

# Russell Update

JUNE 2010

## Russell Investments announces corporate class dividends in LifePoints Portfolios

### *No dividends in Russell Sovereign Investment Program*

Russell Investments Canada Limited has declared ordinary dividends to shareholders in the following LifePoints Portfolios. There will be no dividends in the Russell Sovereign Investment Program.

Class	Serie s	Per Share (CAD)	% NAV*
Russell LifePoints Balanced Class Portfolio	B	\$0.033	0.30%
	F-6	\$0.231	0.30%
	F	\$0.034	0.30%
	I-6	\$0.219	0.30%
Russell LifePoints Balanced Growth Class Portfolio	B	\$0.047	0.42%
	F-7	\$0.330	0.42%
	F	\$0.049	0.42%
	I-7	\$0.306	0.42%
Russell LifePoints Long-Term Growth Class Portfolio	B	\$0.067	0.60%
	F	\$0.068	0.60%
Russell LifePoints All Equity Class Portfolio	B	\$0.123	1.09%
	F	\$0.100	0.86%

\* Based on May 31, 2010 Net Assets Value.

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The dividends are payable on **Monday June 28, 2010** to shareholders of record at the close of business day **Friday June 25, 2010**. All dividends are eligible dividends.

### **Corporate Class dividends**

Payments of Canadian dividends in mutual fund corporations are quite common and it is an industry practice. Unlike a mutual fund trust, which flows Canadian dividends directly through to the unitholder, a mutual fund corporation is taxed on dividends like all corporations. The tax is refundable when the mutual fund corporation pays a dividend to the shareholders. Taxes that are not recovered would negatively impact the corporation's/class's net assets and negatively impact performance. Therefore, it is our intent to flow through these dividends to the shareholders as eligible dividends.

Eligible dividends are taxed at a lower rate than other income sources by the federal and provincial governments because dividend income is eligible for the dividend tax credit. For your reference the following table shows how each type of income is taxed.

<b>Type of income and tax category</b>	<b>Highest marginal tax rate (Ontario 2010)</b>	<b>After-tax value of \$1000 of income at highest marginal tax rate in Ontario</b>
Dividends (Eligible dividends)	26.6%	734
Other Income (other income, interest, foreign interest and dividends)	46.4%	536
Capital gains	23.2%	768

If you have any questions about this update, please contact us at:

1-888-509-1792 (toll-free) or [canada@russell.com](mailto:canada@russell.com)

### **Important Information**

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing.

Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

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