

SIMPLIFIED PROSPECTUS

Russell Investments Funds

July 30, 2020

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

RUSSELL INVESTMENTS ALTERNATIVE MUTUAL FUNDS

Russell Investments Yield Opportunities Pool¹

Series B, B-5, F, F-5 and O Units

¹An alternative mutual fund

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Introduction

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

This Simplified Prospectus contains information about the Fund and the risks of investing in mutual funds generally, as well as the names of the firms responsible for the management of the Fund.

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

- The annual information form of the Fund
- The most recently filed Fund Facts of the Fund
- The most recently filed annual financial statements of the Fund and any interim financial statements of the Fund filed after those annual financial statements
- If the Fund has not yet filed any annual financial statements, the most recently filed interim financial statements of the Fund and, if the Fund has not yet filed any interim financial statements, the most recently filed audited statement of net assets of the Fund
- The most recently filed annual management report of fund performance of the Fund and any interim management report of fund performance of the Fund filed after that annual management report of fund performance
- If the Fund has not yet filed any annual management report of fund performance, the most recently filed interim management report of fund performance of the Fund

These documents are incorporated by reference into this Simplified Prospectus, which means that they are legally part of this document, just as if they were printed together. You can get a copy of these documents at no cost by:

- Calling Russell Investments Canada Limited toll free at 1-888-509-1792
- Sending us an e-mail at canada@russellinvestments.com
- Asking your dealer

These documents and other information about the Fund are also available:

- On our website at www.russellinvestments.com/ca
- At www.sedar.com

In this Simplified Prospectus:

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

Distribution Series means a series of Units of the Fund on which monthly distributions are paid to investors. The current Distribution Series are B-5 and F-5;

ETF means an investment fund traded on a Canadian or U.S. stock exchange that seeks to provide returns based on the performance of a particular index, benchmark or commodity price. The ETF may seek returns that are positively or negatively correlated to the index, benchmark or commodity price, and the returns may be of different magnitude (such as double) from the index, benchmark or commodity price;

Fee Based Units means Series F and F-5;

Fund means Russell Investments Yield Opportunities Pool;

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 Units directly through us as their dealer;

Matured Units means Units of a Fund that were purchased under the low load purchase option and have been held for at least three years;

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

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 Tax Act;

Russell Investments Funds means any of the mutual funds Russell Investments manages that offer Securities under a simplified prospectus, including the Fund. Securities of other Russell Investments Funds are offered under a different simplified prospectus and additional information about those other Russell Investments Funds is available in their simplified prospectus;

Securities mean units and shares of the Russell Investments Funds;

Tax Act means the *Income Tax Act* (Canada);

Underlying Fund refers to a Russell Investments Fund when some of that Russell Investments Fund's Securities are owned by the Fund;

Unit means a unit of the Fund. The Fund offers more than one series of its Units. See the front cover of this Simplified Prospectus for a listing of the series that are offered by the Fund;

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

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

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

What is a mutual fund?

A mutual fund is a pool of money where you combine your money with many other investors that have similar investment goals. We use this money to purchase different types of investments on behalf of you and the other investors. This gives you the benefit of diversification, that is, being invested in many different investments at once.

What is risk?

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

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

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

Investing in a mutual fund is not like putting your money in a savings account. Unlike a savings account or a Guaranteed Investment Certificate (GIC), investments in mutual funds are not insured by the Canada Deposit Insurance Corporation or any other government deposit insurer.

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

Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, acts of terrorism or other events, can adversely affect local and global markets and normal market operations. Market disruptions may exacerbate political, social and economic risks discussed in this Simplified Prospectus. Additionally, market disruptions may result in increased market volatility; regulatory trading halts; closure of domestic or foreign exchanges, markets, or governments; or market participants operating pursuant to business continuity plans for indeterminate periods of time. Such events can be highly disruptive to economies and markets and significantly impact individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment and other factors affecting the value of a Fund's investments and operation of a Fund. These events could also result in the closure of businesses that are integral to a Fund's operations or otherwise disrupt the ability of employees of Fund service providers to perform essential tasks on behalf of a Fund.

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

In exceptional circumstances, a mutual fund may not accept orders to purchase its units or shares, or may postpone orders to redeem its units or shares. These circumstances are explained under "Purchases, Switches and Redemptions".

Purchases, switches and redemptions

Description of Units offered by the Fund

The Fund offers more than one series of Units described below.

- **Series B and B-5:** These series are available to all investors.
- **Series F and F-5:** These series (which are *Fee Based Units*) are 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 Units. 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 the Fund for this series. Instead, each Institutional Client in this series negotiates a separate fee that is paid directly by the Institutional Client to us. Clients of approved dealers who hold this series are charged a management fee by us that is payable directly to us. For such clients, management fees for investment amounts over \$3,000,000 is negotiated between us and the client. Please see the management fee chart for Series O in "Fees and expenses payable directly by you." 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 this series. We do not pay trailer fees to approved dealers for this series. This series also is used in fund-on-fund investments and other wrap programs sponsored by us.

For specific information about the fees you pay directly or the fees that the Fund pays for each series, see "Fees and Expenses".

How we determine the Unit price for each series of the Fund

The *net asset value per Unit* is the amount you pay or receive for a Unit when you purchase, redeem or switch a Unit of the Fund. We determine a net asset value per Unit for each series of the Fund. To determine the net asset value per Unit for a series, we calculate the total value of the assets for the series and then subtract its liabilities. Then we divide that amount by the number of Units of that series held by investors.

We determine the net asset value per Unit after the close of each Business Day. If the Toronto Stock Exchange is closed for any reason, we determine the net asset value per Unit on the next Business Day. The net asset value per Unit for each series is calculated in Canadian dollars.

For more details about calculating the net asset value per Unit, see the annual information form.

Purchasing, redeeming and switching Units of the Fund

If your order to purchase, redeem or switch Units of the 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, 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 Fund, income tax consequences may result, as described later in this Simplified Prospectus.

In exceptional circumstances, your ability to purchase, redeem or switch Units of the Fund may be suspended by the Fund. We will not accept any orders to purchase, redeem or switch Units of the Fund if we have suspended the calculation of the net asset value per Unit of the Fund. The Canadian securities regulators allow us to suspend the calculation of the net asset value per Unit of the 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; or
- We have received permission from the Canadian securities regulators to do so.

Purchasing Units of the Fund

Purchasing option

When you purchase Units of the 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 two different purchase options:

1. **Front load.** Under the front load purchase option, you may 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. For Fee Based Series, Series O, the amount of the sales fee is always 0%, which is effectively the same as a "no load" purchase option.
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 Units*), you pay no redemption fee when you redeem those Matured Units. See "Fees and expenses payable directly by you" for more information, including the schedule of redemption fee percentages that may apply depending on the year in which you redeem Units.

The front load purchase option is available for all series of Units. The low load purchase option is available only for Series B and Series B-5 Units.

You should note that not all dealers make all series available. Contact your dealer for information about which series are available to you through your dealer. Your dealer should assist you in choosing an appropriate series. Your choice of series will require you to pay different fees and will affect the amount of compensation your dealer receives. See "Fees and Expenses" and "Dealer Compensation" for more information.

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

Processing your purchase order

You can purchase Units of the Fund 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 purchase Units directly from us, and must send their purchase orders directly to us as their dealer.

We must receive your payment and all the necessary documents within two (2) Business Days of the day you place your order. For Institutional Clients in Series O, we must receive your payment within two (2) Business Days of the day the purchase price for such Units is determined. 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.

Minimum investment

The following table shows you the minimum amounts for buying Units of the Fund, and for maintaining an account. These amounts depend on the kind of account or Units you choose.

	Minimum amount you can buy		Minimum continuous balance per account
	Your first purchase	Each additional purchase	
Series B, B-5, F and F-5	\$25,000	\$500	\$25,000
Series O ¹	\$25,000 for clients of approved dealers \$10,000,000 for Institutional Clients	\$500	\$25,000 for clients of approved dealers \$10,000,000 for Institutional Clients

¹ We currently waive the minimum initial or subsequent investment amounts for investments by Russell Investments employees in Series O that are made as part of Russell Investments’ pension plan for its employees.

If the aggregate value of your Units of the Fund drops below the relevant minimum investment level set out above, we have the option of redeeming your Units and your dealer will credit your account with the proceeds of the redemption.

We may waive the minimum amounts required for the initial or any subsequent investments in the Fund and for continuous holdings in the Fund at any time at our discretion. Your dealer may establish higher minimum thresholds.

Redeeming Units of the Fund

You can redeem your Units of the Fund on any Business Day.

You must give instructions to your dealer or to us to redeem your Units. If your Units are registered in the name of your dealer or other intermediary, you must instruct your dealer 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 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).

If you used more than one purchase option to purchase Units of the same series of a Fund and you wish to redeem some of those Units, your order also must specify the purchase option of the Units you wish to redeem.

If you purchased Units of a Fund under the low load purchase option, you may be required to pay a redemption fee to us from your sale proceeds. See “Fees and expenses payable directly by you” for additional information.

We will redeem your Units, from the series and purchase option you specified, in the following order:

1. Units that are not subject to a redemption fee, then

2. Units that are subject to the smallest redemption fee.

We may redeem your Units of the Fund in the following circumstances:

- The aggregate value of your holdings of the Fund falls below the minimum investment amount set out under “Minimum investment”
- To pay any outstanding fees or expenses you owe as set out under “Fees and expenses payable directly by you”
- If you no longer meet the eligibility requirements for the series of the Fund you are invested in, or otherwise fail to meet the criteria for investment in the Fund or series that are specified by us from time to time
- If we are authorized to do so by applicable securities law or securities regulators
- If your holding of those Units may have an adverse effect on other investors in the Fund

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). We then send the money to your dealer to be credited to your account within two (2) Business Days of the day we have received all of the necessary documents. In the case of Institutional Clients redeeming Series O, 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, within a thirty (30) day period, you redeem Units with an aggregate net asset value exceeding 10% of the net asset value of the series of Units of the 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.

Switching Units of the Fund

You can switch the Units you hold in the Fund for a different series of Units of the Fund. You can also switch to Securities of a different Russell Investments Fund. In each case, you must be eligible to hold the new Securities in order to make the switch. We must approve all switches within the Fund. If the right to redeem Units of the Fund has been suspended as described under “Purchasing, redeeming and switching Units of the Fund”, we will not accept orders to switch Units within the Fund or to switch from Units of the Fund to Securities of a different Russell Investments Fund. Please also see the simplified prospectus of other Russell Investments Funds for additional information regarding switching to Securities of those Russell Investments Funds.

Switching Units within the Fund

You can switch Units of one series to Units of another series within the Fund by sending a request to your dealer (or, in the case of Institutional Clients in Series O, sending a request to us). 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 Units that are subject to a redemption fee 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” for the redemption fee rate schedule.

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

We may switch your series of Units to another series within the 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
- 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 and the agreement you have with us ends
- The aggregate value of your Units falls below the minimum investment amount set out under “Minimum investment”, or you otherwise become ineligible to hold the series of Units in which you are invested

Switching between series of the Fund is not a taxable disposition. See “Income tax considerations for investors” for more information.

Switching Units to another Russell Investments Fund

You can switch Units you own in the Fund to Securities of another Russell Investments Fund by sending a request to your dealer (or, in the case of Institutional Clients in Series O sending a request to us). The procedures for switching Units to another Russell Investments Fund are the same as the procedures described above under “Purchasing Units of the Fund” and “Redeeming Units of the Fund”.

A switch between the Fund and another Russell Investments Fund involves redeeming the Units you currently hold and purchasing the Securities of the Russell Investments Fund you wish to switch to.

If you switch Units that are subject to a redemption fee for Securities of a different Russell Investments Fund using the same purchase option, no redemption fee will be payable at the time of the switch. Instead, the new 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 Units that are subject to a redemption fee, 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” for the redemption fee rate schedule.

When you switch Units you own in the Fund to Securities of another Russell Investments Fund, your dealer may charge you a switch fee up to 2% of the value of the Units you switch. We will not pay a fee to your dealer when you make a switch to another Russell Investments Fund.

If, within a thirty (30) day period, you request to switch Units of the Fund having an aggregate net asset value exceeding 10% of the net asset value of that series of Units of the 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” for additional information.

Any switch to a different Russell Investments Fund is a disposition for tax purposes. Any redemption of Units to pay for any fees charged by your dealer, the 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 investors” for more information.

Short-term trading

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

The Fund may charge you a fee of up to 2% of the value of the Units of the Fund you redeem or switch if you engage in short-term trading. This fee is paid to the Fund and is in addition to any other fees that may apply. We may also require that you redeem all of your holdings in the Fund. We may waive the short-term trading fee charged by the 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. See “Short-term trading” in the annual information form for additional information.

The Fund does not have any arrangements, formal or informal, with any person or company to permit short-term trading.

Systematic purchase program

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

Systematic withdrawal program

To withdraw money from the Fund on a regular basis, you may be able to set up a systematic withdrawal program at no charge other than any applicable redemption fees. Ask your dealer for details. The systematic withdrawal program may also be used to generate cash to pay ongoing amounts due from you to your dealer.

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

Russell Investments automatic rebalancing program

You may elect to have certain Russell Investments Funds automatically rebalanced to your target asset allocation. Once automatic rebalancing is activated for your account, we will monitor your holdings in the relevant Russell Investments Funds on a daily basis. Whenever the market value of any of your holdings in a Russell Investments Fund varies by more than 2.5% from the target asset allocation which you have selected for that Russell Investments Fund, we will rebalance all of your Russell Investments Funds which are subject to automatic rebalancing to your target asset allocations. Speak to your dealer for further information regarding which Russell Investments Funds are eligible for this service. You should not include the Fund in the Russell Investments automatic rebalancing program if the Fund is being used for regular switches under the dollar-cost averaging program, as the two services may implement conflicting instructions in your account such that neither service performs as intended.

The Russell Investments automatic rebalancing program is available to you only if all of the Securities in the Russell Investments Funds you wish to rebalance are in the same currency and same series. As well, the Russell Investments automatic rebalancing program only applies to the Securities of the Russell Investments Funds held with the purchase option first used in your account. The automatic rebalancing program will be discontinued for any account that has a zero balance with no transaction activity for a full calendar year.

If you hold Units of the Fund outside a Registered Plan and select automatic rebalancing for the Fund, each automatic rebalancing will constitute a disposition of some of your Units of the Fund which may cause you to realize a capital gain or a capital loss.

Dollar-cost averaging program

You can switch Units you own of the Fund for Securities of a different Russell Investments Fund on a regularly scheduled basis by establishing a dollar-cost averaging program with us. We have several options available to you regarding the frequency of the switches under the program. Ask your dealer for details. You must be eligible to hold the Securities of the Russell Investments Funds to which you wish to make switches. You should not include the Fund in the dollar-cost averaging program if you have elected to have the Fund rebalanced under the Russell Investments automatic rebalancing program, as the two services may implement conflicting instructions in your account such that neither service performs as intended.

The fees and redemption fee schedule applicable to switches under the dollar-cost averaging program are identical to those for switches not using the program, except that no short-term trading fees apply to switches under the dollar-cost averaging program.

Fees and expenses

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

We are entitled to receive management fees for each series of the Fund to compensate us for services rendered including portfolio management, research, sub-adviser monitoring and trailer fees. The annual management fee we receive from the Fund is a percentage of the average daily net asset value of each series of Units of the Fund as set out below.

Fees and expenses payable by the Fund

Management Fees				
	Series B, B-5	Series F, F-5		
Russell Investments Yield Opportunities Pool	1.75%	0.75%		

	<p>No management fee is charged to the Fund for Institutional Clients who hold Series O Units. Each Institutional Client in these series instead negotiates a separate fee that is paid directly by the Institutional Client to us.</p> <p>No management fee is charged to the Fund for clients of approved dealers who hold Series O Units. Clients of approved dealers who hold these series instead are charged a management fee by us that is payable directly to us.</p> <p>Please see the management fee chart for Series O in "Fees and expenses payable directly by you". Fees paid to us by an Institutional Client or other investor will not exceed 2% of the value of their Units.</p> <p>In addition, clients of approved dealers who hold Series O may have to pay ongoing fees to their approved dealers. The amount of the fee is determined between you and your dealer. See "Other fees and expenses – Service fees".</p> <p>The fees above are exclusive of any applicable taxes and operating expenses.</p> <p>We may reduce the amount of the management fee we receive from the Fund. We are not bound to continue the reduction in the future and we may stop the reduction without notice to you.</p> <p>We may also reduce the management fee for large investments by certain investors or households (we consider multiple investors living at the same address to be one household). For such investors or households with investment amounts over \$3,000,000, the management fee may be individually negotiated between us and the investor or household. When this occurs, we reduce the management fee charged to the Fund and the amount of</p>
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	<p>the reduction is paid by the Fund to eligible investors as a distribution of additional Units. We refer to the reduction as a <i>management fee rebate</i>.</p> <p>Except for Fee Based Units, 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.</p> <p>Large investments by investors or households in Fee Based Units are eligible for a management fee rebate that is generally calculated according to a rebate schedule that may be changed by us from time to time, in our sole discretion. Please contact your dealer or us for a current copy of the Fee Based Units rebate schedule.</p>
<p>Operating expenses</p>	<p>The Fund pays its own operating expenses, including expenses incurred by us on behalf of the Fund relating to its operation and the carrying on of its business. These expenses include portfolio transaction costs (including costs associated with using derivatives, short selling and borrowing), legal, audit, custodial, safekeeping and trustee fees, taxes, interest (including interest for borrowing cash), operating and administrative costs, investor servicing costs and the costs for reports and prospectuses. As part of these expenses, we are reimbursed by the Fund for the time spent by our employees on administrative matters for the Fund in an amount equal to a portion of the salary, bonus and benefits of such employees based on the percentage of time spent on administrative matters for the Fund. We allocate the expenses to each series of Units based on its share of the expenses. As required by securities regulations, the Fund pays the expenses of the Independent Review Committee (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). The IRC members are paid a fixed annual fee for their services, which the IRC determines and discloses in its annual report to investors in the Fund, and are reimbursed for expenses including secretarial costs.</p> <p>The annual retainer for each IRC member (other than the Chair) in respect of the Fund is \$86.46 and the annual retainer for the Chair is \$115.28. The fees and expenses of the IRC are allocated across all Russell Investments Funds managed by us proportionately based on their relative net asset values, with the result that only a small portion of such fees and expenses are charged to any individual Russell Investments Fund.</p> <p>When the Fund invests in Underlying Funds:</p> <ul style="list-style-type: none"> • There are fees and expenses that are payable by the Underlying Funds in addition to the fees and expenses payable by the Fund • There are no management or incentive fees payable by the Fund that, to a reasonable person, would duplicate a fee payable by an Underlying Fund for the same service • No sales fees or redemption fees are payable by the Fund upon the purchase or redemption of Securities of any Underlying Fund • The Fund does not pay any management fees to us in respect of its investment in Securities of any Underlying Fund



	<p>We may assume responsibility for some of the operating expenses of the Fund. However, this does not bind us to continue this in the future and we may stop this without notice to you.</p>
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Fees and expenses payable directly by you

<p>Series O Management Fee. (For investors investing through an approved dealer. Not applicable to Institutional Clients. For information on fees and expenses payable by Institutional Clients, please see "Fees and expenses payable directly by the Fund.")</p>	<p>Investors in Series O who are investing through an approved dealer (not applicable to Institutional Clients), are charged a management fee by us that is payable directly to us quarterly by the redemption of a sufficient number of Series O Units of the Fund in their accounts for general management services. Series O and management fees are calculated and accumulated daily based on the net asset value of Series O and Units of the Fund in the investor's account on the preceding Business Day. The annual management fee rates of Series O are as follows (fee reductions may apply):</p>			
	Series O Management and Fee Per Investment Amount			
Fund	\$25,000 - \$250,000	\$250,000 - \$1,000,000	\$1,000,000 - \$3,000,000	
Russell Investments Yield Opportunities Pool	0.75%	0.75%	0.70%	
	<p>The above fee rates are exclusive of any applicable taxes and may be reduced by us from time to time, in our sole discretion. For investors with investment amounts over \$3,000,000, the management fee will be individually negotiated between us and the investor.</p>			
Sales charges	<p>You may have to pay your dealer a sales fee at the time of purchase. You can negotiate this sales fee with your dealer, but it must not exceed 5% of the amount you invest.</p>			
Switch fees	<p>Your dealer may charge you a fee when you switch between Russell Investments Funds. You can negotiate this switch fee with your dealer, but it must not exceed 2% of the amount you switch.</p>			
Redemption fees	<p>You do not pay a sales fee to your dealer when you purchase Units under the low load purchase option. However, you will pay to us a redemption fee if you redeem those Units within three years after purchasing them. The redemption fee is calculated as a percentage of the original cost of the Units being redeemed. The table below shows the redemption fee schedule for the low load purchase option:</p>			
	Units redeemed during the following period after you purchased them	Redemption Fee Rate for low load Units		
	during the first year	3.00%		
	during the second year	2.50%		
	during the third year	2.00%		
	after the third year	Nil		
	<p>In some cases, the redemption fee will be charged if you switch to a different Russell Investments Fund. See "Switching Units to another Russell Investments Fund" for additional information.</p>			

Other fees and expenses	
Service fees	<p>If you purchase:</p> <ul style="list-style-type: none"> • Fee Based Units; or • Series O Units through an approved dealer; <p>you may have to pay a service fee to your dealer based on the market value of your assets. The amount of the fee is determined between you and your dealer. For Series O, we may assist approved dealers with collecting these fees by the redemption (without charges) of a sufficient number of Series O Units in your account and payment of such amounts to the approved dealers.</p>
Short-term trading fees	<p>If you redeem Units of the Fund, or switch Units of the Fund to a different Russell Investments Fund, in either case within thirty (30) days after purchasing them, you may be charged a short-term trading fee of up to 2% of the value of those Units. This fee will be paid to the Fund and is in addition to any other fees that may apply. We also may require that you redeem all of your holdings in the Fund.</p>
Reclassification fee	<p>You will pay to us a reclassification fee if you switch Units that are subject to a redemption fee to a different series of Units under a different purchase option. The reclassification fee is payable to us at the time you make the switch and is equal to the redemption fee you would have paid if you had redeemed your Units. We collect the reclassification fee by redeeming a sufficient number of Units.</p>
Large transaction fee	<p>If, within a thirty (30) day period, you redeem or switch to a different Russell Investments Fund Units having an aggregate value exceeding 10% of the aggregate value of all outstanding Units of the series of the Fund redeemed or switched from, the Fund may charge you a large transaction fee not exceeding 0.5% of the value of the Units redeemed or switched.</p>
Fees for the Systematic Purchase Program	None
Fees for the Systematic Withdrawal Program	None
Fees for the Russell Investments Automatic Rebalancing Program	None
Fees for the Dollar-Cost Averaging Program	None

Impact of sales charges

The table below shows the fees you would have to pay if you purchased Units of the Fund. It assumes that:

- You invest \$1,000 in the Fund for each period and redeem all of your Units immediately before the end of that period; and
- The sales fee you negotiate with your dealer is 5%.

	When you purchase your Units	1 year	3 years	5 years	10 years
Front load purchase option	\$50	-	-	-	-
Low load purchase option	-	\$30	\$20	-	-

Dealer compensation

Sales fees

If you purchase Units, you may pay to your dealer a sales fee of up to 5% of the amount you invest. The fee is negotiated between you and your dealer and is deducted from your investment. For Fee Based Units and Series O, the amount of the sales fee is always 0%.

If you purchase Series B or Series B-5 Units under the low load purchase option, we will pay your dealer a fee equal to 2.50% of the amount you invest.

Trailer fees

Trailer fees are amounts we pay to dealers (including full service dealers, mutual fund dealers and discount brokers) to compensate them for providing ongoing services to you. These fees are calculated as an annual percentage of the average daily value of the Units you hold and are paid out of the management fees we receive from the Fund. The trailer fee percentage varies based on the Fund, series and purchase option you chose when you purchased your Units and the length of time that you have owned the Units.

For Series B or Series B-5 the annual percentage of the trailer fee is 0.50% when the Series B Units or Series B-5 Units are not Matured Units, and changes to 1.00% when the Series B Units or Series B-5 Units become Matured Units.

We also do not pay dealers any trailer fees in respect of Fee Based Units or Series O. Trailer fees are exclusive of any applicable taxes. We may change the terms of the trailer fees or cancel them at any time, and may grandfather existing trailer fees in connection with any such change.

Marketing and promotional fees

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

Dealer compensation from management fees

The percentage of management fees from the Fund used to fund commissions, trailer fees, promotional activities and marketing expenses for Securities of the Fund in the 2019 financial year was approximately 14%.

Income tax considerations for investors

This summary of Canadian federal income tax considerations only applies to individual investors (other than trusts) who are residents of Canada, deal with the Fund at arm's length and hold their Units as capital property. This summary assumes that the Fund will qualify as a mutual fund trust under the Tax Act at all material times. This summary is not exhaustive and is based on tax rules and legislation as of the date of this Simplified Prospectus. Please consult with a tax advisor about your own circumstances. Please also see the annual information form for additional tax information.

Fund

In general, the Fund pays no income tax under the Tax Act as long as it distributes its net income and net capital gains to its unitholders. The Fund generally intends to distribute enough of its net income and net realized capital gains each year so it will not have to pay income tax under the Tax Act. Subject to the derivatives forward agreement rules (the "DFA Rules") in the Tax Act (discussed below), in determining income for tax purposes, the Fund intends to treat gains or losses on any disposition of foreign currency under forward agreements entered into for hedging purposes as capital gains and losses.

The DFA Rules target certain financial arrangements (described in the DFA Rules as "derivative forward agreements") that seek to reduce tax by converting, through the use of derivative contracts, the return on investment that would have the character of ordinary income to capital gains. The DFA Rules are broad in scope and could apply to other agreements or transactions (including certain forward currency contracts). If the DFA Rules were to apply to derivatives utilized by the Fund the gains in respect of which would otherwise be capital gains, gains realized in respect of such derivatives could be treated as ordinary income rather than capital gains.

Units held in a Registered Plan

Units of the Fund are qualified investments for Registered Plans. If you hold Units of the Fund in a Registered Plan, you generally pay no tax on distributions paid from the Fund on those Units or on any capital gains that your Registered Plan realizes from redeeming or switching Units. However, withdrawals from Registered Plans, other than tax-free savings accounts, are generally taxable at your personal marginal income tax rate. Withdrawals from registered disability savings plans and registered education savings plans are subject to special rules: consult your tax advisor for details.

Units not held in a Registered Plan

Income to you

Your investment in the Fund can generate income for tax purposes in two ways:

- **Distributions by the Fund.** The Fund may earn dividend, foreign, interest or other income. When the Fund earns net income from its investments or realizes a net capital gain by selling securities, it may pass these amounts on to you as a *distribution*. The Fund also can return capital to you through a distribution.
- **Capital gains (or losses).** You can realize a capital gain (or loss) when you redeem or switch your Units of the Fund for more (or less) than you paid for them. However, you will not realize a capital gain (or loss) when you switch Units of one series of the Fund to Units of another series of the Fund.

If you hold Units of the Fund outside a Registered Plan, you must include the following in calculating your income each year:

- **Distributions from the Fund:** Any net income and the taxable portion of any net capital gains distributed to you by the Fund, whether you receive the distributions in cash or you reinvest them in additional Units of the Fund.
- **Capital gains from selling or switching Units:** The taxable portion of any capital gains you realize from selling your Units (including to pay any fees described in this Simplified Prospectus) or switching your Units when the value of the Units is greater than their adjusted cost base plus reasonable costs of disposition (including any redemption fees). If the value of Units redeemed or switched is less than their adjusted cost base plus reasonable costs of disposition (including any redemption fees), you will have a capital loss. You may use capital losses you realize to offset capital gains to the extent permitted by the Tax Act. However, you will not realize a capital gain (or loss) when you switch Units of one series of the Fund to Units of another series of the Fund, as permitted in "Switching Units of the Fund".
- **Management fee rebates:** Generally, the amount of any management fee rebates we paid to you out of the income of the Fund.

All reported amounts (including adjusted cost base, distributions and proceeds of disposition) must be computed in Canadian dollars.

If the Fund so designates under the Tax Act, distributions of net taxable capital gains, taxable dividends on shares of taxable Canadian corporations and foreign source income of the Fund paid or payable to you will retain their character in your hands and be subject to the special tax treatment applicable to income of that character.

We will issue a tax slip to you each year for the Fund that shows you how much of each type of income the Fund distributed to you and any return of capital. You can claim any tax credits that apply to that income. For example, if distributions by the Fund includes Canadian dividend income, you will qualify for the dividend tax credit to the extent permitted by the Tax Act.

Dividends and capital gains distributed by the Fund and capital gains realized on the disposition of Units may give rise to alternative minimum tax. Alternative minimum tax is a tax that may be payable by you in circumstances where a recalculation of your income using different rules and different tax rates results in a larger amount of tax than otherwise would be payable by you.

In certain circumstances, the Fund may be prevented from recognizing capital losses on the disposition of its investments. This may increase the amount of distributions that are paid to you.

Return of capital

The Fund will return capital to you to the extent the Fund distributes more to you than it earned. This is most likely to occur for Distribution Series Units since the Fund will pay monthly distributions on these Units which may, in aggregate, exceed their share of the Fund's taxable income for the year. In December of each year, the Fund will pay or make payable to its unitholders sufficient net income and net realized capital gains so that the Fund will not be liable for income tax. If the amount paid or made payable by the Fund to the holders of such Units in December is more than the amount distributed by the Fund to them through distributions during the year, this will result in a greater distribution in December on such Units. If the amount paid or made payable by the Fund to the holders of such Units in December is less than the amount distributed by the Fund to them through distributions during the year, then the difference will be characterized as a return of capital.

A return of capital is not taxable, but will reduce the adjusted cost base of your Units. If the adjusted cost base of your Units becomes a negative amount at any time in a taxation year, you will be deemed to realize a capital gain equal to that amount and the adjusted cost base of your Units will be reset to zero.

Buying Units late in the year

The net asset value per Unit of the Fund may include income and capital gains that the Fund has earned, but not yet realized (in the case of capital gains) and/or paid out as a distribution. If you buy Units of the Fund just before it makes a distribution, you will be taxed on that distribution. You may have to pay tax on income or capital gains the Fund earned before you owned it. For example, if the Fund distributes its net income and net capital gains once a year in December and you buy Units late in the year, you may have to pay tax on the net income and net capital gains it earned for the whole year.

Turnover rate

The Fund may be expected to have a high portfolio turnover rate due to its investment strategy. The higher turnover of investments may cause the Fund to incur higher brokerage costs and may increase the amount of taxable distributions that are paid to you by the Fund. There is not necessarily a relationship between the Fund's turnover rate and its performance.

Calculating your adjusted cost base

In general, the adjusted cost base of each of your Units of a particular series of the Fund can be calculated using the following steps:

1. Add together your initial investment and all your additional investments in Units of that series of the Fund (including any sales charges you paid).
2. Add to the result of Step 1 all your distributions and management fee rebates reinvested in additional Units of that series of the Fund.
3. Subtract from the result of Step 2 any return of capital distributions to you from the Fund in respect of Units of that series of the Fund.
4. Subtract from the result of Step 3 the adjusted cost base of any Units of that series of the Fund that you previously redeemed or switched.
5. Divide the result of Step 4 by the number of Units of that series of the Fund that you continue to hold.

You should keep detailed records of the purchase cost of your investments and distributions you receive on those Units so you can calculate their adjusted cost base. All amounts must be computed in Canadian dollars. Other factors may affect the calculation of the adjusted cost base and you may want to consult a tax advisor.

In certain situations where you dispose of Units of the 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 Fund (which are considered to be "substituted property") within thirty (30) days before or after you dispose of your Units. 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 to the owner of the Units which are substituted property.

Service fees

The portion of the fee that you pay to us for Series O that is in respect of services provided by us to the Fund, rather than directly to you, will generally not be deductible by you for income tax purposes. You should consult your tax advisor about the tax treatment in your particular circumstances of any investment service fees you pay to your dealer when investing in the Fund.

Enhanced Tax Information Reporting

The Fund is a “Reporting Canadian financial institution” for purposes of intergovernmental agreement between the governments of Canada and the United States (the “IGA”) and Part XVIII of the Tax Act, and intends to satisfy its obligations under Canadian law for enhanced tax reporting to the Canada Revenue Agency (“CRA”). As a result of such status, certain unitholders may be requested to provide information to the Fund or their registered dealer relating to their citizenship, tax residency and, if applicable, a U.S. federal tax identification number (“TIN”) or such information relating to the controlling person(s) in the case of certain entities. If a unitholder or any of the controlling person(s) of certain entities is identified as a U.S. taxpayer (including a U.S. citizen who is a tax resident in Canada) or if the unitholder does not provide the requested information, the IGA and Part XVIII of the Tax Act will generally require information about the unitholder’s investment in the Fund to be reported to the CRA, unless the investment is held in a Registered Plan. The CRA will then exchange the information with the U.S. Internal Revenue Service pursuant to the provisions of the Canada-U.S. Income Tax Treaty.

The Tax Act also includes provisions that require procedures to be in place to identify accounts held by tax residents of foreign countries (other than the U.S.) or by certain entities the “controlling persons” of which are tax resident in a foreign country (other than the U.S.) and to report required information to the CRA. Such information would be exchanged on a reciprocal, bilateral basis with the countries that have agreed to a bilateral information exchange with Canada in which the account holders or such controlling persons are tax resident.

What are your legal rights?

Securities legislation in some provinces gives you the right to withdraw from an agreement to purchase Units of the Fund within two (2) business days of receiving the Simplified Prospectus or Fund Facts, 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 Units of the Fund and get your money back, or to make a claim for damages, if the Simplified Prospectus, annual information form, Fund Facts 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.

Specific Information about the Russell Investments Yield Opportunities Pool

Organization and management of the Russell Investments Yield Opportunities Pool

The table below shows the companies that are responsible for providing services to the Fund.

Role		Service Provided
Manager	Russell Investments Canada Limited 1 First Canadian Place 100 King Street West, Suite 4510 Toronto, Ontario M5X 1E4	Responsible for the overall and day-to-day management and administration of the Fund.
Portfolio Manager	Russell Investments Canada Limited Toronto, Ontario	Develops investment programs; sets investment policies; undertakes sub-adviser research; appoints any sub-advisers to the Fund; selects, monitors and allocates assets among the sub-advisers of the Fund; and may directly manage the assets of the Fund on a transitional basis.
Sub-Advisers	Russell Investments Implementation Services, LLC, Seattle, Washington Russell Investment Management, LLC, Seattle, Washington Boston Partners Global Investors, Inc., Boston, Massachusetts First Sentier Investors (Australia) IM Ltd. Kopernik Global Investors LLC, Tampa, Florida Berenberg Asset Management, LLC, New York, New York Putnam Investments Canada ULC, British Columbia, Canada RREEF America LLC, Chicago, Illinois Sompo Asset Management Co., Ltd. Tokyo, Japan First Eagle Alternative Credit, LLC, Boston, Massachusetts	Make investment decisions for the Fund within the parameters set by the Fund's portfolio manager. Some of the sub-advisers reside are non-Canadian and are not registered with a Canadian securities regulator. It may be difficult to enforce any legal rights against those sub-advisers because they reside outside of Canada and most or all of their assets are outside of Canada. We are responsible for any loss that arises out of the failure of such a sub-adviser to meet standards prescribed by securities regulation.
Trustee	Russell Investments Canada Limited Toronto, Ontario	Holds title to the investments of the Fund on behalf of investors.
Custodian	State Street Trust Company Canada Toronto, Ontario	Responsible for safekeeping the investments of the Fund.
Principal Distributor	Russell Investments Canada Limited Toronto, Ontario	Arranges for the distribution of all series of Units of the Fund.
Auditor	PricewaterhouseCoopers LLP Toronto, Ontario	Audits the annual financial statements of the Fund and provides an opinion as to whether they fairly present the Fund's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards.
Registrar	International Financial Data Services (Canada) Limited Toronto, Ontario	Processes the requests to purchase, redeem and switch Units of the Fund and keeps the register of the unitholders of the Fund.

Securities Lending Agent	State Street Bank and Trust Company Boston, Massachusetts	Administers any securities lending for the Fund.
Independent Review Committee		<p>The Independent Review Committee (<i>IRC</i>) provides independent oversight and judgment on conflicts of interest involving the Fund. Among other matters, the IRC prepares, at least annually, a report of its activities for unitholders of the Fund which will be available on our website at www.russellinvestments.com/ca or upon request by any investor, at no cost, by calling: 1-888-509-1792 or e-mailing to canada@russellinvestments.com.</p> <p>The IRC currently is comprised of three members, each of whom is independent of Russell Investments Canada Limited, our affiliates and the Fund. Additional information concerning the IRC, including the names of its members, and governance of the Fund is available in the annual information form of the Fund.</p> <p>In order for the Fund to change its auditor, IRC approval is required and a written notice of any such change must be sent to you at least sixty (60) days before it takes effect. If approved by the IRC, we may merge the Fund into another mutual fund provided the merger fulfills the requirements of the Canadian securities regulators relating to mutual fund mergers and we send you a written notice of the merger at least sixty (60) days before it takes effect. In either case, no meeting of unitholders of the Fund will be called to approve the change.</p>

About Russell Investments Canada Limited

Russell Investments Canada Limited is a wholly owned subsidiary of Russell Investments Group Ltd. and was established in 1985. Russell Investments Canada Limited and its affiliates are referred to collectively in this Simplified Prospectus as “Russell Investments”. Russell Investments was founded in 1936 and has its headquarters in Seattle, Washington. Russell Investments Canada Limited has its head office in Toronto.

Russell Investments is a global asset manager that offers actively managed, multi-asset portfolios and services that include advice, investments and implementation. Working with institutional investors, financial advisors and individuals, Russell Investments’ core capabilities extend across capital markets insights, manager research, indexes, portfolio implementation and portfolio construction.

Russell Investments has approximately \$384.5 billion in assets under management (as of March 31, 2020). As a consultant, Russell Investments has US\$2.55 trillion in assets under advisement (as of December 31, 2019). It has four decades of experience researching and selecting investment managers from around the world. Russell Investments has offices in Amsterdam, Auckland, Calgary, Chicago, Frankfurt, London, Melbourne, Milan, Montréal, New York, Paris, San Francisco, Seattle, Seoul, Singapore, Sydney, Tokyo, Toronto and Vancouver.

Russell Investments Yield Opportunities Pool

FUND DETAILS

Type of fund	Global Neutral Balanced
Date the fund was started	Series B, B-5, F, F-5, O – March 20, 2019
Type of securities offered	Series B, B-5, F, F-5, O units
Eligibility for registered plans	This Fund is eligible as an investment for Registered Plans.

WHAT DOES THE FUND INVEST IN?

Investment objective

The Fund's investment objective is to provide a high level of current income and, as a secondary objective, long-term capital growth.

The Fund invests primarily in international equity securities, North American and international fixed income securities including high yield securities, derivative instruments, such as options, futures, forward contracts and swaps, securities of investment funds, and cash and cash equivalents. The Fund may engage in physical short sales and/or borrowing for investment purposes.

The Fund is permitted to utilize leverage (including through its use of derivatives, short selling and borrowing) which makes the Fund an alternative mutual fund under Canadian securities legislation. The Fund may use leverage as permitted for an alternative mutual fund, which will be aggregate exposure up to 200% of the Fund's net asset value.

The investment objective cannot be changed unless unitholders of the Fund approve the change at a meeting.

Investment strategies

Investment selection

To achieve its objective, the Fund principally invests in a range of diversified income-producing investments. The Fund will typically pursue strategies and invest in instruments which have historically produced a significant portion of their total return from income. The Fund may invest in a broad range of instruments, markets and asset classes economically tied to North American, non-North American and emerging markets countries. The Fund will generally invest 25% to 75% of its assets in equity or equity-related securities or instruments and 25% to 75% of its assets in fixed income or fixed income related securities or instruments. The Fund's equity investments may include equity securities of real assets-related companies, including real estate, infrastructure and commodity-related companies. A real asset is a tangible or physical asset that typically has intrinsic value. Examples of real assets include land, property, equipment, raw materials or infrastructure. The Fund may also make investments for hedging purposes in order to address perceived misalignment between the Fund's investment exposures and current anticipated market conditions.

The Fund may invest in equity securities of issuers of any market capitalization which are economically tied to Canada and non-Canada countries, including emerging markets countries. These securities may include common stock, preferred stocks, rights, warrants, convertible securities, securities issued in connection with initial public offerings and depositary receipts. The Fund may invest in securities of companies, known as real estate investment trusts (*REITs*) that own and/or manage properties.

The fixed income securities may have any credit quality and maturity, including fixed income securities that are rated below investment grade (commonly referred to as "high yield" or "junk bonds"). The Fund may also invest in (1) Canadian and non-Canadian corporate fixed income

securities, (2) fixed income securities issued or guaranteed by the Canadian government and by non-Canadian governments, or by their respective agencies and instrumentalities, (3) emerging markets debt securities, (4) mortgage-backed securities and (5) asset-backed securities. This Fund also may invest in loans, including similar investments such as loan assignments and loan participations, made to issuers by other financial institutions. The Fund may invest in currency futures and options on futures, forward currency contracts and currency options for speculative purposes or to seek to protect a portion of its investments against adverse currency exchange rate changes.

The Fund may borrow, up to 50% of the Fund's net asset value, cash to use for investment purposes. Any borrowing shall be used to invest in equity and fixed income securities to achieve the investment objective of the Fund.

The net long exposure of the Fund will generally be in the range of 75% to 125% of net asset value.

While the Fund cannot change its investment objectives without the approval of its unitholders, the Fund may change its investment styles and investment strategies at any time, at our discretion, without advance notice. In addition, the Fund may depart temporarily from its investment objectives as a result of adverse market, economic or other considerations. If so, we may as a temporary measure, increase the cash or short-term money market investments held by the Fund.

The top 25 holdings of the Fund are generally disclosed on the Russell Investments website, at www.russellinvestments.com/ca, approximately sixty (60) days after the end of each calendar quarter. The top 10 holdings of the Fund may also be disclosed on the Russell Investments website on a monthly basis, and such disclosure may be made after the end of each month. From time to time, we also may disclose portfolio holdings of the Fund to institutional investors invested in the Fund, generally for their audit, analysis or reporting purposes. We will provide such information to institutional investors only if the portfolio holdings will not be used by the institutional investor for trading purposes or in violation of any applicable laws, or in a manner that could harm the Fund or its other investors. When we provide this information to an institutional investor, we require that the institutional investor enter into an agreement with us that restricts their use of this information to non-trading purposes that are in accordance with applicable laws.

We are committed to disclosing all holdings of each Fund on the Russell Investments on a monthly basis, such disclosure may be made after the end of each month, but we may change this from time to time, in our sole discretion.

Investment styles

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

We generally attempt to reduce the risk relating to any one investment style by using a combination of investment styles. The styles we use in the Fund include any of the styles described below. To the extent that the Fund invests in Underlying Funds, it indirectly uses these styles through its investments in the Underlying Funds.

- **Value:** The value style focuses more on the current price of a stock as opposed to future earnings. A value investor will make a judgement that the current price of a stock is too low

and that they will be rewarded if the stock price reverts back to more normal levels. This implies that the value investor is counting on the price/earnings multiple to expand.

- **Growth:** The growth style focuses on future earnings growth. If the expected earnings growth of a stock materializes and the price/earnings multiple remains at least constant, then the stock's price should rise. The focus of a growth investor is more on the future than the present. Holdings will typically exhibit higher growth rates and higher valuations than the overall market.
- **Small-capitalization:** This style focuses on the stocks which are smaller in market cap than their large cap counterparts. These stocks normally comprise roughly the bottom two-thirds of the securities in the relevant index.
- **Quality:** This style emphasizes investments in equity securities of companies that are believed to have: (i) lower than average stock price volatility (i.e., the amount by which a stock's price rises and falls over short-term time periods); (ii) characteristics indicating high financial quality, which may include lower financial leverage and/or higher return on capital; and/or (iii) stable business fundamentals, which may include higher earnings stability.
- **Low Volatility:** The low volatility factor focuses on identifying companies that are considered by the sub-adviser to have more stable return patterns than the broader market.
- **Momentum:** The Momentum factor focuses on identifying those securities which the sub-adviser considers to have had strong price and earnings performance over the past six and twelve months, with the expectation that the recent strong performance will continue.
- **Active Positioning Strategy:** Positioning strategies are baskets of securities directly managed by Russell Investments. Used in conjunction with third party active managers, positioning strategies allow our portfolio managers to fully reflect our strategic and dynamic insights.
- **Interest Rate Management:** This investment style focuses on management of the Fund's duration and yield curve exposures versus its benchmark. *Duration* is the weighted average term-to-maturity of all cash flows from a bond. It takes into account a bond's coupon rate and yield-to-maturity and is a more precise measure of a bond's sensitivity to interest rate changes than the simple term-to-maturity. The *yield curve* refers to a series of interest rates plotted against their term to maturity. In a normal interest rate environment, a bond's interest rate increases with the length of its term to maturity.
- **Sector Selection:** This strategy focuses on investing in sectors of the bond market deemed to have attractive risk/reward characteristics. Examples include Government of Canada bonds, provincial bonds and corporate bonds.
- **Security Selection:** This style focuses on selecting suitable individual securities to best achieve the specific objective of the Fund.
- **Global Management:** This style tactically invests in bonds from non-Canadian issuers. This is done when there are attractive opportunities relative to opportunities in the Canadian market.
- **Currency Management:** This style separates the management of currency risk from the security selection decisions. It differs from Global Management in that, rather than solely hedging the foreign currency exposure from foreign bonds back into Canadian dollars, this style normally attempts to add value by strategically taking advantage of investment opportunities in the currency market.

Sub-adviser selection

We use one or more sub-advisers to manage the Fund. Sub-advisers are selected based primarily upon the research and recommendations of us and our affiliated companies. We evaluate quantitatively and qualitatively the sub-adviser's skills and results in managing assets for specific asset classes, investment styles and strategies. Short-term investment performance, by itself, is not necessarily a controlling factor in the selection or termination of any sub-adviser.

Where we use more than one sub-adviser, we seek to combine select investment managers who employ complementary styles within the same asset class. By combining complementary investment styles within an asset class, investors are better able to reduce their exposure to any one investment style going out of favour.

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

Although most of the decisions relating to the purchasing and selling of securities for the Fund are done by the sub-advisers, there are times in which we may be directing the purchasing or selling of securities for the Fund. For example, if a sub-adviser is terminated, we may manage the transition from the previous sub-adviser to the new sub-adviser(s) and if necessary, manage the portfolio on an interim basis. We may also purchase or sell securities on behalf of sub-advisers to facilitate contributions or redemptions to or from the Fund.

Russell Investments Implementation Services, LLC ("RIIS"), Seattle, Washington, U.S.A., acts as a sub-adviser from time to time to the Fund in connection with the Fund's use of derivatives, assisting us with the transition of the Fund from its previous sub-adviser to a new sub-adviser, providing sub-adviser research, selection and monitoring services to us and in connection with portfolio management services. RIIS may also act as sub-adviser to the Fund by directly managing a proportion or all of the Fund's assets with the purpose of achieving its investment objective in a manner consistent with its investment strategies.

Russell Investment Management, LLC ("RIM"), Seattle, Washington, U.S.A., acts as a sub-adviser to the Fund in connection with portfolio management services, including the Fund's investments in fixed income or money market securities. RIM may also act as sub-adviser to the Fund by directly managing a proportion or all of the Fund's assets with the purpose of achieving its investment objective in a manner consistent with its investment strategies.

Enhanced Portfolio Implementation

Enhanced Portfolio Implementation ("EPI") is a trading strategy that may be used by the Fund to reduce portfolio transaction costs by having all trading conducted by one sub-adviser, RIIS. EPI may be used with respect to all, or a subset of, the sub-advisers of the Fund. Investment recommendations from the sub-advisers are implemented by RIIS at a time and in a manner considered by RIIS to be efficient for the Fund. It is expected that, generally, the Fund will not be purchasing and selling securities daily in respect of that portion of the Fund using EPI, unless RIIS determines that more frequent trading is appropriate due to changing market conditions or other significant factors. EPI may be discontinued at any time for all, or a subset of, the sub-advisers of the Fund.

Fund-on-fund investments

The Fund may invest a portion of its assets in Securities of one or more Underlying Funds, including other alternative mutual funds. When you invest in the Fund, you will have no direct voting rights with respect to any changes proposed to the Underlying Funds. We are not permitted to vote the Fund's holdings in an Underlying Fund. We may, in our discretion, arrange

for investors in the Fund to direct how its proportionate interest of the holdings in the Underlying Funds is to be voted by the Fund.

The decision to invest in an Underlying Fund is based on Russell Investments' assessment of the market outlook and the Underlying Fund's ability to help the Fund meet its stated investment objectives. We may replace the Underlying Funds with other Underlying Funds or change the weighting of the Underlying Funds at any time without advance notice. From time to time, the weightings we select for the Underlying Funds may differ from the Fund's stated target asset allocation. We monitor the asset allocation of the Fund on a daily basis and generally will rebalance when we believe that it is strategically appropriate to do so. We may in our discretion perform rebalancing more frequently.

Cash held by the Fund may be invested in Russell Investments Canadian Cash Fund and Russell Investments Money Market Pool.

Leverage

As an alternative mutual fund, the Fund is permitted to have exposure to a portfolio of investments that is greater than the Fund's net asset value. This is referred to as *leverage*. The Fund monitors the amount of leverage it is using by calculating each day its *aggregate exposure* which is the sum of (i) the aggregate amount of cash borrowed by the Fund that remains outstanding, (ii) the aggregate market value of all securities sold short by the Fund where the short sale remains outstanding, and (iii) the aggregate notional amount of all of the Fund's outstanding derivatives other than derivatives that are used by the Fund for hedging. The aggregate exposure is not to exceed three times the Fund's net asset value. If the aggregate exposure ever exceeds this limit, the Fund will, as quickly as commercially reasonable, take all necessary steps to reduce the aggregate exposure below that limit. The amount of leverage resulting from the Fund's short sales and borrowing cash are subject to further limits which are described below.

Derivatives

The Fund may use derivatives for hedging and non-hedging purposes. A *derivative* generally is a contract between two parties to buy or sell an underlying investment at a later date. The value of the contract is based upon, or *derived* from, the value of the underlying investment being purchased or sold.

Examples of derivatives include options, debt-like securities, forward contracts, futures contracts and swaps. An *option* is the right, but not an obligation, to buy or sell specific securities or properties at a specified price within a specified time. A *debt-like security* is a debt instrument where the amount of interest and/or principal payable by the issuer is linked, in whole or in part, to the performance of an underlying interest. A *forward contract* is an agreement for the future delivery or sale of a foreign currency, commodity or other asset, with the price set at the time the agreement is made. A *futures contract* is similar to a forward contract, except that it is a standardized contract traded on a futures exchange and the price is set through the exchange. A *swap* is an agreement to exchange principal amounts of a security or to receive cash payments or an underlying asset based on the value, level or price, or change in value, level or price, of the underlying asset.

When the Fund uses derivatives for hedging purposes, the Fund is seeking to protect against potential losses due to changes in interest rates, foreign exchange rates, commodity prices, credit spreads or stock prices.

The Fund may use derivatives for non-hedging purposes for several reasons. For example, a derivative may be less expensive to buy and sell than the underlying investment. In some cases, a derivative may be more liquid than its underlying investment or may provide the Fund with a means to gain exposure to a particular market without actually buying securities in that market.

As well, it sometimes is possible to change an investment portfolio more quickly by using a derivative rather than by purchasing and selling investments directly. Certain derivatives can enhance returns for other investments held by the Fund.

The Fund also must hold a certain amount of cash to meet redemption requests. However, holding cash can make it difficult for the Fund to achieve its investment goals. In these circumstances, the Fund may use a derivative which allows the Fund to maintain its cash reserve while receiving a return on that cash reserve similar to that of a market index. For example, the Fund can enter into a futures contract linked to the S&P/TSX 60 stock index which provides a return similar to the return which would be achieved if the Fund purchased all of the stocks that make up that index, but purchasing the futures contract is faster and less expensive than directly purchasing all the stocks that make up that index. This is called *cash equitization*.

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

As an alternative mutual fund, the Fund is not required to hold cash or securities to cover its exposure under its derivatives, which enables the Fund to create leverage up to the overall limit of aggregate exposure not exceeding three times the Fund's net asset value.

Short selling

The Fund may engage in short selling. A *short sale* by the Fund involves borrowing securities from a lender which are then sold in the open market (or *sold short*). At a later date, the same number of securities are repurchased by the Fund and returned to the lender. In the interim, the Fund pays interest to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities, the Fund makes a profit for the difference (less any interest the Fund is required to pay to the lender). In this way, the Fund has more opportunities for gains when markets are generally volatile or declining.

The Fund will engage in short selling within certain controls and limitations. These controls and limitations include the following:

- Securities are sold short only for cash
- At the time that securities of an issuer are sold short by the Fund, the aggregate market value of all securities of that issuer sold short by the Fund will not exceed 10% of net asset value of the Fund
- The aggregate market value of all securities sold short by the Fund will not exceed 50% of the net asset value of the Fund

As an alternative mutual fund, the Fund is not required to set aside cash cover for the market value of the securities it has sold short, and the Fund is permitted to invest the proceeds from short sales in additional securities. This enables the Fund to create leverage up to the limit of 50% of its net asset value described above. The aggregate market value of all securities sold short by the Fund where the short sale remains outstanding, together with the aggregate amount of cash borrowed by the Fund that remains outstanding, will not exceed, in aggregate, 50% of the Fund's net asset value. If the aggregate amount described above exceeds 50% of the Fund's net asset value, the Fund will, as quickly as commercially reasonable, take all necessary steps to reduce the aggregate amount sold short and borrowed below that limit.

Short selling will be used by the Fund only as a complement to the Fund's primary investment strategies.

Borrowing cash

As an alternative mutual fund, the Fund is permitted to borrow cash for any reason, including to purchase additional securities and to pay expenses without selling its existing investments. This enables the Fund to create leverage up to 50% of its net asset value. The arrangements by which the Fund borrows cash are subject to certain requirements under Canadian securities regulations including that (i) the lender be a financial institution capable of acting as a custodian or sub-custodian of the Fund's assets, and (ii) the agreement between the Fund and the lender is in accordance with normal industry practice and on standard commercial terms for this type of borrowing. The aggregate amount of cash borrowed by the Fund that remains outstanding, together with the aggregate market value of all securities sold short by the Fund where the short sale remains outstanding, will not exceed, in aggregate, 50% of the Fund's net asset value. If the aggregate amount described above exceeds 50% of the Fund's net asset value, the Fund will, as quickly as commercially reasonable, take all necessary steps to reduce the aggregate amount borrowed and sold short to below that limit.

Securities lending

The Fund may enter into securities lending transactions to generate additional income from securities held in the 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 becomes insolvent or otherwise 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 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

Commodity ETFs

The Fund has received an exemption from National Instrument 81-102 which permits the Fund to purchase and hold securities of Commodity ETFs traded on a stock exchange in United States (“U.S. Commodity ETFs”). A “Commodity ETF” is an exchange-traded fund which holds, or obtains exposure to, one or more physical commodities (other than gold or silver) on an unlevered basis. Physical commodity sectors include precious metals, energy, industrial metals, livestock and agricultural products. The Fund will not purchase securities of a U.S. Commodity ETF if, immediately after the transaction, more than 10% of the net asset value of the Fund, taken at market value at the time of the transaction, would consist of securities of Commodity ETFs and Permitted ETFs. A “Permitted ETF” is an exchange-traded fund that seeks to replicate: (a) the daily performance of an index by (i) a multiple or an inverse multiple of 200% or (ii) an inverse multiple of 100%, or (b) the performance of gold or silver either (i) on an unlevered basis or (ii) by a multiple of 200%.

Please see the annual information form of the Fund for further details, including the conditions of this exemptive relief.

Cleared Swaps

The Fund has obtained an exemption from the Canadian Securities Administrators exempting it from the application of certain rules contained in National Instrument 81-102. The exemption, whose purpose is to allow the Funds to enter into swap transactions that are subject to a clearing obligation issued by the U.S. Commodity Futures Trading Commission or the European Securities and Markets Authority (“cleared swaps”), permits the following in respect of such cleared swaps transactions:

- entering into a swap contract even if, at the time of the transaction (i) the swap contract does not have a designated rating; or (ii) the equivalent debt of the counterparty, or of a person that has fully and unconditionally guaranteed the obligations of the counterparty in respect of the swap contract, does not have a designated rating;
- the mark-to-market value of the exposure of a Fund under its cleared swaps positions with any one counterparty may exceed 10% of the net asset value of the Fund;
- the portfolio assets of the Fund may be held under the custodianship of more than one custodian so that each Fund can deposit cash and other portfolio assets directly with a futures commission merchant and indirectly with a clearing corporation as margin.

The aforementioned exemption is subject to the following conditions as regards the deposit of cash and portfolio assets of the Fund as margin:

(a) with a futures commission merchant outside of Canada,

(1) the futures commission merchant is a member of a clearing corporation, and, as a result, subject to a regulatory audit;

(2) the futures commission merchant has a net worth, determined from its most recent audited financial statements that have been made public, in excess of \$50 million; and

(3) the amount of margin deposited and maintained with the futures commission merchant does not, when aggregated with the amount of margin already held by the futures commission merchant, exceed 10% of the net asset value of the Fund as at the time of deposit.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Set out below are some of the more specific investment risks associated with investing in the Fund. Some of the risks arise due to investments made directly by the Fund. Other risks arise from investments made by Underlying Funds in which the Fund invests some of its asset. For

more information on the general risks of investing in mutual funds, please see “What is a mutual fund and what are the risks of investing in a mutual fund?”.

In addition, to the extent that the Fund uses foreign sub-advisers, the Fund is subject to the risk that foreign sub-advisers may not be fully subject to the requirements of the *Securities Act* (Ontario) and regulations concerning proficiency, capital, insurance, record keeping, statements of account and portfolio and conflicts of interest. There may be difficulty in enforcing any legal rights against foreign sub-advisers because they are resident outside Canada and all or a substantial portion of their assets are located outside Canada. If the Fund uses a sub-adviser, including a foreign sub-adviser that is not registered with the Ontario Securities Commission as an adviser, we assume responsibility for their investment decisions.

Alternative mutual fund risk

As an alternative mutual fund, the Fund is permitted to utilize leverage and to engage in derivative transactions with counterparties that do not have a designated rating. The risks associated with leverage are described below under “Leverage risk”. When the Fund enters into a derivative with a counterparty that does not have a designated rating, there is a greater risk that the counterparty will not meet its obligations under the derivative, and that the Fund could lose any collateral it deposited with the counterparty as security for the derivative.

Borrowing risk

Borrowing cash creates leverage risk for the Fund as described below. In addition, if the amount borrowed by the Fund exceeds the limits permitted under Canadian securities regulations, the Fund will be required to sell assets in order to comply with such limits. Such sales may be required to be done at prices which may adversely affect the value of the securities sold by the Fund and the returns to the Fund. The interest expense and banking and other fees incurred in respect of any loan arrangement entered into by the Fund will decrease the value of the assets of the Fund and the amount of cash available to pay distributions. In addition, the Fund may not be able to renew any borrowings on acceptable terms or at all.

Commodity risk

As an alternative mutual fund, the Fund is permitted to invest directly in physical commodities including precious metals (such as gold, silver, platinum and palladium), energy (such as crude oil, gasoline, heating oil and natural gas), industrial metals (such as aluminum, copper, nickel and zinc), livestock (such as hogs and cattle) and agricultural products (such as coffee, corn, cotton, livestock, soybeans, soybean oil, sugar and wheat). There is no limit on the amount of exposure the Fund may have to commodities. To the extent the Fund is exposed to commodities, the Fund will be affected by changes in the prices of the commodities, which can fluctuate significantly in short time periods, causing volatility in the Fund’s net asset value. Commodity prices can change as a result of a number of factors, including supply and demand, speculation, central bank and international monetary activities, political or economic instability, changes in interest rates and currency values, new discoveries or changes in government regulations affecting commodities.

Credit risk

There is a risk that the issuer of a fixed income security (such as a bond or preferred share) held by the Fund will be unable to, or will not, pay the interest, dividends or other equivalent regular payments, or to repay at maturity the initial amount invested. Credit risk is greater for securities issued by a company or other type of issuer that has a low credit rating than for those whose issuer has a high credit rating. Where the fixed income investment is an interest in a loan, there also is a risk that the person administering the loan may default or not administer the loan properly.

Currency risk

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

Derivatives risk

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

- Derivatives may not prevent changes in the market value of the Fund's investments or prevent losses if the market value of the investments falls.
- The Fund may not be able to purchase or sell a derivative at the right time to make a profit or limit a loss.
- Derivatives can limit the Fund's ability to benefit from increases in the stock markets.
- There is no guarantee that the counterparty in a derivative will meet its obligations.
- If the counterparty in a derivative, or a third party holding assets of the Fund in connection with a derivative, goes bankrupt, the Fund could lose any collateral it deposited and any gains made on the derivative.
- Some derivatives traded on foreign markets may be harder to trade and have higher credit risk than derivatives traded in North America.

ETF risk

When the Fund invests in an ETF, the ETF may, for a variety of reasons, not achieve the same return as the benchmark, index or commodity price it seeks to track. The market value of an ETF also may fluctuate for reasons other than changes in the value of its underlying benchmark, index or commodity price, and the value of the Fund will change with these fluctuations. The Fund has obtained permission to invest in certain additional types of ETFs, including ETFs that employ leverage in an attempt to magnify returns by either a multiple or an inverse multiple of its underlying benchmark, index or commodity price. ETFs that use such leverage typically involve a higher degree of risk and are subject to increased volatility.

Foreign investment risk

The Fund's investments in foreign securities are affected by the following risks:

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

Interest rate risk

To the extent that the Fund invests in fixed income securities, the value of the Units of the Fund is affected by the level of interest rates in Canada and elsewhere. Generally, the value of fixed income securities will vary inversely in relation to a change in interest rates. As interest rates rise, the value of fixed income securities falls, and vice versa. Long-term bonds, due to their longer terms to maturity, usually are more sensitive to changes in interest rates than shorter-term bonds.

Large investor risk

Units of the Fund may be purchased and redeemed by large investors, such as institutional investors or other mutual funds. These investors may purchase or redeem large numbers of Units of the Fund at one time. The purchase or redemption of a substantial number of Units of the Fund may require the Fund to change the composition of its portfolio significantly or may force the Fund to purchase or sell investments at unfavourable prices, which can affect the Fund's trading costs, performance, and trading expense ratio and may increase realized capital gains of the Fund.

Leverage risk

As an alternative mutual fund, the Fund is permitted to utilize leverage to a maximum aggregate exposure of three times the Fund's net asset value. When leverage is used, investment decisions are made for the assets of the Fund that exceed the net asset value of the Fund. As a result, if these investment decisions are incorrect, the resulting losses will be more than if investments were made without leverage. In addition, leverage can also be expected to increase the Fund's costs, interest and other expenses.

Liquidity risk

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

Multi-series risk

The Fund offers multiple series of Units. Expenses are tracked for the Fund as a whole and then deducted from each series separately. If, however, one series is not able to pay all of its expenses, the remainder of the expenses may be deducted from the other series of the Fund. As a result, the Unit price of the other series would drop by its share of the excess expenses. In addition, taxable income is calculated for the Fund as a whole, which may cause expenses of one series of the Fund to be effectively used by another series of the Fund.

Securities lending risk

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

Short sales risk

Short selling involves certain risks:

- There is no assurance that securities will decline in value during the period of the short sale sufficient to offset the interest paid by the Fund and make a profit for the Fund, and securities sold short may instead appreciate in value.
- The Fund also may experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist.
- The lender from whom the Fund has borrowed securities may go bankrupt and the Fund may lose any collateral it has deposited with the lender.

Small companies risk

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

Stock market risk

The value of Units of the Fund is directly related to the market value of the investments held by the Fund. The market value of those investments will go up and down depending on the financial performance of the issuers and general economic, political, tax and market conditions. This fluctuation is referred to as *volatility*.

Volatility can be greater in certain industries and sectors of the economy, based on their reaction to general economic, political, tax and market conditions and on other conditions that may be specific to that industry or sector. For example, if the Fund invests in the infrastructure sector, it is generally exposed to volatility in the market value of infrastructure companies, and if the Fund invests in the real estate sector, it is generally exposed to volatility in the market value of real estate investment trusts (REITs) and other real property related companies that the Fund invests in.

As of June 30, 2020 five investors owned, respective, units representing approximately 18%,16%,15%,13% and 12% of the net asset value of the Fund.

WHO SHOULD INVEST IN THIS FUND?

Russell Investments Yield Opportunities Pool is suitable for those investors who:

- Have a low to medium tolerance for risk
- Want to receive interest income
- Want to invest for the long-term
- Are looking for long-term growth

This section will help you decide, with your dealer’s help, whether the Fund is right for you. **This information is only a guide.** In this section, we stated above what type of investor should consider an investment in the Fund. For example, an investor may want to grow their capital over the long term or may want to protect their investment or earn income. Equities generally give higher returns over the long-term than fixed income investments, but they can also go up and down in value a great deal over the short term. Conversely, fixed income returns are generally lower over the long-term when compared to equities, however they do not usually fluctuate as much. Fixed income securities are therefore considered to be a lower-risk investment than equity securities. Money market investments generally provide lower returns than fixed income or equity securities, but are also lower in risk. An investor may wish to invest outside of a Registered Plan or may wish to invest in a specific region or industry.

We also assigned a volatility risk rating to the Fund. The methodology used to determine the volatility risk rating of the Fund for purposes of disclosure above is in accordance with National Instrument 81-102. The investment risk level of the Fund is required to be determined in accordance with a standardized risk classification methodology that is based on the historical volatility of the Fund as measured by the 10-year standard deviation of the returns of the Fund. Just as historical performance may not be indicative of future returns, the Fund’s historical volatility may not be indicative of its future volatility. Since the Fund is new, we calculated the investment risk level of the Fund using a blended index (the *Similar Index*) of MSCI All Country World Index Net (42%), S&P Global Infrastructure Index Net (3%), FTSE/NAREIT EPRA Developed Real Estate Index Net (3%), ICE BofAML Global High Yield Index Hedged (CAD) (10%),

Bloomberg Barclays Global Bond Aggregate Index Hedged (CAD) (18%), JP Morgan EMBI Global Diversified Index Hedged (CAD) (10%), and S&P/LSTA U.S. Leveraged Loan 100 Index (14%), which is reasonably expected to approximate the standard deviation of the Fund.

The following chart sets out a description of the indices comprising the Similar Index:

Index	Description of Index
Bloomberg Barclays Global Bond Aggregate Index Hedged (CAD)	The Bloomberg Barclays Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.
FTSE/NAREIT EPRA Developed Real Estate Index Net	The FTSE/NAREIT EPRA Developed Real Estate Index Net is designed to measure the stock performance of companies engaged in specific real estate activities in the North American, European and Asian real estate markets. Relevant real estate activities are defined as the ownership, disposal, and development of income-producing real estate.
ICE BofAML Global High Yield Index Hedged (CAD)	ICE BofAML Global High Yield Index tracks the performance USD, CAD, GBP and EUR denominated below investment grade corporate debt publicly issued in the major domestic or Eurobond markets.
JP Morgan EMBI Global Diversified Index Hedged (CAD)	JP Morgan EMBI Global Diversified Index tracks total returns for traded external debt instruments in emerging markets.
MSCI All Country World Index (CAD)	The MSCI ACWI Index, MSCI's flagship global equity index, is designed to represent performance of the full opportunity set of large- and mid-cap stocks across 23 developed and 24 emerging markets. As of September 2018, it covers more than 2,700 constituents across 11 sectors and approximately 85% of the free float-adjusted market capitalization in each market.
S&P Global Infrastructure Index Net	S&P Global Infrastructure Index Net provides liquid and tradable exposure to 75 companies from around the world that represent the listed infrastructure universe. To create diversified exposure, the index includes three distinct infrastructure clusters: utilities, transportation and energy.
S&P/LSTA U.S. Leveraged Loan 100 Index	The S&P/LSTA U.S. Leveraged Loan 100 Index is designed to reflect the performance of the largest facilities in the leveraged loan market.

You should be aware that other types of risk, both measurable and non-measurable, also exist. Standard deviation is a statistical measure used to estimate the dispersion of a set of data around the average value of the data. In the context of investment returns, it measures the amount of variability of returns that has historically occurred relative to the average return. The higher the standard deviation, the greater the variability of returns it has experienced in the past.

Using the methodology under National Instrument 81-102, we assigned a risk rating to the Fund as either low, low to medium, medium, medium to high, or high risk as described below.

Low – mutual funds that are rated with a low risk rating are commonly associated with money market funds and Canadian fixed-income funds.

Low to medium – mutual funds that are rated with a low to medium risk rating are commonly associated with balanced, higher yielding fixed-income and asset allocation funds.

Medium – mutual funds that are rated with a medium risk rating are commonly associated with equity funds investing in large capitalization companies in developed markets.

Medium to high – mutual funds that are rated with a medium to high risk rating are commonly associated with equity funds investing in small-capitalization companies or specific regions or sectors.

High – mutual funds that are rated with a high risk rating are commonly associated with equity funds investing in narrow sectors or emerging market countries where there may be substantial risk of loss over short to medium periods.

The Fund may be suitable for you as an individual component within your entire portfolio, even if the Fund's risk rating is higher or lower than your personal risk tolerance level. When you choose investments through your dealer, you should consider your whole portfolio, investment objectives, your time horizon, and your personal risk tolerance level.

You can obtain an explanation of the methodology under National Instrument 81-102 at no cost by contacting us in any of the manners described below.

- Calling
Russell Investments Canada Limited
toll free at 1-888-509-1792
- Sending us an email at:
canada@russellinvestments.com
- Writing to us at the following address:
Russell Investments Canada Limited
1 First Canadian Place
100 King Street West, Suite 4510
Toronto, Ontario, M5X 1E4
Attention: Director, Client Services

DISTRIBUTION POLICY

For each series of units other than Distribution Series, distributions are made from the Fund as follows:

- Net income – monthly
- Net realized capital gains – in December of each year

Monthly distributions on these series will be in amounts we estimate to be approximately 1/12 of the Fund's net income for the year.

The Distribution Series available from the Fund are Series B-5, and F-5. The Fund pays monthly distributions on the Distribution Series. At the beginning of each year, we will fix an annual distribution rate for each Distribution Series of the Fund, which will be expressed as a fixed amount per Unit. The current intention is to distribute approximately 5% of the net asset value per Unit of the Series B-5 Units and Series F-5 Units each year. This distribution may be changed, dependent on future market conditions.

In December of each year, the Fund will pay or make payable to its unitholders sufficient net income and net realized capital gains so that the Fund will not be liable for income tax. If the amount paid or made payable to unitholders in December is more than the amount distributed to them through monthly distributions during the year, this will result in a greater distribution in December on such series of units. If the amount paid or made payable to unitholders in December is less than the amount distributed to them through monthly distributions during the year, then the difference will be a return of capital.

Though monthly distributions on the Distribution Series are expected to consist of net income of the Fund for Canadian tax purposes, the character of monthly distributions will not be determined with certainty until after the end of the Fund's taxation year. At such time, the net income of the Fund will be allocated to all unitholders who received a distribution from the Fund during the year. This allocation of net income, including the particular character of the Fund's income, will be pro-rated based on the Fund's total distributions for the year. Alternatively, we

may characterize one or more monthly distributions as a return of capital. In those circumstances, the amount by which the Fund’s net income and net realized capital gains for the year exceed its monthly distributions that year not characterized as a return of capital will be made payable to its unitholders in December of that year. Please see “Income tax considerations for investors” for more details.

Distributions are not guaranteed to occur on a specific date and neither we nor the Fund is responsible for any fees or charges incurred by you because a distribution was not paid on a particular day.

Based on your or your dealer’s selection between cash distributions or reinvested distributions, we either pay distributions to you in cash or reinvest all distributions to purchase additional Units of the same series of the Fund. If you and your dealer do not select one of cash distributions or reinvested distributions, we reinvest all distributions to purchase additional Units of the same series of the Fund. You may request that all distributions paid by the Fund be paid to you in cash instead of having them reinvested, or vice versa, by notifying your dealer in writing. Your request will take effect with respect to distribution dates falling at least 15 days after we receive the request.

For information about how distributions can affect your taxes, see “Income tax considerations for investors”.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

There are certain expenses that you pay indirectly.

One year		Three years	Five years	Ten years
Series B	\$21.53	\$67.86	\$118.94	\$270.74
Series B-5	\$20.50	\$64.63	\$113.28	\$257.85
Series F	\$10.15	\$31.99	\$56.07	\$127.63
Series F-5	\$9.74	\$30.70	\$53.81	\$122.48
Series O	\$1.54	\$4.85	\$8.50	\$19.34

For information on fees you pay directly, please see “Fees and expenses payable directly by you”.

Russell Investments Alternative Mutual Funds

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

- › by calling Russell Investments Canada Limited toll free at 1-888-509-1792
- › by sending us an email at canada@russellinvestments.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
1 First Canadian Place
100 King Street West, Suite 4510
Toronto, Ontario
M5X 1E4

Attention: Director, Client Services

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

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

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