

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 FUNDS

Simplified Prospectus dated April 4, 2018 relating to:

Russell Investments Multi-Factor US Equity
Pool

Series A, B, F and O Units

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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;

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;

Fund means Russell Investments Multi-Factor US Equity 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;

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, you may receive less than the amount you paid for those units or shares. You and the other investors share in any profits the mutual fund makes or losses it suffers.

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 A:** This series is available only through a selected dealer.
- **Series B:** This series is available to all investors.
- **Series F:** This 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 to your dealer when you purchase 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 and Series O, the amount of the sales fee is always 0%, which is effectively the same as a “no load” purchase option.

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.

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 one (1) Business Day of the day the purchase price for such Units is determined, although we may extend the time required for payment to two (2) Business Days. If we do not receive your payment or if your cheque is returned because of insufficient funds, we will redeem the Units you purchased. If we redeem them for more than you paid, the Fund will keep the difference. If we redeem them for less than you paid, we will charge your dealer for the difference. If we charge your dealer, they may charge you the difference.

We may refuse any order to purchase Units, in whole or in part, within one (1) Business Day of receiving it. If we refuse your order, we return all of your money, without any interest, to your dealer to be credited to your account.

Minimum investment

The first time you purchase Units of the Fund (other than Series O that are not purchased through an approved dealer), you must invest at least \$25,000, in aggregate, in the Fund. Each subsequent investment in the Fund is subject to a minimum of \$500. At all times, you must continue to hold Units of the Fund having an aggregate value not less than \$25,000. We may waive these minimum initial or subsequent investment amounts at any time in our discretion.

For Institutional Clients in Series O, the minimum aggregate investment in the Fund is \$10 million and each subsequent investment must be at least \$500. We may waive these minimum initial or subsequent investment amounts at any time in our discretion. We currently waive these minimum initial and subsequent investment amounts for investments by Russell 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.

As stated above, 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).

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.

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 a redemption of the Units you currently hold and a purchase of the Securities of the Russell Investments Fund you wish to switch to.

Your dealer may charge you a switch fee up to 2% of the value of the Units you switch for switching to another Russell Investments Fund. 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, and 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.

OPTIONAL SERVICES

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. 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.

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 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-advisor 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		
	<u>Series A, B</u>	<u>Series F</u>
Russell Investments Multi-Factor U.S. Equity Pool	1.40%	0.40%
<p>No management fee is charged for Series O. Each Institutional Client in Series O negotiates a separate fee that is paid directly by the Institutional Client to us. Clients of approved dealers who hold Series O are charged a management fee by us that is payable directly to us. 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 <i>household</i>). When this occurs, we reduce the management fee charged to the Fund and the amount of 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>		

Operating Expenses

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 legal, audit, custodial, safekeeping and trustee fees, taxes, interest, 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. The current compensation for the members of the IRC is as follows:

W. William Woods (Chair): \$24,000 per annum
 Lawrence A. Ward: \$18,000 per annum
 Eamonn McConnell: \$18,000 per annum

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.

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.

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 management fees are calculated and accumulated daily based on the net asset value of Series O 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>		
	<p>Series O Management and Fee Per Investment Amount</p>		
<p>Fund</p>	<p>\$25,000 - \$250,000</p>	<p>\$250,000 - \$1,000,000</p>	<p>\$1,000,000 - \$3,000,000</p>
<p>Russell Investments Multi-Factor US Equity Pool</p>	<p>0.40%</p>	<p>0.40%</p>	<p>0.40%</p>
	<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>		

Fees and expenses payable directly by you	
Sales charges	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.
Switch fees	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.
Redemption fees	None

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	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.
Large transaction fee	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.
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	-	-	-	-

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%.

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 and series you chose when you purchased your Units.

For Series A and B, the annual percentage of the trailer fee is 1.00%. 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

As the Fund is newly created, no management fees from the Fund have been used to fund commissions, trailer fees, promotional activities and marketing expenses for Units of the Fund.

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 DFA Rules (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. Submissions have been made to the Department of Finance (Canada) seeking clarification that the DFA Rules do not apply to forward currency hedges.

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. If the value of Units redeemed or switched is less than their adjusted cost base plus reasonable costs of disposition, 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. 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, 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 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 residents of foreign countries (other than the U.S.) or by certain entities the “controlling persons” of which are 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 resident. Unitholders are required to provide certain information regarding their investment in the Fund for the purposes of such information exchange (which information exchange is expected to occur beginning in May 2018), unless the investment is held within a Registered Plan.

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 MULTI-FACTOR US EQUITY POOL**

**ORGANIZATION AND MANAGEMENT OF THE
RUSSELL INVESTMENTS MULTI-FACTOR US EQUITY 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	Make investment decisions for the Fund within the parameters set by the Fund's portfolio manager.
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	Administers any securities lending for the Fund.

Role	Service Provided
State Street Bank and Trust Company Massachusetts, United States of America	
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 \$371 billion in assets under management (as of December 31, 2017). As a consultant, Russell Investments has US\$2.397 trillion in assets under advisement (as of

December 31, 2017). 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.

Fund-on-fund investing

The Fund may invest a portion of its assets in Securities of one or more Underlying 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.

RUSSELL INVESTMENTS MULTI-FACTOR US EQUITY POOL

Fund details

Type of fund	U.S. equity
Date the fund was started	Series A, B, F and O – April 4, 2018
Type of securities offered	Series A, B, F and 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 long-term capital growth by investing principally in equity securities of U.S. issuers using multiple factors to select investments. The Fund may invest in other mutual funds.

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

Investment strategies

Investment selection

This Fund uses research driven analysis that seeks to isolate and assess a diversified set of factors, each of which is intended to identify suitable investments for the Fund. These factors are:

- “Value”: The Value factor involves identifying securities that are considered by the sub-adviser to be trading at a discount to fair value (an estimate of the security's worth on the open market) or the broader market.
- “Momentum”: The Momentum factor focuses on identifying those securities which the sub-adviser considers to have had strong performance over the past twelve months, with the expectation that the recent strong performance will continue.
- “Quality”: The Quality factor focuses on identifying companies that are considered by the sub-adviser to have a greater ability to deliver sustainable returns to shareholders.
- “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.

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 thirty Business 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.

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. We may become involved in the trading of a security whose weight approaches 10% of the Fund so that we can ensure that the Fund remains in compliance with regulatory restrictions.

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 from time to time 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.

Fund-on-fund investments

The Fund may invest a portion of its assets in Underlying Funds. 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.

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.

The Fund also may use other derivatives to the extent permitted by Canadian securities regulations or to the extent the Fund has received permission to deviate from these regulations. Derivatives will be used for non-hedging purposes only when the Fund has enough cash or securities to cover its exposure to the derivatives. Derivatives will not be used to leverage assets.

The Fund has received an exemption from National Instrument 81-102 *Investment Funds (National Instrument 81-102)* which permits the Fund to use, as cover:

- when the Fund has a long position in a debt-like security that has a component that is a long position in a forward contract, or in a standardized future or forward contract, a right or obligation to sell an equivalent quantity of the underlying interest of the future or forward contract that, together with cash cover and margin on account for the position, is not less than the amount, if any, by which the strike price of the future or forward contract exceeds the strike price of the right or obligation to sell the underlying interest, and
- when the Fund has a right to receive payments under an interest rate swap, a right or obligation to enter into an offsetting interest rate swap on an equivalent quantity and with an equivalent term that, together with cash cover and margin on account for the position, is not less than the aggregate amount, if any, of the obligations of the Fund under the interest rate swap less the obligations of the Fund under such offsetting interest rate swap.

Short selling

The Fund may engage in a limited amount of 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 proceeds from the first sale are deposited with the lender and 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 only within certain controls and limitations. These controls and limitations include the following:

- Securities are sold short only for cash
- At the time securities of a particular issuer are sold short by the Fund, the aggregate market value of all securities of that issuer sold short will not exceed 5% of the net asset value of the Fund

- The aggregate market value of all securities sold short by the Fund will not exceed 20% of the net asset value of the Fund
- The Fund will hold cash cover (as defined in National Instrument 81-102) in an amount, including the Fund's assets deposited with lenders as security in connection with short sales of securities by the Fund, that is at least 150% of the aggregate market value of all securities it sold short on a daily marked-to-market basis
- No proceeds from short sales will be used by the Fund to purchase long positions other than cash cover

The Fund will also abide by all other National Instrument 81-102 restrictions relating to short selling.

Short selling will be used by the Fund only as a complement to the Fund's primary investment strategies. In addition, the Fund may be indirectly exposed to short selling to the extent that the Fund invests in Underlying Funds that short sell.

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

Leveraged ETFs, gold and silver

The Fund has received an exemption from National Instrument 81-102 which permits the Fund to purchase and hold securities of certain types of ETFs. These additional types of ETFs seek 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 (*Gold and Silver ETFs*), either (i) on an unlevered basis or (ii) by a multiple of 200% (together, the *Permitted ETFs*). The Fund will not purchase these additional types of ETFs if more than 10% of its net assets taken at market value at the time of the transaction would be invested in such ETFs. This exemption also allows the Fund to invest directly in silver, certain silver certificates and derivatives the underlying interest of which is silver (or another derivative with silver as its underlying interest). Equivalent investments in gold are permitted by National Instrument 81-102 and therefore not included in this exemption. The Fund will not purchase silver or silver-related investments if more than 10% of its net assets taken at market value at the time of the transaction would be invested, directly or indirectly, in gold or silver.

Commodity ETFs

The Fund has received an exemption from National Instrument 81-102 which permits the Fund to purchase and hold securities of ETFs traded on a stock exchange in Canada or the United States and which hold, or obtain exposure to, one or more physical commodities (other than gold or silver) on an unlevered basis (*Commodity ETFs*). Physical commodity sectors include precious metals, energy, industrial metals, livestock and agricultural products. The Fund will not purchase securities of a 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. Further, immediately after entering into a purchase, derivative or other transaction providing exposure to one or more physical commodities, the Fund's aggregate market value exposure (whether direct or indirect, including through Commodity ETFs) to all physical commodities (including gold) will not exceed 10% of the net asset value of the Fund, taken at market value at the time of the transaction.

Cleared swaps

The Fund has obtained an exemption from the application of certain rules contained in National Instrument 81-102. The exemption, whose purpose is to allow the Fund 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 the 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 the Fund can deposit cash and other portfolio assets directly with a futures commission merchant and indirectly with a clearing corporation as margin.

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

(a) with a futures commission merchant in Canada,

(1) the futures commission merchant is a member of a self-regulatory organization (*SRO*) that is a participating member of the Canadian Investor Protection Fund (*CIPF*); and

(2) 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; and

(b) 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;

(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.

Commodity risk

The Fund may invest indirectly 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). To obtain exposure to these commodities, the Fund may invest in exchange-traded funds that hold, or obtain exposure to, one or more physical commodities (*Commodity ETFs*) and seek to replicate the performance of a physical commodity. The Fund also may invest in companies involved in commodity sectors. 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.

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 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.

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.

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

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 the 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.

Who should invest in this Fund?

Russell Investments Multi-Factor US Equity Pool is suitable for those investors who:

- Have a medium tolerance for risk
- Want to invest for the long-term
- Are looking for long-term growth
- Want to invest primarily in U.S. equities

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 the S&P 500 Index (an index of 500 large-cap U.S. equities) which is reasonably expected to approximate the standard deviation of the Fund.

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 NI 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 NI 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

The distribution policy of the Fund is to distribute enough of its net income and net realized capital gains each year so that it will not have to pay income tax under the Tax Act. Distributions of net income and net realized capital gains are made from the Fund in December of each year. We may elect to make more frequent distributions subject to the Fund's declaration of trust.

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

This information is not currently available because this Fund was recently created.

Russell Investments 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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