

Russell Fixed Income Pool

A core fixed income solution with solid yield potential

The Russell Fixed Income Pool is a core fixed income solution that offers the potential for strong returns despite a highly conservative portfolio management style.

Benefits

- > Strong returns: 15.5% (one year) and 6.0% (inception)*
- > Access to three world-class bond investment managers in one pool
- > Reduced risk with a diversified set of active bond strategies aimed at outperformance in any interest rate environment
- > Active managers who can extend and shorten duration to take advantage of changes in the yield curve

A history of outperformance (as at November 30, 2009)

The data indicated below represents the % performance returns

	1 MONTH	3 MONTHS	YEAR TO DATE	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION**
Russell Fixed Income Pool (Series A)	1.2	2.5	11.4	15.5	5.6	5.5	6.2	5.98
DEX Universe Bond Index (linked†)	1.33	2.19	6.93	10.01	5.39	5.76	6.8	7.65
Morningstar Median Manager††	1.2	2.2	7.4	9.6	4.1	4.2	5.3	N/A



The pool has outperformed the median fund in its class over every standard time period in the past decade.

*Series A units, net of fee. Period ending November 30, 2009.

**January 6, 1993

†DEX Universe Bond Index (previously known as SC Universe Bond Index), as a benchmark for the Russell Canadian Fixed Income Fund, was adopted on December 31, 2005. Historical performance prior to the DEX Universe Bond Index inception is linked to the RBC CM Canadian Bond Market Index. Source: PC-Bond, a business unit of TSX Inc. Copyright © TSX Inc. All rights reserved. The information contained herein may not be redistributed, sold or modified or used to create any derivative work without the prior written consent of TSX Inc. THE USER AGREES THAT TSX INC. AND THE PARTIES FROM WHOM TSX INC. OBTAINS DATA DO NOT HAVE ANY LIABILITY FOR THE ACCURACY OR COMPLETENESS OF THE DATA PROVIDED OR FOR DELAYS, INTERRUPTIONS OR OMISSIONS THEREIN OR THE RESULTS TO BE OBTAINED THROUGH THE USE OF THIS DATA. THE USER FURTHER AGREES THAT NEITHER TSX INC. NOR THE PARTIES FROM WHOM IT OBTAINS DATA MAKE ANY REPRESENTATION, WARRANTY OR CONDITION, EITHER EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED FROM THE USE OF THE DATA, OR AS TO THE MERCHANTABILITY QUALITY OR FITNESS OF THE DATA FOR A PARTICULAR PURPOSE.

†† The median manager is defined to be the manager with the middle value in a distribution of values. Considering all funds in a given universe, half of the observations are above this value and half are below. The median manager may (or 'will often') be a different manager for each annual comparison. Funds in the Canadian Fixed Income category must invest at least 90% of their fixed income holdings in Canadian dollars with an average duration greater than 3.5 years and less than 9.0 years. In addition, these funds must invest primarily in investment-grade fixed-income securities, such that the average credit quality of the portfolio as a whole is investment grade (BBB or equivalent rating or higher) and not more than 25% of the portfolio's holdings are invested in high yield fixed income securities. For purposes of the category definition, up to 30% of a Fund's assets may be held in Foreign Fixed Income products which will be treated as Canadian content provided that the currency exposure on those holdings is hedged into Canadian Dollars.

The Russell Fixed Income Pool is managed by Russell Investments Canada Limited and sub-advised by three unique institutional fixed income managers, each with their own area of specialization.

CANSO INVESTMENT COUNSEL

Corporate fixed income specialists

Canso Investment Counsel Ltd. was founded in 1997 and specializes in corporate bond security selection and portfolio management. The firm's investment philosophy is to buy financial assets at low prices and hold them over very long periods of time. This is based on a belief that true value comes from finding good quality investments with solid underlying cashflows that are overlooked by the market. The Canso investment process focuses on internal company analysis, with an emphasis on companies with strong recurring cashflow, solvency, and financial capacity.

BEUTEL GOODMAN & CO.

Domestic fixed income specialists

Beutel Goodman was founded in 1967 and manages a number of specialized fixed income portfolios. The firm's objective is to position portfolio term exposures at the yield curve points that are expected to benefit most from the firm's outlook. The firm has a very high level of quantitative sophistication relative to its peers. The portfolio team has a lengthy history of leveraging in-house quantitative tools for yield curve management and sector analysis, including a proprietary Modified Yield Curve model that helps identify mis-priced securities.

PACIFIC INVESTMENT MANAGEMENT CO. (PIMCO)

Global fixed income specialists

PIMCO was established in 1971, and is currently the world's largest bond manager. The firm aims to generate excess returns through interest rate decisions, sector allocation, and issue selection. PIMCO's quantitative expertise and strong understanding of risk sources enable it to construct portfolios with a balanced exposure to interest rate, volatility, spread, and credit risk. The portfolio managers seek to combine attractive risk/return trade-offs that are expected to generate reasonably uncorrelated pay-offs for investors.

WE'RE THE EXPERTS ON RETIREMENT.

Russell conducts extensive research into the needs of retirees and responds with innovative, proprietary products and strategies. With forty years of money manager research experience and access to award-winning institutional money managers, we perform the vital work to keep your portfolio focused on your retirement goals.

Ask your advisor how **Russell Fixed Income Pool** and the complete family of retirement solutions from Russell can provide the essential income you need for a financially healthy retirement. Visit www.russell.com/ca to learn more.

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