696	-
Shares Redeemed	(50,005)	(41)
Shares Outstanding	509,255	43,483
Series F-5 Shares		
Shares Beginning of Period	1	-
Shares Issued for Cash	20,112	1
Shares Issued for Reinvestment of Dividends and Distributions	133	-
Shares Redeemed	(3,079)	-
Shares Outstanding	17,167	1

See accompanying notes which are an integral part of the financial statements.

Financial statements – supplementary schedules *(cont'd)*

Schedule of Class Share Transactions (Note 3)

for the periods ended June 30,

	2011	2010
Series F-6 Shares		
Shares Beginning of Period	1	-
Shares Issued for Cash	13,897	1
Shares Issued for Reinvestment of Dividends and Distributions	6	-
Shares Redeemed	-	-
Shares Outstanding	13,904	1
Series F-7 Shares		
Shares Beginning of Period	1	-
Shares Issued for Cash	18,319	1
Shares Issued for Reinvestment of Dividends and Distributions	22	-
Shares Redeemed	(673)	-
Shares Outstanding	17,669	1
Series I-5 Shares		
Shares Beginning of Period	8,217	8,173
Shares Issued for Cash	40,873	44
Shares Issued for Reinvestment of Dividends and Distributions	427	-
Shares Redeemed	(16,406)	-
Shares Outstanding	33,111	8,217
Series I-6 Shares		
Shares Beginning of Period	2,946	-
Shares Issued for Cash	12,156	2,939
Shares Issued for Reinvestment of Dividends and Distributions	92	7
Shares Redeemed	(3,442)	-
Shares Outstanding	11,752	2,946
Series I-7 Shares		
Shares Beginning of Period	17,531	-
Shares Issued for Cash	18,316	17,559
Shares Issued for Reinvestment of Dividends and Distributions	44	7
Shares Redeemed	(3,718)	(35)
Shares Outstanding	32,173	17,531

Schedule of Fees (Note 5)

as at June 30,

	2011
Annual management fee rate	%
Series B	1.80
Series E	1.55
Series E-5	1.55
Series E-6	1.55
Series E-7	1.55
Series F	0.80
Series F-5	0.80
Series F-6	0.80
Series F-7	0.80
Series I-5	1.80
Series I-6	1.80
Series I-7	1.80

Russell Investments Corporate Class Inc.

Notes to Financial Statements as at June 30, 2011 and 2010

1. THE CORPORATION

Russell Investments Corporate Class Inc. (the "Corporation") is an open-ended mutual fund corporation incorporated under the laws of Canada on September 3, 2008. The Corporation has issued and has outstanding: a class of special voting shares and 16 classes of mutual fund shares.

The Corporation is authorized to issue an unlimited number of special voting shares. The special voting shares are entitled to vote at all meetings of shareholders except at meetings of a class or series of shares. Shareholders of the mutual fund shares do not have the right to vote except as required by the Canada Business Corporations Act ("CBCA") or by Canadian securities legislation.

The Corporation is authorized to issue up to 1,000 classes of mutual fund shares. As at June 30, 2011, the Corporation has issued 16 classes of mutual fund shares (the "Classes" or individually as "Class").

The names of all Classes and series and the dates they were formed are:

Russell LifePoints Class Portfolios	Series	Date of Formation*
Russell LifePoints Balanced Class Portfolio	Series B	October 27, 2008
	Series F	October 27, 2008
	Series F-6	October 27, 2008
	Series I-6	October 27, 2008
Russell LifePoints Balanced Growth Class Portfolio	Series B	October 27, 2008
	Series F	October 27, 2008
	Series F-7	October 27, 2008
	Series I-7	October 27, 2008
Russell LifePoints Long-Term Growth Class Portfolio	Series B	October 27, 2008
	Series F	October 27, 2008
Russell LifePoints All Equity Class Portfolio	Series B	October 27, 2008
	Series F	October 27, 2008
Russell Sovereign Investment Classes		
Russell Canadian Equity Class	Series B	October 27, 2008
	Series E	July 20, 2009
	Series F	October 27, 2008
Russell US Equity Class	Series B	October 27, 2008
	Series E	July 20, 2009
	Series F	October 27, 2008
Russell Overseas Equity Class	Series B	October 27, 2008
	Series E	July 20, 2009
	Series F	October 27, 2008
Russell Global Equity Class	Series B	October 27, 2008
	Series E	July 20, 2009
	Series F	October 27, 2008
Russell Emerging Markets Equity Class	Series B	October 27, 2008
	Series E	July 20, 2009
	Series F	October 27, 2008
Russell Managed Yield Class	Series B	October 27, 2008
	Series E	July 20, 2009
	Series E-3	July 20, 2010
	Series E-5	July 20, 2010
	Series F	October 27, 2008
	Series F-3	July 20, 2010
	Series F-5	July 20, 2010
	Series I-3	July 20, 2010
	Series I-5	July 20, 2010
	US Dollar Hedged Series B	April 26, 2011
	US Dollar Hedged Series F	April 26, 2011
	US Dollar Hedged Series I-5	April 26, 2011

Russell Sovereign Investment Classes (cont'd)	Series	Date of Formation*
Russell Money Market Class	Series B	October 27, 2008
	Series E	July 20, 2009
	Series F	October 27, 2008
Russell Diversified Monthly Income Class Portfolio	Series B	October 27, 2008
	Series F	October 27, 2008
	Series E	July 20, 2009
	Series E-5	July 20, 2009
	Series E-7	July 20, 2009
	Series F-5	October 27, 2008
	Series F-7	October 27, 2008
	Series I-5	October 27, 2008
	Series I-7	October 27, 2008
Russell Income Essentials Class Portfolio (Formerly Russell Retirement Essentials Class Portfolio)	Series B	October 27, 2008
	Series E	July 20, 2009
	Series E-5	July 20, 2009
	Series E-6	July 20, 2009
	Series E-7	July 20, 2009
	Series F	October 27, 2008
	Series F-5	October 27, 2008
	Series F-6	October 27, 2008
	Series F-7	October 27, 2008
	Series I-5	October 27, 2008
	Series I-6	October 27, 2008
	Series I-7	October 27, 2008
Russell Canadian Dividend Class	Series B	July 20, 2009
	Series E	July 20, 2009
	Series F	July 20, 2009
Russell Enhanced Canadian Growth & Income Class Portfolio	Series B	March 26, 2010
	Series E	March 26, 2010
	Series E-5	March 26, 2010
	Series E-6	March 26, 2010
	Series E-7	March 26, 2010
	Series F	March 26, 2010
	Series F-5	March 26, 2010
	Series F-6	March 26, 2010
	Series F-7	March 26, 2010
	Series I-5	March 26, 2010
	Series I-6	March 26, 2010
	Series I-7	March 26, 2010
Russell Smaller Companies Class	Series B	October 25, 2010
	Series E	October 25, 2010
	Series F	October 25, 2010

* The date of formation is the date of creation of the Classes and does not necessarily correspond with the date the Classes commenced operations or were offered to the public. For the date the Classes were first offered to the public, please refer to the prospectus.

Russell Investments Canada Limited ("Russell" or the "Manager") is the manager of the Classes. Russell Investments Canada Limited is a wholly-owned subsidiary of Frank Russell Company ("FRC"), which is a subsidiary of Northwestern Mutual Life Insurance Company.

All Classes, except the Russell Managed Yield Class, invest primarily in other mutual funds managed by Russell (the "Underlying Funds").

Each Class offers some or all of the series described below. Not all series are offered by each Class. Refer to the above table for a listing of the series that are offered by each Class.

Series B, I-3, I-5, I-6 and I-7 are available to all investors.

US Dollar Hedged Series B are available to all investors who invest in US dollars. US Dollar Hedged Series I-5 are available to all investors who invest in US dollars, and offers monthly distributions in US dollars.

Series E, E-3, E-5, E-6 and E-7 are available only to investors who make a large investment in the Classes and therefore have a minimum investment that is higher than the other series. Series E, E-3, E-5, E-6 and E-7 have reduced management fees.

Series F, F-3, F-5, F-6, F-7 and the US Dollar Hedged Series F are available only to investors who participate in an eligible wrap or fee-for-service program. Series F, F-3, F-5, F-6, F-7 and the US Dollar Hedged Series F have reduced management fees and do not pay trailer fees to the dealer. Instead each investor negotiates a separate, ongoing fee that is paid directly to their dealer.

The Statement of Investment Portfolio, and Schedule of Fees for each of the Classes are as at June 30, 2011. The Statements of Net Assets and Schedule of Net Assets per Share and Net Asset Value per Share are as at June 30, 2011 and 2010, where applicable. The Statements of Operations, Statements of Changes in Net Assets and Schedule of Class Share Transactions are for the periods ended June 30, 2011 and 2010, except for Classes established during either period, in which case the information provided relates to the period from date of formation to June 30, 2011 or to June 30, 2010, as applicable. The Class specific financial instruments risks for each of the Classes are as at June 30, 2011 and 2010, as applicable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"), which include estimates and assumptions by management that affect the reported amounts of assets and liabilities at the date of the financial statements and income and expenses during the reported periods. Actual results could differ from these estimates.

Financial instruments

The Classes' financial instruments include investments and derivatives at fair value, cash, dividends and interest receivable, receivable for securities sold, receivable for capital shares issues, foreign withholding tax recovered, payable for securities purchased, payable for capital shares redeemed, capital tax payable, management fee payable and accrued expenses.

Investments and derivative instruments are classified as held for trading and are carried at fair value. All other financial instruments are classified as loans and receivables or financial liabilities, as applicable, and are carried at amortized cost, which closely approximate their fair value, given its short-term nature. Refer to Note 8 for the discussion of financial instrument risks, as applicable.

Valuation of portfolio investments

The fair value of investments is determined as follows:

(a) securities listed on a public securities exchange are valued at the bid price for long positions and at the ask price for short positions on the valuation date. Securities with no available bid or ask prices are valued at the last sale prices;

(b) the value of any security or other asset for which no market quotation is readily available or for which there is no last sale price or recent bid price, is valued using valuation techniques, on such basis and in such manner established by the Manager;

(c) investments in the Underlying Funds are valued at the net asset value per unit of each Underlying Fund as of the close of regular trading on the Toronto Stock exchange; and

(d) despite the valuation practices outlined herein, if the Manager determines that such practices will not result in a fair value, the Manager, acting in good faith, may determine the fair value that might reasonably be expected to be received upon the current exchange of an asset or liability.

Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, forward fees, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs are expensed and are included in "Commissions and other portfolio transaction costs" in the Statement of Operations.

Allocation of income and expense, and realized and unrealized capital gains and losses

Management fees directly attributable to a series are charged to that series. Each Class's operating expenses, income, and realized and unrealized capital gains and losses are generally allocated proportionately to each series based upon the relative net asset value of each series.

Security transactions and income recognition

Security transactions are accounted for on the trade date (the date the order to buy or sell is executed). Realized gains and losses and unrealized appreciation or depreciation in value of investments are determined on an average cost basis. The Classes follow the accrual method for the recording of income and expenses. Dividends are recorded on the ex-dividend date, gross of any related non-recoverable foreign withholding taxes. Distribution from the Underlying Funds are recorded on the ex-distribution date.

Distribution policy

The Corporation may pay dividends annually as are necessary for the Corporation to obtain refunds of any refundable taxes. The following series (the "Distribution Series") of the applicable Class pay monthly distributions: Series E-3, E-5, E-6, E-7, F-3, F-5, F-6, F-7, I-3, I-5, I-6, I-7 and the US Dollar Hedged Series I-5. Series B, E and F of the Russell Canadian Dividend Class pay quarterly dividends. All other series pay annual distributions.

Translation of foreign currencies

Foreign currency amounts are expressed in Canadian dollars as follows:

(a) fair value of investments and other assets and liabilities at the closing rate of exchange prevailing at the period end; and

(b) purchases and sales of investment securities and dividend and interest income at the closing rate of exchange prevailing at the respective dates of such transactions.

Foreign currency exchange contracts

Foreign currency exchange spot contracts and forward foreign currency exchange contracts ("contracts") are recorded at fair value which is the gain or loss on the contract that would be realized if the position in the contract were to be closed out. When the foreign currency exchange spot contract closes or expires, a realized foreign exchange gain or loss is recognized as net realized gain or loss on foreign currency-related transactions. Realized gains or losses arising from forward foreign currency exchange contracts are included in investment income from forward foreign currency exchange contracts on the Statement of Operations.

Futures contracts

Futures contracts are agreements to purchase or sell a financial instrument at a contracted price on a specified future date. However, the Classes do not intend to purchase or sell the financial instrument on a settlement date; rather the Classes intend to close out each futures contract before settlement by entering into equal but offsetting futures contracts. The margin deposits with brokers relating to futures contracts are included in the Statements of Net Assets. Any change in the margin requirement is settled daily, and is included in margin deposit or margin payable on futures contracts.

The fair value of a futures contract fluctuates daily. Changes in the initial settlement values of futures contracts are accounted for as unrealized appreciation or depreciation on futures contracts until the contracts are closed, at which time investment income or loss is realized. There is a risk that the counterparty will not meet the terms of its contract and so the appreciation, (as shown in the Statement of Net Assets), may not be realized and may not be paid to the Classes.

Forward agreement

As part of its investment strategy, the Russell Managed Yield Class has entered into a forward agreement under which it will forward sell or swap its portfolio of Canadian securities in return for exposure to an investment in units of Russell Canadian Fixed Income Fund, Series A (the "reference fund"). As a consequence, Russell Managed Yield Class will forgo any benefits of an increase in the value of its portfolio of Canadian securities.

The value of the forward agreement on the valuation date is equal to the gain or loss that would be realized if the contract were closed out or expired. Investments sold forward as part of the forward agreement are valued at the market close price, and the reference fund is valued at its net asset value as determined by the Manager on the valuation date for purposes of determining the value of the forward agreement. All gains or losses arising from the forward agreement are recorded as part of "Net change in unrealized appreciation (depreciation) on forward agreement" in the Statements of Operations and "Unrealized appreciation (depreciation) on forward agreement" in the Statements of Net Assets until the agreement is closed out or expires; at which time the gains or losses are realized and reported as "Net realized gain (loss) on investments" in the Statements of Operations.

Increase/decrease in net assets from operations per unit

Each series' increase/decrease in net assets from operations per unit is calculated by dividing its share of net increase/decrease in net assets from operations by the weighted average number of series units outstanding during the period.

3. SHAREHOLDERS' EQUITY

Shares issued and outstanding represent the capital of each Class. Each Class is authorized to issue an unlimited number of Shares in each series, which are sold and redeemable at the current net asset value per share. Shareholders are entitled to dividends and distributions when declared. Dividends and distributions on shares in each series are reinvested in additional shares of its own series or at the option of the shareholders, paid in cash.

The Classes have no restrictions or specific capital requirements other than the minimum subscription requirements. The Statements of Changes in Net Assets and Schedule of Class Share Transactions disclose capital movements in the Classes during the periods. The Manager manages the capital of the Classes in accordance with the Classes' investment objectives, including managing its liquidity in order to be able to meet redemptions as discussed in Note 8.

4. TAXATION

The Corporation qualifies as a mutual fund corporation under the Income Tax Act (Canada) ("ITA"). The general income tax rules associated with a public coporation also apply to a mutual fund corporation with the exception that income taxes payable on realized capital gains are refundable on a formula basis when shares are redeemed or capital gains dividends are paid.

The Corporation is a single legal entity for tax purposes and is not taxed on a class by class basis. The Corporation has a tax year-end of June 30. All of the Classes' expenses, including expenses common to all series of Class and management and advisory fees and other expenses specific to a particular series of the Class will be taken into account in determining the income or loss of the Corporation as a whole. Similarly, all of the Classes' revenues, deductible expenses, capital gains and capital losses and other items relevant to the tax position will be taken into account in determining the income or loss of the Corporation and applicable taxes payable, including refundable capital gains taxes, by the Corporation as a whole.

Temporary differences between the carrying value of assets and liabilities for accounting and tax purposes give rise to future income tax assets and liabilities. When the fair value of a Class's portfolio exceeds its cost, a future tax liability arises. As capital gains taxes payable by the Class is refundable under the provisions of the ITA, the future tax liability is offset by these future refundable taxes. Conversely, when the cost exceeds the fair value of the portfolio, a future tax asset is generated. In such cases, a full valuation allowance is taken to offset this asset given the uncertainty that such future tax assets will ultimately be realized. Unused capital and non-capital losses, if any, represent future tax assets to the Classes for which a full valuation allowance has been established such that no net benefit has been recorded by the Classes. As at June 30, 2011 the Corporation had no net capital or non-capital losses to carry forward.

Prior to July 1, 2010, the Corporation was subject to Ontario capital tax. Such tax is included in "Capital tax" in the Statements of Operations for each Class. Reimbursements from the Manager were recorded as 'Capital tax reimbursement receivable' in the Statements of Net Assets.

5. MANAGEMENT AND OTHER FEES

The manager may voluntarily reimburse from time to time certain Classes for some expenses incurred, but may discontinue such reimbursements at anytime without notice.

The Manager may reduce management fees charged for large investments by certain investors. The reduction of management fee is paid out to the investor as additional units and is referred to as a management fee rebate.

The Manager provides services to the Classes, in connection with financial statements preparation and mutual fund administration, and an expense for these services is charged to the Russell LifePoints Class Portfolios and the Russell Managed Yield Class as fund administration expense. The amount of this charge is disclosed in the applicable Class's Statements of Operations. Refer to the Schedule of Fees in the financial statements of each Class for the management fee rates applicable to each Series.

6. RELATED PARTY TRANSACTIONS

The Manager, a wholly owned subsidiary of FRC, provides its investment advisory services to the Classes and has entered into sub-advisor agreements with FRC, Russell Investment Management Company ("RIMCO") and Russell Implementation Services Inc. ("RIS"), an affiliate, to provide services to the Classes. RIS and RIMCO are wholly owned subsidiaries of FRC. Certain Classes may use RIS for a portion of its brokerage transactions. The amounts paid for the periods are disclosed in the Schedule of Commissions in the financial statements of the applicable Class.

7. COMPARISON OF NET ASSETS AND NET ASSET VALUE

The share value of the Class calculated in accordance with GAAP is referred to as Net Assets per share. For the purpose of determining the Net Assets per share, GAAP requires bid prices, for investments held, and ask prices, for investments sold short, be used in the fair valuation of investments that are traded in an active market where quoted prices are readily and regularly available. The daily price of the Class for the purpose of processing shareholder transactions is referred to as Net Asset Value per share. For the purpose of determining the Net Asset Value per share closing sale prices are used to value listed securities. Refer to the the Schedule of Net Assets per Share and Net Asset Value per Share in the financial statements of each Class, if applicable, for the comparison.

8. FINANCIAL INSTRUMENTS RISKS

The Classes may be exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, currency risk and other price risk). The value of investments within the Classes' holdings can fluctuate on a daily basis as a result of changes in interest rates, economic conditions and market and company news related to specific securities within the Classes. The Classes' risk management practice includes the monitoring of compliance to investment guidelines. The Manager manages the potential effects of these financial risks on the Classes' performance by employing and overseeing professional and experienced portfolio advisers that regularly monitor the Classes' positions, market events and diversify investment portfolios within the constraints of the investment guidelines.

Details of each Class's exposure to financial instruments risks are available in the Class specific financial instruments risks section in the financial statements of each Class.

Credit risk

There is a risk that the issuer of a fixed income or debt security will be unable to pay the interest or to repay the initial amount invested. Credit risk is greater for securities issued by a company or other type of issuer that has a low credit rating than for those whose issuer has a high credit rating. The credit rating exposure of debt securities is summarized in the Credit Risk section of the Statement of Investment Portfolio of the applicable Class. The fair value of a debt security includes consideration for the credit worthiness of the debt issuer. The carrying amount of debt securities as shown on the Statement of Investment Portfolio represents the credit risk exposure of the applicable Class. Credit risk can also arise from holdings in derivative contracts. If the counterparty in a derivative contract or the dealer goes bankrupt, the Classes could lose any deposit and any gains made on the contract. This is described as a component of derivatives risk in the Classes' simplified prospectus. The credit risk exposure of the applicable Class related to derivatives is represented by the unrealized appreciation amounts of these derivative contracts as disclosed in the Statements of Net Assets.

Liquidity risk

Liquidity risk is defined as the risk that the Classes may not be able to settle or meet its obligations on time or at a reasonable price. The Classes' exposure to liquidity risk is concentrated in the daily cash redemptions of shares. The Classes primarily invest in securities that are traded in active markets and can be readily disposed of. All liabilities of the Classes mature in six months or less.

Interest rate risk

The value of a mutual fund that invests in fixed income securities is affected by the level of interest rates in Canada and elsewhere. Generally, the value of fixed income securities will vary inversely in relation to a change in interest rates. As interest rates rise, the value of fixed income securities fall and vice versa. The magnitude of the fall and rise will generally be greater for long-term fixed income securities than for short-term fixed income securities.

Currency risk

When the Classes buy an investment priced in a foreign currency and the exchange rates between the Canadian dollar, the Classes' functional currency, and the foreign currency changes unfavourably, it could reduce the value of the Classes' investments. Changes in the exchange rates can also increase the value of an investment.

Fixed income securities and derivative instruments denominated in foreign currencies, if any, are disclosed in each Class's Statement of Investment Portfolio. Equity securities traded in foreign markets are also exposed to currency risk as the prices denominated in foreign currencies are converted to the Canadian dollar to determine its fair value.

Other price risk

The value of units of a mutual fund that invests in securities is directly related to the fair value of those investments held by the mutual fund. The fair value of those investments will go up and down depending on the financial performance of the issuers and general economic, political, tax and market conditions. This fluctuation is referred to as volatility. Other price risk is described as stock market risk in the Classes' simplified prospectus.

All investments listed in each Class's Statement of Investment Portfolio represent a risk of loss of capital. The portfolio manager moderates this risk through careful selection and diversification of securities and other financial instruments within the limit of each Class's investment objectives and strategy. In addition, the Classes' overall market positions are monitored on a daily basis by the portfolio manager.

Fair value hierarchy

The Classes classify fair value measurements within a hierarchy that prioritizes the inputs to fair value measurement. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified as Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is reclassified as Level 3.

The classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Manager of the Classes. The Classes consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The classification of each Class's financial instruments within the fair value hierarchy as at June 30, 2011 and 2010, is disclosed in the Class specific financial instruments risks section of the financial statements of each Class. Significant transfers between Level 1 and Level 2, as applicable, will also be disclosed in the Class specific financial instruments risks section of the financial statements of the applicable Class. The reconciliation of level 3 fair value measurements for the periods will appear, as applicable, on the Class specific financial instruments risks section of the financial statements of the applicable Class.

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