

Simplified Prospectus dated October 27, 2008 relating to:

Russell Corporate Classes*

FUND

Russell LifePoints Class Portfolios

LifePoints Balanced Class Portfolio
 LifePoints Balanced Growth Class Portfolio
 LifePoints Long-Term Growth Class Portfolio
 LifePoints All Equity Class Portfolio

Russell Sovereign Investment Classes

Russell Canadian Equity Class
 Russell US Equity Class
 Russell Overseas Equity Class
 Russell Global Equity Class
 Russell Emerging Markets Equity Class
 Russell Managed Yield Class
 Russell Money Market Class

Russell Diversified Monthly Income Class Portfolio
 Russell Retirement Essentials Class Portfolio

SERIES

B, F, F-6, I-6
 B, F, F-7, I-7
 B, F
 B, F

B, F
 B, F
 B, F
 B, F
 B, F
 B, F
 B, F

B, F, F-5, F-7, I-5, I-7
 B, F, F-5, F-6, F-7, I-5, I-6, I-7

* Classes of Russell Investments Corporate Class Inc.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. The funds and their securities offered under this Simplified Prospectus are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.

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Introduction

This Simplified Prospectus contains selected important information to help you make an informed investment decision and understand your rights as an investor.

This Simplified Prospectus is divided into two parts. The first part, from page 2 to page 42, contains general information that applies to all the Corporate Funds (as defined in the Glossary below). The second part, from page 43 to page 75, contains specific information about each Corporate Fund.

Additional information about each Corporate Fund is available in the following documents:

- › the Annual Information Form;
- › the most recently filed financial statements;
- › any interim financial statements filed after those annual financial statements;
- › the most recently filed annual management report of fund performance; and
- › any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this Simplified Prospectus, which means that they are legally part of this document, just as if they were printed together.

You can get a copy of these documents at no cost by:

- › calling Russell Investments Canada Limited toll free at 1-888-509-1792
- › sending us an e-mail to canada@russell.com
- › asking your dealer

These documents and other information about the Corporate Funds are also available:


- › on our website at www.russell.com/ca
- › at www.sedar.com

In this Simplified Prospectus:

Business Day means each day on which there is a regular trading session of the Toronto Stock Exchange

Class Pool(s) means any class of the Corporation which holds, or has exposure to, only one Underlying Fund. The Class Pools are Russell Canadian Equity Class, Russell US Equity Class, Russell Overseas Equity Class, Russell Global Equity Class, Russell Emerging Markets Equity Class, Russell Managed Yield Class and Russell Money Market Class

Class Portfolio(s) means any class of the Corporation which holds more than one Underlying Fund. The Class Portfolios are LifePoints Balanced Class Portfolio, LifePoints Balanced Growth Class Portfolio, LifePoints Long-Term Growth Class Portfolio, LifePoints All Equity Class Portfolio, Russell Diversified Monthly Income Class Portfolio and Russell Retirement Essentials Class Portfolio



Corporate Fund(s) or Fund(s) means a mutual fund managed by Russell which is established as a class of the Corporation

Corporation means Russell Investments Corporate Class Inc.

Fee Based Shares means Series F shares of the Class Pools and Series F, F-5, F-6, and F-7 shares of any of the Class Portfolios

Fund(s) or Corporate Fund(s) means a mutual fund managed by Russell which is established as a class of the Corporation

LifePoints Class Portfolio(s) means a Class Portfolio offered under the name LifePoints

mutual fund refers to a mutual fund, generically, and not to any specific mutual fund managed by Russell

Registered Plans means registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, locked-in retirement accounts, life income funds, locked-in retirement income funds, locked-in retirement savings plans, registered education savings plans, prescribed retirement income funds and registered disability savings plans

Russell means Russell Investments Canada Limited

Russell Fund(s) means a Corporate Fund or a Trust Fund

Russell Sovereign Investment Classes means all Class Pools, Russell Diversified Monthly Income Class Portfolio and Russell Retirement Essentials Class Portfolio, all of which are offered under the name Russell Sovereign Investment Classes. They are Russell Canadian Equity Class, Russell US Equity Class, Russell Overseas Equity Class, Russell Global Equity Class, Russell Emerging Markets Equity Class, Russell Managed Yield Class, Russell Money Market Class, Russell Diversified Monthly Income Class Portfolio and Russell Retirement Essentials Class Portfolio

shareholder means an investor in a Corporate Fund

Trust Fund(s) means a mutual fund managed by Russell which is established as a trust

Underlying Fund(s) means a Trust Fund managed by Russell in which a Class Pool or a Class Portfolio invests

we, us and *our* mean Russell Investments Canada Limited, the manager of the Corporate Funds described in this Simplified Prospectus, the Corporate Funds and where the context requires, the subadvisor to an Underlying Fund

you and *your* mean the person who invests in a Corporate Fund offered pursuant to this Simplified Prospectus

What is a mutual fund and what are the risks of investing in a mutual fund?

What is a mutual fund?

When you invest in a mutual fund, you are combining your money with that of many other investors that have similar investment goals. We use this money to purchase investments on behalf of you and the other investors.

The type of investments we purchase is based on the investment objective and investment strategies of the Corporate Fund you purchase. All of the Corporate Funds purchase, or have exposure to, primarily units of one or more Underlying Funds. You can find these objectives and strategies in the Corporate Fund descriptions beginning on page 43 of this Simplified Prospectus.

What is a mutual fund corporation?

In this Simplified Prospectus, Russell offers mutual fund shares of classes of a single mutual fund corporation, Russell Investments Corporate Class Inc. Each class of mutual fund shares of the Corporation represents a separate investment objective and therefore each class is a separate fund. Mutual fund corporations offer tax-deferral benefits to investors who hold their investments in regular investment accounts. As an investor, you purchase shares of a Corporate Fund. See *Description of securities offered by the funds* in the annual information form for additional information regarding the rights of the classes of the mutual fund shares.

Each Corporate Fund offers the series of shares under this Simplified Prospectus, as described on the front cover.

What is a mutual fund trust?

Russell also offers units of mutual fund trusts, the Trust Funds, in other simplified prospectuses. Each Trust Fund is a separate mutual fund trust. While you purchase *shares* of a Corporate Fund, you purchase *units* of a Trust Fund.


Various Corporate Funds and Trust Funds have the same investment objectives. As a result, you have the option to access a mutual fund with a particular investment objective by investing in a Corporate Fund if the tax consequences and costs of the Corporate Fund are more suitable to your investment program. You should consult your own dealer or other advisor regarding these tax consequences. See *Income tax considerations for investors* on page 30 of this Simplified Prospectus.

What is risk?

Risk is the chance that your investment may not perform as expected. There are different degrees and types of risk, but, in general, the more investment risk you are willing to accept, the higher your potential returns and the greater your potential losses.

What are the general risks of investing in a mutual fund?

There are many potential advantages of investing in mutual funds, but there are also several general risks you should know about.



Investing in a mutual fund is not like putting your money in a savings account. Unlike a savings account or a Guaranteed Investment Certificate (GIC), neither the Canada Deposit Insurance Corporation nor any other government deposit insurer insures securities of mutual funds.

When you invest in a mutual fund, there is no guarantee that the amount of your investment will be returned to you when you redeem your securities. The value of a mutual fund will change each day as the value of its investments change. As a result, when you sell your securities of a mutual fund, you may receive less than the amount you paid for the securities. You and the other investors share in any profits a mutual fund makes or losses it suffers.

As with other investments, the greater the potential return, the greater the risk of loss. The time horizon for an investment is also critical in determining the types of mutual funds in which to invest. A longer investment horizon may allow additional risk to be assumed by lessening the effects of short-term market volatility. Short-term investment horizons may require investments to be sold in adverse market conditions. It is important to remember that mutual funds, excluding money market funds, are designed to be medium to long-term investments. Generally, investors in equity funds should have at least a five-to-ten year investment horizon to provide enough time for their investment to grow.

In exceptional circumstances a mutual fund may not accept orders or may postpone orders to redeem securities. These circumstances are explained on page 13.

What are the specific risks of investing in a mutual fund?

Set out below are some of the investment risks associated with investing in mutual funds and which apply to the Corporate Funds either directly or indirectly by virtue of investing in Underlying Funds. For information on the material risks applicable to each Corporate Fund, see the risk section of each Corporate Fund starting on page 43.

Concentration risk

An Underlying Fund may have a relatively high concentration of assets in a single or small number of issuers. The result is that the securities in which it invests may not be diversified across many sectors or they may be concentrated in specific regions or countries. If such concentration results in reduced liquidity of an Underlying Fund, which causes it to suspend redemptions, any Corporate Fund which holds such Underlying Fund may have to suspend redemptions as well.

Counterparty risk

A mutual fund may enter into forward or swap contracts (collectively, “forward contracts”) with one or more counterparties pursuant to which the counterparty will be required to purchase from the mutual fund, Canadian securities held by the mutual fund. In entering into a forward contract, the mutual fund will be fully exposed to the credit risk associated with the counterparty which exposure will be determined by reference to the net asset value of units of another mutual fund. Shareholders will have no recourse or rights against the assets of the other mutual fund or the counterparty or any affiliate thereof in respect of the

forward contracts or arising out of the forward contracts or in respect of any payments due to shareholders. The counterparty has no responsibility for the returns on the other mutual fund.

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.

Currency risk

When a mutual fund purchases an investment priced in foreign currency and the exchange rate between the Canadian dollar and the foreign currency changes unfavourably, it could reduce the value of the mutual fund's investments. Of course, changes in the exchange rate can also increase the value of an investment.

Derivatives risk

A derivative is a contract whose value is based on, or derived from, the value or performance of another investment. Examples of derivatives include options, futures and forward contracts. Derivative contracts require or allow the holder to purchase or sell assets such as stocks, currencies or commodities at a certain price now or in the future.


Derivatives have certain risks. Here are some of the most common ones:

- › Derivatives may not prevent changes in the market value of the mutual fund's investments or prevent losses if the market value of the investments falls
- › A mutual fund may not be able to purchase or sell a derivative to make a profit or limit a loss
- › Derivatives can limit a mutual fund's ability to benefit from increases in the stock markets
- › There is no guarantee that the counterparty in a derivative contract will meet its obligations
- › If the counterparty in a derivative contract or the dealer goes bankrupt, the mutual fund could lose all or any part of a deposit or collateral pledged by the mutual fund and held under the control of the counterparty or dealer, and any gains made on the contract
- › Derivatives traded on foreign markets may be harder to trade and have higher credit risk than derivatives traded in North America

Emerging markets risk

Mutual funds that invest in emerging markets are affected by the following risks:

- › Many foreign companies and governments don't have the same level of accounting, auditing and financial reporting standards as in Canada and the U.S. and, as a result, there is often less information available about these companies and governments
- › Securities of some companies traded only in foreign countries may be less liquid and more volatile than securities of comparable companies traded in Canada or the U.S.

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- › Many of the securities markets of the countries in which a mutual fund invests may be subject to greater volatility, due to adverse events or large investors trading significant blocks of securities, than is usual in Canadian and U.S. markets
 - › Political or social instability could also affect the value of shares of a mutual fund or result in the complete loss of such investments

Foreign investment risk

Mutual funds that invest in foreign securities are affected by the following foreign investment risks:

- › A country may impose withholding or other taxes that could reduce the return on the investment
- › A country may have foreign investment or exchange laws that make it difficult to sell an investment
- › Portfolio securities that trade on foreign exchanges may trade on days that the mutual fund does not offer or redeem shares. There is a risk that such trading may significantly increase or decrease the value of the mutual fund when a shareholder is not able to purchase or redeem shares

Interest rate risk

The value of shares of a mutual fund that invest 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.

Large investor risk

Securities of a mutual fund may be purchased and redeemed by large investors, such as institutional investors or other mutual funds. These investors may purchase or redeem large numbers of securities of a mutual fund at one time. The purchase or redemption of a substantial number of securities of a mutual fund may require the portfolio manager or subadvisor to change the composition of a portfolio significantly or may force the portfolio manager or subadvisor to purchase or sell investments at unfavourable prices, which can affect mutual fund performance and may increase realized capital gains of the mutual fund.

Liquidity risk

Liquidity is often described as the speed and ease with which an asset can be sold and converted into cash. Most of the securities owned by a mutual fund can usually be sold promptly at a fair price and therefore can be described as relatively liquid. But a mutual fund may also invest in securities that are illiquid, which means they can't be sold quickly or easily. Some securities are illiquid because of legal restrictions, the nature of the investment itself, settlement terms, or for other reasons. Sometimes, there may simply be a shortage of buyers. A mutual fund that has trouble selling a security can lose value or incur extra costs. In addition, illiquid securities may be more difficult to value accurately and may experience larger price changes. This can cause greater fluctuations in a mutual fund's value.

Multi-class and multi-series risk

Each class of mutual fund shares of a multi-class mutual fund corporation has its own investment objective and own fees and expenses, which are tracked separately. However, there is a risk that the expenses or liabilities of one class may affect the value of the other classes. If one class is unable to pay its expenses, the mutual fund corporation as a whole is legally responsible for covering the shortfall. In addition, taxable income is calculated at the mutual fund corporation level which may cause expenses of one class to effectively be used by the other classes. A class that offers multiple series of shares has an additional risk. Expenses are tracked for the class as a whole and then deducted from each series separately. If, however, one series is not able to pay all of its expenses, the remainder of the expenses may be deducted from the other series. As a result, the share price of the other classes or series would drop by their share of the excess expenses.

Payment delay risk

If a mutual fund enters into forward contracts with a counterparty, the value of which are determined by reference to the net asset value of units of a reference mutual fund, and if the reference mutual fund is unable to redeem its units when a settlement in whole or in part under the forward contracts occurs and the counterparty has hedged its exposure under the forward contract by holding units of the reference mutual fund, then the counterparty may delay making payment for the Canadian securities to be purchased to the mutual fund that entered into the forward contracts.

Securities lending risk

A mutual fund may enter into securities lending transactions to generate additional income from securities held in that mutual fund's portfolio. If the other party to the transaction becomes insolvent or otherwise cannot fulfil its agreement, the mutual fund may suffer losses.

Small companies risk


Shares of smaller companies are generally more volatile than those of larger, more established companies. Smaller companies may be more sensitive to the release of company, industry or economic news. There may be a less liquid market for their shares. As a result, the value of mutual funds that hold these investments may be more volatile and fluctuate significantly.

Stock market risk

The value of shares held in a mutual fund is directly related to the market value of the securities held by the mutual fund. The market value of these securities will go up and down depending on their financial performance and general economic, political, tax and market conditions. This fluctuation is referred to as volatility.

Tax treatment risk

In determining income for tax purposes, a mutual fund such as Russell Managed Yield Class may treat gains or losses on any disposition of securities in the portfolio of Canadian



securities under the forward contract as capital gains and losses. No advance income tax ruling has been requested or obtained from Canada Revenue Agency regarding the timing or characterization of gains or losses realized from the sale of the Canadian securities. The returns of the Corporation will be lower if the gain earned on the disposition of the Canadian shares are treated for Canadian tax purposes as ordinary income rather than capital gains.

If upon disposition of Canadian securities under the forward contract, the character and timing of any gain is required to be treated for tax purposes as other than a capital gain realized from the sale of the Canadian securities, then returns to shareholders could be reduced. As discussed under “Income tax considerations” in the Annual Information Form, taxes payable on capital gains earned by the Corporation are refundable to the Corporation, whereas taxes payable on ordinary income by the Corporation are not.

Tracking risk

A mutual fund (the “Tracking Fund”) may seek to have all or a substantial portion of its returns linked to the performance of units of another mutual fund (the “Reference Fund”) by either directly purchasing the appropriate securities or by entering into forward contracts and other derivative instruments. The pre-tax returns of the Tracking Fund are expected to be lower generally than those of the Reference Fund for a number of reasons:

- › The Tracking Fund may bear its own fees and expenses, including the costs of any forward contracts and other derivatives that it may use to achieve its investment objectives
- › If there are substitutions of Canadian securities held by the Tracking Fund, the return of that portion of the Tracking Fund’s portfolio will be determined by reference to the performance of the Canadian securities rather than the performance of its Reference Fund
- › There may be a delay between the time an investor purchases shares of the Tracking Fund and the time the Tracking Fund obtains additional exposure to the Reference Fund. During this delay, the Tracking Fund may be unable to track the performance of its Reference Fund, which may result in the share price of the Tracking Fund not precisely tracking the price of its Reference Fund
- › If the Tracking Fund is unable to find one or more counterparties at any time willing to enter into forward contracts on terms that are suitable, the Tracking Fund will not be able to track its Reference Fund for the relevant portion of its portfolio

Value and distributions risk

If a mutual fund enters into forward contracts with a counterparty, the value of which are determined by reference to the net asset value of units of a reference mutual fund (the “Reference Fund”), then the value of the mutual fund may vary according to the value of the Reference Fund, including the distributions received therefrom and reinvested therein. The value of the Reference Fund will be influenced by factors which are not within the control of the mutual fund, including the credit risks of the portfolio securities, interest rates, exchange rates, and other financial market conditions.

Organization and management of the Funds

The table below shows the companies responsible for providing services to the Corporate Funds.

Role		Service provided
Manager	Russell Investments Canada Limited First Canadian Place 100 King Street West, Suite 5900 Toronto, Ontario M5X 1E4	Responsible for the day to day administration of the Corporate Funds.
Portfolio Manager	Russell Investments Canada Limited Toronto, Ontario	Develops investment programs; sets investment policies; undertakes subadvisor research; selects, monitors and allocates assets among the subadvisors of the Underlying Funds; may directly manage the assets of the Underlying Funds on a transitional basis, or to ensure compliance with various regulatory requirements; and appoints any subadvisors.
Custodian	Canadian Imperial Bank of Commerce Toronto, Ontario	Responsible for safekeeping the investments of the Corporate Funds.
Principal Distributor	Russell Investments Canada Limited Toronto, Ontario	Arranges for the distribution of all classes of mutual fund shares.
Auditor	PricewaterhouseCoopers LLP Toronto, Ontario	Audits the annual financial statements of the Corporate Funds and provides an opinion as to whether they fairly present the Corporate Funds' financial position and results in accordance with generally accepted accounting principles.
Registrar	International Financial Data Services (Canada) Limited Toronto, Ontario	Processes all of the requests to purchase, redeem and switch shares and keeps the register of shareholders.
Independent Review Committee		<p>The Independent Review Committee ("IRC") provides independent oversight and impartial judgment on conflicts of interest involving all Russell Funds, including the Corporate Funds. Among other matters, the IRC prepares, at least annually, a report of its activities for shareholders and unitholders of the Russell Funds which will be available on our website at www.russell.com/ca or upon request by any shareholder, at no cost, by calling: 1-888-509-1792 or e-mailing to: canada@russell.com.</p> <p>The IRC currently is comprised of four members, each of whom is independent of Russell, our affiliates and the Russell Funds. Additional information concerning the IRC, including the names of its members, and governance of the Russell Funds is available in the Annual Information Form of the Russell Funds.</p> <p>If approved by the IRC, the Corporation may change its auditor by sending you a written notice of such change at least 60 days before it takes effect. Likewise, if approved by the IRC, we may merge a Russell Fund into another mutual fund provided the merger fulfills the requirements of the Canadian securities regulators relating to mutual fund mergers and we send you a written notice of the merger at least 60 days before it takes effect. In either case, no meeting of shareholders will be called to approve the change.</p>



About Russell Investments Canada Limited

Russell Investments Canada Limited is a wholly owned subsidiary of Frank Russell Company and was established in 1985. Russell Implementation Services Inc., which acts as a subadvisor to certain Russell Sovereign Investment Classes, is also a wholly owned subsidiary of Frank Russell Company. Russell Investments Canada Limited and its affiliates, including Frank Russell Company, are collectively known as “Russell Investments”. Founded in 1936, Russell Investments is headquartered in Tacoma, Washington. Russell Investments Canada Limited has its head office in Toronto.

Russell Investments provides asset management and investment services to institutional and individual investors. We offer mutual funds, indexes, alternative investments and implementation services such as transition management and trade execution. We have offices in most major financial centres and serve clients in more than 40 countries.

A pioneer in multimanager investing and the creator of the Russell Indexes, Russell Investments manages approximately C\$191 billion in assets (as of September 30, 2008). We work with more than 3,000 clients, ranging from small and mid-sized organizations to many of the world’s largest and most sophisticated investors, responsible for hundreds of billions of dollars. Our innovative investment approach is made available to individuals through a network of strategic distribution alliances and independent investment advisors. Our clients include banks and insurance companies, investment advisors, defined benefit and defined contribution plans, endowments, foundations and sovereign wealth funds.

We seek to understand capital markets and to identify superior investment managers. To achieve these goals, our analysts hold more than 5,000 research meetings each year with investment managers around the world. The cumulative knowledge we gain from this in-depth research serves as the foundation for all of our products and services.

Fund-on-fund investing

Each Corporate Fund invests entirely in units of one or more Underlying Fund(s). As a shareholder in a Corporate Fund, you will have no direct voting rights with respect to any changes proposed to the Underlying Funds. We are not permitted to vote a Corporate Fund’s holdings in an Underlying Fund. We may, in our discretion, arrange for shareholders of a Corporate Fund to direct how their proportionate interest of the Corporate Fund’s holdings in an Underlying Fund are to be voted by the Corporate Fund. We generally intend to provide shareholders of the Corporate Funds with the opportunity to direct voting as described above.

Purchases, redemptions and switches

Description of series offered by the Corporate Funds

Russell offers the following series in the Corporate Funds:

- › Series B: this series is available to all investors
- › Series I-5, I-6, I-7: these series offer monthly distributions and are available to all investors
- › Series F: this series is a fee based series
- › Series F-5, F-6, F-7: these series are fee based series and offer monthly distributions

Russell Money Market Class may not be purchased directly and is only available to investors who hold another Corporate Fund and who switch into the Russell Money Market Class in accordance with the procedures for switching. See *Switching Shares between Corporate Funds* on page 20.

Fee Based Shares (Series F, F-5, F-6 or F-7) are available only to investors who participate in an eligible wrap or fee-for-service program. Fee Based Shares have a reduced management fee and do not pay trailer fees to the dealer. Instead each investor negotiates a separate ongoing fee that is paid directly to the dealer and is based on the market value of the investors' assets.

Monthly distributions of capital are paid to holders of Series F-5, F-6, F-7, I-5, I-6 and I-7 shares.

For specific information about the fees you pay directly or the fees that the Corporate Funds pay for each series, see *Fees and Expenses* starting on page 24.

The series offered by each Corporate Fund are set forth below:

Available Corporate Funds	Available Series
LifePoints Balanced Class Portfolio	B, F, F-6 and I-6
LifePoints Balanced Growth Class Portfolio	B, F, F-7 and I-7
LifePoints Long-Term Growth Class Portfolio	B and F
LifePoints All Equity Class Portfolio	B and F
Russell Canadian Equity Class	B and F
Russell US Equity Class	B and F
Russell Overseas Equity Class	B and F
Russell Global Equity Class	B and F
Russell Emerging Markets Equity Class	B and F
Russell Managed Yield Class	B and F
Russell Money Market Class	B and F
Russell Diversified Monthly Income Class Portfolio	B, F, F-5, F-7, I-5 and I-7
Russell Retirement Essentials Class Portfolio	B, F, F-5, F-6, F-7, I-5, I-6 and I-7

How we determine the share price

The share price, also called the net asset value per share, is the amount you pay or receive for a share when you purchase, redeem or switch shares of a Corporate Fund. We determine a share price for each series of shares. To determine the share price for a series of shares of a Corporate Fund, we calculate the series proportionate share of the total value of the assets of each Corporate Fund and then subtract the series proportionate share of the total value of the liabilities of each Corporate Fund (other than liabilities attributable specifically to a series) and also subtract the value of the liabilities attributable specifically to the relevant series (principally management fees). Then we divide the resulting amount by the number of shares of that series held by investors.

We determine the share price after the close of business each Business Day. If the Toronto Stock Exchange is closed for any reason, we determine that share price on the next Business Day.

The share price for each series of a Corporate Fund is calculated in Canadian dollars. However, we may price shares of some series in US dollars by converting the Canadian dollar share price to US dollars. If we do this, we'll use the exchange rate available on the day we are pricing the shares.

For more details about calculating the share price, see our Annual Information Form.

Purchasing, redeeming and switching shares of the Funds

If your order to purchase, redeem or switch shares of a Corporate Fund is received by us by the close of trading of the Toronto Stock Exchange (generally 4:00 p.m. Toronto time) on a Business Day, we'll process your order using the share price determined after the close of business on that day. Otherwise, we'll process your order the next Business Day, using the share price determined after the close of business on that day.

If you purchase, redeem or switch shares of the Corporate Funds, income tax consequences may result. However, switching between series of the same Corporate Fund or between series of one Corporate Fund to another Corporate Fund is not a taxable disposition. See page 19 for more information.

We won't accept any orders to purchase, redeem or switch shares of a Corporate Fund if we've suspended the calculation of the share price of the Corporate Fund. We may suspend the calculation of the share price of a Corporate Fund if:

- › Normal trading is suspended on any stock exchange on which securities or derivatives that make up 50% or more of the Corporate Fund's value or market exposure are traded, provided those securities or derivatives are not traded on any other exchange that is a reasonable alternative for the Corporate Fund,
- › During any period when the right to redeem units is suspended for any Underlying Fund in which the Corporate Fund invests its assets, or
- › We have permission from the Ontario Securities Commission

PURCHASING SHARES OF THE FUNDS

Purchasing options

When you purchase shares of a Corporate Fund, you may pay a sales fee at the time you purchase the shares or a redemption fee at the time you redeem the shares. The purchase option you choose determines the amount of the fee and when you pay it. The four different purchase options available to you are:

1. **No load.** Under the no load purchase option, you pay no sales fee at the time you purchase your shares and you pay no redemption fee at the time you redeem your shares.
2. **Low load.** Under the low load purchase option, you do not pay a sales fee when you purchase your shares. If you redeem your shares within three years after purchasing them, you pay us a redemption fee. The fee is 3% of the original cost of the shares redeemed, if redeemed in the first year after purchase. The redemption fee decreases each year over a three year period. If you hold your shares for three or more years (which we then call "matured shares"), you pay no redemption fee when you redeem your matured shares. See "Fees and expenses payable directly by you" for more information.
3. **Deferred sales charge (DSC).** Only the Russell LifePoints Class Portfolios may be purchased under the DSC purchase option. Under the DSC purchase option, you do not pay a sales fee when you purchase your shares. If you redeem your shares within seven years after purchasing them, you pay us a redemption fee. The fee is 6% of the original cost of the shares redeemed, if redeemed in the first year after purchase. The redemption fee decreases each year over a seven year period. If you hold your shares for seven or more years (which we then call "matured shares"), you pay no redemption fee when you redeem your matured shares. See "Fees and expenses payable directly by you" for more information. You cannot request that shares purchased using the DSC purchase option be switched to shares purchased using the low load purchase option, or vice versa.
4. **Front load.** Under the front load purchase option, you pay a sales fee to your dealer when you purchase your shares but you do not pay a redemption fee when you redeem your shares. The amount of the sales fee is negotiated between you and your dealer, but cannot exceed 5% of the cost of the shares purchased.

The purchase options that are available to you depend on the Corporate Fund and the series of shares you select, as summarized below.

Russell LifePoints Class Portfolios

Purchase Option	Available Corporate Funds	Available Series
No load	All Russell LifePoints Class Portfolios	All Series
Low load	LifePoints Balanced Class Portfolio	B and I-6 only
	LifePoints Balanced Growth Class Portfolio	B and I-7 only
	LifePoints Long-Term Growth Class Portfolio	B only
	LifePoints All Equity Class Portfolio	B only
Deferred sales charge	LifePoints Balanced Class Portfolio	B and I-6 only
	LifePoints Balanced Growth Class Portfolio	B and I-7 only
	LifePoints Long-Term Growth Class Portfolio	B only
	LifePoints All Equity Class Portfolio	B only
Front load	LifePoints Balanced Class Portfolio	B and I-6 only
	LifePoints Balanced Growth Class Portfolio	B and I-7 only
	LifePoints Long-Term Growth Class Portfolio	B only
	LifePoints All Equity Class Portfolio	B only

Russell Sovereign Investment Classes

Purchase Option	Available Corporate Funds	Available Series
No load	All Russell Sovereign Investment Classes*	All Series
Low load	Russell Canadian Equity Class Russell US Equity Class Russell Overseas Equity Class Russell Global Equity Class Russell Emerging Markets Equity Class Russell Managed Yield Class Russell Money Market Class*	B only
	Russell Diversified Monthly Income Class Portfolio	B, I-5 and I-7 only
	Russell Retirement Essentials Class Portfolio	B, I-5, I-6 and I-7 only
Front load	Russell Canadian Equity Class Russell US Equity Class Russell Overseas Equity Class Russell Global Equity Class Russell Emerging Markets Equity Class Russell Managed Yield Class Russell Money Market Class*	B only
	Russell Diversified Monthly Income Class Portfolio	B, I-5 and I-7 only
	Russell Retirement Essentials Class Portfolio	B, I-5, I-6 and I-7 only

*Russell Money Market Class is not available for direct purchase by investors.

You should note that not all dealers make all series of shares or all purchase options available. Contact your dealer for information about which options are available to you.

No sales fee is paid to your dealer when shares are issued as part of the reinvestment of a dividend or distribution and there is no redemption fee for such shares.

Your dealer should assist you in choosing an appropriate purchase option. Your choice of purchase option will require you to pay different fees and will affect the amount of compensation your dealer receives. See *Fees and expenses* on page 24 and *Dealer compensation* on page 28 for more information.

Processing your purchase order

You can purchase shares of the Corporate Funds on any Business Day. You must give written instructions to your dealer to purchase any shares and you must pay for your shares when you place your order. Your dealer should then send your order to us the same day the dealer receives it from you.

We must receive your payment and all the necessary documents within three Business Days of the day you place your order. If we don't receive your payment or if your cheque is returned because of insufficient funds, we will redeem the shares you purchased. If we redeem them for more than you paid, the Corporate Fund will keep the difference. If we redeem them for less than you paid, we will charge your dealer for the difference. If we charge your dealer, they may charge you the difference.

We may refuse any order to purchase shares within one Business Day of receiving it. If we refuse your order, we will return all of your money, without any interest, to your dealer to be credited to your account.

Minimum investment


The first time you purchase shares of a Russell LifePoints Class Portfolio, you must invest at least \$5,000. Each time you purchase additional shares of a Russell LifePoints Class Portfolio, you must invest at least \$100 in that Fund.

The first time you purchase shares of the Russell Sovereign Investment Classes, you must invest at least \$25,000. Each time you purchase additional shares of a Russell Sovereign Investment Class, you must invest at least \$500 in that Fund.

We may waive these minimum amounts at any time at our discretion. Your dealer may set a higher minimum investment threshold.

Redeeming shares of the Funds

You can redeem your shares on any Business Day. A redemption is considered a disposition for tax purposes – See *Income tax considerations for investors* on page 30 for more information.



You must give written instructions to your dealer or us to redeem your shares. If you provide your written instructions to your dealer, your dealer will then send us your order to redeem the same day the dealer receives it from you. We will redeem your shares on the same Business Day we receive the order if we receive the order by 4:00 p.m. (Toronto time).

For Series B, I-5, I-6 or I-7 shares, your order must specify whether you wish to redeem shares that you purchased under the no load purchase option, the low load purchase option, the DSC purchase option or the front load purchase option, as applicable.

For shares purchased under the low load purchase option (which we refer to as “low load shares”) or shares purchased under the DSC option (which we refer to as “DSC shares”), we redeem your low load shares or DSC shares in the following order:

- › Shares that are not subject to a redemption fee
- › Shares that qualify for the 10% free redemption entitlement described below
- › Shares that are subject to the smallest redemption fee

10% free redemption entitlement

If you hold low load shares or DSC shares that remain subject to a redemption fee, each year you can redeem at no charge:

- › 10% of the net asset value of your low load shares and of your DSC shares (as applicable) as of December 31 of the prior calendar year and
- › 10% of the cost of low load shares and of DSC shares you purchased in the current calendar year

The 10% free redemption entitlement is calculated separately for your low load shares and your DSC shares. We will deduct the amount of any cash distributions you have received from your 10% free redemption entitlement. Since shares issued as part of the reinvestment of any dividends or distributions are issued under the no load purchase option, such shares are not included in the calculation of the 10% free redemption entitlement. Low load shares which have been held for at least three years and DSC shares which have been held for at least seven years are no longer subject to a redemption fee and therefore are not included in the calculation of the 10% free redemption entitlement. You cannot carry forward your unused free redemption entitlement to the next year. If you switch low load shares or DSC shares from one Russell Fund to another Russell Fund during a year, your free redemption entitlement for the remainder of the year will utilize the net asset value of the new low load shares or DSC shares at the time of the switch rather than the net asset value of the low load shares or DSC shares on December 31 of the previous year.

What is an example of a 10% free redemption entitlement?

Assume the following situation occurs:

1. You invested \$500 last year under the low load purchase option and \$500 last year under the DSC purchase option when the net asset value was \$10 per share. This means that you purchased 50 shares under the low load purchase option and 50 shares under the DSC purchase option.
2. The Russell Fund's net asset value increased to \$11 per share and the Russell Fund paid a dividend or distribution of \$1 per share at the end of last year. This means that you received \$100 in dividends or distributions (\$50 in respect of low load shares and \$50 in respect of DSC shares), and the Russell Fund's net asset value returned to \$10 per share.
3. You reinvested the \$100 dividend or distribution in more shares at \$10 per share under the no load purchase option, so that you then hold 10 shares under the no load purchase option at the end of last year worth \$100 in aggregate, 50 low load shares at the end of last year worth \$500 in aggregate and 50 DSC shares at the end of last year worth \$500 in aggregate.
4. You purchased 25 shares this year under the low load purchase option and 25 shares this year under the DSC purchase option at \$11 per share.

Your 10% free redemption entitlement would be calculated as follows:

Net asset value of holdings at December 31 (low load shares only)	\$500 (50 shares)
Net asset value of holdings at December 31 (DSC shares only)	\$500 (50 shares)
Net asset value of holdings at December 31 (no load shares only)	\$100 (10 shares)
10% of net asset value of holdings at December 31 (low load shares only)	\$50
10% of net asset value of holdings at December 31 (DSC shares only)	\$50
Cost of low load shares acquired in the current year	\$275 (25 shares at \$11 per share)
Cost of DSC shares acquired in the current year	\$275 (25 shares at \$11 per share)
10% of cost of low load shares acquired in the current year	\$27.50
10% of cost of DSC shares acquired in the current year	\$27.50
Total 10% free redemption entitlement for the current year in respect of low load shares	\$77.50 (\$50 + \$27.50)
Total 10% free redemption entitlement for the current year in respect of DSC shares	\$77.50 (\$50 + \$27.50)

We can change or end the 10% free redemption entitlement at any time or in any circumstance at our discretion.

Processing your redemption order

We redeem your shares on the same Business Day we receive the order from you or your dealer. We then send payment within three Business Days of the day we've received all of the necessary documents.

If we don't receive the documents necessary to complete the transaction within ten Business Days of the day we redeem the shares, we will re-issue the shares you redeemed on the next Business Day. If we re-issue them for less than we redeemed them for, the Russell Fund will keep the difference. If we re-issue them for more than we redeemed them for, we will charge your dealer for the difference plus any costs. Your dealer may, in turn, charge you for these amounts.

If you hold the shares in Canadian dollars, we'll send your dealer payment in Canadian dollars when you redeem those shares. If you hold them in US dollars, we'll send your dealer payment in US dollars. We calculate the amount in US dollars by converting the share price in Canadian dollars to US dollars using an exchange rate on that day.

If the aggregate value of your shares drops below \$5,000 in the case of the Russell LifePoints Class Portfolios or \$25,000 in the case of any of the Russell Sovereign Investment Classes, we have the option of redeeming your shares and your dealer will credit your account with the proceeds of the redemption.

If a corporation, partnership, trust or fiduciary asks us to redeem shares, we may require some additional documents. We won't redeem the shares until we've received the additional information.

Switching shares within the same Corporate Fund

You can switch one series of shares to another series of shares within the same Corporate Fund by sending a written request to your dealer. We must approve all switches within a Corporate Fund and you must be eligible to purchase the series of shares into which you are switching. Except as described below, we don't charge you a fee for switching shares within a Corporate Fund.

Switching between series of shares of the same Corporate Fund is also treated as a conversion. In general, a conversion between series of the same Corporate Fund is not considered a disposition for tax purposes, so no capital gain or loss will result. However, any redemption of shares to pay for any fees charged by your dealer will be considered a disposition for tax purposes.

While the right to redeem shares is suspended, we also will not accept orders to switch shares within a Corporate Fund.

The procedures for switching shares within the same Corporate Fund are exactly the same as those described above under *Purchasing shares of the Funds* and *Redeeming shares of the Funds*.

If you switch low load shares or DSC shares to shares of a different series that are not offered under the low load purchase option or DSC purchase option respectively, you will be required to pay a conversion fee that is triggered and the new shares will be issued to you under the no load purchase option. The conversion fee is equal to the redemption fee you would have paid if you redeemed your original shares.

We do not pay a fee to your dealer when you make a switch from one series to another series within the same Corporate Fund.

Other switches

We may switch your series of shares to another series within a Corporate Fund if:

- › You changed your dealer and your dealer does not sell the series of shares in which you are invested
- › You have Fee Based Shares and you end the agreement you have with your dealer for the wrap or fee-for-service program

Switching shares between Corporate Funds

You can also switch your shares in a Corporate Fund to shares in another Corporate Fund by sending a written request to your dealer. When you switch shares in this way, you convert your shares from one Corporate Fund to the other Corporate Fund. A conversion is not considered a disposition for tax purposes, so no capital gain or loss will result. However, any redemption of shares to pay for any fees charged by your registered dealer will be considered a disposition for tax purposes. See page 30 for more information.


While the right to redeem shares is suspended, we also will not accept orders to switch shares between Corporate Funds.

We may suspend or restrict your switching privileges if you switch Corporate Funds too often.

The procedures for switching shares between Corporate Funds are exactly the same as those described above under *Purchasing shares of the Funds* and *Redeeming shares of the Funds*.

If you switch low load shares or DSC shares to shares of a different Corporate Fund that does not offer the low load purchase option or DSC purchase option respectively, you will be required to pay a conversion fee that is triggered and the new shares will be issued to you under the no load purchase option. The conversion fee is equal to the redemption fee you would have paid if you redeemed your original shares.

If you switch low load shares or DSC shares to shares of a different Corporate Fund that offers the low load purchase option or DSC purchase option respectively, the new shares will be treated as issued under the low load purchase option or DSC purchase option, and the same redemption fee schedule will apply to your new shares. You pay no conversion fee when you make the switch, but you may have to pay a redemption fee when you redeem the



new shares. If the redemption fee applies, we will calculate it based on the original cost of the original shares and the date you purchased the original shares. Your cost for tax purposes of the shares acquired on the conversion will be the adjusted cost base immediately before the conversion of the shares.

We do not pay a fee to your dealer when you make a switch between Corporate Funds.

Switching shares between a Corporate Fund and a Trust Fund

You can switch your shares in a Corporate Fund to purchase units in a Trust Fund or your units in a Trust Fund to purchase shares of a Corporate Fund by sending a written request to your dealer. When you switch from shares to units or units to shares in this way, you redeem shares in the Corporate Fund or units of a Trust Fund and purchase units of the Trust Fund or shares of the Corporate Fund.

While the right to redeem securities is suspended, we also will not accept orders to switch between a Corporate Fund and a Trust Fund.

We may suspend or restrict your switching privileges if you switch between Corporate Funds and Trust Funds too often.

The procedures for switching shares between a Corporate Fund and units of a Trust Fund are exactly the same as those described above under *Purchasing shares of the Funds* and *Redeeming shares of the Funds*. If you switch between a Corporate Fund and a Trust Fund, income tax consequences may result. See page 30 for more information.

If you switch low load securities or DSC securities to units of a Trust Fund or shares of a Corporate Fund that does not offer the low load purchase option or DSC purchase option respectively, you will be required to pay any redemption fee that is triggered and the new units or shares will be issued to you under the no load purchase option.

If you switch low load securities or DSC securities between a Corporate Fund and a Trust Fund that offers the low load purchase option or DSC purchase option respectively, the new units or shares will be treated as issued under the low load purchase option or DSC purchase option, and the same redemption fee schedule will apply to your new units or shares. You pay no redemption fee when you make the switch, but you may have to pay a redemption fee when you redeem the new units or shares. If the redemption fee applies, we will calculate it based on the original cost of the original securities and the date you purchased the original securities.

We do not pay a fee to your dealer when you make a switch between a Corporate Fund and a Trust Fund.

Short-term trading

Redeeming or switching shares of a Russell Fund within 30 days after they were purchased (which we refer to as “short-term trading”) may have an adverse effect on other investors in the Russell Fund because it can increase trading costs to the Russell Fund to the extent the Russell Fund purchases and redeems portfolio securities in response to each redemption or switch request. An investor who engages in short-term trading also may participate in any appreciation in the net asset value of the Russell Fund during the short period that the investor was invested in the Russell Fund, which reduces the amount of the appreciation that is experienced by other, longer term investors in the Russell Fund.

Each Russell Fund may charge you a fee of up to 2% of the value of the shares of the Russell Fund you redeem or switch if you engage in short-term trading. This fee is paid to the Russell Fund and is in addition to any other fees that may apply. We may also require that you redeem all of your holdings in the Russell Fund. We may waive the short-term trading fee charged by the Russell Fund for other trades if the size of the trade was small enough or the short-term trade did not otherwise harm other investors in the Russell Fund. See “Short-term trading” in the annual information form for additional information.

The Russell Funds do not have any arrangements, formal or informal, with any person or company to permit short-term trading.



OPTIONAL SERVICES

Systematic investment program

To invest money in Russell Funds on a regular basis, you may be able to set up a systematic investment program at no charge other than the fees associated with the purchase option you select. Ask your dealer for details.

Systematic withdrawal program

To withdraw money from your Russell Funds on a regular basis, you may be able to set up a systematic withdrawal program at no charge other than any applicable redemption fees. Ask your dealer for details.

If your withdrawals over time are greater than the income and growth in the Russell Funds, you may eventually reduce your balance to zero.

Automatic rebalancing program

You may elect to have certain Class Pools in your Russell Sovereign Investment Program automatically rebalanced to your target asset allocation. If you choose automatic rebalancing, we will monitor your account on a daily basis. Whenever the market value of any of your Class Pools varies by more than 2.5% from the target asset allocation which you have selected for the Class Pool, we will rebalance all of your Class Pools to your target asset allocation. As your Class Pools are held in the Corporation, you will not have disposed of your shares as a result of such rebalancing as such changes will be carried out as conversions. The automatic rebalancing service is only available if all the shares you hold in the Class Pools are in the same currency and the same series and do not include shares of Class Portfolios. Automatic rebalancing is only available for shares of Class Pools held with the purchase option first purchased in your account. In addition, automatic rebalancing is not available between Corporate Funds and Trust Funds.

Fees and expenses

There are certain fees and expenses associated with investing in the shares of the Corporate Funds. You may have to pay some of these fees directly. The Corporate Funds may have to pay some of these fees and expenses, which reduces the value of your investment in the Corporate Funds. At any time, we may change the basis of the calculation of a fee or expense that is charged to a Corporate Fund by a person or company that is at arm's length to the Corporate Fund. Though the approval of shareholders of the Corporate Fund will not be sought before making the change, we will give those shareholders 60 days notice of such change if such change could result in an increase in charges to the Corporate Fund.

Fees and expenses payable by the Funds

Management fees	<p>The annual management fee we receive from the Corporate Funds is a percentage of the average daily net asset value of each series of shares of each Corporate Fund as set out below.</p> <table border="0"> <thead> <tr> <th style="text-align: left;">Russell LifePoints Class Portfolios</th> <th style="text-align: center;">Series B, I-6 or I-7 %</th> <th style="text-align: center;">Series F, F-6 or F-7 %</th> </tr> </thead> <tbody> <tr> <td>LifePoints Balanced Class Portfolio</td> <td style="text-align: center;">2.35</td> <td style="text-align: center;">0.95</td> </tr> <tr> <td>LifePoints Balanced Growth Class Portfolio</td> <td style="text-align: center;">2.40</td> <td style="text-align: center;">1.00</td> </tr> <tr> <td>LifePoints Long-Term Growth Class Portfolio</td> <td style="text-align: center;">2.50</td> <td style="text-align: center;">1.05</td> </tr> <tr> <td>LifePoints All Equity Class Portfolio</td> <td style="text-align: center;">2.60</td> <td style="text-align: center;">1.10</td> </tr> <tr> <th style="text-align: left;">Russell Sovereign Investment Classes</th> <th style="text-align: center;">Series B %</th> <th style="text-align: center;">Series F %</th> </tr> <tr> <td>Russell Canadian Equity Class</td> <td style="text-align: center;">2.50</td> <td style="text-align: center;">1.00</td> </tr> <tr> <td>Russell US Equity Class</td> <td style="text-align: center;">2.50</td> <td style="text-align: center;">1.00</td> </tr> <tr> <td>Russell Overseas Equity Class</td> <td style="text-align: center;">2.50</td> <td style="text-align: center;">1.00</td> </tr> <tr> <td>Russell Global Equity Class</td> <td style="text-align: center;">2.50</td> <td style="text-align: center;">1.00</td> </tr> <tr> <td>Russell Emerging Markets Equity Class</td> <td style="text-align: center;">2.80</td> <td style="text-align: center;">1.20</td> </tr> <tr> <td>Russell Managed Yield Class</td> <td style="text-align: center;">1.25</td> <td style="text-align: center;">0.70</td> </tr> <tr> <td>Russell Money Market Class</td> <td style="text-align: center;">0.65</td> <td style="text-align: center;">0.50</td> </tr> <tr> <td></td> <th style="text-align: center;">Series B, I-5 or I-7 %</th> <th style="text-align: center;">Series F, F-5 or F-7 %</th> </tr> <tr> <td>Russell Diversified Monthly Income Class Portfolio</td> <td style="text-align: center;">1.80</td> <td style="text-align: center;">0.80</td> </tr> <tr> <td></td> <th style="text-align: center;">Series B, I-5, I-6 or I-7 %</th> <th style="text-align: center;">Series F, F-5, F-6 or F-7 %</th> </tr> <tr> <td>Russell Retirement Essentials Class Portfolio</td> <td style="text-align: center;">1.75</td> <td style="text-align: center;">0.75</td> </tr> </tbody> </table>	Russell LifePoints Class Portfolios	Series B, I-6 or I-7 %	Series F, F-6 or F-7 %	LifePoints Balanced Class Portfolio	2.35	0.95	LifePoints Balanced Growth Class Portfolio	2.40	1.00	LifePoints Long-Term Growth Class Portfolio	2.50	1.05	LifePoints All Equity Class Portfolio	2.60	1.10	Russell Sovereign Investment Classes	Series B %	Series F %	Russell Canadian Equity Class	2.50	1.00	Russell US Equity Class	2.50	1.00	Russell Overseas Equity Class	2.50	1.00	Russell Global Equity Class	2.50	1.00	Russell Emerging Markets Equity Class	2.80	1.20	Russell Managed Yield Class	1.25	0.70	Russell Money Market Class	0.65	0.50		Series B, I-5 or I-7 %	Series F, F-5 or F-7 %	Russell Diversified Monthly Income Class Portfolio	1.80	0.80		Series B, I-5, I-6 or I-7 %	Series F, F-5, F-6 or F-7 %	Russell Retirement Essentials Class Portfolio	1.75	0.75
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	<p>The fees above are exclusive of any applicable taxes and operating expenses.</p> <p>We may reduce the amount of the management fee we receive from the Corporate Funds. We are not bound to continue the reduction in the future and we may stop the reduction without notice to you.</p> <p>To encourage large investments in a Corporate Fund, we may also reduce the management fees we charge. If you make a large investment in shares of a Corporate Fund, we may reduce our usual management fee. We will negotiate the amount of the reduction with you, but it is primarily based on the size of your holdings and your relationship with us. In such cases, the amount of the reduction is paid to the investor by us. We calculate management fee rebates on each Business Day and pay them regularly to eligible investors. We reinvest the rebates in additional shares of the same series of the Corporate Fund.</p>																																																			

Fees and expenses payable by the Funds **CONTINUED**

	<p>Each Corporate Fund invests in, or has exposure to, one or more Underlying Funds and as a result:</p> <ul style="list-style-type: none"> › There are trustee fees and expenses that are payable by the Underlying Funds in addition to the fees and expenses payable by the Corporate Funds › There are no management or incentive fees payable by the Corporate Funds that, to a reasonable person, would duplicate a fee payable by any Underlying Fund for the same service › No sales fees or redemption fees are payable by the Corporate Funds upon the purchase or redemption of units of any Underlying Fund 								
Operating expenses	<p>Each Corporate Fund pays its own operating expenses and indirectly bears its proportionate share of the operating expenses of the Underlying Funds. These expenses include legal, audit, custodial and safekeeping fees, board of director fees, taxes, interest, operating and administrative costs, investor servicing costs, and the costs for reports and prospectuses. The Corporate Funds share the fees of the members of the board of directors of the Corporation. Only members of the board who are not representatives of Russell receive compensation for their services and are reimbursed for their expenses. The current compensation for such members in aggregate is \$36,000 per annum. We allocate the expenses of a Corporate Fund to each series of shares of the Corporate Fund based on each series' share of the expenses. In accordance with securities regulations, the Corporate Funds share the expenses of the IRC with the Trust Funds. IRC members are paid a fixed annual fee for their services, which the IRC determines and discloses in its annual report to shareholders of the Corporate Funds, and are reimbursed for expenses, including secretarial costs. The current compensation for the members of the IRC is set out as follows:</p> <table style="margin-left: 40px;"> <tr> <td>Stanley M. Beck (Chair):</td> <td>\$24,000 per annum</td> </tr> <tr> <td>Lawrence A. Ward:</td> <td>\$18,000 per annum</td> </tr> <tr> <td>W. William Woods:</td> <td>\$18,000 per annum</td> </tr> <tr> <td>Eamonn McConnell:</td> <td>\$18,000 per annum</td> </tr> </table> <p>In addition, Independent Review Inc. (a corporation that provides administrative assistance, including secretarial services, for the operations of the IRC) is paid \$60,000 per annum. The IRC and Independent Review Inc.'s fees and expenses are allocated across all Russell Funds, with the result that only a small portion of such fees and expenses are charged to any single Russell Fund.</p> <p>We may assume responsibility for some or all of the operating expenses of the Corporate Funds. However, this does not bind us to continue this in the future and we may stop this without notice to you.</p>	Stanley M. Beck (Chair):	\$24,000 per annum	Lawrence A. Ward:	\$18,000 per annum	W. William Woods:	\$18,000 per annum	Eamonn McConnell:	\$18,000 per annum
Stanley M. Beck (Chair):	\$24,000 per annum								
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W. William Woods:	\$18,000 per annum								
Eamonn McConnell:	\$18,000 per annum								

Fees and expenses payable directly by you

Sales charges	If you purchase shares under the front load purchase option, you may have to pay your dealer a sales fee at the time of purchase. You can negotiate this sales fee with your dealer, but it must not exceed 5% of the amount you invest.
Switch fees	None, except for conversion fees as discussed in "Other fees and expenses" below.

Fees and expenses payable directly by you CONTINUED

Redemption fees	<p>You do not pay a sales fee to your dealer when you purchase shares under the low load purchase option or under the DSC purchase option. However, you will pay to us a redemption fee if you redeem those shares within three years after purchasing them (in the case of low load shares) or seven years after purchasing them (in the case of DSC shares). The redemption fee is calculated as a percentage of the original cost of the shares being redeemed. The table below shows the redemption fee schedule for low load shares and DSC shares:</p> <table border="1"> <thead> <tr> <th>Low load or DSC shares redeemed during the following period after you purchased them</th> <th>Redemption fee rate for low load shares</th> <th>Redemption fee rate for DSC shares</th> </tr> </thead> <tbody> <tr> <td>during the first year</td> <td>3.0%</td> <td>6.0%</td> </tr> <tr> <td>during the second year</td> <td>2.5%</td> <td>5.5%</td> </tr> <tr> <td>during the third year</td> <td>2.0%</td> <td>5.0%</td> </tr> <tr> <td>during the fourth year</td> <td>Nil</td> <td>4.5%</td> </tr> <tr> <td>during the fifth year</td> <td>Nil</td> <td>4.0%</td> </tr> <tr> <td>during the sixth year</td> <td>Nil</td> <td>3.0%</td> </tr> <tr> <td>during the seventh year</td> <td>Nil</td> <td>1.0%</td> </tr> <tr> <td>after the seventh year</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table>	Low load or DSC shares redeemed during the following period after you purchased them	Redemption fee rate for low load shares	Redemption fee rate for DSC shares	during the first year	3.0%	6.0%	during the second year	2.5%	5.5%	during the third year	2.0%	5.0%	during the fourth year	Nil	4.5%	during the fifth year	Nil	4.0%	during the sixth year	Nil	3.0%	during the seventh year	Nil	1.0%	after the seventh year	Nil	Nil
Low load or DSC shares redeemed during the following period after you purchased them	Redemption fee rate for low load shares	Redemption fee rate for DSC shares																										
during the first year	3.0%	6.0%																										
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during the third year	2.0%	5.0%																										
during the fourth year	Nil	4.5%																										
during the fifth year	Nil	4.0%																										
during the sixth year	Nil	3.0%																										
during the seventh year	Nil	1.0%																										
after the seventh year	Nil	Nil																										
Other fees and expenses																												
Advisory fees	If you purchase Fee Based Shares, you have to pay an advisory fee to your dealer based on the market value of your assets. The amount of the fee is determined between you and your dealer.																											
Short-term trading fees	If you redeem or switch shares of a Corporate Fund within 30 days of purchasing them, you may have to pay a short-term trading fee of up to 2% of the value of the shares of the Corporate Fund. This fee will be paid to the Corporate Fund and is in addition to any other fees that may apply and we may require that you redeem all your shares in the Corporate Fund.																											
Conversion fees	If you switch shares that you purchased under the low load purchase option or DSC purchase option to another series of shares that does not have the low load purchase option or DSC purchase option respectively before three years have expired (in the case of low load shares) or seven years have expired (in the case of DSC shares), you will pay to us a conversion fee at the time you make the switch. The conversion fee is equal to the redemption fee you would have paid if you redeemed your shares.																											
Fees for the Systematic Investment Program	None																											
Fees for the Systematic Withdrawal Program	None																											
Fees for the Automatic Rebalancing Program	None																											
Registered Plan Administration Fees	None																											

Impact of sales charges

The table below shows the fees you would have to pay if you purchased shares of a Corporate Fund under our different purchase options. It assumes that:

- › You invest \$1,000 in the Corporate Fund for each period and redeem all of your shares immediately before the end of that period
- › The sales fee you negotiate with your dealer under the front load purchase option is 5%

	When you purchase your shares	1 year	3 years	5 years	10 years
Front load purchase option (Series B, I-5, I-6 and I-7 shares only)	\$50.00	—	—	—	—
Low load purchase option (Series B, I-5, I-6 and I-7 shares only and other than Russell Money Market Class)	—	\$30.00	\$20.00	—	—
Deferred sales charge purchase option (Series B, I-5, I-6 and I-7 shares only)	—	\$60.00	\$50.00	\$40.00	—
No load purchase option (Any series of shares)	n/a	n/a	n/a	n/a	n/a

Dealer compensation

Sales fees

Your dealer may receive a fee when you purchase Series B, I-5, I-6 or I-7 shares. If you purchase these shares under the front load purchase option, you will pay to your dealer a sales fee of up to 5% of the amount you invest. The fee is negotiated between you and your dealer and is deducted from your investment. If you purchase Series B, I-5, I-6 or I-7 shares under the low load purchase option or DSC purchase option, we will pay your dealer a fee that is calculated as a percentage of the amount invested by you, as follows:

Corporate Fund	Maximum Sales Fee Paid to Dealer (%)	
	Low load shares	DSC shares
Russell LifePoints Class Portfolios	2.50	5.00
Russell Canadian Equity Class Russell US Equity Class Russell Overseas Equity Class Russell Global Equity Class Russell Emerging Markets Equity Class	3.00	n/a
Russell Managed Yield Class	1.50	n/a
Russell Money Market Class	n/a	n/a
Russell Diversified Monthly Income Class Portfolio Russell Retirement Essentials Class Portfolio	2.00	n/a

Trailer fees

Trailer fees are amounts we pay to dealers to compensate them for providing ongoing services to you. These fees are calculated as an annual percentage of the average daily value of the shares held by investors and are paid out of the management fee we receive from each Corporate Fund. The maximum trailer fee percentage varies based on the purchase option you chose when you purchased the shares and the length of time that you have owned the shares, as summarized in the table below.

Trailer fees CONTINUED

Corporate Fund	Series	Maximum Trailer Fee if purchased under low load option (%)		Maximum Trailer Fee if purchased under deferred sales charge purchase option (%)		Maximum Trailer Fee if purchased under no load or front load options (%)
		Within 3 Years of Purchase	Matured Shares	Within 7 Years of Purchase	Matured Shares	
All Class Portfolios*	B, I-6 & I-7	0.50	1.25	0.50	1.25	1.35
All Russell Sovereign Investment Equity Class Pools**	B	0.50	1.50	n/a	n/a	1.63
Russell Managed Yield Class	B	0.25	0.82	n/a	n/a	0.85
Russell Money Market Class	B	0.25	0.25	n/a	n/a	0.35
Russell Diversified Monthly Income Class Portfolio	B, I-5 & I-7	0.50	1.00	n/a	n/a	1.00
Russell Retirement Essentials Class Portfolio	B, I-5, I-6 & I-7	0.50	1.00	n/a	n/a	1.00

* Excluding Russell Diversified Monthly Income Class Portfolio and Russell Retirement Essentials Class Portfolio.

** Russell Sovereign Investment Equity Class Pools are Russell Canadian Equity Class, Russell US Equity Class, Russell Overseas Equity Class, Russell Global Equity Class and Russell Emerging Markets Equity Class.

Trailer fees are exclusive of any applicable taxes.

We may change the terms of the trailer fees or cancel them at any time. We don't pay trailer fees for the Fee Based Shares. Fee Based Shares are only available to investors enrolled in a fee-for-service or wrap program and so they pay their dealer directly. There are no sales commissions payable to dealers on the sale of these shares.

Marketing and promotional fees

We may also pay approved dealers for promotional activities and marketing expenses as allowed by Canadian securities regulations. In particular, we may pay for materials to help support the sales efforts of the dealers or share some of the advertising costs.

Dealer compensation from management fees

No portion of the management fees have been used to fund promotional activities, marketing expenses and trailer fees for shares of the Corporate Funds as the Corporate Funds were only established in 2008.

Income tax considerations for investors

This summary of Canadian federal income tax considerations only applies to individual investors (other than trusts) who are residents of Canada, deal with the Corporation at arm's length, and hold their shares as capital property. This summary assumes the Corporation will meet all conditions, and will make all necessary elections, so that the Corporation will be deemed to qualify, as a "mutual fund corporation" within the meaning of the *Income Tax Act* (Canada) (the "Tax Act") from the date shares of the Corporation are first offered pursuant to this Simplified Prospectus. This summary is not exhaustive and is based on tax rules and legislation as of the date of this Simplified Prospectus. **Please consult with a tax advisor about your own circumstances. Please see the Annual Information Form for additional tax information.**

General

The Corporation is a single entity and taxpayer regardless of how many classes it offers. The Corporation must consolidate its income, capital gains, expenses and capital losses from all the investments made for all classes in order to determine the amount of tax payable. For example, capital gains of one class are offset by capital losses of another class.

A Corporate Fund may pay *dividends* out of income or capital gains and a Trust Fund pays *distributions* out of income or capital gains. Dividends are not declared regularly by the Corporation. Both Corporate Funds and Trust Funds may pay distributions out of capital. Certain Corporate Funds offer one or a few series of shares which are expected to make regular payments out of capital to investors of that series.

Dividends and distributions


The Corporate Funds may earn dividend, foreign, interest or other income. The Corporate Funds may also realize capital gains when the Corporate Funds sell investments at a profit. If a Corporate Fund pays out its net income or net realized capital gains to investors, these payments are called *dividends*.

The Corporate Funds may also pay out to holders of certain series of the Corporate Funds amounts in respect of a return of capital. These payments are called *distributions*.

Adjusted cost base

It is not expected that distributions of a return of capital made to holders of certain series of a Corporate Fund will be taxable. Distributions of a return of capital, although not taxable, will reduce the adjusted cost base ("ACB") of your shares. If the ACB of your shares would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by you and the adjusted cost base of your shares will be increased by the amount of such gain.

When you dispose of a share, including a redemption or a switch of securities between a Corporate Fund and a Trust Fund, you may realize a capital gain or loss. Your capital gain or loss will be equal to the difference between the proceeds of disposition (generally the value



received less any reasonable disposition costs) and your ACB of the shares of the Corporate Fund. Generally, one-half of a capital gain is included in computing income as a taxable capital gain and one-half of a capital loss is an allowable capital loss which may be deducted against your taxable capital gains for the year. In general, any excess of your allowable capital loss over your taxable capital gains for the year may be carried back up to three taxation years or forward indefinitely and deducted against taxable capital gains in other years.

A conversion of shares involves moving shares from one series of a Corporate Fund to a different series in the same Corporate Fund or moving shares from one Corporate Fund to another Corporate Fund. Both types of conversions will generally not result in a disposition for tax purposes, so no capital gain or loss will result in the year of conversion.

The ACB per share can be calculated using the following three steps:

1. Add together your initial investment, any additional investments and reinvested dividends or distributions for the same series
2. Subtract from Step 1 any returns of capital and the ACB of any shares you previously redeemed, or switched from shares of the relevant series to shares of another series or class
3. Divide the result of Step 2 by the total number of shares currently held

A separate ACB must be calculated for each series of shares of each Corporate Fund you own.

You should keep detailed records of the purchase cost of each series of shares of each Corporate Fund and dividends or distributions you receive so you can calculate the ACB for each series of shares of each Corporate Fund you own. You must compute your ACB, proceeds of distribution and capital gains in Canadian dollars.

When calculating your gain or loss at the time that you dispose of shares:

- › If you purchased those shares under the front load purchase option, you may include in the ACB of that series of shares any sales fees you paid to your dealer when you purchased those shares
- › If you purchased those shares under the low load purchase option or DSC purchase option, you may include in your reasonable disposition costs any redemption fees you pay at the time of the disposition

In certain situations, where you dispose of shares of a Corporate Fund and would otherwise realize a capital loss, the loss will be denied. This may occur if you, your spouse or another person affiliated with you (including a corporation controlled by you) has acquired shares of the same series of the Corporate Fund within 30 days before or after you disposed of your shares, which are considered to be “substituted property”. In these circumstances, your capital loss may be deemed to be a “superficial loss” and denied. The amount of the denied capital loss will be added to the ACB of the owner of the shares which are substituted property.

Individuals may be liable for alternative minimum tax in respect of ordinary dividends, capital gains dividends and capital gains paid to or realized by them.

Registered Plans and tax free savings accounts

The shares of each Corporate Fund are “qualified investments” within the meaning of the Tax Act for Registered Plans. If you hold your shares in a Registered Plan, generally you don’t have to pay taxes on ordinary dividends or capital gains dividends paid by a Corporate Fund until you withdraw money from the Registered Plan. You also don’t have to pay taxes on any capital gains realized when your Registered Plan redeems or transfers shares until you withdraw money from the Registered Plan.

Based on the Tax Proposals and explanatory notes released on July 14, 2008, the shares of each Corporate Fund are expected to be a qualified investment for a tax-free savings account commencing in 2009. However, you will be subject to a penalty tax if such shares are a “prohibited investment” for your tax-free savings account as set out in the Tax Act. You should consult your own tax adviser with respect to holding shares in a tax-free savings account. Withdrawals from tax free savings accounts will not be taxable under the Tax Act.

Non-registered plans

A Corporate Fund may pay ordinary dividends or capital gains dividends. The board of directors determines when dividends are paid. Dividends from the Corporate Fund are taxable in the year you receive them. If a Corporate Fund pays dividends in a year, you will receive a tax statement that shows your share of the Corporate Fund’s dividend. The dividends you receive are reinvested in additional shares. You have to report the dividends you receive on your income tax return. In general, you must also include any management fee rebates in your income.

Generally, ordinary dividends you receive from a Corporate Fund are treated as taxable dividends or eligible dividends and are subject to the applicable gross-up and dividend tax credit rules. Capital gains dividends are treated as realized capital gains. In general, you must include one-half of the amount of a capital gain in your income for tax purposes. The Corporation may pay capital gains dividends in order to obtain a refund of capital gains taxes paid by the Corporation.

The share price of a Corporate Fund may include income and capital gains that the Corporate Fund has earned, accrued or realized. If you purchase shares of a Corporate Fund before a dividend record date, you may have to pay tax on that dividend.

It is not expected that distributions of a return of capital made to holders of certain series of a Corporate Fund will be taxable. See “Income tax considerations for investors – Adjusted cost base” for a discussion of the effect of such distributions on the adjusted cost base of your shares.

What are your legal rights?



Securities legislation in some provinces gives you the right to withdraw from an agreement to purchase shares of a Corporate Fund within two Business Days of receiving the Simplified Prospectus, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allow you to cancel an agreement to purchase shares of a Corporate Fund and get your money back, or to make a claim for damages, if the Simplified Prospectus, Annual Information Form or financial statements misrepresent any material facts about the Corporate Fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory, or consult your lawyer.

Specific information about each of the Funds described in this document

Introduction

In the pages that follow, we've provided specific information about each of the Russell LifePoints Class Portfolios and the Russell Sovereign Investment Classes.

The Russell investment process

We believe investors should seek to hold fully diversified portfolios that reflect their own individual investment time horizons and their willingness to accept risk. Therefore, our Corporate Funds have been structured to provide access to diversification using the MULTI-ASSET, MULTI-STYLE, MULTI-MANAGER® investment approach.

Asset classes

Capital market history shows that asset classes with greater risk will generally outperform lower risk asset classes over time. For instance, equities over the past 50 years have outperformed debt in absolute terms. However, what is generally true of performance over extended periods will not necessarily be true at any given time during a market cycle, and from time to time asset classes with greater risk may also underperform lower risk asset classes.

There is no guarantee that the historical performance of the capital markets will be repeated or that the Corporate Funds' performance will replicate the performance of the capital markets they represent.


Investment styles

Research has shown that no one investment style within an asset class will consistently outperform competing styles. For instance, at any point in time investment styles favouring securities with growth characteristics may outperform styles favouring income producing securities and vice versa. It is largely for this reason that no single manager has consistently outperformed the market over extended periods. Also, while performance cycles do tend to repeat themselves, they do not do so predictably.

We attempt to reduce the risk relating to any one investment style by using a combination of investment styles.

The styles we use in the equity Underlying Funds may include any of the following:

- › Growth: The growth style focuses on future earnings growth. If the expected earnings growth of a stock materializes and the Price/Earnings multiple remains at least constant, then the stock's price should rise. The focus of a growth investor is more on the future than the present. Holdings will typically exhibit higher growth rates and higher valuations than the overall market.
- › Value: The value style focuses more on the current price of a stock as opposed to future earnings. A value investor will make a judgement that the current price of a stock is too low and that they will be rewarded by having the stock price revert back to more normal levels. This implies that the value investor is counting on the Price/Earnings multiple to expand.

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- › Market-Oriented: This style attempts to track the broad market in a general sense. A market-oriented style can be distinguished from a growth or value style in that the market-oriented style will provide diversification by making both growth and value stock selections. The emphasis on either growth or value may vary at any point in time, but a market-oriented style will not generally exhibit a persistent growth or value bias.
 - › Small-Capitalization: This style focuses on the stocks which are smaller in market cap than their large cap counterparts. These stocks normally comprise roughly the bottom two-thirds of the securities in the relevant index.

The styles we use in the fixed income Underlying Funds and Russell Managed Yield Class may include any of the following:

- › Interest Rate Management (also known as Duration Constrained): This investment style focuses on adding value through management of the Underlying Fund's duration and yield curve exposures versus its benchmark. Duration is the weighted average term-to-maturity of all cash flows from a bond. It takes into account a bond's coupon rate and yield-to-maturity and is a more precise measure of a bond's sensitivity to interest rate changes than the simple term-to-maturity. The yield curve refers to a series of interest rates plotted against their term to maturity. In a normal interest rate environment, a bond's interest rate increases with the length of its term to maturity.
- › Sector Selection: This strategy focuses on adding value by investing (over weighting or under weighting relative to the benchmark) in sectors of the bond market deemed to have attractive risk/reward characteristics. Examples include Government of Canada bonds, provincial bonds, corporate bonds and Canadian high-yield bonds.
- › Security Selection (also known as Active Yield Management): This style focuses on adding value by constructing a portfolio with a higher yield-to-maturity but similar duration to a benchmark. This involves selecting bonds by trading off the default and other risks of corporate bonds against the higher yield they provide relative to comparable Government of Canada bonds.
- › Global Management: This style tactically invests in bonds from non-Canadian issuers. This is done when there are attractive opportunities relative to opportunities in the Canadian market. For the Russell Canadian Fixed Income Fund and Russell Managed Yield Class, this strategy will normally hedge the foreign currency exposure of foreign bonds into Canadian dollars.
- › Currency Management: This style separates the management of currency risk from the security selection decisions. Normally, the majority of all foreign currency exposure from foreign bonds will be hedged back into Canadian dollars.

The Russell Funds may change their investment styles at any time.

Subadvisor selection

Another impact on risk and return is the ability of the subadvisor of an Underlying Fund.

Subadvisors are selected based primarily upon the research and recommendations of us and our parent company. We evaluate quantitatively and qualitatively the subadvisor's skills and results in managing assets for specific asset classes, investment styles and strategies. Short-term investment performance, by itself, is not necessarily a controlling factor in the selection or termination of any subadvisor.

We seek to combine select subadvisors who employ complementary styles within the same asset class. By combining complementary investment styles within an asset class, investors are better able to reduce their exposure to any one investment style going out of favour.

Each subadvisor has complete discretion to purchase and sell portfolio securities for its segment of an Underlying Fund. At the same time, however, each subadvisor must operate within each Underlying Fund's investment objectives, restrictions and policies. Additionally, each subadvisor must operate within more specific constraints developed, from time to time, by us. We develop such constraints for each subadvisor based on our assessment of the subadvisor's expertise and investment style. By assigning more specific constraints to each subadvisor, we intend to capitalize on the strengths of each subadvisor and to combine their investment activities in a complementary fashion. Although we monitor all subadvisors on an ongoing basis, we don't direct the individual security selections of any subadvisor. We may hire, replace or terminate subadvisors at any time.

Although most of the decisions relating to the purchasing and selling of securities are done by the subadvisors, there are times in which we may be directing the purchasing or selling of securities for the Underlying Funds. For example, if a subadvisor is terminated, we may manage the transition from the previous subadvisor to the new subadvisor(s) and we may, if necessary, manage the portfolio on an interim basis. We may also purchase or sell securities on behalf of subadvisors to facilitate contributions or redemptions to or from the Underlying Fund. We may become involved in the trading of a security whose composition approaches 10% of the net assets of an Underlying Fund so that we can ensure that the Underlying Fund remains in compliance with regulatory restrictions.

In addition, if we note that several subadvisors consider particular securities to be attractive, we may use a small fixed percentage of the Underlying Fund's assets to purchase additional amounts of such securities.

Regional and sector weightings

Certain Underlying Funds allocate their assets to the US and foreign markets or to industry sectors according to their regional or industrial sector weightings in the MSCI World ex-Canada Index[†], which is a custom index calculated by Morgan Stanley Capital International, or the Morgan Stanley Capital International Europe, Australia and Far East Equity Index (the “MSCI EAFE Index[†]”). These indices are calculated with net dividends invested daily.

Use of derivatives

Russell Funds may use derivatives for hedging and non-hedging purposes.

Derivatives will be used only when a Russell Fund has enough cash or securities to cover its exposure to the derivatives. Derivatives will not be used to leverage assets.

The Russell Funds may use derivatives on occasion for hedging, that is, in order to protect against potential losses due to changes in interest rates, foreign exchange rates, commodity prices or stock prices. It is not our expectation that the Russell Funds will use derivatives for hedging on a consistent basis, except for the Russell Canadian Fixed Income Fund, Russell Fixed Income Pool and Russell Core Plus Fixed Income Pool. Please see page 38 for information on the use of derivatives by those Underlying Funds.


Each Russell Fund must hold a certain amount of cash to meet redemption requests. However, holding cash can make it difficult for a Russell Fund to achieve its investment goals. Index futures contracts that expose the Russell Fund to the performance of a market index can allow the Russell Fund to maintain cash reserves, while receiving a return that is similar to that of the market index. A futures contract is a standardized contract traded on an exchange to purchase or sell a commodity at a fixed price at a future date. For example, an Underlying Fund can enter into a futures contract linked to the S&P/TSX 60 stock index which provides a return similar to the return which would be achieved if the Underlying Fund purchased all of the stocks that make up that index, but purchasing the index contract is faster and less expensive than directly purchasing all the stocks that make up that index. For this reason, Russell Funds will use financial futures contracts either temporarily or as a part of their strategy, as a substitute for investing directly in a particular security or market.

[†] Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used to create any financial instruments or products or any indices. The MSCI information is provided on an “as is” basis and the user of this information assumes the entire risk of any use it may make or permit to be made of this information. Neither MSCI, any of its affiliates or any other person involved in or related to compiling, computing or creating the MSCI information (collectively, the “MSCI Parties”) makes any express or implied warranties or representations with respect to such information or the results to be obtained by the use thereof, and the MSCI Parties hereby expressly disclaim all warranties (including, without limitation, all warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential or any other damages (including, without limitation, lost profits) even if notified of, or if it might otherwise have anticipated, the possibility of such damages.

Forward contracts may also be used. In a forward contract, the Russell Fund enters into a contract with a counterparty to purchase or sell a security or currency at a fixed date in the future at a fixed price. If the value of that contract increases, the contract may be sold prior to its maturity date to generate income for the Russell Fund. A Russell Fund may enter into a forward currency contract to effectively convert Canadian cash to foreign currency. In this way, the Russell Fund predetermines the exchange rate for the cash as at a future date.

The Russell Funds may also use other derivatives to the extent permitted by Canadian securities regulations or to the extent the Russell Funds have received permission to deviate from these regulations. Some other derivatives a Russell Fund may use include options, debt-like securities and swaps. As well, each Corporate Fund (other than the Class Portfolios and Russell Money Market Class) and Underlying Fund (other than Russell Money Market Pool) has received an exemption from National Instrument 81-102 which permits the Russell Fund to engage in the following derivatives transactions in accordance with certain conditions imposed by the exemption:

- › To enter into interest rate swaps and credit default swaps with a remaining term to maturity greater than 3 years
- › To the extent that cash cover is required in respect of specified derivatives, to cover specified derivative positions with:
 - (a) any bonds, debentures, notes or other evidences of indebtedness that are liquid and have a remaining term to maturity of 365 days or less and an “approved credit rating” as defined in NI 81-102 (“Fixed Income Securities”);
 - (b) floating rate evidences of indebtedness (“FRNs”) which are a “conventional floating rate debt instrument” as defined in NI 81-102 with principal amounts having a market value of approximately par at the time of each change in the rate to be paid and the interest rates are reset no later than every 185 days and:
 - (i) if the FRN is issued by the government of Canada or the government of a province or territory of Canada, the principal and interest of the FRN is fully and unconditionally guaranteed by such federal, provincial or territorial government,
 - (ii) if the FRN is issued by the government of the United States of America, the government of one of the states of the United States of America, the government of another sovereign state, or a “permitted supranational agency” as defined in NI 81-102, the principal and interest of the FRN is fully and unconditionally guaranteed by such government or permitted supranational agency and the FRN has an “approved credit rating” as defined in NI 81-102, and
 - (iii) if the FRN is issued by another person or company, the FRN has an “approved credit rating” as defined in NI 81-102; or
 - (c) securities of money market mutual funds we manage to which NI 81-102 applies (“Money Market Fund Securities”).

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- › To use as cover when the Russell Fund has a long position in a debt-like security that has a component that is a long position in a forward contract, or in a standardized future or forward contract:
 - (a) cash cover, Fixed Income Securities, FRNs and Money Market Fund Securities (collectively, “Cover”) in an amount that, together with margin on account for the specified derivative and the market value of the specified derivative, is not less than, on a daily mark-to-market basis, the underlying market exposure of the specified derivative,
 - (b) a right or obligation to sell an equivalent quantity of the underlying interest of the future or forward contract, and Cover that together with margin on account for the position, is not less than the amount, if any, by which the strike price of the future or forward contract exceeds the strike price of the right or obligation to sell the underlying interest, or
 - (c) a combination of the positions referred to in paragraphs (a) and (b) immediately above that is sufficient, without recourse to other assets of the Russell Fund, to enable the Russell Fund to acquire the underlying interest of the future or forward contract,
 - › To use as cover, when the Russell Fund has a right to receive payments under an interest rate swap:
 - (a) Cover in an amount that, together with margin on account for the swap and the market value of the swap, is not less than, on a daily mark-to-market basis, the underlying market exposure of the swap,
 - (b) a right or obligation to enter into an offsetting interest rate swap on an equivalent quantity and with an equivalent term and Cover that, together with margin on account for the position, is not less than the aggregate amount, if any, of the obligations of the Pool under the interest rate swap less the obligations of the Pool under such offsetting interest rate swap, or
 - (c) a combination of the positions referred to in paragraphs (a) and (b) immediately above that is sufficient, without recourse to other assets of the Russell Fund, to enable the Russell Fund to satisfy its obligations under the interest rate swap.

Forward contracts of Russell Managed Yield Class

As part of its investment strategy, Russell Managed Yield Class may purchase a specified portfolio consisting of equity securities of Canadian public issuers and enter into forward contracts under which it will forward sell or swap the Canadian securities in return for exposure to an investment in units of an Underlying Fund. The Underlying Fund is Russell Canadian Fixed Income Fund. As a consequence of entering into the forward contracts, Russell Managed Yield Class will generally forgo the benefits of any increase in the value of its portfolio of Canadian securities.

Under the terms of each forward contract, Russell Managed Yield Class may be required to sell the Canadian securities monthly and enter into a new transaction for the next month by buying Canadian securities. The sale price will be equal to the actual proceeds that would be received if a corresponding number of units of Russell Canadian Fixed Income Fund were sold. Russell Managed Yield Class will pay fees to the counterparty in connection with the sale of the Canadian securities calculated by reference to the net asset value of the notional investment in Russell Canadian Fixed Income Fund.


The Canadian securities which are the subject of a forward contract will be agreed to between Russell Managed Yield Class and the forward counterparty. Prior to the maturity or termination of the forward contract, the Canadian securities or other securities acceptable to the counterparty will be pledged to the counterparty and held by the counterparty as security for the obligations of Russell Managed Yield Class under the forward contract.

The obligations of the counterparty to Russell Managed Yield Class under the forward contract will be determined by reference to the performance of Russell Canadian Fixed Income Fund. The counterparty may choose, but is not required, to enter into transactions in order to hedge its exposure to Russell Canadian Fixed Income Fund. There is no assurance that the counterparty will maintain a hedge with respect to the full amount or the entire term of the forward contract.

The terms of the forward contract will permit an adjustment for an increase in the amount of the forward contract subject to certain conditions, including a minimum dollar amount.

The terms of the forward contract may also provide that it may be partially settled prior to its maturity, at the option of Russell Managed Yield Class, or in certain circumstances, at the option of the counterparty, or in certain other events, including certain merger events, de-listing of an issuer's securities from a stock exchange or change of tax status of an issuer. If there is a partial pre-settlement, Russell Managed Yield Class will sell Canadian securities of one or more issuers to the counterparty in return for the payment by the counterparty of an amount equal to the actual redemption proceeds (together with any cash distributions in respect of the redeemed units) that an investor in Russell Canadian Fixed Income Fund would receive at the relevant time for a related number of units of Russell Canadian Fixed Income Fund. If there is a partial pre-settlement prior to maturity, Russell Managed Yield Class will realize a capital gain or a capital loss for tax purposes on the sale of Canadian securities, even if Russell Managed Yield Class elects to use the proceeds from the pre-settlement to invest in other Canadian securities.

The terms of the forward contract may also provide that if there are any dividends or distributions on the Canadian securities to be received by Russell Managed Yield Class, the relevant Canadian securities may be substituted with replacement securities acceptable to the counterparty, at Russell Managed Yield Class' option, having a value which preserves the value of the forward contract. In the event such substitutions are made, Russell Managed Yield Class will sell the relevant Canadian securities but in this case, the return will be measured by the increase or decrease in the prices of the Canadian securities sold rather than the return on the Underlying Fund.



In addition, during the term of the forward contract, if any dividends or distributions on the Canadian securities are paid, although the amount of such dividends or distributions constitutes part of the counterparty's hedge, such dividends or distributions typically nevertheless constitute income of Russell Managed Yield Class for tax purposes.

The forward contract will be terminable prior to its maturity at the option of Russell Managed Yield Class and may also be terminated in certain circumstances by the counterparty including, but not limited to, certain regulatory, accounting or tax events relating to the counterparty or due to a loss of hedge or an increase in its hedging costs. In such event, Russell Managed Yield Class may be required to pay certain costs of the counterparty.

Upon a settlement or partial pre-settlement of the forward contract, Russell Managed Yield Class will deliver Canadian securities to the counterparty in return for the payment of the purchase price; however, the counterparty may postpone a payment due to Russell Managed Yield Class in the event that there is any event, condition or circumstance that restricts, or suspends in any way the entitlement or ability of an investor to redeem its investment in Russell Canadian Fixed Income Fund at such time.

Use of securities lending

Some of the Underlying Funds may enter into securities lending transactions to generate additional income from securities held in that Underlying Fund's portfolio in a manner that is consistent with the Underlying Fund's investment objectives and as permitted by securities law. In a securities lending transaction, an Underlying Fund will loan securities it holds in its portfolio to a borrower in exchange for a fee.

An Underlying Fund may lend securities held in its portfolio to qualified borrowers who provide adequate collateral. If the borrower to these transactions cannot fulfil its agreement, the Underlying Fund may suffer losses. For example, an Underlying Fund risks losing securities it lends to a borrower if the borrower is unable to fulfil its promise to return the securities or settle the transaction and the collateral that has been provided is inadequate.

To the extent the Underlying Fund accepts cash collateral and invests such cash collateral, the Underlying Fund assumes any market or investment risk of loss with respect to the investment of such cash collateral. If the value of the cash collateral so invested is insufficient to return any and all amounts due to the borrower, the Underlying Fund is responsible for such shortfall.

Securities lending transactions are subject to the requirements of the Canadian securities administrators and the agreement that we have entered into with our securities lending agent. These requirements are designed to minimize risk and they include the following:

- › The borrower of securities must provide collateral permitted by the Canadian securities administrators worth at least 102% of the market value of the securities loaned
- › The Underlying Fund will only deal with borrowers who have been approved by the manager and the securities lending agent and the borrowers will be subject to transaction and credit limits

- › No more than 50% of an Underlying Fund's assets may be loaned in such transactions
- › The value of the securities and collateral will be monitored daily
- › The Underlying Fund may only invest the cash collateral in qualifying securities (such as Canadian and US government debt securities and debt securities with a prescribed credit rating) having a remaining term to maturity of no more than 90 days
- › If a borrower fails to return securities, our securities lending agent will pay to the Underlying Fund the market value of those securities
- › Internal controls, procedures and records will be maintained
- › Securities lending transactions may be terminated at any time

The Russell Managed Yield Class may also enter into securities lending transactions, to generate additional income from securities held in the Fund's portfolio. Should this Fund enter into securities lending transactions, the discussion in this section with respect to the conditions and constraints of securities lending in respect of the Underlying Funds will also apply to this Fund.

Dividend and distribution policy

The Corporation does not have a policy of regularly paying dividends. If dividends are declared by the Corporation, generally these dividends would be paid to investors in each series of all Corporate Funds of the Corporation but the board of directors has the right to distribute dividends to only holders of a particular Corporate Fund if the board believes it is appropriate to do so in the relevant circumstances.

While no regular dividends may be paid generally to all shareholders, certain of the Corporate Funds offer one or a few series where the Corporate Fund expects to make monthly distributions of capital attributable to such series.

We automatically reinvest your distributions to purchase additional shares of the same Corporate Fund. If you would like to receive your distributions in cash, please notify your dealer in writing. Your request will take effect with respect to distribution dates falling at least 15 days after such notice. Dividends are automatically reinvested to purchase additional shares of the same Corporate Fund, and cannot be received in cash. In the event that payments of net income or net realized capital gains are made as part of a monthly distribution on series I-5, I-6, I-7, F-5, F-6 or F-7, you will receive such payments in cash if you have provided your dealer with the required instructions to receive your distributions in cash.

Fund expenses indirectly borne by investors

The Corporate Funds are new mutual funds and no expenses have yet been incurred by the Corporate Funds which would be borne by investors. Accordingly, an illustration of how much an investment in a Corporate Fund will cost over one, three, five and ten years is not provided.

LifePoints Balanced Class Portfolio

FUND DETAILS

Type of Fund	Balanced
Date the Fund was started	October 27, 2008
Type of securities offered	Series B, F, F-6 and I-6 shares
Eligibility for registered plans	This Fund is eligible as an investment for registered plans and is expected to be eligible for tax-free savings accounts commencing in 2009.

WHAT DOES THIS FUND INVEST IN?

Investment objective

The Fund's investment objective is to provide long-term capital growth with income through approximately equal exposure to equity securities and fixed income investments and financial instruments.

The investment objective can't be changed unless shareholders of the Fund approve the change in a meeting.

Investment strategies

The target asset allocation of the Fund is:

- › Fixed income exposure 50%
- › Equity exposure 50%

The equity exposure of the Fund will be roughly one-third Canadian equities, and two-thirds foreign equities.

We monitor the asset allocation of the Fund on a daily basis and generally will rebalance when the asset allocation varies by more than 2.5% from the target asset allocation. When we rebalance we attempt to place the Fund as close as reasonably possible to its target asset allocation. We may in our discretion perform rebalancing more frequently.

To achieve its objective, the Fund will invest primarily in Underlying Funds. The decision to invest in an Underlying Fund is based on Russell's assessment of the market outlook and the Underlying Fund's ability to help the Fund meet its stated investment objectives. We may replace the Underlying Funds named below with other Underlying Funds or change the weighting of the Underlying Funds or make any other changes to the investment strategies of the Fund at any time without advance notice.

The approximate target weightings for investments in the Underlying Funds are set out in percentages below:

Russell Canadian Fixed Income Fund	50%
Russell Canadian Equity Fund	17%
Russell US Equity Fund	11%
Russell Overseas Equity Fund	11%
Russell Global Equity Fund	11%

Note that the allocation to the Russell US Equity Fund and Russell Overseas Equity Fund will be managed according to their regional weighting in the MSCI World ex-Canada Index* and therefore may vary slightly.

There is no specific allocation for cash, but the Fund will hold cash for various purposes. The Fund may also hold derivatives from time to time, and the Underlying Funds may at times invest in asset-backed commercial paper.

What are the risks of investing in this Fund?

Since the LifePoints Balanced Class Portfolio invests in the Underlying Funds, it is subject to the same risks as the Underlying Funds, and additional risks as described in this section. The main investment risks are:

- › Concentration risk
- › Credit risk
- › Currency risk
- › Derivatives risk
- › Emerging markets risk
- › Foreign investment risk
- › Interest rate risk
- › Large investor risk
- › Liquidity risk
- › Multi-class and multi-series risk
- › Securities lending risk
- › Stock market risk

For more information about these risks as well as a general discussion about the risks of investing in mutual funds, please see page 4.

*A custom index calculated by MSCI. The MSCI World ex-Canada Index is calculated with net dividends reinvested daily. See "Regional and Sector Weightings" earlier in this document for additional information.

Who should invest in this Fund?

The LifePoints Balanced Class Portfolio is suitable for those investors who:

- › Want to invest for the intermediate to long term
- › Want to invest in income securities
- › Want to invest an approximately equal amount in equities securities and fixed income securities
- › Want to invest both in Canada and around the world
- › Have a low to moderate tolerance for risk
- › Are looking for income and long-term growth
- › Can tolerate moderate volatility
- › In the case of investors purchasing Series F-6 and I-6 shares, want to receive monthly distributions and are willing to accept returns of capital

Dividend and distribution policy

The Fund intends to make to holders of Series F-6 and I-6 shares regular monthly distributions of a return of capital (the “Monthly Amount”) so long as there is sufficient capital attributable to the relevant series. The Monthly Amount in any year is currently determined by us by applying a percentage to the net asset value attributable to the series. In the case of Series F-6 and I-6 shares, the annual percentage is currently 6% and the Monthly Amount is one twelfth of the amount so determined. The Monthly Amount may be changed by us at any time, including for reasons due to changes in the net asset value attributable to the series.

Distributions on Series F-6 and I-6 shares are not guaranteed to occur on a specific date and the Fund is not responsible for any fees or charges incurred by you because the Fund did not make a distribution on a particular day.

We automatically reinvest your distributions in the same series. If you would like to receive your distributions in cash, please notify your dealer. Your request will take effect with respect to distribution dates falling at least 15 days after we receive the request.

Each distribution generally will be a return of capital but will adjust the cost base of your shares.

The Fund does not have a policy of regularly paying dividends. See *Specific information about each of the Funds described in this document – Dividends and distributions*.

For information about how dividends and distributions can affect your taxes, see *Income tax considerations for investors*.

Fund expenses indirectly borne by investors

This information is not applicable as the Fund had not commenced operations as at the date of this simplified prospectus.

For information on fees you pay directly, please see page 25.

LifePoints Balanced Growth Class Portfolio

FUND DETAILS

Type of Fund	Balanced
Date the Fund was started	October 27, 2008
Type of securities offered	Series B, F, F-7 and I-7 shares
Eligibility for registered plans	This Fund is eligible as an investment for registered plans and is expected to be eligible for tax-free savings accounts commencing in 2009.

WHAT DOES THIS FUND INVEST IN?

Investment objective

The Fund's investment objective is to provide long-term capital growth with some income, primarily through exposure to Canadian and foreign equity securities and, to a lesser extent, exposure to fixed income investments and financial instruments.

The investment objective can't be changed unless shareholders of the Fund approve the change in a meeting.

Investment strategies

The target asset allocation of the Fund is:

- › Fixed income exposure 40%
- › Equity exposure 60%

The equity exposure of the Fund will be roughly one-third Canadian equities, and two-thirds foreign equities.

We monitor the asset allocation of the Fund on a daily basis and generally will rebalance when the asset allocation varies by more than 2.5% from the target asset allocation. When we rebalance we attempt to place the Fund as close as reasonably possible to its target asset allocation. We may in our discretion perform rebalancing more frequently.

To achieve its objective, the Fund will invest primarily in Underlying Funds. The decision to invest in an Underlying Fund is based on Russell's assessment of the market outlook and the Underlying Fund's ability to help the Fund meet its stated investment objectives. We may replace the Underlying Funds named below with other Underlying Funds or change the weighting of the Underlying Funds or make any other changes to the investment strategies of the Fund at any time without advance notice.

The approximate target weightings for investments in the Underlying Funds are set out in percentages below:

Russell Canadian Fixed Income Fund	40%
Russell Canadian Equity Fund	20%
Russell US Equity Fund	13%
Russell Overseas Equity Fund	14%
Russell Global Equity Fund	13%

Note that the allocation to the Russell US Equity Fund and Russell Overseas Equity Fund will be managed according to their regional weighting in the MSCI World ex-Canada Index* and therefore may vary slightly.

There is no specific allocation for cash, but the Fund will hold cash for various purposes. The Fund may also hold derivatives from time to time, and the Underlying Funds may at times invest in asset-backed commercial paper.

What are the risks of investing in this Fund?

Since the LifePoints Balanced Growth Class Portfolio invests in the Underlying Funds, it is subject to the same risks as the Underlying Funds, and additional risks as described in this section. The main investment risks are:

- › Concentration risk
- › Credit risk
- › Currency risk
- › Derivatives risk
- › Emerging markets risk
- › Foreign investment risk
- › Interest rate risk
- › Large investor risk
- › Liquidity risk
- › Multi-class and multi-series risk
- › Securities lending risk
- › Stock market risk

For more information about these risks as well as a general discussion about the risks of investing in mutual funds, please see page 4.

*A custom index calculated by MSCI. The MSCI World ex-Canada Index is calculated with net dividends reinvested daily. See "Regional and Sector Weightings" earlier in this document for additional information.

Who should invest in this Fund?

The LifePoints Balanced Growth Class Portfolio is suitable for those investors who:

- › Want to invest for the intermediate to long term
- › Want to invest in equities, both in Canada and around the world
- › Have a low to moderate tolerance for risk
- › Are looking for long-term growth with some interest income
- › Can tolerate moderate volatility
- › In the case of investors purchasing Series F-7 and I-7 shares, want to receive monthly distributions and are willing to accept returns of capital

Dividend and distribution policy

The Fund intends to make to holders of Series F-7 and I-7 shares regular monthly distributions of a return of capital (the "Monthly Amount") so long as there is sufficient capital attributable to the relevant series. The Monthly Amount in any year is currently determined by us by applying a percentage to the net asset value attributable to the series. In the case of Series F-7 and I-7 shares, the annual percentage is currently 7% and the Monthly Amount is one twelfth of the amount so determined. The Monthly Amount may be changed by us at any time, including for reasons due to changes in the net asset value attributable to the series.

Distributions on Series F-7 and I-7 shares are not guaranteed to occur on a specific date and the Fund is not responsible for any fees or charges incurred by you because the Fund did not make a distribution on a particular day.

We automatically reinvest your distributions in the same series. If you would like to receive your distributions in cash, please notify your dealer. Your request will take effect with respect to distribution dates falling at least 15 days after we receive the request.

Each distribution generally will be a return of capital but will adjust the cost base of your shares.

The Fund does not have a policy of regularly paying dividends. See *Specific information about each of the Funds described in this document – Dividends and distributions*.

For information about how dividends and distributions can affect your taxes, see *Income tax considerations for investors*.

Fund expenses indirectly borne by investors

This information is not applicable as the Fund had not commenced operations as at the date of this simplified prospectus.

For information on fees you pay directly, please see page 25.

LifePoints Long-Term Growth Class Portfolio

FUND DETAILS

Type of Fund	Equity
Date the Fund was started	October 27, 2008
Type of securities offered	Series B and F shares
Eligibility for registered plans	This Fund is eligible as an investment for registered plans and is expected to be eligible for tax-free savings accounts commencing in 2009.

WHAT DOES THIS FUND INVEST IN?

Investment objective

The Fund's investment objective is to provide long term capital growth primarily through exposure to Canadian and foreign equities. The Fund will have some exposure to fixed income investments and financial instruments which will reduce volatility and also provide some growth through capital appreciation of these investments, as well as providing income.

The investment objective can't be changed unless shareholders approve the change in a meeting.

Investment strategies

The target asset allocation of the Fund is:

- › Fixed income exposure 20%
- › Equity exposure 80%

The equity exposure of the Fund will be roughly one-third Canadian equities, and two-thirds foreign equities.

We monitor the asset allocation of the Fund on a daily basis and generally will rebalance when the asset allocation varies by more than 2.5% from the target asset allocation. When we rebalance we attempt to place the Fund as close as reasonably possible to its target asset allocation. We may in our discretion perform rebalancing more frequently.

To achieve its objective, the Fund will invest primarily in Underlying Funds. The decision to invest in an Underlying Fund is based on Russell's assessment of the market outlook and the Underlying Fund's ability to help the Fund meet its stated investment objectives. We may replace the Underlying Funds named below with other Underlying Funds or change the weighting of the Underlying Funds or make any other changes to the investment strategies of the Fund at any time without advance notice.

The approximate target weightings for investments in the Underlying Funds are set out in percentages below:

Russell Canadian Fixed Income Fund	20%
Russell Canadian Equity Fund	27%
Russell US Equity Fund	17%
Russell Overseas Equity Fund	18%
Russell Global Equity Fund	18%

Note that the allocation to the Russell US Equity Fund and Russell Overseas Equity Fund will be managed according to their regional weighting in the MSCI World ex-Canada Index* and therefore may vary slightly.

There is no specific allocation for cash, but the Fund will hold cash for various purposes. The Fund may also hold derivatives from time to time, and the Underlying Funds may at times invest in asset-backed commercial paper.

What are the risks of investing in this Fund?

Since the LifePoints Long-Term Growth Class Portfolio invests in the Underlying Funds, it is subject to the same risks as the Underlying Funds, and additional risks as described in this section. The main investment risks are:

- › Concentration risk
- › Credit risk
- › Currency risk
- › Derivatives risk
- › Emerging markets risk
- › Foreign investment risk
- › Interest rate risk
- › Large investor risk
- › Liquidity risk
- › Multi-class and multi-series risk
- › Securities lending risk
- › Stock market risk

For more information about these risks as well as a general discussion about the risks of investing in mutual funds, please see page 4.

*A custom index calculated by MSCI. The MSCI World ex-Canada Index is calculated with net dividends reinvested daily. See "Regional and Sector Weightings" earlier in this document for additional information.



Who should invest in this Fund?

The LifePoints Long-Term Growth Class Portfolio is suitable for those investors who:

- › Want to invest for the long-term
- › Want to invest in equities, both in Canada and around the world
- › Have a moderate tolerance for risk
- › Are looking for long-term growth
- › Can tolerate moderate volatility
- › Want to invest in some income securities

Dividend and distribution policy

The Fund does not have a policy of regularly paying dividends. See *Specific information about each of the Funds described in this document – Dividends and distributions*.

For information about how dividends and distributions can affect your taxes, see *Income tax considerations for investors*.

Fund expenses indirectly borne by investors

This information is not applicable as the Fund had not commenced operations as at the date of this simplified prospectus.

For information on fees you pay directly, please see page 25.

LifePoints All Equity Class Portfolio

FUND DETAILS

Type of Fund	Equity
Date the Fund was started	October 27, 2008
Type of securities offered	Series B and F shares
Eligibility for registered plans	This Fund is eligible as an investment for registered plans and is expected to be eligible for tax-free savings accounts commencing in 2009.

WHAT DOES THIS FUND INVEST IN?

Investment objective

The Fund's investment objective is to provide long-term capital growth primarily through exposure to Canadian and foreign equities. The investment objective can't be changed unless shareholders approve the change in a meeting.

Investment strategies

The equity exposure of the Fund will be roughly one-third Canadian equities, and two-thirds foreign equities.

We monitor the asset allocation of the Fund on a daily basis and generally will rebalance when the asset allocation varies by more than 2.5% from the target asset allocation. When we rebalance we attempt to place the Fund as close as reasonably possible to its target asset allocation. We may in our discretion perform rebalancing more frequently.

To achieve its objective, the Fund will invest primarily in Underlying Funds. The decision to invest in an Underlying Fund is based on Russell's assessment of the market outlook and the Underlying Fund's ability to help the Fund meet its stated investment objectives. We may replace the Underlying Funds named below with other Underlying Funds or change the weighting of the Underlying Funds or make any other changes to the investment strategies of the Fund at any time without advance notice.

The approximate target weightings for investments in the Underlying Funds are set out in percentages below:

Russell Canadian Equity Fund	33%
Russell US Equity Fund	22%
Russell Overseas Equity Fund	23%
Russell Global Equity Fund	22%

Note that the allocation to the Russell US Equity Fund and Russell Overseas Equity Fund will be managed according to their regional weighting in the MSCI World ex-Canada Index* and therefore may vary slightly.

There is no specific allocation for cash, but the Fund will hold cash for various purposes. The Fund may also hold derivatives from time to time.

What are the risks of investing in this Fund?

Since the LifePoints All Equity Class Portfolio invests in the Underlying Funds, it is subject to the same risks as the Underlying Funds, and additional risks as described in this section. The main investment risks are:

- › Concentration risk
- › Currency risk
- › Derivatives risk
- › Emerging markets risk
- › Foreign investment risk
- › Large investor risk
- › Liquidity risk
- › Multi-class and multi-series risk
- › Securities lending risk
- › Stock market risk

For more information about these risks as well as a general discussion about the risks of investing in mutual funds, please see page 4.

*A custom index calculated by MSCI. The MSCI World ex-Canada Index is calculated with net dividends reinvested daily. See "Regional and Sector Weightings" earlier in this document for additional information.

Who should invest in this Fund?

Equities generally give higher returns over the long-term than fixed income investments, but they can also go up and down in value a great deal over the short term.

The LifePoints All Equity Class Portfolio is suitable for those investors who:

- › Want to invest in equities, both in Canada and around the world
- › Have a high tolerance for risk
- › Are looking for long-term growth, rather than income
- › Can tolerate substantial volatility

Dividend and distribution policy

The Fund does not have a policy of regularly paying dividends. See *Specific information about each of the Funds described in this document – Dividends and distributions*.

For information about how dividends and distributions can affect your taxes, see *Income tax considerations for investors*.

Fund expenses indirectly borne by investors

This information is not applicable as the Fund had not commenced operations as at the date of this simplified prospectus.

For information on fees you pay directly, please see page 25.

FUND DETAILS

Type of Fund	Canadian equity
Date the Fund was started	October 27, 2008
Type of securities offered	Series B and F shares
Eligibility for registered plans	This Fund is eligible as an investment for registered plans and is expected to be eligible for tax-free savings accounts commencing in 2009.

WHAT DOES THIS FUND INVEST IN?

Investment objective

The Fund's investment objective is to provide current income and long-term capital appreciation primarily through exposure to equity securities of Canadian issuers listed on recognized stock exchanges.

The investment objective can't be changed unless shareholders approve the change in a meeting.

Investment strategies

To achieve its objective, the Fund will invest in Russell Canadian Equity Pool, its Underlying Fund.

What are the risks of investing in this Fund?

Since the Russell Canadian Equity Class invests in Russell Canadian Equity Pool, it is subject to the same risks as Russell Canadian Equity Pool, and additional risks as described in this section. The main investment risks are:

- › Concentration risk
- › Derivatives risk
- › Large investor risk
- › Liquidity risk
- › Multi-class and multi-series risk
- › Securities lending risk
- › Small companies risk
- › Stock market risk

For more information on these risks as well as the general risks of investing in mutual funds, please see page 4.

Who should invest in this Fund?

Equities generally give higher returns over the long-term than fixed income investments, but they can also go up and down in value a great deal over the short-term.

The Russell Canadian Equity Class is suitable for those investors who:

- › Want to invest primarily in Canadian equities
- › Have a moderate to high tolerance for risk
- › Are looking for medium to long-term growth
- › Can tolerate volatility in the short term

Dividend and distribution policy

The Fund does not have a policy of regularly paying dividends. See *Specific information about each of the Funds described in this document – Dividends and distributions*.

For information about how dividends and distributions can affect your taxes, see *Income tax considerations for investors*.

Fund expenses indirectly borne by investors

This information is not applicable as the Fund had not commenced operations as at the date of this simplified prospectus.

For information on fees you pay directly, please see page 25.

FUND DETAILS

Type of Fund	US equity
Date the Fund was started	October 27, 2008
Type of securities offered	Series B and F shares
Eligibility for registered plans	This Fund is eligible as an investment for registered plans and is expected to be eligible for tax-free savings accounts commencing in 2009.

WHAT DOES THIS FUND INVEST IN?

Investment objective

The Fund's investment objective is to provide current income and long-term capital appreciation primarily through exposure to equity securities of US issuers listed on recognized stock exchanges.

The investment objective can't be changed unless shareholders approve the change in a meeting.

Investment strategies

To achieve its objective, the Fund will invest in Russell US Equity Pool, its Underlying Fund.

What are the risks of investing in this Fund?

Since the Russell US Equity Class invests in Russell US Equity Pool, it is subject to the same risks as Russell US Equity Pool, and additional risks as described in this section. The main investment risks are:

- › Concentration risk
- › Currency risk
- › Derivatives risk
- › Foreign investment risk
- › Large investor risk
- › Liquidity risk
- › Multi-class and multi-series risk
- › Securities lending risk
- › Small companies risk
- › Stock market risk

For more information on these risks as well as the general risks of investing in mutual funds, please see page 4.

Who should invest in this Fund?

Equities generally give higher returns over the long-term than fixed income investments, but they can also go up and down in value a great deal over the short-term.

The Russell US Equity Class is suitable for those investors who:

- › Want to invest primarily in US equities
- › Have a moderate to high tolerance for risk
- › Are looking for medium to long-term growth
- › Can tolerate volatility in the short term

Dividend and distribution policy

The Fund does not have a policy of regularly paying dividends. See *Specific information about each of the Funds described in this document – Dividends and distributions*.

For information about how dividends and distributions can affect your taxes, see *Income tax considerations for investors*.

Fund expenses indirectly borne by investors

This information is not applicable as the Fund had not commenced operations as at the date of this simplified prospectus.

For information on fees you pay directly, please see page 25.

Russell Overseas Equity Class

FUND DETAILS

Type of Fund	International equity
Date the Fund was started	October 27, 2008
Type of securities offered	Series B and F shares
Eligibility for registered plans	This Fund is eligible as an investment for registered plans and is expected to be eligible for tax-free savings accounts commencing in 2009.

WHAT DOES THIS FUND INVEST IN?

Investment objective

The Fund's investment objective is to provide total return and additional diversification for Canadian investors primarily through exposure to equity securities issued by non-Canadian and non-US companies listed on recognized stock exchanges, and fixed income securities and financial instruments issued by non-Canadian and non-US governments and companies.

The investment objective can't be changed unless shareholders approve the change in a meeting.

Investment strategies

To achieve its objective, the Fund will invest in Russell Overseas Equity Pool, its Underlying Fund.

What are the risks of investing in this Fund?

Since the Russell Overseas Equity Class invests in Russell Overseas Equity Pool, it is subject to the same risks as Russell Overseas Equity Pool, and additional risks as described in this section. The main investment risks are:

- › Concentration risk
- › Currency risk
- › Derivatives risk
- › Emerging markets risk
- › Foreign investment risk
- › Large investor risk
- › Liquidity risk
- › Multi-class and multi-series risk
- › Securities lending risk
- › Small companies risk
- › Stock market risk

For more information on these risks as well as the general risks of investing in mutual funds, please see page 4.

Who should invest in this Fund?

Equities generally give higher returns over the long-term than fixed income investments, but they can also go up and down in value a great deal over the short-term.

The Russell Overseas Equity Class is suitable for those investors who:

- › Want to obtain foreign equity diversification within their portfolio
- › Have a high tolerance for risk
- › Are looking for long-term growth
- › Can tolerate volatility in the short term

Dividend and distribution policy

The Fund does not have a policy of regularly paying dividends. See *Specific information about each of the Funds described in this document – Dividends and distributions*.

For information about how dividends and distributions can affect your taxes, see *Income tax considerations for investors*.

Fund expenses indirectly borne by investors

This information is not applicable as the Fund had not commenced operations as at the date of this simplified prospectus.

For information on fees you pay directly, please see page 25.

Russell Global Equity Class

FUND DETAILS

Type of Fund	Global equity
Date the Fund was started	October 27, 2008
Type of securities offered	Series B and F shares
Eligibility for registered plans	This Fund is eligible as an investment for registered plans and is expected to be eligible for tax-free savings accounts commencing in 2009.

WHAT DOES THIS FUND INVEST IN?

Investment objective

The investment objective is to provide long-term capital appreciation by obtaining diversified exposure to equity securities issued by corporations listed on recognized stock exchanges around the world.

The investment objective can't be changed unless shareholders of the Fund approve the change in a meeting.

Investment strategies

To achieve its objective, the Fund will invest in Russell Global Equity Pool, its Underlying Fund.

What are the risks of investing in this Fund?

Since the Russell Global Equity Class invests in Russell Global Equity Pool, it is subject to the same risks as Russell Global Equity Pool, and additional risks as described in this section. The main investment risks are:

- › Concentration risk
- › Currency risk
- › Derivatives risk
- › Emerging markets risk
- › Foreign investment risk
- › Large investor risk
- › Liquidity risk
- › Multi-class and multi-series risk
- › Securities lending risk
- › Small companies risk
- › Stock market risk

For more information on these risks, please see page 4.

Who should invest in this Fund?

Equities generally give higher returns over the long-term than fixed income investments, but they can also go up and down in value a great deal over the short-term.

The Russell Global Equity Class is suitable for those investors who:

- › Want to obtain foreign equity diversification within their portfolio
- › Have a high tolerance for risk
- › Are looking for long-term growth
- › Can tolerate volatility in the short term

Dividend and distribution policy

The Fund does not have a policy of regularly paying dividends. See *Specific information about each of the Funds described in this document – Dividends and distributions*.

For information about how dividends and distributions can affect your taxes, see *Income tax considerations for investors*.

Fund expenses indirectly borne by investors

This information is not applicable as the Fund had not commenced operations as at the date of this simplified prospectus.

For information on fees you pay directly, please see page 25.

Russell Emerging Markets Equity Class

FUND DETAILS

Type of Fund	Emerging markets equity
Date the Fund was started	October 27, 2008
Type of securities offered	Series B and F shares
Eligibility for registered plans	This Fund is eligible as an investment for registered plans and is expected to be eligible for tax-free savings accounts commencing in 2009.

WHAT DOES THIS FUND INVEST IN?

Investment objective

The Fund's investment objective is to provide maximum total return, primarily through capital appreciation, by assuming a higher level of volatility than is ordinarily expected from developed markets outside North America through exposure primarily to equity securities of emerging market countries.

The investment objective cannot be changed unless shareholders approve the change at a meeting.

Investment strategies

To achieve its objective, the Fund will invest in Russell Emerging Markets Equity Pool, its Underlying Fund.

What are the risks of investing in this Fund?

Since the Russell Emerging Markets Equity Class invests in Russell Emerging Markets Equity Pool, it is subject to the same risks as Russell Emerging Markets Equity Pool, and additional risks as described in this section. The main investment risks are:

- › Concentration risk
- › Currency risk
- › Derivatives risk
- › Emerging markets risk
- › Foreign investment risk
- › Liquidity risk
- › Multi-class and multi-series risk
- › Securities lending risk
- › Small companies risk
- › Stock market risk

For more information on these risks as well as the general risks of investing in mutual funds, please see page 4.

Who should invest in this Fund?

Equities generally give higher returns over the long-term than fixed income investments, but they can also go up and down in value a great deal over the short-term.

The Russell Emerging Markets Equity Class is suitable for those investors who:

- › Want to obtain additional foreign diversification within their portfolio
- › Have a high tolerance for risk
- › Are looking for long-term growth
- › Can tolerate a high degree of volatility

Dividend and distribution policy

The Fund does not have a policy of regularly paying dividends. See *Specific information about each of the Funds described in this document – Dividends and distributions*.

For information about how dividends and distributions can affect your taxes, see *Income tax considerations for investors*.

Fund expenses indirectly borne by investors

This information is not applicable as the Fund had not commenced operations as at the date of this simplified prospectus.

For information on fees you pay directly, please see page 25.

FUND DETAILS

Type of Fund	Specialty fund
Date the Fund was started	October 27, 2008
Type of securities offered	Series B and F shares
Eligibility for registered plans	This Fund is eligible as an investment for registered plans and is expected to be eligible for tax-free savings accounts commencing in 2009.
Current subadvisor	Russell Implementation Services Inc.

WHAT DOES THIS FUND INVEST IN?

Investment objective

The investment objective is to provide a tax efficient return comparable to an effective diversification against equities. To achieve this investment objective, the Fund will obtain exposure to, or at times invest principally in, fixed income securities of Canadian issuers. To obtain exposure, the Fund will purchase a specified portfolio of Canadian equity securities and enter into derivative contracts under which it will forward sell or swap the Canadian securities in return for exposure to economic returns similar to that of another investment fund.

The investment objective can't be changed unless shareholders of the Fund approve the change in a meeting.

Investment strategies

The Fund intends to forward sell a specified portfolio of Canadian equity securities in return for exposure to economic returns similar to that of the Russell Canadian Fixed Income Fund, a Russell Fund. Russell Canadian Fixed Income Fund invests principally in fixed income securities of Canadian issuers that are rated as BBB or higher or that are, in the opinion of the portfolio manager or subadvisor, equivalent to such rating. Russell Canadian Fixed Income Fund is not available for purchase by investors other than certain institutional investors.

If the Fund elects to invest directly, the Fund will observe the following strategies to achieve its primary objective:

- › The Fund will invest primarily in Canadian fixed income securities using the following styles: Interest Rate Management, Security Selection, Global Management.
- › Although the Fund will invest mainly in fixed income securities with the credit ratings described in the investment objective, it may also invest a portion of its assets in lower-rated securities in order to attempt to enhance returns
- › In order to reduce currency risk, the Fund expects to hedge most of the foreign currency risk inherent in foreign securities or foreign currency securities through the use of forward contracts

The Fund may also invest in other mutual funds or in asset-backed commercial paper from time to time.

The Fund may enter into securities lending transactions to generate additional income from securities held in its portfolio in a manner that is consistent with its investment objectives and as permitted by the Canadian securities administrators.

Please see pages 34–42 for more information on investment styles and how derivatives and securities lending may be used by the Fund.

What are the risks of investing in this Fund?

Since the Russell Managed Yield Class may gain exposure to the Russell Canadian Fixed Income Fund, it is subject to the same risks as Russell Canadian Fixed Income Fund, and additional risks as described in this section. The main investment risks are:

- › Concentration risk
- › Counterparty risk
- › Credit risk
- › Currency risk
- › Derivatives risk
- › Foreign investment risk
- › Interest rate risk
- › Large investor risk
- › Liquidity risk
- › Multi-class and multi-series risk
- › Payment delay risk
- › Securities lending risk
- › Tax treatment risk
- › Tracking risk
- › Value and distributions risk

For more information on these risks as well as the general risks of investing in mutual funds, please see page 4.



Who should invest in this Fund?

Although fixed income returns are generally lower over the long-term when compared to equities they do not usually fluctuate as much. Fixed income securities are therefore considered to be a lower-risk investment than equity securities.

The Russell Managed Yield Class is suitable for those investors who:

- › Have a low to moderate tolerance for risk
- › Want to invest for the short to medium term
- › Have a lower tolerance for volatility

Dividend and distribution policy

The Fund does not have a policy of regularly paying dividends. See *Specific information about each of the Funds described in this document – Dividends and distributions*.

For information about how dividends and distributions can affect your taxes, see *Income tax considerations for investors*.

Fund expenses indirectly borne by investors

This information is not applicable as the Fund had not commenced operations as at the date of this simplified prospectus.

For information on fees you pay directly, please see page 25.

Russell Money Market Class

FUND DETAILS

Type of Fund	Canadian money market
Date the Fund was started	October 27, 2008
Type of securities offered	Series B and F shares
Eligibility for registered plans	This Fund is eligible as an investment for registered plans and is expected to be eligible for tax-free savings accounts commencing in 2009.

WHAT DOES THIS FUND INVEST IN?

Investment objective

The investment objective is to provide the maximum current income that is consistent with preservation of capital and liquidity by obtaining exposure primarily to Canadian money market securities and financial instruments.

The investment objective can't be changed unless shareholders of the Fund approve the change in a meeting.

Investment strategies

To achieve its objective, the Fund will invest in Russell Money Market Pool, its Underlying Fund. The Underlying Fund may invest in asset-backed commercial paper from time to time. It is not expected that the Fund will have a constant net asset value per share, such as \$10. The net asset value per share is expected to increase or decrease based on the fair value of the Fund's assets and taking into account the income earned by the Fund.

What are the risks of investing in this Fund?

Since the Russell Money Market Class invests in Russell Money Market Pool, it is subject to the same risks as Russell Money Market Pool, and additional risks as described in this section. The main investment risks are:

- › Concentration risk
- › Credit risk
- › Interest rate risk
- › Large investor risk
- › Multi-class and multi-series risk
- › Securities lending risk

For more information on these risks as well as the general risks of investing in mutual funds, please see page 4.



Who should invest in this Fund?

The Russell Money Market Class is not available for direct purchase but is available for the convenience of investors who have purchased another Corporate Fund and wish to switch into the Russell Money Market Class. Money market investments generally provide lower returns than fixed income or equity securities, but are also lower in risk.

The Russell Money Market Class is suitable for those investors who:

- › Have a low tolerance for risk
- › Want to invest for the short term
- › Want an element of financial stability in their portfolio

Dividend and distribution policy

The Fund does not have a policy of regularly paying dividends. See *Specific information about each of the Funds described in this document – Dividends and distributions*.

For information about how dividends and distributions can affect your taxes, see *Income tax considerations for investors*.

Fund expenses indirectly borne by investors

This information is not applicable as the Fund had not commenced operations as at the date of this simplified prospectus.

For information on fees you pay directly, please see page 25.

Russell Diversified Monthly Income Class Portfolio

FUND DETAILS

Type of Fund	Balanced
Date the Fund was started	October 27, 2008
Type of securities offered	Series B, F, F-5, F-7, I-5 and I-7 shares
Eligibility for registered plans	This Fund is eligible as an investment for registered plans and is expected to be eligible for tax-free savings accounts commencing in 2009.

WHAT DOES THIS FUND INVEST IN?

Investment objective

The Fund's investment objective is to provide income and long-term capital growth primarily through exposure to Canadian and foreign equity securities and, to a lesser extent, exposure to fixed income investments and financial instruments.

The investment objective cannot be changed unless shareholders approve the change at a meeting.

Investment strategies


To achieve its objective, the Fund will invest in Underlying Funds. The approximate target weightings for investments in the Underlying Funds are as set out below:

Russell Fixed Income Pool	20%
Russell Core Plus Fixed Income Pool	20%
Russell Canadian Equity Pool	20%
Russell US Equity Pool	13%
Russell Overseas Equity Pool	14%
Russell Global Equity Pool	13%

There is no specific allocation for cash, but the Fund may also hold cash for various purposes from time to time, and the Underlying Funds may at times invest in asset-backed commercial paper.

The decision to invest in an Underlying Fund is based on Russell's assessment of the market outlook and the Underlying Fund's ability to help the Fund meet its stated investment objectives. We may replace the Underlying Funds named above with other Underlying Funds or change the weighting of the Underlying Funds or make any other changes to the investment strategies of the Fund at any time without advance notice. It is our current strategy to hold the Underlying Funds as set out above in approximately the percentages shown above. Note that the allocation for the Russell US Equity Pool and Russell Overseas Equity Pool will be managed according to their regional weighting in the MSCI World ex-Canada Index* and may vary slightly.

*A custom index calculated by MSCI. The MSCI World ex-Canada Index is calculated with net dividends reinvested daily. See "Regional and Sector Weightings" earlier in this document for additional information.



We monitor the asset allocation of the Fund on a daily basis and generally will rebalance when the asset allocation varies by more than 2.5% from the target asset allocation. When we rebalance we attempt to place the Fund as close as reasonably possible to its target asset allocation. We may in our discretion perform rebalancing more frequently.

See pages 34–42 for more information on investment styles, and how derivatives may be used by the Fund.

What are the risks of investing in this Fund?

Since the Russell Diversified Monthly Income Class Portfolio invests in the Underlying Funds, it is subject to the same risks as the Underlying Funds, and additional risks as described in this section. The main investment risks are:

- › Concentration risk
- › Credit risk
- › Currency risk
- › Derivatives risk
- › Foreign investment risk
- › Interest rate risk
- › Large investor risk
- › Liquidity risk
- › Multi-class and multi-series risk
- › Securities lending risk
- › Small companies risk
- › Stock market risk

For more information on these risks as well as the general risks of investing in mutual funds, please see page 4.

Who should invest in this Fund?

The Russell Diversified Monthly Income Class Portfolio is suitable for those investors who:

- › Want to invest in equities and fixed income
- › Have a low to moderate tolerance for risk
- › Are looking for medium to long-term growth
- › Can tolerate volatility in the short-term
- › In the case of investors purchasing Series F-5, F-7, I-5, and I-7 shares, want to receive monthly distributions and are willing to accept returns of capital

Dividend and distribution policy

The Fund intends to make to holders of Series F-5, F-7, I-5 and I-7 shares regular monthly cash distributions of a return of capital (the "Monthly Amount") so long as there is sufficient capital attributable to the relevant series. The Monthly Amount in any year is currently determined by us by applying a percentage to the net asset value attributable to the series. The annual percentage is currently 5% for Series F-5 and I-5 shares and 7% for Series F-7 and I-7 shares and the Monthly Amount is one twelfth of the amount so determined. The Monthly Amount may be changed by us at any time, including for reasons due to changes in the net asset value attributable to the series.

Distributions on Series F-5, F-7, I-5 and I-7 shares are not guaranteed to occur on a specific date and the Fund is not responsible for any fees or charges incurred by you because the Fund did not make a distribution on a particular day.

We automatically reinvest your distributions in the same series. If you would like to receive your distributions in cash, please notify your dealer. Your request will take effect with respect to distribution dates falling at least 15 days after we receive the request.

Each distribution generally will be a return of capital but will adjust the cost base of your shares.

The Fund does not have a policy of regularly paying dividends. See *Specific information about each of the Funds described in this document – Dividends and distributions*.

For information about how dividends and distributions can affect your taxes, see *Income tax considerations for investors*.

Fund expenses indirectly borne by investors

This information is not applicable as the Fund had not commenced operations as at the date of this simplified prospectus.

For information on fees you pay directly, please see page 25.

Russell Retirement Essentials Class Portfolio

FUND DETAILS

Type of Fund	Balanced
Date the Fund was started	October 27, 2008
Type of securities offered	Series B, F, F-5, F-6, F-7, I-5, I-6 and I-7 shares
Eligibility for registered plans	This Fund is eligible as an investment for registered plans and is expected to be eligible for tax-free savings accounts commencing in 2009.

WHAT DOES THIS FUND INVEST IN?

Investment objective

The Fund's investment objective is to provide income and some long-term capital growth primarily through exposure to fixed income securities, financial instruments and, to a lesser extent, exposure to Canadian and foreign equity securities.

The investment objective can't be changed unless shareholders of the Fund approve the change at a meeting.

Investment strategies

To achieve its objective, the Fund will invest in Underlying Funds. The approximate target weightings for investments in the Underlying Funds are as set out below:

Russell Fixed Income Pool	33%
Russell Core Plus Fixed Income Pool	32%
Russell Canadian Equity Pool	12%
Russell US Equity Pool	7%
Russell Overseas Equity Pool	8%
Russell Global Equity Pool	8%

There is no specific allocation for cash, but the Fund may also hold cash for various purposes from time to time, and the Underlying Funds may at times invest in asset-backed commercial paper.

The decision to invest in an Underlying Fund is based on Russell's assessment of the market outlook and the Underlying Fund's ability to help the Fund meet its stated investment objectives. We may replace the Underlying Funds named above with other Underlying Funds or change the weighting of the Underlying Funds or make any other changes to the investment strategies of the Fund at any time without advance notice. It is our current strategy to hold the Underlying Funds as set out above in approximately the percentages shown above. Note that the allocation for the Russell US Equity Pool and Russell Overseas Equity Pool will be managed according to their regional weighting in the MSCI World ex-Canada Index* and therefore may vary slightly.

*A custom index calculated by MSCI. The MSCI World ex-Canada Index is calculated with net dividends reinvested daily. See "Regional and sector weightings" earlier in this document for additional information.

We monitor the asset allocation of the Fund on a daily basis and generally will rebalance when the asset allocation varies by more than 2.5% from the target asset allocation. When we rebalance we attempt to place the Fund as close as reasonably possible to its target asset allocation. We may in our discretion perform rebalancing more frequently.

See pages 34–42 for more information on investment styles, and how derivatives may be used by the Fund.

What are the risks of investing in this Fund?

Since the Russell Retirement Essentials Class Portfolio invests in the Underlying Funds, it is subject to the same risks as the Underlying Funds, and additional risks as described in this section. The main investment risks are:

- › Concentration risk
- › Credit risk
- › Currency risk
- › Derivatives risk
- › Foreign investment risk
- › Interest rate risk
- › Large investor risk
- › Liquidity risk
- › Multi-class and multi-series risk
- › Securities lending risk
- › Small companies risk
- › Stock market risk

For more information on these risks as well as the general risks of investing in mutual funds, please see page 4.

Who should invest in this Fund?

The Russell Retirement Essentials Class Portfolio is suitable for those investors who:

- › Want to invest in equities and fixed income
- › Have a low tolerance for risk
- › Are looking for long-term growth
- › Can tolerate modest volatility in the short-term
- › In the case of investors purchasing Series F-5, F-6, F-7, I-5, I-6 and I-7 shares, want to receive monthly distributions and are willing to accept returns of capital



Dividend and distribution policy

The Fund intends to make to holders of Series F-5, F-6, F-7, I-5, I-6 and I-7 shares regular monthly cash distributions of a return of capital (the “Monthly Amount”) so long as there is sufficient capital attributable to the relevant series. The Monthly Amount in any year is currently determined by us by applying a percentage to the net asset value attributable to the series. The annual percentage is currently 5% for Series F-5 and I-5 shares, 6% for Series F-6 and I-6 shares and 7% for Series F-7 and I-7 shares and the Monthly Amount is one twelfth of the amount so determined. The Monthly Amount may be changed by us at any time, including for reasons due to changes in the net asset value attributable to the series.

Distributions on Series F-5, F-6, F-7, I-5, I-6 and I-7 shares are not guaranteed to occur on a specific date and the Fund is not responsible for any fees or charges incurred by you because the Fund did not make a distribution on a particular day.

We automatically reinvest your distributions in the same series. If you would like to receive your distributions in cash, please notify your dealer. Your request will take effect with respect to distribution dates falling at least 15 days after we receive the request.

Each distribution generally will be a return of capital but will adjust the cost base of your shares.

The Fund does not have a policy of regularly paying dividends. See *Specific information about each of the Funds described in this document – Dividends and distributions*.

For information about how dividends and distributions can affect your taxes, see *Income tax considerations for investors*.

Fund expenses indirectly borne by investors

This information is not applicable as the Fund had not commenced operations as at the date of this simplified prospectus.

For information on fees you pay directly, please see page 25.

Russell Corporate Classes

LifePoints Balanced Class Portfolio	Russell Global Equity Class
LifePoints Balanced Growth Class Portfolio	Russell Emerging Markets Equity Class
LifePoints Long-Term Growth Class Portfolio	Russell Managed Yield Class
LifePoints All Equity Class Portfolio	Russell Money Market Class
Russell Canadian Equity Class	Russell Diversified Monthly Income Class Portfolio
Russell US Equity Class	Russell Retirement Essentials Class Portfolio
Russell Overseas Equity Class	

Additional information about the Funds is available in the Annual Information Form, management reports of fund performance and financial statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they are legally part of this document, just as if they were printed as part of it. You can obtain a copy of these documents at your request and at no cost:

- › By calling Russell Investments Canada Limited toll free at 1-888-509-1792
- › By sending us an email at canada@russell.com

You can also ask your dealer for copies of any of these documents or contact us at the following address:

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Toronto, Ontario
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Attention: Director, Client Services

The documents and other information about the Funds, such as information circulars and material contracts, also are available:

- › At our website at www.russell.com/ca
- › At www.sedar.com

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