

**Amendment No. 1 dated August 16, 2011  
to the Simplified Prospectus dated June 29, 2011**

**of**

**Russell Diversified Monthly Income Class Portfolio  
(Series B, E, E-5, E-7, F, F-5, F-7, I-5, I-7)**

**Russell Retirement Essentials Class Portfolio  
(Series B, E, E-5, E-6, E-7, F, F-5, F-6, F-7, I-5, I-6, I-7)**

**Russell Canadian Dividend Class  
(Series B, E, F)**

**(the “Specified Corporate Funds”)**

**and**

**Russell Retirement Essentials Portfolio  
(Series B, E, E-5, E-6, E-7, F, F-5, F-6, F-7, I-5, I-6, I-7, O)**

**(together with the Specified Corporate Funds, the “Funds”)**

**Change of name for**

**Russell Retirement Essentials Portfolio and Russell Retirement Essentials Class Portfolio**

Russell Retirement Essentials Portfolio has changed its name to Russell Income Essentials Portfolio and Russell Retirement Essentials Class Portfolio has changed its name to Russell Income Essentials Class Portfolio.

**Front cover**

- The reference to Russell Retirement Essentials Portfolio is replaced with a reference to “Russell Income Essentials Portfolio<sup>1</sup>”.
- The reference to Russell Retirement Essentials Class Portfolio is replaced with a reference to “Russell Income Essentials Class Portfolio<sup>2</sup>”.
- The following footnotes are added:
  1. Formerly called Russell Retirement Essentials Portfolio.
  2. Formerly called Russell Retirement Essentials Class Portfolio.

### **Remainder of the simplified prospectus**

- All other references in the simplified prospectus to Russell Retirement Essentials Portfolio and Russell Retirement Essentials Class Portfolio are changed to Russell Income Essentials Portfolio and Russell Income Essentials Class Portfolio, respectively.

### **Addition of US Dollar Hedged Series B to the Specified Corporate Funds**

As described in greater detail below, each Specified Corporate Fund now offers US Dollar Hedged Series B. General information relating to US Dollar Hedged Series B is already contained in the simplified prospectus of the Specified Corporate Funds. Accordingly, the simplified prospectus of the Specified Corporate Funds is amended as follows:

### **Front cover**

- “US Dollar Hedged Series B” is added beside each of Russell Diversified Monthly Income Class Portfolio, Russell Income Essentials Class Portfolio and Russell Canadian Dividend Class.

### **Fees and expenses – Fees and expenses payable by the Fund**

- The following information is added to the table under “Management fees”:

	<u>US Dollar Hedged Series B</u>
Russell Canadian Dividend Class	1.80%
Russell Income Essentials Class Portfolio	1.80%
Russell Diversified Monthly Income Class Portfolio	1.85%

### **Dealer compensation – Sales fees**

- A notation “1” is added beside each of Russell Diversified Monthly Income Class Portfolio, Russell Income Essentials Class Portfolio and Russell Canadian Dividend Class and footnote 1 is replaced with the following:

1. If you purchase US Dollar Hedged Series Securities under the low load purchase option, the fee we pay to your dealer will be in US dollars.

### **Dealer compensation – Trailer fees**

- The information in the table relating to Russell Diversified Monthly Income Class Portfolio, Russell Income Essentials Class Portfolio and Russell Canadian Dividend Class is replaced with the following:

Fund	Series	Trailer Fee if Purchased Under the Low Load or Deferred Sales Charge Purchase Option (%)		Trailer Fee if Purchased Under the No Load or Front Load Purchase Option (%)
		Not Matured Securities *	Matured Securities *	
Russell Income Essentials Class Portfolio	B, I-5, I-6, I-7, US Dollar Hedged Series B	0.50	1.00	1.00
	E, E-5, E-6, E-7	n/a	n/a	0.75
Russell Diversified Monthly Income Class Portfolio	B, I-5, I-7, US Dollar Hedged Series B	0.50	1.00	1.00
	E, E-5, E-7	n/a	n/a	0.75
Russell Canadian Dividend Class	A, B, US Dollar Hedged Series B	0.50	1.00	1.00
	E	n/a	n/a	0.75

**Specific Information About Each of the Mutual Funds Described in this Document – Use of derivatives**

- The last sentence in the second paragraph is replaced with the following:

Currently, each of Russell Managed Yield Class, Russell Diversified Monthly Income Class Portfolio, Russell Income Essentials Class Portfolio and Russell Canadian Dividend Class enters into currency hedges in respect of each US Dollar Hedged Series.

**Part B – Fund details – Type of securities offered**

- The words “US Dollar Hedged Series B” are added for each Specified Corporate Fund.

**Part B – What does the Fund invest in? – Investment strategies**

- The following is added for each Specified Corporate Fund:

In respect of a US Dollar Hedged Series, the Canadian dollar value of the net assets attributable to the relevant US Dollar Hedged Series Securities will be hedged back to US dollars using currency forwards of approximately 30 day duration. The returns on a US Dollar Hedged Series and the other series of the Fund will be different, because the entire effect of the US/Canadian dollar currency hedging, as well as the costs associated with employing the hedging strategy, will be reflected only in the net asset value per Security of each US Dollar Hedged Series. Hedging will limit the opportunity for gain as a result of an increase in the Canadian dollar relative to the US dollar. Therefore, generally, the US Dollar Hedged Series Securities will not benefit from an increase in the value of the Canadian dollar against the US dollar. The US Dollar Hedged Series may have exposure to the effect of currency movements between Canadian dollars and other currencies on trades in underlying securities of its Underlying Fund(s).

## **Part B – What are the risks of investing in the Fund?**

- The following is added for each Specified Corporate Fund:

### *Tax treatment risk*

In determining income for tax purposes, the Corporation may treat gains or losses on any disposition by the Fund of non-US dollars under forward currency agreements entered into in connection with the US Dollar Hedged Series as capital gains and losses. No advance income tax ruling has been requested or obtained from Canada Revenue Agency regarding the timing or characterization of gains or losses realized from such currency exchange transactions. The returns of the Corporation will be lower if the gain earned on the disposition of non-US dollars by the Fund are treated for Canadian tax purposes as ordinary income rather than capital gains.

If, upon disposition of non-US dollars under forward agreements entered into in connection with the US Dollar Hedged Series, the character and timing of any gain is required to be treated for tax purposes as other than a capital gain realized from the sale of the non-US dollars, then returns to investors in the Fund could be reduced. As discussed under “Income tax considerations” in the annual information form, taxes payable on capital gains earned by the Corporation are refundable to the Corporation, whereas taxes payable on ordinary income by the Corporation are not.

## **Part B – Who should invest in this Fund?**

- The following is added for each Specified Corporate Fund:
  - For investors purchasing US Dollar Hedged Series shares, want to invest in the Fund in US dollars and protect themselves from the impact of CDN\$/US\$ volatility
  - The US Dollar Hedged Series shares are not for investors who want to speculate between the value of the Canadian dollar and US dollar.

### **What are your legal rights?**

Securities legislation in some provinces gives you the right to withdraw from an agreement to purchase securities of the Funds within two (2) business days of receiving the simplified prospectus, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to purchase securities of the Funds and get your money back, or to make a claim for damages, if the simplified prospectus, annual information form or financial statements misrepresent any material facts about the Fund. These rights must usually be exercised within certain time limits.

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