

Annual Report of the Independent Review Committee of the Russell Investments Funds

February 6, 2019

IRC Annual Report to: Securityholders in the Funds listed on Page 4 of this Report (the “Funds”)

Dear Securityholders,

In accordance with National Instrument 81-107 *Independent Review Committee for Investment Funds* (“NI 81-107” or the “Instrument”), the Manager established, on May 1, 2007, an independent review committee (the “Committee” or “IRC”) for the Funds. The IRC comprises three individuals, each of whom is independent of the Funds, the Manager and each entity related to the Manager (as defined in the Instrument). The IRC was effective as of November 1, 2007 and, after that date, has functioned in accordance with the applicable securities laws, including the Instrument.

The IRC is pleased to publish its annual report to Securityholders, covering the period from January 1, 2018 to December 31, 2018 (the “Reporting Period”).

Mandate of the IRC

In accordance with the Instrument, the mandate of the IRC is to consider and provide decisions to the Manager on conflicts of interest to which the Manager may be subject when managing the Funds. The Manager is required under the Instrument to identify potential conflicts of interest inherent in its management of the Funds, develop written policies and procedures guiding its management of those conflicts and request input from the IRC on those written policies and procedures.

When a conflict matter arises, the Manager must refer its proposed course of action in respect of such conflict to the IRC for its review. While certain matters require the IRC’s prior approval, in most cases the IRC will provide a decision to the Manager as to whether or not, in the opinion of the IRC, the Manager’s proposed action provides a fair and reasonable result for the Funds. For recurring conflict of interest matters, the IRC can provide the Manager with Standing Instructions (“SIs”) that enable the Manager to proceed with certain matters without having to refer them to the IRC each time for approval, providing the Manager deals with the conflicts in accordance with the SIs.

The IRC is empowered to represent the best interest of the Funds in any matter where the Manager has referred a conflict of interest matter to it. In those cases, the IRC has sought to ensure that the Manager’s proposed course of action represents a fair and reasonable result for the Funds.

Composition of the IRC

The current members of the IRC, and their principal occupations, are as follows:

<i>Name and municipality of residence</i>	<i>Principal Occupation</i>	<i>Term of Office</i>
W. William Woods, (Chair) Toronto, Ontario	Consultant, Lawyer, Independent Director, former CEO of the Bermuda Stock Exchange	Initial Appointment: April 19, 2007. Re-appointment for a period of three years with effect from June 1, 2018 until May 31, 2021.
Lawrence A. Ward, Toronto, Ontario	Consultant, retired partner PricewaterhouseCoopers, LLP	Initial Appointment: April 19, 2007. Re-appointment for a period of two years with effect from June 1, 2017 until May 31, 2019.
Audrey L. Robinson, Burlington, Ontario	Investment professional, Board director	Initial Appointment: June 1, 2018 for a period of two years
Eamonn B. P. McConnell, Toronto, Ontario	Consultant, Managing Director Kensington Capital Partners	Initial Appointment: April 19, 2007. Re-appointment for a period of one year with effect from June 1, 2017 until May 31, 2018

William Woods' term was renewed on May 17, 2018 for a period of three years effective June 1, 2018. The re-appointment extended Mr. Woods' total years of service beyond the 6 year term limit set out in the Instrument. However, the Manager has provided its consent to and agreement with the re-appointment beyond the 6 year term limit in accordance with the provisions of the Instrument.

Eamonn McConnell's term ended on May 31, 2018 and he decided not to seek re-appointment. The IRC appointed Audrey Robinson to the IRC to replace him with effect from June 1, 2018 for a 2-year term.

There were no other changes in the composition of the IRC during the Reporting Period.

Compensation and Indemnification

Members' Fees

The compensation paid by the Funds, as well as the funds comprising the Russell Sovereign Investment Program and the Russell Corporate Classes as listed in Appendix "I", to the IRC members during the Reporting Period was in aggregate, \$60,000 plus applicable taxes. This amount was allocated amongst the funds set out in Appendix "I" and the Funds in a manner considered by the IRC and the Manager to be fair and reasonable to each of the funds. The IRC reviewed comparable benchmarks and has determined not to make any changes in the members' compensation at this time.

Indemnities Granted

The Funds and the Manager have provided each IRC member with a contractual indemnity in keeping with NI 81-107. No payments were paid to the IRC members pursuant to this indemnity by the Funds or the Manager during the Reporting Period.

Disclosure of IRC Members' Holdings

As at December 31, 2018, the IRC members did not beneficially own, directly or indirectly:

- any units in any of the Funds;
- any interests in the Manager; or
- any interests in a company or person that provides services to the Manager or any Fund.

Decisions and Approvals

On October 25, 2018, the Manager proposed merging 6 funds on a tax deferred (rollover) basis, with the closing date of the merger of the funds being at the end of January 2019.

	Continuing Funds ("Pools")
Russell Investments Global Equity Fund	Russell Investments Global Equity Pool
Russell Investments US Equity Fund	Russell Investments U.S. Equity Pool
Russell Investments Canadian Equity Fund	Russell Investments Canadian Equity Pool

After review of the detailed Memorandum and after making reasonable inquiry of the Manager prior to and including the discussion during the meeting, the IRC unanimously **RESOLVED** that the Manager's proposed course of action to merge the Terminating Funds into the Continuing Pools, in the manner described, if completed, achieved a fair and reasonable result for each of the Terminating Funds.

The IRC is not aware of any instance in which the Manager acted in a conflict of interest matter but did not meet a condition imposed by the IRC in its decision or approval during the Reporting Period.

Approved Standing Instructions

The IRC has approved and grouped standing instructions into SI No. 1, SI No. 2, SI No. 3 and SI No. 4, each of which constitutes a written approval or decisions from the IRC that permits the Manager to proceed with the specific actions set out in the SI on an ongoing basis, without having to refer the conflict of interest matter or its proposed action to the IRC, provided that the Manager complies with the terms and conditions of the SI. In each case, the SIs require the Manager to comply with its related policies and procedures, and to report periodically to the IRC.

Standing Instruction No. 1: Omnibus: Conflict of Interest Policies and Procedures (“SI No. 1”)

SI No. 1 deals with a number of conflict of interest matters including:

- 1 Fees and Expenses
- 2 Trade Allocations
- 3 Fair Valuation
- 4 Pricing Errors and Other Errors
- 5 Soft Dollars
- 6 Capacity Issues
- 7 Proxy Voting
- 8 Outsourcing to Third-Parties
- 9 Selecting or Changing Sub-advisers
- 10 Personal Trading/ Gifts
- 11 Benchmark Indices
- 12 A Fund Proposes to Invest in Another Mutual Fund
- 13 Services Provided by Related Parties

There were instances during the Reporting Period whereby the Manager relied on SI No. 1.

Standing Instruction No. 2: Related Party Issues: Inter Fund Trades (“SI No. 2”)

There were no instances during the Reporting Period whereby the Manager relied on SI No. 2.

Standing Instruction No. 3: Related Party Issues: Fund Purchase of Securities Underwritten by the Manager or an Entity Related to the Manager (“SI No. 3”)

There were no instances during the Reporting Period whereby the Manager relied on SI No. 3.

Standing Instruction No. 4: Related Party Issues: A Fund Purchases Securities (Whether Debt or Equity) Issued By a Company Related to the manager or an Entity Related to the Manager (“SI No. 4”)

There were no instances during the Reporting Period whereby the Manager relied on SI No. 4.

Funds Covered by this Report

All of the funds covered by this report have a year-end of December 31. They are:

Russell Investments Group of Funds

Russell Investments Canadian Cash Fund
Russell Investments Canadian Fixed Income Fund
Russell Investments Inflation Linked Bond Fund
Russell Investments Canadian Equity Fund¹

¹ On January 28, 2019, Russell Investments Canadian Equity Fund merged into Russell Investments Canadian Equity Pool; Russell Investments US Equity Fund merged into Russell Investments US Equity Pool; and Russell Investments Global Equity Fund merged into Russell Investments Global Equity Pool.

Russell Investments US Equity Fund¹
Russell Investments Overseas Equity Fund
Russell Investments Global Equity Fund¹

Russell Investment Portfolios

Russell Investments Conservative Income
Russell Investments Balanced
Russell Investments Balanced Growth
Russell Investments Long-Term Growth
Russell Investments Multi-Factor Global Balanced

Russell Investments Multi Asset Solutions

Multi-Asset Fixed Income
Multi-Asset Income Strategy
Multi-Asset Growth Strategy

This report is available on the Manager's website at <http://www.russellinvestments.com/ca> or you may request a copy, at no cost to you, by contacting the Manager at (416) 362-8411, toll-free at 1-888-509-1792, or via email at canada@russellinvestments.com. This document and other information about the Funds are available on www.sedar.com.

Yours truly,



W William Woods, Chair
The Independent Review Committee of the Russell Investment Funds

APPENDIX "I"

Funds with a June 30 Year-end

Russell Investments Pools

Russell Investments Money Market Pool
Russell Investments Short Term Income Pool
Russell Investments Fixed Income Pool
Russell Investments Global Unconstrained Bond Pool
Russell Investments Global Credit Pool (*formerly Russell Investments Global High Income Bond Pool*)
Russell Investments Canadian Dividend Pool
Russell Investments Focused Canadian Equity Pool
Russell Investments Canadian Equity Pool
Russell Investments Focused US Equity Pool
Russell Investments US Equity Pool
Russell Investments Overseas Equity Pool
Russell Investments Focused Global Equity Pool
Russell Investments ESG Global Equity Pool (*formerly Russell Investments ESG Global Equity Fund*)
Russell Investments Global Equity Pool
Russell Investments Multi-Factor Canadian Equity Pool
Russell Investments Multi-Factor US Equity Pool
Russell Investments Multi-Factor International Equity Pool
Russell Investments Global Smaller Companies Pool
Russell Investments Emerging Markets Equity Pool
Russell Investments Global Infrastructure Pool
Russell Investments Global Real Estate Pool
Russell Investments Real Assets

Russell Investments Classes

Russell Investments Money Market Class
Russell Investments Short Term Income Class
Russell Investments Fixed Income Class
Russell Investments Global Unconstrained Bond Class
Russell Investments Global Credit Class (*formerly Russell Investments Global High Income Bond Class*)
Russell Investments Canadian Dividend Class
Russell Investments Focused Canadian Equity Class
Russell Investments Canadian Equity Class
Russell Investments Focused US Equity Class
Russell Investments US Equity Class
Russell Investments Overseas Equity Class
Russell Investments Focused Global Equity Class
Russell Investments Global Equity Class
Russell Investments Global Smaller Companies Class
Russell Investments Emerging Markets Equity Class
Russell Investments Global Infrastructure Class

Russell Investments Portfolios

Russell Investments Income Essentials
Russell Investments Diversified Monthly Income

Russell Investments Class Portfolios

Russell Investments Conservative Income Class
Russell Investments Income Essentials Class
Russell Investments Diversified Monthly Income Class
Russell Investments Balanced Class
Russell Investments Balanced Growth Class
Russell Investments Long-Term Growth Class

Russell Investments Multi-Asset Solutions

Multi-Asset Growth & Income Strategy
Multi-Asset International Equity

Russell Investments Multi-Asset Class Solutions

Multi-Asset Fixed Income Class
Multi-Asset Income Strategy Class
Multi-Asset Growth & Income Strategy Class
Multi-Asset Growth Strategy Class

Schedule of IRC Members who sit on IRCs for other Fund Families

W. William Woods serves as a member of the Independent Review Committees for the following funds:

Investment funds that are reporting issuers managed by Educators Financial Group Inc.
Investment funds that are reporting issuers managed by Goodwood Inc.;
Investment funds that are reporting issuers managed by Next Edge Capital Corp.;
Investment funds that are reporting issuers managed by Ninepoint Partners LP;
Investment Funds that are reporting issuers managed by Northwest & Ethical Investments L.P.;
Investment funds that are reporting issuers managed by Onex Credit Partners, LLC.;
Investment funds that are reporting issuers managed by Picton Mahoney Asset Management
Investment funds that are reporting issuers managed by Spartan Asset Management Inc.; and
Investment funds that are reporting issuers managed by Sprott Asset Management LP.
Inc.;

Eamonn McConnell serves as a member of the Independent Review Committees for the following funds:

Investment funds that are reporting issuers managed by Goodwood Inc.;
Investment funds that are reporting issuers managed by Integra Capital Limited;
Investment funds that are reporting issuers managed by Next Edge Capital Corp.;
Investment funds that are reporting issuers managed by Ninepoint Partners LP;
Investment funds that are reporting issuers managed by Onex Credit Partners, LLC.; and
Investment funds that are reporting issuers managed by Sprott Asset Management LP.

Lawrence A. Ward serves as a member of the Independent Review Committees for the following funds:

Investment funds that are reporting issuers managed by Goodwood Inc.;
Investment funds that are reporting issuers managed by Ninepoint Partners LP;
Investment Funds that are reporting issuers managed by Northwest & Ethical Investments L.P.;
Investment funds that are reporting issuers managed by Picton Mahoney Asset Management;
Investment funds that are reporting issuers managed by Sprott Asset Management LP; and
Investment funds that are reporting issuers managed by Vertex One Management Inc.