

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 Annual Information Form 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.

Russell Funds

Annual Information Form dated December 15, 2011 relating to:

Russell LifePoints Fixed Income Portfolio	Series A, B and F units
Russell LifePoints Conservative Income Portfolio	Series A, B and F units
Russell Global High Income Bond Pool	Series A, B, E, F and O units

TABLE OF CONTENTS

	Page
INTRODUCTION	1
DESCRIPTION OF UNITS OFFERED BY THE FUNDS	3
Distribution rights	4
Liquidation rights.....	4
Voting rights	4
Redemption rights.....	5
CALCULATION OF NET ASSET VALUE	5
VALUATION OF PORTFOLIO SECURITIES	6
PURCHASING, REDEEMING AND SWITCHING UNITS OF THE FUNDS.....	7
Purchasing units of the Funds	9
Redeeming Securities of the Funds.....	12
Switching units of a Fund	13
Short-term trading.....	15
Reduced management fees.....	16
INCOME TAX CONSIDERATIONS	16
Taxation of the Funds	17
Taxation of unitholders	17
Eligibility for investment	19
MANAGEMENT OF THE FUNDS.....	20
Manager	20
Portfolio manager and sub-advisers.....	22
How we make brokerage arrangements.....	24
Trustee.....	25
Custodian	25
Principal distributor	26
Auditor	26
Registrar.....	26
ADMINISTRATION OF THE FUNDS	26
Investment restrictions	26
CONFLICTS OF INTEREST.....	28

TABLE OF CONTENTS
(continued)

	Page
Principal holders of units	28
Affiliated entities	29
Restrictions applicable to dealer-managed mutual funds	29
Oversight of Funds.....	30
Securities lending.....	32
Proxy voting.....	33
Material contracts.....	35
LEGAL AND ADMINISTRATIVE PROCEEDING	35
AUDITOR’S CONSENT.....	36
CERTIFICATES.....	37

INTRODUCTION

This Annual Information Form contains information about all of the Funds and is meant to supplement the information in the Simplified Prospectus.

In this Annual Information Form:

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

Corporate Fund means any Russell Fund that is a class of shares of the Corporation. These currently are the Russell LifePoints Class Portfolios and the Russell Sovereign Investment Classes. Each Corporate Fund includes the word “Class” in its name and offers Securities that are shares (not units);

Corporation means Russell Investments Corporate Class Inc.;

Fee Based Securities means Series F units;

Funds means any of the mutual funds Russell manages that are described in this Annual Information Form. The Funds are listed on the front cover of this Annual Information Form;

Institutional Client means a large institutional investor or other large account we may accept from time to time who negotiates and pays a separate fee directly to us and purchases their Securities directly through us as their dealer;

Matured Securities means units of a Fund that were purchased under the low load purchase option and have been held for at least three years, or that were purchased under the deferred sales charge (DSC) purchase option and have been held for at least seven years;

mutual fund means a mutual fund, generically, and not any specific mutual fund we manage;

Redemption Fee Securities means units that are subject to a redemption fee if redeemed. Units purchased under the low load purchase option are Redemption Fee Securities for the first three years after purchase. Units purchased under the deferred sales charge (DSC) purchase option are Redemption Fee Securities for the first seven years after purchase;

Registered Plan means a trust governed by a registered retirement savings plan, registered retirement income fund, deferred profit sharing plan, registered disability savings plan, registered education savings plan or tax-free savings account, all as defined in the *Income Tax Act* (Canada);

Russell Funds means any of the mutual funds Russell manages that offer Securities under a simplified prospectus. The Russell Funds currently include the Russell LifePoints Portfolios, the Russell LifePoints Class Portfolios, the Russell Group of Funds, the Russell Sovereign Investment Program and the Russell Sovereign Investment Classes;

Russell Group of Funds currently means each of Russell Canadian Fixed Income Fund, Russell Canadian Equity Fund, Russell U.S. Equity Fund, Russell Overseas Equity Fund and Russell Global Equity Fund;

Russell LifePoints Class Portfolios currently means each of Russell LifePoints Balanced Class Portfolio, Russell LifePoints Balanced Growth Class Portfolio, Russell LifePoints Long-Term Growth Class Portfolio and Russell LifePoints All Equity Class Portfolio;

Russell LifePoints Funds means the Russell LifePoints Portfolios and the Russell LifePoints Class Portfolios;

Russell LifePoints Portfolios currently means each of Russell LifePoints Fixed Income Portfolio, Russell LifePoints Conservative Income Portfolio, Russell LifePoints Balanced Income Portfolio, Russell LifePoints Balanced Portfolio, Russell LifePoints Balanced Growth Portfolio, Russell LifePoints Long-Term Growth Portfolio and Russell LifePoints All Equity Portfolio;

Russell Sovereign Funds means the Russell Sovereign Investment Program and the Russell Sovereign Investment Classes;

Russell Sovereign Investment Classes currently means each of Russell Managed Yield Class, Russell Canadian Dividend Class, Russell Canadian Equity Class, Russell Smaller Companies Class, Russell US Equity Class, Russell Overseas Equity Class, Russell Global Equity Class, Russell Focused US Equity Class, Russell Emerging Markets Equity Class, Russell Money Market Class, Russell Income Essentials Class Portfolio, Russell Diversified Monthly Income Class Portfolio and Russell Enhanced Canadian Growth & Income Class Portfolio;

Russell Sovereign Investment Program currently means each of Russell Fixed Income Pool, Russell Core Plus Fixed Income Pool, Russell Global High Income Bond Pool, Russell Canadian Dividend Pool, Russell Canadian Equity Pool, Russell Smaller Companies Pool, Russell US Equity Pool, Russell Overseas Equity Pool, Russell Global Equity Pool, Russell Focused US Equity Pool, Russell Emerging Markets Equity Pool, Russell Money Market Pool, Russell Income Essentials Portfolio, Russell Diversified Monthly Income Portfolio and Russell Enhanced Canadian Growth & Income Portfolio;

Securities mean units and shares of the Russell Funds that are offered under a simplified prospectus. Each Fund offers more than one series of its units. See the front cover of this Annual Information Form for a listing of the series that are offered by each Fund;

Securityholder means an investor in a Russell Fund;

shareholder means an investor in a Corporate Fund;

Simplified Prospectus means the simplified prospectus that is dated the same date as this Annual Information Form and offers units of each Fund;

Trust Fund means any Russell Fund that has been created as a trust. These currently are the Russell LifePoints Portfolios, the Russell Group of Funds and the Funds in the Russell Sovereign

Investment Program. Each Trust Fund does not include the word “Class” in its name and offers Securities that are units (not shares);

Underlying Fund refers to a Russell Fund when some of that Russell Fund’s Securities are owned by another Russell Fund, or when the other Russell Fund’s investment strategies link its returns to the returns of that Russell Fund;

unitholder means an investor in a Trust Fund;

we, us, our and *Russell* mean Russell Investments Canada Limited, the manager of each Russell Fund; and

you and *your* mean the person who invests in units of a Fund offered by the Simplified Prospectus.

DESCRIPTION OF UNITS OFFERED BY THE FUNDS

All of the Funds offered by the Simplified Prospectus are Trust Funds. Some of the other Russell Funds are Corporate Funds.

A Trust Fund is created as a trust and has its own investment objective. To invest in a Trust Fund, you purchase units of that Trust Fund.

A Corporate Fund is a class of shares of the Corporation and has its own investment objective. To invest in a Corporate Fund, you purchase shares of that Corporate Fund.

Each Fund offers more than one series of its units. The differences between the series are described in the Simplified Prospectus. Please see the front cover of this Annual Information Form for a listing of the series offered by each Fund.

Some Corporate Funds and Trust Funds have the same or similar investment objectives. As a result, you have the option to invest in either the Corporate Fund or the equivalent Trust Fund, depending on the tax consequences and costs suitable to your investment program. Generally, Corporate Funds may be more suitable for you if you are investing outside a Registered Plan and Trust Funds may be more suitable for you if you are investing inside a Registered Plan. You should consult your own dealer or advisor regarding these tax consequences. For more information, see *Income tax considerations*.

In accordance with applicable securities legislation, each Fund has prepared a Fund Facts document for each series of its units. The Funds have received permission from the Canadian securities regulatory authorities for investors in the Funds to receive the Fund Facts document rather than the Simplified Prospectus. Under such permission, investors will continue to have the equivalent rights and protections otherwise applicable under securities law as if the investor was sent or delivered the Simplified Prospectus. Depending on the investor’s province or territory, the investor may have the right to:

- Withdraw from an agreement to buy units of the Funds within two business days after the investor receives the Fund Facts document, or
- Cancel the investor's purchase within 48 hours after the investor receives confirmation of the purchase.

For more information, investors should refer to the securities law of the province or territory in which they reside or ask a lawyer.

Distribution rights

The distribution policy of each Fund is to distribute enough of its net income and net realized capital gains each year so that it will not have to pay income tax under the *Income Tax Act* (Canada). When a Fund pays a distribution to holders of units of a particular series, you are entitled to your proportionate amount of that distribution based on the number of units of that series of the Fund you hold.

Liquidation rights

For each unit of any series you hold of a Fund, you are entitled to your share of the net assets of that series of the Fund, if the Fund (or a particular series of the Fund) is ever terminated. If this happens, each unit you own will share equally, with each other unit of the same series, the net assets of the Fund allocated to that series (or those allocated to the series of units being terminated) that remain after all the Fund's liabilities have been paid.

Voting rights

Units of the Funds do not have the right to vote except as required by Canadian securities legislation. For each unit of any series you hold of a Fund, you are entitled to one vote at any meeting of all unitholders of the Fund and any meeting held only for unitholders of that series.

Pursuant to current Canadian securities legislation, the approval of unitholders of a Fund is required for:

- A change to the fundamental investment objective of the Fund
- A decrease to the frequency of calculation of the net asset value per unit of the Fund
- The introduction of, or any change to, the basis of the calculation of any fee or expense that is charged to the Fund, or directly to you by the Fund or us in connection with the holding of units of the Fund, in a way that could result in an increase in charges to the Fund or to you
- Certain material reorganizations of the Fund, except as described in the Simplified Prospectus or unless exempted by the Canadian securities regulators

- A change in the manager of the Fund to an entity that is not an affiliate of the current manager

In some cases, only unitholders of a particular series will vote on a matter stated above and, in other cases, all unitholders of the Fund will vote on such matter.

Each Fund (other than Russell Global High Income Bond Pool) currently invests substantially all of its assets in Securities of one or more Underlying Funds. When you invest in these Funds, you will have no direct voting rights with respect to any changes proposed to the Underlying Funds. We are not permitted to vote a Fund's holdings in an Underlying Fund. We may, in our discretion, arrange for investors in these Funds to direct how their proportionate interest of the holdings in the Underlying Funds is to be voted by these Funds. We generally intend to provide investors in these Funds with the opportunity to direct voting as described above.

Redemption rights

At the option of the unitholder, all series of units of each Fund are redeemable by the unitholder at the net asset value per unit of the relevant series by following the procedures set forth in the Simplified Prospectus.

At the option of the Fund, units of a Fund held by a particular unitholder may be redeemed by the Fund at the net asset value per unit of the relevant series in the following circumstances:

- If the aggregate value of the unitholder's holdings of the Fund falls below the amount specified from time to time in the Simplified Prospectus
- To pay any outstanding fees or expenses owed by the unitholder in accordance with the Simplified Prospectus
- If the unitholder fails to meet the eligibility requirements for the units of the particular series of the Fund, or otherwise fails to meet the criteria for investment in the Fund or series that are specified by us from time to time
- If authorized to do so by applicable securities law or securities regulators
- If the holding of units by such unitholder may have an adverse effect on other unitholders of the Fund.

CALCULATION OF NET ASSET VALUE

To determine the *net asset value per unit* for a series of units of a Fund, we calculate the series proportionate share of the total fair value of the assets of the Fund and then subtract the series proportionate share of the total fair value of the liabilities of the Fund (other than liabilities attributable specifically to a series) and also subtract the fair value of the liabilities attributable specifically to the relevant series (principally management fees). Then we divide the resulting amount by the number of units of that series held by investors.

The net asset value per unit of a series of a Fund is the basis for calculating the value of all transactions when purchasing, redeeming or switching units of that series of the Fund. We determine the net asset value per unit after the close of business on each Business Day.

VALUATION OF PORTFOLIO SECURITIES

Each Fund (other than Russell Global High Income Bond Pool) holds primarily Securities of Underlying Funds. We use the net asset value per Security of the relevant series of the Underlying Funds in valuing these Funds.

The fair value of the assets and liabilities of a Fund are calculated using the following valuation principles.

1. For cash, bills, notes and accounts receivable, we generally use their full amount (i.e. face value). We calculate the value of dividends, interest and prepaid expenses the same way.
2. For shares and other securities traded on a stock exchange, we use the closing prices for the shares and securities quoted on that exchange. If a share or security did not trade on that day, we use a recent bid price.
3. For unlisted securities traded on an over-the-counter market, we use the price quoted by a recognized broker or dealer or another external source.
4. We may value money market instruments using the amortized cost method. This means that we value the securities at their cost and add any discounts or premiums and interest earned. We may also value money market instruments on a market basis by using a recent bid price available from recognized brokers.
5. For derivatives, like options, forward and futures contracts and swaps, we use the current value of the derivative contract. For futures, if daily limits imposed by the futures exchange are not in effect, the gain or loss on the contract that would be realized if the contract was closed out is the value which is used. If daily limits are in effect, the value of the contract will be based on the current market value of the underlying interest of the futures contract. We include margin paid or deposited on futures or forward contracts as an account receivable.
6. If a Fund writes options, the money we receive from these investments is recorded as a deferred credit. The value of the options is the current market value of these investments. We deduct the deferred credit when we calculate the net asset value of the Fund. The value of the security on which we write an option is its current market value.
7. For mortgages, we use a method that produces a principal amount that results in the same yield as conventional mortgages sold by major lending institutions, if that can be determined that day. If not, we use a yield equal to or not less than 0.25% below the interest rate being offered by major lending institutions that day. For mortgages guaranteed under the *National Housing Act* (Canada), we use the market value. For mortgages in arrears, we determine the value in a way that we think is fair.

8. For assets in a foreign currency, we use the exchange rate available that day from a reliable bank or other agent that we select to determine the value in Canadian funds.
9. For securities with restricted or limited resale, we use the lesser of:
 - The reported value and
 - The percentage that the acquisition cost was of the market value of the securities of the same class, taking into account, if appropriate, the amount of time remaining until the restriction or limit is lifted.
10. For securities traded on more than one stock exchange, we use the price of the security on the principal stock exchange. If no price is available, we use the most recent bid price.
11. For commodities, we use a recent bid price.
12. For units or shares we hold in other mutual funds, we use the net asset value per unit or per share of the relevant series of those other mutual funds.

If we have any doubt that the above methods will accurately reflect the fair value of a particular security at any particular time, then we will determine the fair value in good faith based on what might reasonably be expected to be received upon the current exchange of the asset or liability.

Russell calculates the net asset value per unit of each Fund each Business Day on the basis of the valuation policy set forth in this Annual Information Form. Our valuation policy differs in some respects from the requirements of the Canadian Institute of Chartered Accountants Handbook (“CICA Handbook”), which requires that long positions in portfolio securities in an active market be valued by using the bid price and short positions be valued by using the ask price. The main difference is that we generally will determine the fair value of securities traded on a stock exchange by using the closing price on the exchange. While National Instrument 81-106 “Investment Fund Continuous Disclosure” requires investment funds, such as the Funds, to fair value, it does not require investment funds to determine fair value in accordance with the CICA Handbook, other than for financial reporting purposes.

PURCHASING, REDEEMING AND SWITCHING UNITS OF THE FUNDS

Each Fund offers more than one of the series of units described below. Not all series are offered by each Fund. See the front cover of this Annual Information Form for a listing of the series that are offered by each Fund.

- **Series A (Russell Global High Income Bond Pool):** This series is available only through a selected dealer.
- **Series A (Russell LifePoints Fixed Income Portfolio and Russell LifePoints Conservative Income Portfolio):** This Series A is different from the Series A offered by Russell Global **High Income Bond Pool**. This series is generally not sold to the public

and is available to Institutional Clients. It is also intended to be used in fund-on-fund investments and other wrap programs sponsored by us.

- **Series B:** This series is available to all investors.
- **Series E:** This series is available only to investors who make a large investment in the Russell Sovereign Funds and therefore it has a minimum investment that is higher than the other series. See *Minimum investment* for more information. Series E has reduced management fees.
- **Series F:** This series (also called *Fee Based Securities*) is available only to investors who participate in an eligible wrap or fee-for-service program. We do not pay trailer fees to dealers for Fee Based Securities. Instead each investor negotiates a separate, ongoing fee that is paid directly to his or her dealer and is based on the market value of the investor's assets.
- **Series O:** This series is available to Institutional Clients. This series also is available to clients of approved dealers who participate in an eligible wrap or fee-for-service program. We do not charge a management fee to a Fund for Series O. Instead, each Institutional Client in Series O negotiates a separate fee that is paid directly by the Institutional Client to us. Clients of approved dealers who hold Series O pay ongoing fees to their approved dealers based on the market value of the client's assets. The approved dealer may, in turn, pay fees to us for their ongoing entitlement to offer Series O and for our administrative support. Where the approved dealer does not pay such a fee to us, the investor will negotiate a separate fee that is paid directly by the investor to us (in addition to any fee paid by the investor to the investor's dealer) and is based on the market value of the investor's assets. An *approved dealer* is a dealer that has entered into an agreement with us setting out the basis on which the dealer is entitled to offer Series O, including any fee to be paid by the dealer to us. We do not pay trailer fees to approved dealers for Series O. This series also is used in fund-on-fund investments and other wrap programs sponsored by us.

If your order to purchase, redeem or switch units of a Fund is received by us by the close of regular trading of the Toronto Stock Exchange (generally 4:00 p.m. Toronto time) on a Business Day, we will process your order using the net asset value per unit after the close of business that day. However, for Institutional Clients in Series O and Series A of the Russell LifePoints Fixed Income Portfolio or the Russell LifePoints Conservative Income Portfolio, your order must be received by us by 2:00 p.m. Toronto time on a Business Day. Otherwise, we will process the order the next Business Day using the net asset value per unit determined after the close of business on that day.

If you purchase, redeem or switch units of the Funds, income tax consequences may result, as described later in this Annual Information Form.

We will not accept any orders to purchase, redeem or switch units of a Fund if we have suspended the calculation of the net asset value per unit of that Fund. The Canadian securities regulators allow us to suspend the calculation of the net asset value per unit of a Fund if:

- Normal trading is suspended on any stock exchange on which securities or derivatives that make up 50% or more of the 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 Fund;
- During any period when the right to redeem Securities is suspended for any Underlying Fund in which the Fund invests all its assets; or
- We have received permission from the Canadian securities regulators to do so.

We may redeem all units that you own in a Fund as described under *Description of Units offered by the Funds – Redemption rights*. You will be responsible for all the tax consequences, costs and losses, if any, associated with the redemption of the units in a Fund upon the exercise of the right to redeem by us.

Purchasing units of the Funds

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

1. **No load.** Under the no load purchase option, you pay no sales fee at the time you purchase your units and you pay no redemption fee at the time you redeem your units.
2. **Low load.** Under the low load purchase option, you do not pay a sales fee when you purchase your units. If you redeem your units within three years after purchasing them, you pay us a redemption fee. The redemption fee is calculated as a percentage of the original cost of your units being redeemed and decreases each year over a three year period. If you hold your units for three or more years (which we then call *Matured Securities*), you pay no redemption fee when you redeem those Matured Securities. See "Fees and expenses payable directly by you" in the Simplified Prospectus for more information, including the schedule of redemption fee percentages that may apply depending on the year in which you redeem your units.
3. **Deferred sales charge (or DSC).** Under the DSC purchase option, you do not pay a sales fee when you purchase your units. If you redeem your units within seven years after purchasing them, you pay us a redemption fee. The redemption fee is calculated as a percentage of the original cost of your units being redeemed and decreases each year over a seven year period. If you hold your units for seven or more years (which we then call *Matured Securities*), you pay no redemption fee when you redeem those Matured Securities. See "Fees and expenses payable directly by you" in the Simplified Prospectus for more information, including the schedule of redemption fee percentages that may apply depending on the year in which you redeem your units.
4. **Front load.** Under the front load purchase option, you pay a sales fee to your dealer when you purchase your units, but you do not pay a redemption fee when you redeem

your units. The amount of the sales fee is negotiated between you and your dealer, but cannot exceed 5% of the cost of the units purchased.

Not all purchase options are available for every series of each Fund. The purchase options available depend upon the Fund and the series you select as summarized below.

Russell LifePoints Fixed Income Portfolio	Available Series¹
Russell LifePoints Conservative Income Portfolio	
No load	All series
Low load, Deferred sales charge (or DSC) and Front load	B only
Russell Global High Income Bond Pool	Available Series¹
No load	All series
Low load	A and B only
Front load	A, B and E only

¹ See the front cover of this Annual Information Form for a listing of which series are available for each Fund.

You should note that not all dealers make all series or all purchase options available. Contact your dealer for information about which series and purchase options are available to you through your dealer. Your dealer should assist you in choosing an appropriate series and purchase option. Your choice of series and purchase option will require you to pay different fees and will affect the amount of compensation your dealer receives. See “Fees and expenses” and “Dealer compensation” in the Simplified Prospectus for more information.

No sales fee is paid to your dealer when units are issued as part of the reinvestment of a distribution by a Fund and there is no redemption fee payable when such units are redeemed.

Processing your purchase order

You can purchase units of the Funds on any Business Day. You must give instructions to your dealer to purchase any units and you must pay for your units when you place your order. Your dealer should then send your order to us the same day they receive it from you. Institutional Clients in Series O and Series A of the Russell LifePoints Fixed Income Portfolio or the Russell LifePoints Conservative Income Portfolio must send their purchase orders directly to us as your dealer.

We must receive your payment and all the necessary documents within three (3) Business Days of the day you place your order. For Institutional Clients in Series O and Series A of the Russell LifePoints Fixed Income Portfolio or the Russell LifePoints Conservative Income Portfolio, we must receive your payment within one (1) Business Day of the day the purchase price for such units is determined, although we may extend the time required for payment to three (3) Business Days. If we do not receive your payment or if your cheque is returned because of insufficient funds, we will redeem the units you purchased. If we redeem them for more than you paid, the 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 units, in whole or in part, within one (1) Business Day of receiving it. If we refuse your order, we return all of your money, without any interest, to your dealer to be credited to your account.

The net asset value per unit for each Fund is calculated in Canadian dollars. However, we may price units of some series in U.S. dollars by converting the Canadian dollar net asset value per unit to U.S. dollars. If we do this, we will use the exchange rate on the day we are pricing the units in U.S. dollars.

Minimum investment

The first time you purchase units (other than Series A) of Russell LifePoints Fixed Income Portfolio or Russell LifePoints Conservative Income Portfolio, you must invest at least \$5,000, in aggregate, in the Russell LifePoints Funds. Each subsequent investment in Russell LifePoints Fixed Income Portfolio or Russell LifePoints Conservative Income Portfolio is subject to a minimum of \$100. At all times, you must continue to hold Securities of the Russell LifePoints Funds having an aggregate value not less than \$5,000. We may waive these minimum initial or subsequent investment amounts at any time in our discretion.

The first time you purchase units (other than Series E or O) of Russell Global High Income Bond Pool, you must invest at least \$25,000 (\$5,000 in the case of an investment using a tax-free savings account), in aggregate, in the Russell Sovereign Funds. Each subsequent investment in Russell Global High Income Bond Pool is subject to a minimum of \$500. At all times, you must continue to hold Securities of the Russell Sovereign Funds having an aggregate value not less than \$25,000 (\$5,000 in the case of a tax-free savings account). We may waive these minimum initial or subsequent investment amounts at any time in our discretion.

If you are purchasing Series E units of Russell Global High Income Bond Pool, you must initially purchase and always own Series E Securities of the Russell Sovereign Funds having an aggregate value of not less than \$200,000. Each subsequent investment in Series E units of Russell Global High Income Bond Pool is subject to a minimum of \$500. We may waive these minimum initial or subsequent investment amounts at any time in our discretion.

The first time you purchase Series O of Russell Global High Income Bond Pool through an approved dealer, you must invest at least \$1 million, in aggregate, in Series O of the Russell Sovereign Funds and each subsequent investment must be at least \$500. At all times, you must continue to hold Series O of the Russell Sovereign Funds having an aggregate value not less than \$1 million. We may waive these minimum initial or subsequent investment amounts at any time in our discretion.

For Institutional Clients in Series O of Russell Global High Income Bond Pool and Series A of Russell LifePoints Fixed Income Portfolio or Russell LifePoints Conservative Income Portfolio, the minimum aggregate investment in the Russell Sovereign Investment Program or the Russell LifePoints Portfolios is \$10 million and each subsequent investment must be at least \$500. We may waive these minimum initial or subsequent investment amounts at any time in our discretion. We currently waive these minimum initial and subsequent investment amounts for

investments by Russell employees in these series that are made as part of Russell's pension plan for its employees.

If the aggregate value of your Securities in the Russell Funds drops below the relevant minimum investment level set out above, we have the option of redeeming your units of the Funds and your dealer will credit your account with the proceeds of the redemption. In the case of Series E units of Russell Global High Income Bond Pool, we may instead switch them to Series A or B units of the same Fund, following which all fees, expenses and options applicable to the new series of units will apply.

As stated above, we may waive the minimum amounts required for the initial or any subsequent investments in the Funds and for continuous holdings in the Funds at any time at our discretion. Your dealer may establish higher minimum thresholds.

Redeeming Securities of the Funds

You can redeem your units on any Business Day. A redemption is considered a disposition for tax purposes. See *Income tax considerations - Taxation of unitholders* for more information.

You must give instructions to your dealer or us to redeem your units. If your units are registered in the name of your dealer or other intermediary, you must instruct your advisor to provide us with a redemption order. If you provide your instructions to your dealer, your dealer should then send us your redemption order the same day they receive it from you. We will redeem your units on the same Business Day we receive the order if we receive the order by 4:00 p.m. (Toronto time). For Institutional Clients in Series O and Series A of the Russell LifePoints Fixed Income Portfolio or Russell LifePoints Conservative Income Portfolio, we will redeem your units on the same Business Day we receive the order if we receive the order by 2:00 p.m. (Toronto time).

See "Redeeming units of the Funds" in the Simplified Prospectus for more information.

10% free redemption entitlement

If you hold Redemption Fee Securities, each year you can redeem at no charge:

1. 10% of the net asset value of your low load Securities and of your DSC Securities as of December 31 of the prior calendar year (calculated after giving effect to any dividends or distributions at the end of the year); and
2. 10% of the cost of the low load Securities and of the DSC Securities you purchased in the current calendar year.

See "10% free redemption entitlement" in the Simplified Prospectus for more information and an example of how to calculate a 10% free redemption entitlement.

Processing your redemption order

We will redeem your units on the same Business Day we receive the order if we receive the order by 4:00 p.m. (Toronto time) (by 2:00 p.m. Toronto time in the case of Institutional Clients

redeeming Series O and Series A of the Russell LifePoints Fixed Income Portfolio or Russell LifePoints Conservative Income Portfolio). We then send the money to your dealer to be credited to your account within three (3) Business Days of the day we have received all of the necessary documents. In the case of Institutional Clients redeeming Series O or Series A of the Russell LifePoints Fixed Income Portfolio or Russell LifePoints Conservative Income Portfolio, we will send the money directly to you.

If a corporation, partnership, trust or fiduciary asks us to redeem units, we may require some additional documents. We will not pay the redemption proceeds until we have received the additional information. If we do not receive the documents necessary to complete the transaction within ten (10) Business Days of the day we redeem the units, then on the next Business Day we will re-issue the units you redeemed. If we re-issue them for less than we redeemed them for, the 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 units in Canadian dollars, we will send your dealer payment in Canadian dollars when you redeem those units. If you hold units in US dollars, we will send your dealer payment in US dollars. Such payment will be calculated by converting the net asset value per unit in Canadian dollars to US dollars using an exchange rate on that day.

If, within a thirty (30) day period, you redeem units with an aggregate net asset value exceeding 10% of the net asset value of a series of units of a Fund, the Fund may deduct from the redemption proceeds a large transaction fee in an amount not exceeding 0.5% of such proceeds and retain such amount in the Fund to compensate the remaining investors in the Fund for trading costs incurred by the Fund to effect such redemption.

The redemption of your units is considered to be a disposition for tax purposes, which may result in a capital gain or loss being realized. See *Income tax considerations* for more information.

Switching units of a Fund

You can switch the units you hold in a Fund for a different series of units of the same Fund. You also can switch to Securities of a different Russell Fund. In each case, you must be eligible to hold the new Securities in order to make the switch.

Switching units within a Fund

You can switch units of one series to units of another series within the same Fund by sending a request to your dealer (or, in the case of Institutional Clients in Series O and Series A of the Russell LifePoints Fixed Income Portfolio or Russell LifePoints Conservative Income Portfolio, sending a written request to us). We must approve all switches within a Fund. If the right to redeem units of a Fund has been suspended, we will not accept orders to switch units within that Fund.

Switching to a different series within the same Fund does not involve a redemption. Instead, your units will be reclassified to the new series you wish to hold.

No redemption fees apply to this type of switch. However, if you switch from Redemption Fee Securities to units of a different series under a different purchase option, you will pay to us a reclassification fee at the time you make the switch. The reclassification fee is equal to the redemption fee you would have paid if you redeemed your original units and is paid by redeeming a sufficient number of units. See “Fees and expenses payable directly by you” in the Simplified Prospectus for the redemption fee rate schedule. If you switch to Redemption Fee Securities and select a different purchase option, a new redemption fee schedule associated with that purchase option will commence on the date of the switch.

If you switch from Redemption Fee Securities to units of a different series under the same purchase option, the new Redemption Fee Securities issued to you will have the same redemption fee schedule as the units you switched from, and any redemption fee payable on the redemption of the new units will be calculated based on the original cost of the original units and the date you purchased the original units.

We will not pay a fee to your dealer when you make a switch within the same Fund.

We may switch your series of units to another series within the same Fund if:

- You change your dealer and your new dealer does not sell the series of units in which you are invested, or your dealer ceases to sell the series of units in which you are invested
- You have Fee Based Securities or Series O and your agreement with your dealer for the wrap or fee-for-service program ends or your dealer’s agreement with us ends, or you are an Institutional Client in Series O or Series A of the Russell LifePoints Fixed Income Portfolio or Russell LifePoints Conservative Income Portfolio and the agreement you have with us ends
- The aggregate value of your units in the Funds falls below the minimum investment amount set out under *Purchasing, redeeming and switching units of the Funds – Purchasing units of the Funds – Minimum investment*, or you otherwise become ineligible to hold the series of units in which you are invested.

Switching between series of the same Fund is not a taxable disposition except to the extent that units are redeemed to pay any applicable reclassification fee. If you hold your units outside a Registered Plan, you may be required to pay tax on any capital gain you realize from the redemption of units to pay a reclassification fee. See *Income tax considerations* for more information.

Switching units to another Russell Fund

You can switch units you own in a Fund to Securities of another Russell Fund by sending a request to your dealer (or, if you are an Institutional Client in Series O or Series A of the Russell LifePoints Fixed Income Portfolio or Russell LifePoints Conservative Income Portfolio, by sending a written request to us). The procedures for switching units to another Russell Fund are the same as the procedures described above under *Purchasing units of the Funds* and *Redeeming*

units of the Funds above. Should the right to redeem units of a Fund be suspended, we also will not accept orders to switch to or from units of that Fund.

A switch to another Russell Fund involves a redemption of the units you currently hold and a purchase of the Securities of the Russell Fund you wish to switch to. If you switch Redemption Fee Securities of a Fund for Redemption Fee Securities of a different Russell Fund using the same purchase option, no redemption fee will be payable at the time of the switch. Instead, the new Redemption Fee Securities issued to you will have the same redemption fee schedule as the units you switched from, and any redemption fee payable on the redemption of the new Securities will be calculated based on the original cost of the original units and the date you purchased the original units.

In all other cases, if you switch Redemption Fee Securities, the redemption fee will be payable at the time of the switch and the new redemption fee schedule (if any) associated with the purchase option of the Securities you have switched to will commence on the date of the purchase of those Securities. See “Fees and expenses payable directly by you” in the Simplified Prospectus for the redemption fee rate schedule.

Your dealer may charge you a switch fee up to 2% of the value of the units you switch for switching between Russell Funds. We will not pay a fee to your dealer when you make a switch between Russell Funds.

If, within a thirty (30) day period, you request to switch units with an aggregate net asset value exceeding 10% of the net asset value of a series of units of a Fund, the Fund may charge a large transaction fee in an amount not to exceed 0.5% of the value of the units switched and retain such amount in the Fund to compensate the remaining investors in the Fund for trading costs incurred by the Fund to effect such switch. The large transaction fee is paid by redeeming a sufficient number of units.

See “Fees and expenses payable directly by you” in the Simplified Prospectus for additional information.

A switch between a Fund and another Russell Fund is a disposition for tax purposes, and any redemption of units to pay for any fees charged by your dealer, a Fund or by us as described above also will be considered a disposition for tax purposes. If you hold your units outside a Registered Plan, you may be required to pay tax on any capital gain you realize from the disposition of units. See *Income tax considerations* for more information.

Short-term trading

If you redeem or switch units of a Fund within thirty (30) days after buying them, you may have to pay a short-term trading fee of up to 2% of the value of the units, and we may also require that you redeem all of your holdings in the Fund.

We have computerized systems in place for detecting short-term trading in units of the Funds. It is our policy for a Fund to charge a fee of up to 2% of the value of the units redeemed or switched if the redemption or switch involved short-term trading. This fee is paid to the Fund and is in addition to any other fees that may apply. We may waive the short-term trading fee

charged by a 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 Fund.

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

Reduced management fees

To encourage large investments in a Fund, we may reduce the management fees we charge. If you make a large investment in units of a Fund, we may reduce our usual management fee. The reduction is called a *management fee rebate*. We will negotiate the amount of the reduction with you or your dealer on a case-by-case basis, but it is primarily based on the size of your holdings and your relationship with us. Management fee rebates are calculated on each Business Day and paid regularly to eligible investors.

The reduction is paid to eligible investors as a distribution by the Fund of additional units of the same series of the Fund.

See *Income tax considerations* for information on the tax treatment of management fee rebates.

INCOME TAX CONSIDERATIONS

The following is a summary of the principal Canadian federal income tax considerations with respect to acquiring, owning and disposing of units of the Funds. It applies only to an individual investor (other than a trust) who, for the purposes of the *Income Tax Act* (Canada) (the “Tax Act”), is resident in Canada, deals at arm’s length with the Funds and holds the units as capital property.

This is a general summary and is not intended to be advice to any particular investor. You should seek independent advice about the income tax consequences of investing in units of the Funds, based on your own circumstances.

This summary is based on the current provisions of the Tax Act, the regulations under the Tax Act, specific proposals to amend the Tax Act and the regulations announced by the Minister of Finance (Canada) before the date of this annual information form and the administrative practices and policies published by the Canada Revenue Agency (“CRA”). This summary assumes that such practices and policies will continue to be applied in a consistent manner. This summary does not take into account or anticipate any other changes in law whether by legislative, regulatory, administrative or judicial action. It also does not take into account provincial, territorial, or foreign income tax legislation or considerations.

This summary assumes that each Fund will qualify at all material times as a mutual fund trust under the Tax Act.

Taxation of the Funds

In each taxation year, each Fund is subject to tax under Part I of the Tax Act on the amount of its income for tax purposes for that taxation year, including net taxable capital gains, less the portion that is paid or payable to unitholders. Generally, each Fund will distribute to its unitholders in each calendar year enough of its net income and net realized capital gains so that the Fund should not be liable for tax under Part I of the Tax Act. Generally, gains and losses from using derivatives will be realized on income account rather than on capital account. Gains (and losses) from using derivatives for purposes of hedging foreign currency exposure on the market value of portfolio securities held as capital property may be (and may be treated by the Funds as being) on capital account. If such gains were instead on income account, after-tax returns to investors may be reduced. Where a Fund is a mutual fund trust throughout a taxation year, the Fund is allowed to retain, without incurring a liability for tax, a portion of its net realized capital gains based on redemptions of its units during the year.

All of a Fund's deductible expenses, including expenses common to all series of the Fund and management fees and other expenses specific to a particular series of the Fund, will be taken into account in determining the income or loss of the Fund as a whole. Losses incurred by a Fund cannot be allocated to investors but may, subject to certain limitations, be deducted by the Fund from capital gains or other income realized in other years.

Each Fund is required to compute its net income and net realized capital gains in Canadian dollars for the purposes of the Tax Act and may, as a consequence, realize foreign exchange gains or losses that will be taken into account in computing its income for tax purposes. Also, where a Fund accepts subscriptions or makes payments for redemptions or distributions in U.S. dollars or other foreign currency, it may experience a foreign exchange gain or loss between the date the order is accepted or the distribution is calculated and the date the Fund receives or makes payment.

In certain situations, where a Fund disposes of property and would otherwise realize a capital loss, the loss will be deemed to be a "suspended loss" and denied. This may occur if the Fund disposes of and acquires the same property during the period that begins thirty (30) days before and ends thirty (30) days after the disposition of property and holds it at the end of that period.

Taxation of unitholders

Distributions

Unitholders, generally, will be required to include in computing their income the amount (computed in Canadian dollars) of the net income and the taxable portion of the net realized capital gains as is paid or payable to them by a Fund in the taxation year (which may include management fee rebates), whether or not such amount has been reinvested in additional units. A unitholder may be taxable on undistributed income and realized capital gains and accrued but unrealized capital gains that are in a Fund at the time units are purchased to the extent that such amounts are subsequently distributed to the unitholder.

Provided that appropriate designations are made by the Funds, the amount, if any, of foreign source income, net taxable capital gains and taxable dividends from taxable Canadian

corporations (including “eligible dividends”) of the Funds that are paid or payable to unitholders (including such amounts invested in additional units) will, effectively, retain their character for tax purposes and be treated as foreign source income, taxable capital gains and taxable dividends of the unitholders. “Eligible dividends” are subject to an enhanced gross-up and dividend tax credit. Foreign source income received by the Funds will generally be net of any taxes withheld in the foreign jurisdiction. The taxes so withheld will be included in the determination of the Fund’s income under the Tax Act. To the extent that the Funds so designate in accordance with the Tax Act, unitholders will, for the purpose of computing foreign tax credits, be entitled to treat their proportionate share of such taxes withheld as foreign taxes paid by the unitholders.

Generally, gains realized by a Fund from the use of derivative securities will result in the distribution of income rather than capital gains.

To the extent that distributions (including management fee rebates) to a unitholder by a Fund in any year exceed that unitholder’s share of the net income and net realized capital gains of that Fund allocated to that unitholder for that year, those distributions (except to the extent that they are proceeds of disposition of a unit as described below) will not be taxable to the unitholder but will reduce the adjusted cost base of the unitholder’s units. If the adjusted cost base of a unitholder’s units becomes a negative amount at any time in a taxation year, the unitholder will be deemed to realize a capital gain equal to that amount and the adjusted cost base of the unitholder’s units will be reset to zero. In certain circumstances, a Fund is permitted to elect to treat distributions to unitholders that exceed the Fund’s income for the year as a distribution of income and to deduct that amount in computing the income of the Fund in its next taxation year.

Capital gains

Upon the disposition or deemed disposition by a unitholder of a unit, whether by redemption, switch or otherwise, a capital gain (or capital loss) will be realized to the extent that the proceeds of disposition, less any costs of disposition, are greater (or less) than the adjusted cost base to the unitholder of the unit. In particular, a disposition of a unit will occur on a switch to another Russell Fund. A switch between series of the same Fund will not result in a disposition for tax purposes except to the extent that units are redeemed to pay any fees. If those redeemed units are held outside a Registered Plan, unitholders may realize a taxable capital gain. See *Taxation of capital gains* below.

Canadian currency

Unitholders are required to compute all amounts including their income, capital gains and cost base of securities in Canadian dollars for purposes of the Tax Act and may, as a consequence, realize income or capital gains by virtue of changes in the value of the United States dollar relative to the value of the Canadian dollar in connection with U.S. dollar denominated holdings of Funds purchased in U.S. dollars.

Taxation of capital gains

In general, one-half of capital gains are included in income as taxable capital gains and one-half of capital losses are allowable capital losses which may be deducted from taxable capital gains subject to and in accordance with the detailed rules of the Tax Act.

The adjusted cost base to an investor of a unit of a series of a Fund will generally be the weighted average cost of all units of that series of the Fund that are owned by that investor, including units acquired on the reinvestment of a distribution or management fee rebate. Accordingly, when a unit of a Fund is acquired, its cost would generally be averaged with the adjusted cost base of the other units of the same series of the Fund owned by the investor to determine the adjusted cost base of each unit of the series of the Fund then owned. Note that a separate adjusted cost base must be determined for each series of units of each Fund.

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

- If you purchased those units under the front load purchase option, you may include in the adjusted cost base of that series of units any sales fees you paid to your dealer when you purchased those units
- If you purchased those units under the low load purchase option or deferred sales charge 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 units of a 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 units of the same Fund within thirty (30) days before or after you disposed of your units, 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 adjusted cost base of the owner of the units which are substituted property.

The redemption of units of a Fund in order to satisfy any fee payable by a unitholder will be a disposition of such units to the unitholder and will give rise to a capital gain (capital loss) equal to the amount by which the proceeds of disposition of such units exceeds (or is less than) the aggregate of the adjusted cost base of such units and any reasonable costs of disposition.

Alternative minimum tax

Unitholders may be liable for alternative minimum tax in respect of realized capital gains.

Taxation rules applicable to Registered Plans

If units of a Fund are held in a Registered Plan, the unitholder generally will pay no tax on distributions paid from the Fund on those units or on any capital gains that the Registered Plan realizes from redeeming or switching the units. However, withdrawals from Registered Plans, other than tax-free savings accounts, are generally taxable at the unitholder’s personal marginal income tax rate. Registered Plan holders are responsible for keeping a record of their investment.

Eligibility for investment

The units of each Fund are qualified investments for Registered Plans.

Units of each Fund will not be a “prohibited investment” for a trust governed by a tax-free savings account provided that certain provisions of the Tax Act dealing with non-arm’s length relationships and significant investments do not apply to the holder of the tax-free savings account. Proposed amendments to the Tax Act, if enacted as proposed, will introduce similar rules regarding “prohibited investments” for annuitants of registered retirement savings plans and registered retirement income funds, effective as of March 22, 2011.

MANAGEMENT OF THE FUNDS

Manager

The manager of the Funds is Russell Investments Canada Limited. As manager of the Funds we are responsible for the overall and day-to-day administration of the Funds.

We may resign as manager of the Funds provided we give sixty (60) days notice to the trustee of the Funds). We may be terminated as manager of the Funds at any time if we declare bankruptcy or become insolvent and are not able to manage the Funds.

How to reach us

You can reach us in any of these ways:

- Call us toll free at 1-888-509-1792
- Send us an e-mail at canada@russell.com
- On the internet at www.russell.com/ca

To reach us by mail, please write to the head office of the Funds:

Russell Investments Canada Limited
1 First Canadian Place
100 King Street West, Suite 5900
Toronto, ON M5X 1E4

Attention: Director, Client Services

Our directors and officers

Here is a list of the directors and officers of Russell Investments Canada Limited. We have included their name and the city in which they live, the current position they hold with us, and their main occupation. If they have held any different main occupation within the last five years, we have included those other main occupations.

Name and city in which they live	Current position with us	Main occupations in the last 5 years
Bruce Curwood	Director (Board), Director,	From 2007 to Present:

Name and city in which they live	Current position with us	Main occupations in the last 5 years
Toronto, Ontario	Investment Strategy	<p>Director, Investment Strategy, Russell Investments Canada Limited</p> <p>From 2005 to 2007: Director, Research and Strategy, Russell Investments Canada Limited</p>
David Feather Toronto, Ontario	Director (Board), Managing Director, President and Chief Executive Officer	<p>From 2010 to Present: Managing Director, President and Chief Executive Officer, Russell Investments Canada Limited</p> <p>From 2002 to 2010: President, Mackenzie Financial Services Inc. and Executive Vice-President, Mackenzie Financial Corporation</p>
James M. Imhof Tacoma, Washington	Counselling Officer	<p>From 2003 to Present: Managing Director of Global Trading, Frank Russell Company (investment products and services company)</p> <p>During 2007: Director of Trading, Russell Implementation Services Inc.</p>
Samir Khan Toronto, Ontario	Director (Board), General Counsel, Americas, Chief Compliance Officer and Corporate Secretary	<p>From 2011 to Present: General Counsel, Americas, Chief Compliance Officer and Corporate Secretary Russell Investments Canada Limited</p> <p>From 2007 to 2011: General Counsel, Chief Compliance Officer and Corporate Secretary, Russell Investments Canada Limited</p> <p>From 2006 to 2007: Assistant General Counsel, Russell Investments Canada Limited</p>
Gregory Nott Toronto, Ontario	Chief Investment Officer, Portfolio Manager	<p>During 2011: Chief Investment Officer and Portfolio Manager, Russell Investments Canada Limited</p> <p>From 2005 to 2011: Portfolio Manager, Russell Investments Canada Limited</p>
Keith Pangretitsch Toronto, Ontario	Director, National Sales	<p>From 2008 to Present: Director, National Sales, Russell Investments Canada Limited</p> <p>From 2007 to 2008:</p>

Name and city in which they live	Current position with us	Main occupations in the last 5 years
		Divisional Director, Western Canada, Russell Investments Canada Limited Prior to 2007: Regional Director, Russell Investments Canada Limited
David Steele Toronto, Ontario	Director (Board), Managing Director, Operations and Chief Financial Officer	From 2010 to Present: Managing Director, Operations and Chief Financial Officer Russell Investments Canada Limited During 2010: Managing Director, Canada (Interim), Russell Investments Canada Limited From 2008 to 2010: Managing Director, Operations and Chief Financial Officer, Russell Investments Canada Limited During 2008: Chief Operating Officer and Chief Financial Officer, Russell Investments Canada Limited From 2006 to 2008: Director, Finance and Administration, Russell Investments Canada Limited
Michael Thomas Gig Harbor, Washington	Counselling Officer	During 2011: Head of Consulting and Chief Investment Officer, Frank Russell Company From 2006 to 2011: Chief Investment Officer, Russell Implementation Services Inc. (U.S. broker-dealer and investment adviser)

Portfolio manager and sub-advisers

Russell Investments Canada Limited

Russell Investments Canada Limited acts as portfolio manager to all the Funds.

As portfolio manager, we hire sub-advisers (also known as investment managers), assign to them segments of the portfolio, manage, and oversee their performance. Where a Fund invests some or all of its assets in one or more Underlying Funds, we oversee the investment of such money by the Fund in its Underlying Funds.

Although most of the decisions relating to the purchasing and selling of securities are made by the sub-advisers of the Funds, there are times in which we may be directing the purchasing or selling of securities for the Funds. For example, if a sub-adviser is terminated, we will manage the transition from the previous sub-adviser to the new sub-adviser(s) and we may if necessary, manage the portfolio on an interim basis. We may become involved in the trading of a security whose weight approaches 10% of a Fund so that we can ensure that the Fund remains in compliance with regulatory restrictions.

We may also purchase or sell securities on behalf of sub-advisers to facilitate contributions or redemptions to or from a Fund.

Below is the name and title of the individual at Russell Investments Canada Limited who performs these functions, his length of service with us and his business experience in the last 5 years if different from his current position:

Name and Title	Length of Service	Business experience in the last 5 years
Gregory W. Nott Chief Investment Officer and Portfolio Manager, Russell Investments Canada Limited	Since 1998	During 2011: Chief Investment Officer and Portfolio Manager, Russell Investments Canada Limited From 2005 to 2011: Portfolio Manager, Russell Investments Canada Limited

Frank Russell Company (Seattle, Washington)

Frank Russell Company acts as a sub-adviser from time to time to all of the Funds in connection with providing sub-adviser research, selection and monitoring services to us, as well as in connection with portfolio management services. Frank Russell Company is the parent company of Russell Investments Canada Limited. Below is the name and title of the individual at Frank Russell Company who performs these functions, his length of service with Frank Russell Company and his business experience in the last 5 years if different from his current position:

Name and Title	Length of Service	Business experience in the last 5 years
Keith Brakebill Portfolio Manager	Since 2011	During 2011: Portfolio Manager, Frank Russell Company From 2007 to 2011: Research Analyst, Russell Investments

Russell Implementation Services Inc. (Seattle, Washington)

Russell Implementation Services Inc. (“RIS”) acts as a sub-adviser from time to time to each Fund in connection with each Fund’s use of derivatives and in assisting us with the transition of a Fund from its previous sub-adviser to a new sub-adviser. Below are the names and titles of the individuals at RIS who perform this function, their length of service with RIS and their business experience in the last 5 years if different from their current position:

Name and Title	Length of Service	Business experience in the last 5 years
James M. Imhof Director, Portfolio Trading	Since 1987	—
Brian C. Mock Head of Portfolio Solutions and Portfolio Manager	Since 1996	Prior to 2009: Portfolio Manager, Russell Investments
Joseph Hoffman Director, Foreign Exchange	Since 2003	—

Specific Funds

Funds which invest substantially all of their assets in Underlying Funds generally do not have additional sub-advisers. Russell Global High Income Bond Pool has additional sub-advisers who purchase and sell securities for their segment of that Fund’s portfolio within the investment objective and strategies of the Fund. They must follow the policies and restrictions set by us for the Fund. However, we do not direct the individual security selections of any sub-adviser. We may hire or replace sub-advisers at any time.

The current additional sub-advisers for Russell Global High Income Bond Pool are listed below, together with the name and title of the individuals at the sub-advisers who perform these functions, their length of service with their sub-adviser and their business experience in the last 5 years if different from their current position:

Name and Title	Length of Service	Business experience in the last 5 years
DDJ Capital Management, LLC, Waltham, Massachusetts Anthony Ranaldi, Managing Director	Since 2002	—
Logan Circle Partners, LLC, Philadelphia, Pennsylvania Timothy Rabe, Portfolio Manager	Since 2008	Prior to 2008: Portfolio Manager, Delaware Investments
Stone Harbor Investment Partners LP, New York, New York James Craige, Portfolio Manager	Since 2006	—

How we make brokerage arrangements

There is no sales commission charged in connection with the investment by a Fund in Securities of an Underlying Fund.

With respect to investments by a Fund in other portfolio securities, the sub-advisers will make decisions as to the purchase and sale of portfolio securities and allocate brokerage business to dealers for execution. In allocating brokerage business, the general policy is to seek to obtain prompt and efficient execution (this is referred to as “best execution”), meaning the payment of reasonable commissions in relation to the value of the brokerage services provided, including research, execution and other goods and services offered (commonly referred to as “soft dollars”). In connection with allocating brokerage business in return for best execution, we or the sub-adviser are required to make a good faith determination that the Fund on whose behalf

the brokerage business is being directed will receive a reasonable benefit in the form of goods or services that assist us or the sub-adviser with investment decision-making services to the Fund.

Dealers or third parties may provide goods and services to us and the sub-advisers in relation to the Funds including portfolio strategy reports, economic analysis, statistical data about capital markets and securities, analysis and reports on manager and sector performance, issuer performance, industries, economic and political factors and trends, including databases or software to deliver or support those services. The names of such dealers and third parties will be available upon request by calling us toll free at 1-888-509-1792, by sending us an email at canada@russell.com or by writing to us at:

Russell Investments Canada Limited
1 First Canadian Place
100 King Street West, Suite 5900
Toronto, ON M5X 1E4

Attention: Director, Client Services

We will require our sub-advisers to direct a portion of the Funds' brokerage transactions to specific brokers as part of a soft dollar program administered for us by BNY ConvergeX Execution Solutions LLC. This soft dollar program allows us to instruct that the Funds receive certain research services or commission recapture rebates in exchange for credits generated from Fund brokerage transactions. To the extent that sub-advisers are not required by us to direct brokerage transactions, they may be permitted to engage in their own soft dollars arrangements and have discretion to allocate brokerage business in a manner that they believe to be in the Funds' best interests.

Trustee

Russell Investments Canada Limited located in Toronto, Ontario is the trustee of each Fund. We have exclusive authority over the assets and affairs of the Funds and are ultimately responsible for them. A trustee fee of \$10,000 per year is payable by Russell Global High Income Bond Pool.

Custodian

Canadian Imperial Bank of Commerce, located in Toronto, Ontario, is the custodian of the Funds. The custodian is responsible for:

- Keeping all the records of the assets of the Funds
- The safekeeping of the investments of the Funds

The custodian may retain sub-custodians from time to time in respect of securities that trade primarily in markets outside of Canada. When it does so, the sub-custodians must meet the requirements described in National Instrument 81-102 "Mutual Funds" ("NI 81-102"), and the

custodian requires that the sub-custodians adhere to the same standard of care as the custodian. Sub-custodians are paid by the custodian out of its own fees.

Principal distributor

Russell Investments Canada Limited arranges for the distribution of all units of the Funds and therefore is the principal distributor of the Funds.

Auditor

The auditor of the Funds is PricewaterhouseCoopers LLP, located in Toronto, Ontario.

Registrar

The registrar of the Funds is International Financial Data Services (Canada) Ltd., located in Toronto, Ontario. They hold the registers of the Funds at their Toronto office.

ADMINISTRATION OF THE FUNDS

Each Fund has its head office at 1 First Canadian Place, 100 King Street West, Suite 5900, Toronto, Ontario M5X 1E4.

Each Fund is an investment trust created under the laws of the Province of Ontario and is governed by an amended and restated declaration of trust dated December 3, 2010. Each Fund is an open-end mutual fund trust, which means that the Fund can offer an unlimited number of units to investors. Each Fund and each of its series was established on December 15, 2011.

Investment restrictions

We manage the Funds according to the requirements of Canadian securities legislation. The Funds are subject to certain restrictions and practices contained in this legislation, including NI 81-102. These restrictions and practices are designed in part to ensure that the investments we make for the Funds are diversified and relatively liquid, and to ensure that the Funds are properly managed. For more information, refer to the securities legislation of your province or territory or consult your lawyer. We have received approval from Canadian securities regulatory authorities to deviate from some of these restrictions.

Each Fund has received an exemption from NI 81-102 which permits that Fund to engage in the following derivatives transactions in accordance with certain conditions imposed by the exemption:

1. To enter into interest rate swaps and credit default swaps with a remaining term to maturity greater than 3 years.
2. 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, and
 - (c) securities of money market mutual funds we manage to which NI 81-102 applies (“Money Market Fund Securities”).
3. To use as cover when the 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 Fund, to enable the Fund to acquire the underlying interest of the future or forward contract.

4. To use as cover, when the 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 Fund under the interest rate swap less the obligations of the Fund 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 Fund, to enable the Fund to satisfy its obligations under the interest rate swap.

The Independent Review Committee (the “IRC”) for each Fund has issued a standing instruction that will allow each Fund to engage in inter-fund trades of securities with other Russell Funds, provided that each such trade meets the requirements set out in National Instrument 81-107 “Independent Review Committee For Investment Funds” applicable to such trades.

Each Fund intends to qualify continuously as a mutual fund trust under the Tax Act and, accordingly, each Fund will restrict its undertaking to the investing of its funds in property (other than real property or an interest therein).

CONFLICTS OF INTEREST

Principal holders of units

As of the date of this Annual Information Form, Russell Investments Canada Limited directly owns 15,000 units of Series B purchased at \$10 per unit and 10 units of each of Series A and F purchased at \$10 per unit of each of Russell LifePoints Fixed Income Portfolio and Russell LifePoints Conservative Income Portfolio, representing 100% of the outstanding units of each such Fund. As of the date of this Annual Information Form, Russell Investments Canada Limited directly owns 15,000 units of Series B purchased at \$10 per unit and 10 units of each of Series A, E, F and O purchased at \$10 per unit of Russell Global High Income Bond Pool, representing 100% of the outstanding units of such Fund.

The directors and senior officers of Russell Investments Canada Limited do not currently own any units of the Funds.

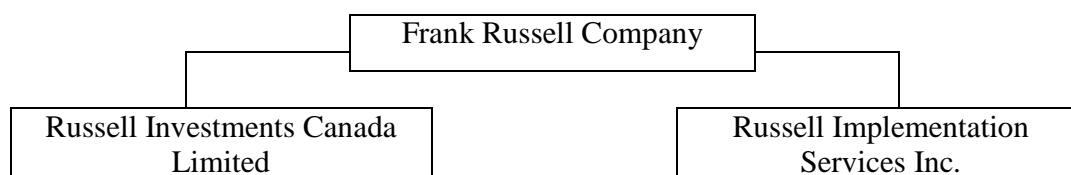
We may manage other mutual funds or provide services to other clients at the same time as we manage the Funds. In providing those services, we may or may not use the same strategies for the Funds as we use for other clients. If we recommend sub-advisers to others, we may or may not use those same sub-advisers for the Funds. In addition, while we try to ensure that sub-

advisers spend an appropriate amount of time and talent managing the Funds, we do not restrict the services that those sub-advisers provide to other clients.

Sometimes, a sub-adviser may make the same investments for a Fund as they make for one or more of their other clients. This may create a conflict of interest if there is only a limited amount of the investment available or if the investment is purchased at different prices for different clients. If this happens, the policy of our sub-advisers is to allocate the investment fairly between the Funds and their other clients.

Affiliated entities

Russell Investments Canada Limited and Russell Implementation Services Inc. are 100% beneficially-owned by Frank Russell Company. Russell Implementation Services Inc. provides brokerage services to the Funds, acts as a sub-adviser to the Funds and may provide foreign exchange services. Frank Russell Company acts as a sub-adviser to the Funds. Russell Investments Canada Limited, rather than the Funds, pays Russell Implementation Services Inc. and Frank Russell Company for their sub-adviser services. The brokerage commissions paid by the Funds to each of our affiliated entities will be disclosed in the Funds' semi-annual and audited annual financial statements.



All officers and directors of Russell Investments Canada Limited, and their positions with our affiliates, if any, are noted under *Management of the Funds*.

Restrictions applicable to dealer-managed mutual funds

The Funds currently are subject to certain additional restrictions set out in Section 4.1 of NI 81-102 to the extent that they are dealer-managed mutual funds. Subject to certain exceptions, the Funds shall not knowingly make an investment in any class of securities of any issuer, other than those issued or fully and unconditionally guaranteed by the Government of Canada or by the Government of a Province of Canada:

- (a) for a period of 60 days after we or any associate or affiliate has acted as an underwriter in the distribution of such class of securities of the issuer (except as a member of the selling group distributing 5% or less of the securities underwritten); or
- (b) of which any partner, director, officer or employee of Russell Investments Canada Limited or any partner, director, officer or employee of any affiliate or associate of Russell Investments Canada Limited is an officer or director, provided that this prohibition shall not apply where any such partner, director, officer or employee does not:

- (i) participate in the formulation of investment decisions made on behalf of the Fund;
- (ii) have access before implementation to information concerning investment decisions made on behalf of the Fund; and
- (iii) influence (other than through research, statistical and other reports generally available to clients) the investment decisions made on behalf of the Fund.

Oversight of Funds

Manager

In our role as manager of the Funds, we are also responsible for oversight over the Funds. We act honestly, in good faith and in the best interests of the Funds, and exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the same circumstances.

Our board of directors is responsible for ensuring that we comply with these duties. The board of directors is currently composed of four individuals. There are no independent directors on the board of directors. Details of the name and municipality of residence of the board of directors can be found under *Management of the Funds – Manager – Our directors and officers*.

We may hire various independent sub-advisers to provide investment advice and portfolio management for the Funds. Our board of directors oversees the appointment and termination of sub-advisers, establishes policies for the Funds and receives and reviews information and reports relating to the Funds.

Investment constraints in the Funds are created by establishing investment guidelines with each sub-adviser for each Fund. These investment guidelines specify the types of securities allowed in the Funds' portfolio and the strategies and structural considerations for each portfolio. The guidelines for the Funds include the limits and controls on derivative trading for the Funds.

The investment guidelines for the Funds are set by, and the day-to-day activities of the sub-advisers are regularly monitored by, Russell Investments Canada Limited, as manager, to ensure the sub-advisers are operating according to the investment objectives and strategies of the Funds. Investment guidelines are monitored on an ongoing basis by using computer-generated reports, spot analysis and regular discussions with the sub-advisers.

The investment guidelines with the sub-advisers permit the sub-advisers to use derivatives in accordance with the investment objectives and strategies of the Funds and the requirements of NI 81-102, subject to any exemptions obtained by the Funds. Each sub-adviser, in turn, is required to have written policies and procedures in place on the use of derivatives as investments within the Funds. These policies and procedures must set out specific procedures for the authorization, documentation, reporting, monitoring and review of derivative strategies and positions, which policies and procedures must be reviewed at least annually by the sub-adviser. We also require that each sub-adviser use risk management processes to monitor and measure the risks of all portfolio holdings, including the derivatives positions, in the Funds. The sub-advisers use risk

measurement procedures or simulations to test the derivative holdings of the Funds under stress, where applicable.

We have our own written investment guidelines relating to the use of derivatives by the Funds which, among other matters, set out the objectives and goals for derivatives trading by the Funds and the risk management procedures applicable to such trading. Our guidelines are reviewed on an ongoing basis by senior members of our portfolio management group. Our Chief Investment Officer is responsible for oversight of all derivative strategies permitted by the Funds. In addition, our compliance personnel review the use of derivatives by the Funds as part of our ongoing review of activity by the Funds. Setting limits and controls on the use of derivatives by the Funds are part of our compliance regime and include reviews and monitoring by analysts who ensure that the derivatives positions of the Funds are within such limits and controls.

In addition, the Funds are monitored for compliance with regulatory requirements on a regular basis by our Compliance Department who use both system-generated reports and reports from the sub-advisers.

We do not exercise custody over any Fund assets, securities, monies or property.

We conduct our sales practices following the rules in National Instrument 81-105 “Mutual Funds Sales Practices”. These rules govern activities like dealer compensation, marketing practices, educational events, seminars and promotional activities.

Russell Investments Canada Limited has a code of conduct and a code of ethics (the *Codes*), which all employees must follow. The Codes include policies on ethical standards, conflicts of interest, confidentiality, personal trading, outside affiliations and gifts. The Codes are reviewed and updated on an annual basis, at which time all employees are required to certify that he/she has read the updated Codes and agrees to adhere to their requirements.

Independent Review Committee

Set out below is a list of the individuals who comprise the IRC for all of the Funds.

Name and municipality of residence	Background Information
Stanley M. Beck, QC	Mr. Beck was admitted to the Ontario Bar in 1962 and admitted as Queen’s Counsel in 1984. Mr. Beck was previously a Professor of Law and Dean, Osgoode Hall Law School, Toronto and served as Chairman of the Ontario Securities Commission from 1985 to 1989. He is a director of a number of public companies and a consultant on securities and corporate matters.
Lawrence A. Ward	Mr. Ward is a chartered accountant who retired as a senior partner of a major accounting firm in 2003. While in the audit practice he worked extensively with many mutual funds and investment companies. Since June 2003 Mr. Ward has acted as a business and financial consultant, specializing in risk management and corporate governance. He is an active member of community organizations and serves on the board of many not-for profit organizations.
Eamonn McConnell	Mr. McConnell is currently a partner of EM Partners, a Private Equity

	firm he co-founded in 2002. For over 20 years, Mr. McConnell has been involved in investment banking and the fund management business. He has worked in Canada, the UK and Asia during his career and his areas of activity have ranged from capital markets work in both debt and equity products, the establishment of a mutual fund investment management company and the subsequent launch of several mutual funds, to the establishment of EM Partners, a private equity fund investment management company
W. William Woods	Mr. Woods is a lawyer admitted to practice in England, Wales, Bermuda and Hong Kong. He has acted as the legal counsel to the Stock Exchange of Hong Kong and the CEO of the Bermuda Stock Exchange. He specializes in providing independent fund governance services and he serves as an independent director on the boards of some hedge funds.

Each member of the IRC is independent of us, our affiliates and each Fund. The IRC provides independent oversight and impartial judgment on conflicts of interest involving the Funds. Its mandate includes considering matters relating to conflicts of interest and recommending to us what action we should take to achieve a fair and reasonable result for the Funds in those circumstances; and reviewing and advising on or consenting to, if appropriate, any other matter required by applicable securities laws, regulations and rules.

Among other matters, the IRC prepares, at least annually, a report of its activities for unitholders of the Funds which is available on our website at www.russell.com/ca or upon request by any unitholder, at no cost, by calling: 1-888-509-1792 or e-mailing to: canada@russell.com.

As required by securities regulations, the Funds pay the expenses of the IRC, which include fees and expenses of IRC members and Independent Review Inc. (a corporation that provides administrative assistance, including secretarial services, for the operations of the IRC). IRC members are paid a fixed annual fee for their services and are reimbursed for their expenses (including for secretarial services). The annual fees and expenses are allocated across all Russell Funds, with the result that only a small portion of the annual fees of the IRC are charged to any Fund. The annual fees are determined by the IRC and are disclosed in its annual report to unitholders of the Funds. The IRC members were paid, in aggregate, \$78,000 for the year ended December 31, 2010.

Securities lending

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

The 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 Fund may suffer losses. For example, the 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 Fund accepts cash collateral and invests such cash collateral, the 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 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 the securities must provide collateral permitted by the Canadian securities administrators worth at least 102% of the market value of the securities loaned
- The 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 the Fund's assets may be loaned in such transactions
- The value of the securities and collateral will be monitored daily
- The Fund may only invest the cash collateral in qualifying securities (such as Canadian and U.S. 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 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 custodian or sub-custodian acts as agent for the Fund in administering securities lending transactions, including negotiating the agreement, assessing the creditworthiness of counterparties and collecting the fees earned by the Fund. The agent also monitors the collateral provided to ensure that it remains within the prescribed limits. The agent has established written policies and procedures setting out (i) the objectives and goals for these transactions and the applicable risk management procedures; (ii) the controls in place on the entering into of those transactions and who is responsible for authorizing those controls; and (iii) the risk management procedures that it considers appropriate to test portfolios. These policies and procedures are reviewed at least annually. The decision as to the use of these transactions will be made by the sub-adviser or by us.

All requirements described above will be reviewed annually to ensure the risks associated with securities lending transactions are being properly managed.

Proxy voting

When a Fund invests in Securities of an Underlying Fund, you will have no direct voting rights with respect to any changes proposed to the Underlying Fund. We are not permitted to vote a Fund's holdings in an Underlying Fund. We may, in our discretion, arrange for unitholders of the Fund to direct how their proportionate interest of the Fund's holdings in the Underlying Fund are to be voted by the Fund. We generally intend to provide unitholders of the Funds with the opportunity to direct voting as described above.

With respect to other portfolio securities held by a Fund, proxy voting for the Fund is done in accordance with proxy voting guidelines (the "Guidelines"). The Guidelines are formulated to provide instructions to vote in a manner that we believe to be in the best interests of the Funds. The Guidelines include standing policies for dealing with routine matters on which we may be asked to vote.

In order to assist us in our voting, including in respect of any conflicts of interest that may arise when voting, we have hired ISS Governance Services ("ISS"), a business unit of RiskMetrics Group and a third party independent of the manager, to perform research and make recommendations in accordance with the Guidelines, and to handle administrative aspects of the voting, that is, complete the ballots and mail the proxies. ISS examines each proxy that comes in and votes it in accordance with the Guidelines.

The Proxy Voting Committee (the "Committee") has been established by our parent company Frank Russell Company. It is composed of representatives from the various Russell investment fund complexes around the world. Our Chief Investment Officer is a member of the Committee and casts his vote on matters that come before the Committee. Russell has delegated to the Committee the authority to vote proxies which are not covered by the Guidelines and certain other administrative matters.

If a vote is required for a situation which is not covered by the guidelines, or if the guidelines state that a vote must be decided on a case by case basis, then the Proxy Committee will ask ISS for a recommendation. Committee members are not required to follow the recommendations of ISS. However, a committee member who does not vote in accordance with the ISS recommendation will be asked to declare that they do not have a conflict of interest with respect to the matter which is being voted upon. Russell Investments Canada Limited shall not cast a vote against the recommendation of ISS unless the certification is received. If any of the Committee members are unable to deliver a certification confirming the absence of a conflict of interest, then securities will be voted in accordance with ISS's recommendations.

The policies and procedures that we follow when voting proxies relating to portfolio securities are available on request, at no cost, by calling us toll free at 1-888-509-1792 or by writing to us at:

Russell Investments Canada Limited
1 First Canadian Place
100 King Street West, Suite 5900
Toronto, ON M5X 1E4

Attention: Director, Client Services

Each Fund's proxy voting record for the annual period ending June 30 will be available free of charge to any unitholder of the Funds upon request and will be accessible from our website at www.russell.com/ca, at any time after August 31 of that year.

Material contracts

We have noted our material contracts below. Material contracts do not include those entered into in the normal course for the Funds. You can review a copy of these documents during business hours on any Business Day at our head office. For our address, see the back cover of this Annual Information Form.

Declaration of trust

Each Fund is a separate open-ended trust governed by an amended and restated declaration of trust dated December 3, 2010 under which Russell Investments Canada Limited serves as trustee. The amended and restated declaration of trust also outlines the following:

- The powers and duties of Russell Investments Canada Limited as trustee
- The attributes of units of the Funds, including how units may be purchased, switched and sold and how they are valued

Management agreement

Russell Investments Canada Limited is responsible for management and administration of the Funds under an amended and restated master management agreement dated December 3, 2010 between itself and Russell Investments Canada Limited as trustee of the Funds.

As portfolio manager, we oversee all portfolio management services, develop each Fund's investment program, and set its investment policies and, if required, select its investment managers, allocate its assets among sub-advisers, and monitor the sub-advisers' investment programs and results.

We may resign as manager of a Fund upon sixty (60) days notice to the trustee of the Fund. We may be terminated by the trustee at any time if we are declared bankrupt or insolvent, our assets become liable to seizure by any public or government authority or we become a non-resident of Canada.

Custodian agreements

Canadian Imperial Bank of Commerce is the custodian of the Funds under an agreement with Russell Investments Canada Limited as trustee of the Funds dated October 4, 2002, as amended.

These agreements may be terminated by either party thereto upon ninety (90) days written notice.

LEGAL AND ADMINISTRATIVE PROCEEDING

We are not aware of any legal proceedings, either pending or ongoing, which would affect the Funds.

AUDITOR'S CONSENT

Russell LifePoints Fixed Income Portfolio (Series A, B, F)
Russell LifePoints Conservative Income Portfolio (Series A, B, F)
Russell Global High Income Bond Pool (Series A, B, E, F, O)
(the "**Funds**")

We have read the Simplified Prospectus of the Funds dated December 15, 2011 relating to the sale and issue of units of the Funds. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use, through incorporation by reference in the above-mentioned Simplified Prospectus, of our report dated December 15, 2011 to the Trustee and Unitholder of the Funds on the statement of net assets of each of the Funds as at December 15, 2011.

"PricewaterhouseCoopers LLP"
Chartered Accountants, Licensed Public Accountants
Toronto Ontario
December 15, 2011

CERTIFICATES

Certificates of the Funds and their Manager, Promoter and Principal Distributor

Dated December 15, 2011

This annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of all provinces and territories of Canada and do not contain any misrepresentations.

“David Feather”

David Feather
Managing Director, President and Chief
Executive Officer of Russell Investments
Canada Limited

“David Steele”

David Steele
Managing Director, Operations and Chief
Financial Officer of Russell Investments Canada
Limited

On behalf of the Board of Directors of Russell Investments Canada Limited in its capacity as trustee, manager, promoter and principal distributor of the Funds.

“Samir Khan”

Samir Khan
Director of Russell Investments Canada Limited

“Bruce Curwood”

Bruce Curwood
Director of Russell Investments Canada Limited

Russell Funds

Additional information about the Funds is available in the Funds' Fund Facts, management reports of fund performance and financial statements.

You can obtain a copy of these documents 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
- At our website at www.russell.com/ca

These documents and other information about the Funds, such as information circulars and material contracts, are also available at our website at www.russell.com/ca and at www.sedar.com.

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

Russell Investments Canada Limited
One First Canadian Place
100 King Street West, Suite 5900
Toronto, ON M5X 1E4

Attention: Director, Client Services

Russell Investments and its logo, LifePoints, Russell, Sovereign and Sovereign Investment Program are either registered trademarks or trademarks of Frank Russell Company.