

**No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. The funds and their 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 EXCHANGE TRADED FUNDS**

**Simplified Prospectus dated January 28, 2026 relating to:**

**Russell Investments Fallen Angels ETF (ETF Series)**

**Russell Investments Core Plus Fixed Income ETF (ETF Series)**

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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 is divided into two parts. The first part contains general information that applies to all the Funds. The second part contains specific information about each Fund.

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

- The most recently filed ETF Facts
- 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](mailto:canada@russellinvestments.com)
- Asking your dealer

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

- On our designated website at [www.russellinvestments.com/ca](http://www.russellinvestments.com/ca)
- At [www.sedarplus.ca](http://www.sedarplus.ca)

In this Simplified Prospectus:

*Basket of securities* for a Fund means a group of securities or assets representing the constituents of, and their weightings in, the Fund;

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

*CDS* means CDS Clearing and Depository Services Inc.;

*CDS Participant* means a registered dealer or other financial institution that is a participant in CDS and that holds Securities on behalf of beneficial owners;

*Cut-Off Time* means, for a Trading Day, 4:00 p.m. (Toronto time) on the prior Trading Day, but if the trading hours on which Securities are listed are shortened or changed for other regulatory reasons, we may change the Cut-Off-Time;

*Designated Broker* means a registered dealer that has entered into an agreement with a Fund authorizing the dealer to purchase and redeem Securities from the Fund on a continuous basis from time to time and, in some cases, requires the dealer to perform certain duties relating to the Securities including (i) to subscribe for a sufficient number of Securities to satisfy the TSX's original listing requirements; (ii) to subscribe for Securities when cash redemptions of Securities occur; and (iii) to post a liquid two-way market for the trading of Securities on the TSX;

*Distribution Reinvestment Plan* means the distribution reinvestment plan of each Securities;

*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;

*Funds* means any of the exchange-traded mutual funds Russell Investments manages that are described in this Simplified Prospectus. The Funds are listed on the front cover of this Simplified Prospectus;

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

*Plan Agent* means State Street Trust Company Canada, the plan agent for the Distribution Reinvestment Plan;

*Prescribed Number of Securities* means the number of Securities of a Fund determined by us from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes;

*Registered Plan* means a trust governed by a registered retirement savings plan, registered retirement income fund, deferred profit sharing plan, registered disability savings plan, first home savings account, registered education savings plan or tax-free savings account, all as defined in the Tax Act;

*Russell Investments Funds* means all funds managed by Russell Investments Canada Limited

*Securities* means ETF Series units of the Funds that are offered by the Funds under this Simplified Prospectus;

*Securityholder* means an investor in a Fund;

*Simplified Prospectus* means this Simplified Prospectus that offers Securities of each Fund;

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

*Trading Day* means any day on which a session of the exchange or marketplace on which the Securities of a Fund are listed is held, or such other day as determined by us;

*TSX* means the Toronto Stock Exchange;

*Underlying Fund* refers to Russell Investments Funds that the Funds may invest in;

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

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

## **ADDITIONAL CONSIDERATIONS**

No designated broker or dealer has been involved in the preparation of this Simplified Prospectus or has performed any review of the contents of this Simplified Prospectus and as such, the designated broker and dealers do not perform many of the usual underwriting activities in connection with the distribution by the Funds of their Securities under this Simplified Prospectus.

## **RESPONSIBILITY FOR THE FUNDS' ADMINISTRATION**

### **Manager and Trustee**

Russell Investments Canada Limited is the manager and trustee of the Funds. As manager of the Funds we are responsible for the overall and day-to-day administration of the Funds. See "Independent Review and Committee and Fund Governance – Manager" and "Name, Formation and History of the Funds" for more information about the other responsibilities of the manager. Russell Investments Canada Limited's head office is in Toronto, Ontario, Canada. As trustee of the Funds, we have exclusive authority over the assets and affairs of the Funds and are ultimately responsible for them. A trustee fee is payable by each of the Funds of \$10,000 per year. Russell Investments Canada Limited and its affiliates are referred to collectively in this Simplified Prospectus as "Russell Investments".

### *How to reach us*

You can reach us in any of these ways:

- Call us toll free at 1-888-509-1792
- Send us an e-mail at [canada@russellinvestments.com](mailto:canada@russellinvestments.com)
- On the internet at [www.russellinvestments.com/ca](http://www.russellinvestments.com/ca)

To reach us by mail, please write to the head office of the Funds:

Russell Investments Canada Limited  
First Canadian Place  
100 King Street West, Suite 5715  
Toronto, ON M5X 1E4  
Attention: Director, Client Services

### *Our directors and officers*

Here is a list of the directors and executive officers of Russell Investments Canada Limited. We have included their name and the city in which they live and the current position they hold with us.

| Name and city in which they live     | Current position with us  |
|--------------------------------------|---|
| Jonathan Needham<br>Toronto, Ontario | Director (Board), President, Chief Executive Officer and Ultimate Designated Person |
| Adam Smears<br>Toronto, Ontario      | Director (Board), Managing Director, Investment Research - Fixed Income             |
| Corbin Tsen<br>Toronto, Ontario      | Director (Board), Chief Financial Officer, Director, Canada Fund Services           |
| Nazanin Rassouli<br>Toronto, Ontario | Director (Board), Associate General Counsel   |
| Ahsan Ahmed<br>Oakville, Ontario     | Chief Compliance Officer  |

We may resign as manager of the Funds provided we give sixty (60) days' notice to the trustee. We may be terminated as manager of the Funds at any time if we declare bankruptcy or become insolvent and are not able to manage the Funds. See "Material Contracts" for additional details on the terms of our management agreements.

#### *Investments and Voting Policy for Underlying Funds*

The Funds may invest in Underlying Funds, subject to certain conditions. We will either not vote the securities of the Underlying Funds if the Underlying Funds are managed by us or will pass the voting rights directly to securityholders of such Funds. We may, in some circumstances, choose not to pass the vote to Securityholders because of the complexity and costs associated with doing so.

#### **Portfolio Adviser and Sub-Advisers**

##### *Russell Investments Canada Limited*

Russell Investments Canada Limited ("RICL") acts as portfolio manager to all the Funds.

As portfolio manager, we hire sub-advisers (also known as investment managers), assign to them segments of the portfolio, manage, and oversee their performance. Where a Fund invests some or all of its assets in one or more Underlying Funds, we oversee the investment of such money by the Fund in its Underlying Funds. It may be difficult to enforce legal rights against sub-advisers resident outside Canada and all, or substantially all, of their assets are located outside Canada. If we use 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.

As portfolio manager, we may also direct the purchasing or selling of securities for the Funds our self rather than using sub-advisers to do so. For example, we may directly manage some or all of the assets of a Fund in order to achieve results for that Fund that are consistent with its investment objective and investment strategies. Also, if a sub-adviser is terminated, we will manage the transition from the previous sub-adviser to the new sub-adviser(s) and we may if necessary, manage the portfolio on an interim or long-term basis. We may become involved in the trading of a security whose weight approaches 10% of a Fund so that we can ensure that the Fund remains in compliance with regulatory restrictions.

We may also purchase or sell securities on behalf of sub-advisers to facilitate contributions or redemptions to or from a Fund.

Below are the names and titles of the individuals at Russell Investments Canada Limited who perform these functions:

| <b>Name</b>    | <b>Title</b>  |
|----------------|---|
| Adam Smears    | Director (Board), Managing Director, Investment Research - Fixed Income |
| Olga Bezrokov  | Senior Portfolio Manager  |
| Peter Dohnal   | Senior Portfolio Manager, Fixed Income                                  |
| Jordan McCall  | Director, Senior Portfolio Manager, Equity                              |
| Travis Bagley  | Director, Head of TM North America                                      |
| Nick Zylkowski | Managing Director, Co-Head of Customized Portfolio Solutions            |

*Russell Investments Implementation Services, LLC*

Russell Investments Implementation Services, LLC (“RIIS”) Seattle, Washington, acts as a sub-adviser from time to time to each Fund in connection with each Fund’s use of derivatives, assisting us with the transition of a 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 by directly managing a proportion or all of a Fund’s assets in order to manage the Fund’s exposure to risk, to manage the characteristics of the Fund’s investments relative to its benchmark or to otherwise manage the investments of a Fund with the purpose of achieving its investment objective in a manner consistent with its investment strategies. As well, RIIS may, from time to time make its own determinations regarding securities that should be purchased or sold by a Fund.

RICL has authorized RIIS to effect certain futures, swaps, over-the-counter derivatives transactions, and cleared swaps, including foreign currency spot, forwards and options trading (collectively, “derivatives trading”) on behalf of the Funds, including negotiating, amending, executing and delivering all necessary agreements and documents and doing all such other acts necessary to effect such derivatives trading. RIIS does not act as principal or take a spread in such brokerage transactions but will charge commissions as agent.

RIIS may also carry out trades to manage changes in sub-advisers, cash flows and other portfolio transitions, and to rebalance across existing sub-advisers.

Below are the names and titles of the individuals at RIIS who may perform portfolio management functions as described above:

| <b>Name</b>    | <b>Title</b>   |
|----------------|--|
| Jeremy Field   | Senior Portfolio Manager, Customized Portfolio Solutions, Equity |
| Marc J. Hewitt | Senior Portfolio Manager, Customized Portfolio Solutions, Equity |
| Josh Houchin   | Head of Portfolio Implementation, North America                  |
| Austin Kishi   | Director, Customized Portfolio Solutions, Equity                 |
| Ryan Parker    | Senior Portfolio Manager, Customized Portfolio Solutions, Equity |
| Chris Peirce   | Senior Portfolio Manager, Transition Management                  |

*Russell Investment Management, LLC*

Russell Investment Management, LLC (“RIM”), Seattle, Washington, U.S.A., also acts as a sub-adviser from time to time to the Funds, and may directly manage a proportion or all of a Fund’s assets with the purpose of achieving its investment objective in a manner consistent with its investment strategies. Below are the names and titles of the individuals at RIM who perform the functions described above:

| <b>Name</b>        | <b>Title</b>   |
|--------------------|--|
| Royce Weisenberger | Senior Portfolio Manager, Customized Portfolio Solutions, Fixed Income |
| Brian Pringle      | Senior Director, Co-Head of North American Fixed Income                |
| Samantha Cagle     | Senior Portfolio Manager, Customized Portfolio Solutions, Fixed Income |

**Brokerage Arrangements**

There is no sales commission charged in connection with the investment by a Fund in units of an Underlying Fund.

With respect to investments by a Fund in other portfolio securities, the sub-advisers make decisions as to the purchase and sale of portfolio securities and allocate brokerage business to dealers for execution. In allocating brokerage business, the general policy is to seek to obtain prompt and efficient execution (this is referred to as “best execution”), meaning the payment of reasonable commissions in relation to the value of the brokerage services provided. In connection with allocating brokerage business in return for best execution, we or the sub-adviser is required to make a good faith determination that the Fund on whose behalf the brokerage business is being directed will receive a reasonable benefit in the form of goods or services that assist us or the sub-adviser with investment decision-making services to the Fund.

Russell Investments does not have a soft dollar commissions program for the Funds, that is payment of reasonable commission for research, execution and other goods and services offered (commonly referred to as “soft dollars”). Russell Investments allows sub-advisers who direct their own brokerage transactions to engage in their own soft dollars arrangements and have discretion to allocate brokerage business in a manner that they believe to be in the Funds’ best interests.

Dealers or third parties provided certain goods and services to us and the sub-advisers, such as portfolio strategy reports, economic analysis, statistical data about capital markets and securities, analysis and reports on manager and sector performance, issuer performance, industries, economic and political factors and trends, and databases or software to deliver or support such services. Dealers and third parties may provide the same or similar goods and services in the future. The names of such dealers and third parties is available upon request by calling us toll free at 1-888-509-1792, by sending us an email at [canada@russellinvestments.com](mailto:canada@russellinvestments.com) or by writing to us at:

Russell Investments Canada Limited  
First Canadian Place  
100 King Street West, Suite 5715  
Toronto, ON M5X 1E4

Attention: Director, Client Services

## **Principal distributor**

Russell Investments Canada Limited arranges for the distribution of all Securities of the Funds and therefore is the principal distributor of the Funds.

## **Custodian**

State Street Trust Company Canada, located in Toronto, Ontario is the custodian of the Funds. The custodian is responsible for:

- Keeping all the records of the assets of the Funds
- The safekeeping of the investments of the Funds

The custodian may retain sub-custodians from time to time in respect of securities that trade primarily in markets outside of Canada. When it does so, the sub-custodians must meet the requirements described in National Instrument 81-102 *Investment Funds* (“National Instrument 81-102”), and the custodian requires that the sub-custodians adhere to the same standard of care as the custodian. Sub-custodians are paid by the custodian out of its own fees.

## **Auditor**

The auditor of the Funds is PricewaterhouseCoopers LLP, located in Toronto, Ontario.

## **Registrar**

The registrar and transfer agent of all the Funds is State Street Trust Company Canada, located in Toronto, Ontario. They hold the registers at their Toronto office.

## **Securities Lending Agent**

State Street Bank and Trust Company (the “Agent”), located in Boston, Massachusetts, United States of America, is the securities lending agent for the Funds. The Agent is authorized to enter into securities lending transactions on behalf of certain Funds.

See “Policies and Practices – Securities Lending” and “Russell Investment Process – Use of securities lending” for more information about securities lending by the Funds and the duties of the Agent pursuant to its contract with the Funds.

## **Independent Review Committee and Fund Governance**

### *Manager*

In our role as manager of the Funds, we are also responsible for oversight over the Funds. We act honestly, in good faith and in the best interests of the Funds, and exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the same circumstances.

Our board of directors is responsible for ensuring that we comply with these duties. The board of directors is currently composed of four individuals. Details of the name and municipality of residence of the board of directors can be found under “Responsibility for Mutual Fund Administration – Manager”.

We may hire various independent sub-advisers to provide investment advice and portfolio management for the Funds. Our board of directors oversees the appointment and termination of sub-advisers, establishes policies for the Funds and receives and reviews information and reports relating to the Funds.

Investment constraints in the Funds are created by establishing investment guidelines with each sub-adviser for each Fund. These investment guidelines specify the types of securities allowed in the Funds' portfolio and the strategies and structural considerations for each portfolio. The guidelines for the Funds include the limits and controls on derivative trading for the Funds.

The investment guidelines for the Funds are set by, and the day-to-day activities of the sub-advisers are regularly monitored by, Russell Investments Canada Limited, as manager, to ensure the sub-advisers are operating according to the investment objectives and strategies of the Funds. From time to time, these investment guidelines may be temporarily not followed, depending on market conditions and other factors. Investment guidelines are monitored on an ongoing basis by using computer-generated reports, spot analysis and regular discussions with the sub-advisers.

The investment guidelines with the sub-advisers permit the sub-advisers to use derivatives in accordance with the investment objectives and strategies of the Funds and the requirements of National Instrument 81-102, subject to any exemptions obtained by the Funds. Each sub-adviser, in turn, is required to have written policies and procedures in place on the use of derivatives as investments within the Funds. These policies and procedures must set out specific procedures for the authorization, documentation, reporting, monitoring and review of derivative strategies and positions, which policies and procedures must be reviewed at least annually by the sub-adviser. We also require that each sub-adviser use risk management processes to monitor and measure the risks of all portfolio holdings, including the derivatives positions, in the Funds. The sub-advisers use risk measurement procedures or simulations to test the derivative holdings of the Funds under stress, where applicable.

We have our own written investment guidelines relating to the use of derivatives by the Funds which, among other matters, set out the objectives and goals for derivatives trading by the Funds and the risk management procedures applicable to such trading. Our guidelines are reviewed on an ongoing basis by senior members of our portfolio management group. Our chief investment officer, or its equivalent, is responsible for oversight of all derivative strategies permitted by the Funds. In addition, our compliance personnel review the use of derivatives by the Funds as part of our ongoing review of activity by the Funds. Setting limits and controls on the use of derivatives by the Funds are part of our compliance regime and include reviews and monitoring by analysts who ensure that the derivatives positions of the Funds are within such limits and controls.

In addition, the Funds are monitored for compliance with regulatory requirements on a regular basis by our Compliance Department who use both system-generated reports and reports from the sub-advisers.

We do not exercise custody over any Fund assets, securities, monies or property.

We conduct our sales practices following the rules in National Instrument 81-105 *Mutual Funds Sales Practices*. These rules govern activities like dealer compensation, marketing practices, educational events, seminars and promotional activities.

We are entitled to receive management fees for each series of a Fund to compensate us for services rendered including, portfolio management, research and sub-advisor monitoring. In addition, each Fund is responsible for all of its operating expenses and as such is responsible for all expenses incurred by us on behalf of such Fund relating to its operation and carrying on of its business. We have policies and procedures in place to ensure that any expenses incurred by us that are charged to a Fund are appropriately

charged to the Fund and are not duplicative of the amounts covered by the management fee. Such policies and procedures also provide for the proportionate allocation of shared expenses amongst all Funds based on their assets under management.

Russell Investments Canada Limited has a code of conduct and a code of ethics (the “Codes”), which all employees must follow. The Codes include policies on ethical standards, conflicts of interest, confidentiality, personal trading, outside affiliations and gifts. The Codes are reviewed and updated on an annual basis, at which time all employees are required to certify that he/she has read the updated Codes and agrees to adhere to their requirements.

### *Independent Review Committee*

Each member of the Independent Review Committee (the “IRC”) is independent of us, our affiliates and each Fund. The IRC provides independent oversight and impartial judgment on conflicts of interest involving the Funds. Its mandate includes considering matters relating to conflicts of interest and recommending to us what action we should take to achieve a fair and reasonable result for the Funds in those circumstances; and reviewing and advising on or consenting to, if appropriate, any other matter required by applicable securities laws, regulations and rules.

The IRC is required to be comprised of a minimum of three independent members and, pursuant to National Instrument 81-107 *Independent Review Committee for Investment Funds* (“National Instrument 81-107”), is required to conduct regular assessments and provide reports to the Manager and the Funds’ Securityholders in respect of its functions. The current members of the IRC for all of the Funds are Violaine Des Roches, Abdurrehman Muhammadi and Audrey L. Robinson. Ms. Robinson serves as the Chair of the IRC.

Among other matters, the IRC prepares, at least annually, a report of its activities for Securityholders of the Funds which is available on our designated website at [www.russellinvestments.com/ca](http://www.russellinvestments.com/ca) or upon request by any Securityholder, at no cost, by calling: 1-888-509-1792 or e-mailing to: [canada@russellinvestments.com](mailto:canada@russellinvestments.com).

As required by securities regulations, the Funds pay the expenses of the 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). IRC members are paid a fixed annual fee for their services and are reimbursed for their expenses (including for secretarial services). The annual fees and expenses are allocated across all Russell Investments Funds, with the result that only a small portion of the annual fees of the IRC are charged to any Fund. The annual fees are determined by the IRC and are disclosed in its annual report to Securityholders of the Funds. During 2023 and 2024, the IRC members were paid, in aggregate, \$60,000 and \$60,000, respectively, for the 2023 and 2024 calendar year.

### *Conflicts of Interest*

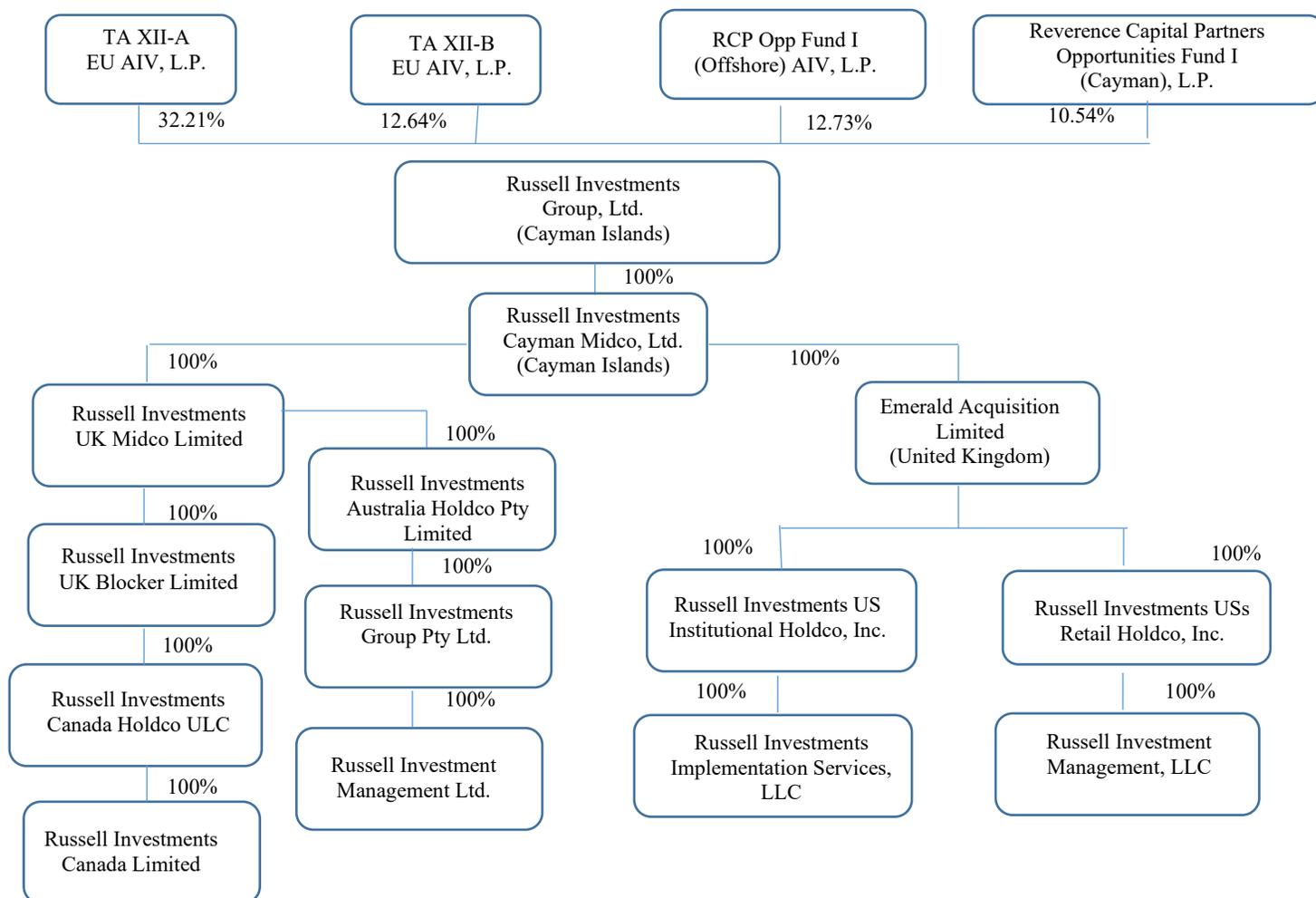
We may manage other mutual funds or provide services to other clients at the same time as we manage the Funds. In providing those services, we may or may not use the same strategies for the Funds as we use for other clients. If we recommend sub-advisers to others, we may or may not use those same sub-advisers for the Funds. In addition, while we try to ensure that sub-advisers spend an appropriate amount of time and talent managing the Funds, we do not restrict the services that those sub-advisers provide to other clients.

Sometimes, a sub-adviser may make the same investments for a Fund as they make for one or more of their other clients. This may create a conflict of interest if there is only a limited amount of the investment

available or if the investment is purchased at different prices for different clients. If this happens, the policy of our sub-advisers is to allocate the investment fairly between the Funds and their other clients.

## Affiliated entities

Russell Investments Canada Limited, Russell Investments Implementation Services, LLC, Russell Investments Management, LLC, Russell Investments Management Ltd. and Russell Investments Limited are 100% indirectly and beneficially owned by Russell Investments Group, Ltd. Of the entities that hold more than 10% of the outstanding shares of Russell Investments Group, Ltd., TA XII-A EU AIV, L.P. holds 32.21%, TA XII-B EU AIV, L.P. holds 12.64%, RCP Opp Fund I (Offshore) AIV, L.P. holds 12.73%, Reverence Capital Partners Opportunities Fund I (Cayman), L.P. holds 10.54%. Russell Investments Implementation Services, LLC provides brokerage services to the Funds, acts as a sub-adviser to the Funds and may provide foreign exchange services. Each of Russell Investments Management, LLC, Russell Investments Management Ltd. and Russell Investments Limited acts as a sub-adviser to certain Funds. Russell Investments Canada Limited, rather than the Funds, pays Russell Investments Implementation Services, LLC, Russell Investment Management, LLC, Russell Investments Management Ltd. and Russell Investments Limited for their sub-adviser services. The brokerage commissions paid by the Funds to each of our affiliated entities is disclosed in the Funds' semi-annual and audited annual financial statements.



All officers and directors of Russell Investments Canada Limited, and their positions with our affiliates, if any, are noted under Management of the Funds.

### **Dealer Manager Disclosure**

The Funds currently are subject to certain additional restrictions set out in Section 4.1 of National Instrument 81-102 because they are dealer-managed investment funds. Subject to certain exceptions, the Funds shall not knowingly make an investment in any class of securities of any issuer, other than those issued or fully and unconditionally guaranteed by the Government of Canada or by the Government of a Province of Canada:

- (a) for a period of sixty (60) days after we or any associate or affiliate has acted as an underwriter in the distribution of such class of securities of the issuer (except as a member of the selling group distributing 5% or less of the securities underwritten); or
- (b) of which any partner, director, officer or employee of Russell Investments Canada Limited or any partner, director, officer or employee of any affiliate or associate of Russell Investments Canada Limited is an officer or director, provided that this prohibition shall not apply where any such partner, director, officer or employee does not:
  - (i) participate in the formulation of investment decisions made on behalf of the Fund;
  - (ii) have access before implementation to information concerning investment decisions made on behalf of the Fund; and
  - (iii) influence (other than through research, statistical and other reports generally available to clients) the investment decisions made on behalf of the Fund.

### **Policies and Practices**

#### *Short selling*

Prior to entering into any short selling transactions, we utilize written policies and procedures that set out the objectives and goals for short selling and risk management procedures applicable to short selling. The chief investment officer, or its equivalent, of Russell Investments is responsible for setting and reviewing the policies and procedures relating to short selling by the Funds and such policies and procedures are reviewed annually. In addition, agreements, policies, and procedures that are applicable to a Fund relating to short selling (including trading limits and controls) are reviewed on a periodic basis by us. The decision to effect any particular short sale is made by the sub-advisers and reviewed and monitored by us as part of our ongoing compliance procedures and risk control measures. Risk measurement procedures or simulations are generally used to test the portfolios of the Funds under stress conditions.

#### *Securities lending*

Some of the Funds may enter into securities lending transactions to generate additional income from securities held in that 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, a Fund will loan securities it holds in its portfolio to a borrower in exchange for a fee.

On behalf of certain of the funds, the Manager has entered into a securities lending agreement (the “Securities Lending Agreement”, as amended from time to time) with State Street Bank and Trust Company.

The Agent acts as agent for the Funds in administering securities lending transactions, including negotiating the agreement, assessing the creditworthiness of counterparties and collecting the fees earned by the Funds. The Agent also monitors the collateral provided to ensure that it remains within the prescribed limits. The Agent has established written policies and procedures setting out (i) the objectives and goals for these transactions and the applicable risk management procedures; (ii) the controls in place on the entering into of those transactions and who is responsible for authorizing those controls; and (iii) the risk management procedures that it considers appropriate to test portfolios. These policies and procedures are reviewed at least annually. The decision as to the use of these transactions will be made by the sub-adviser or by us.

The Securities Lending Agreement may be terminated by us upon sixty (60) days’ prior notice to the Agent. The Securities Lending Agreement also provides that the Agent and certain of its affiliates will indemnify each Fund for losses that arise from the Agent’s failure to perform any of its obligations under the Securities Lending Agreement, from any inaccurate representation or warranty made by the Agent in the Securities Lending Agreement, and from any failure of the Agent to exercise the appropriate degree of care, diligence, skill and knowledge that would be expected of it in its capacity as securities lending service provider.

All requirements described above will be reviewed annually to ensure the risks associated with securities lending transactions are being properly managed.

Please see “The Russell Investments Investment Process – Use of securities lending” for further details on how the Funds may use securities lending.

#### *Proxy voting*

When a Fund invests in units of an Underlying Fund, you will have no direct voting rights with respect to any changes proposed to the Underlying Fund. We are not permitted to vote a Fund’s holdings in an Underlying Fund. We may, in our discretion, arrange for Securityholders of the Fund to direct how their proportionate interest of the Fund’s holdings in the Underlying Fund are to be voted by the Fund.

With respect to other portfolio securities held by a Fund, proxy voting for the Fund is done in accordance with proxy voting guidelines (the “Guidelines”). The Guidelines are formulated to provide instructions to vote in a manner that we believe to be in the best interests of the Funds. The Guidelines include standing policies for dealing with routine matters on which we may be asked to vote.

In order to assist us in our voting, including in respect of any conflicts of interest that may arise when voting, we have hired Glass Lewis & Co (“GL&C”), a third party independent of the manager, to perform research and make recommendations in accordance with the Guidelines, and to handle administrative aspects of the voting, that is, complete the ballots and mail the proxies. GL&C examines each proxy that comes in and votes it in accordance with the Guidelines.

A committee (the “Committee”) has been established by Russell Investments and has been delegated the authority to vote proxies which are not covered by the Guidelines and certain other administrative matters. It is composed of representatives from the various Russell Investments investment fund complexes around the world.

If a vote is required for a situation which is not covered by the guidelines, or if the guidelines state that a vote must be decided on a case by case basis, then the Committee will ask GL&C for a recommendation.

Committee members are not required to follow the recommendations of GL&C. However, a committee member who does not vote in accordance with the GL&C recommendation will be asked to declare that they do not have a conflict of interest with respect to the matter which is being voted upon. Russell Investments Canada Limited shall not cast a vote against the recommendation of GL&C unless the certification is received. If any of the Committee members are unable to deliver a certification confirming the absence of a conflict of interest, then securities will be voted in accordance with GL&C's recommendations.

The policies and procedures that we follow when voting proxies relating to portfolio securities are available on request, at no cost, by calling us toll free at 1-888-509-1792 or by writing to us at:

Russell Investments Canada Limited  
First Canadian Place  
100 King Street West, Suite 5715  
Toronto, ON M5X 1E4

Attention: Director, Client Services

Each Fund's proxy voting record for the annual period ending June 30 will be available free of charge to any Securityholder of the Funds upon request and will be accessible from our designated website at [www.russellinvestments.com/ca](http://www.russellinvestments.com/ca), at any time after August 31 of that year.

### **Material contracts**

We have noted our material contracts below. Material contracts do not include those entered into in the normal course for the Funds. You can review a copy of these documents during business hours on any Business Day at our head office. For our address, see the back cover of this Simplified Prospectus.

#### *Declaration of trust*

Each Fund is a separate open-ended trust governed by an amended and restated declaration of trust dated January 28, 2026 under which Russell Investments Canada Limited serves as trustee. The amended and restated declaration of trust also outlines the following:

- The powers and duties of Russell Investments Canada Limited as trustee
- The attributes of units of the Funds, including how units may be purchased, switched and sold and how they are valued

#### *Management agreements*

Russell Investments Canada Limited is responsible for management and administration of the Funds under an amended and restated master management agreement dated January 28, 2026 between itself and Russell Investments Canada Limited as trustee of the Funds.

As portfolio manager, we oversee all portfolio management services, develop each Fund's investment program, and set its investment policies and, if required, select its investment managers, allocate its assets among sub-advisers, and monitor the sub-advisers' investment programs and results.

We may resign as manager of a Fund upon sixty (60) days' notice to the trustee. We may be terminated by the trustee at any time if we are declared bankrupt or insolvent, our assets become liable to seizure by any public or government authority or we become a non-resident of Canada.

#### *Custodian agreements*

State Street Trust Company Canada is the custodian of the Funds under an agreement with the Russell Investments Canada Limited dated May 8, 2017. This agreement may be terminated by either party to it upon six (6) months prior written notice.

#### **Designated Website**

A mutual fund is required to post certain regulatory disclosure documents on a designated website. The designated website of the Funds this document pertains to can be found at [www.russellinvestments.com/ca](http://www.russellinvestments.com/ca).

### **VALUATION OF PORTFOLIO SECURITIES**

When a Fund holds primarily units of Underlying Funds, we use the net asset value per Security of the relevant series of the Underlying Funds in valuing the Fund. The fair value of the assets and liabilities of a Fund are calculated using the following valuation principles.

1. For cash, bills, notes and accounts receivable, we generally use their full amount (i.e. face value). We calculate the value of dividends, interest and prepaid expenses the same way.
2. For shares and other securities traded on a stock exchange, we use the closing prices for the shares and securities quoted on that exchange. If a share or security did not trade on that day, we use a recent bid price.
3. For unlisted securities traded on an over-the-counter market, we use the price quoted by a recognized broker or dealer or another external source.
4. We may value money market instruments using the amortized cost method. This means that we value the securities at their cost and add any discounts or premiums and interest earned. We may also value money market instruments on a market basis by using a recent bid price available from recognized brokers.
5. For derivatives, like options, forward and futures contracts and swaps, we use the current value of the derivative contract. For futures, if daily limits imposed by the futures exchange are not in effect, the gain or loss on the contract that would be realized if the contract was closed out is the value which is used. If daily limits are in effect, the value of the contract will be based on the current market value of the underlying interest of the futures contract. We include margin paid or deposited on futures or forward contracts as an account receivable.
6. If a Fund writes options, the money we receive from these investments is recorded as a deferred credit. The value of the options is the current market value of these investments. We deduct the deferred credit when we calculate the net asset value of the Fund. The value of the security on which we write an option is its current market value.
7. For mortgages, we use a method that produces a principal amount that results in the same yield as conventional mortgages sold by major lending institutions, if that can be determined that day. If not, we use a yield equal to or not less than 0.25% below the interest rate being offered by major

lending institutions that day. For mortgages guaranteed under the *National Housing Act* (Canada), we use the market value. For mortgages in arrears, we determine the value in a way that we think is fair.

8. For assets or liabilities in a foreign currency, we use the exchange rate available that day from a reliable bank or other agent that we select to determine the value in Canadian funds.
9. For securities with restricted or limited resale, we use the lesser of:
  - The reported value; and
  - The percentage that the acquisition cost was of the market value of the securities of the same class, taking into account, if appropriate, the amount of time remaining until the restriction or limit is lifted.
10. For securities traded on more than one stock exchange, we use the price of the security on the principal stock exchange. If no price is available, we use the most recent bid price.
11. For commodities, we use a recent bid price.
12. For units or shares we hold in other mutual funds, we use the net asset value per unit or per share of the relevant series of those other mutual funds.

If we have any doubt that the above methods will accurately reflect the fair value of a particular security at any particular time, then we will determine the fair value in good faith based on what might reasonably be expected to be received upon the current exchange of the asset or liability.

Russell Investments Canada Limited calculates the net asset value per Security of each Fund each Business Day on the basis of the valuation policy described in this Simplified Prospectus. Our valuation policy may differ in some circumstances from the requirements of the Chartered Professional Accountants of Canada Handbook (“CPA Canada Handbook”). While National Instrument 81-106 *Investment Fund Continuous Disclosure* requires investment funds, such as the Funds, to fair value, it does not require investment funds to determine fair value in accordance with the CPA Canada Handbook, other than for financial reporting purposes. The net asset value per Security of each Fund for the purposes of the financial statements will be calculated in accordance with International Financial Reporting Standards (“IFRS”). Under IFRS, each Fund’s accounting policies for measuring the fair value of its investments and derivatives for the purposes of the financial statements will align, in most instances, with those used in measuring its net asset value per Security for the purposes of redemption and purchase of Securities of the Fund.

### **CALCULATION OF NET ASSET VALUE**

To determine the *net asset value per Security* for a series of Securities of a Fund, we calculate the series proportionate share of the total fair value of the assets of the Fund and then subtract the series proportionate share of the total fair value of the liabilities of the Fund (other than liabilities attributable specifically to a series) and also subtract the fair value of the liabilities attributable specifically to the relevant series (principally management fees). Then we divide the resulting amount by the number of Securities of that series held by investors.

The net asset value per Security of a series of a Fund is the basis for calculating the value of all transactions when purchasing, redeeming or switching Securities of that series of the Fund. We determine the net asset

value per Security after the close of trading of the TSX (usually 4:00 p.m. Toronto time) on each Business Day. The net asset value and net asset value per Security of the Funds are available on our designated website at [www.russellinvestments.com/ca](http://www.russellinvestments.com/ca) or upon request by any Securityholder, at no cost, by calling: 1-888-509-1792 or e-mailing to: [canada@russellinvestments.com](mailto:canada@russellinvestments.com).

## **PURCHASING, SWITCHES AND REDEMPTIONS**

### **How we determine the Security price for each series of a Fund**

We determine a net asset value per Security for each series of each Fund. To determine the net asset value per Security 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 Securities of that series held by investors.

Please see “Description of Securities Offered by the Funds” for a description the series available for each Fund.

We determine the net asset value per Security after the close of each Business Day. If the Toronto Stock Exchange is closed for any reason, we determine the net asset value per Security on the next Business Day.

The net asset value per Security for each series is calculated in Canadian dollars.

### **Initial investment in the Funds**

In compliance with National Instrument 81-102, each Fund will not issue ETF Units to the public until orders aggregating not less than \$500,000 have been received and accepted by the Fund from investors other than the Manager or its directors, officers or shareholders.

### **Purchasing Securities of the Funds**

The Funds will be issued and sold on a continuous basis and there is no maximum number of Securities that may be issued. Securities can be bought in Canadian dollars only. There is no minimum amount for buying or continuing to hold Securities of a Fund.

The TSX has conditionally approved the listing of Securities of the Russell Investments Fallen Angels ETF and the Russell Investments Core Plus Fixed Income ETF. Listing of the Securities of the Russell Investments Fallen Angels ETF and the Russell Investments Core Plus Fixed Income ETF is subject to the Russell Investments Fallen Angels ETF and the Russell Investments Core Plus Fixed Income ETF fulfilling all of the requirements of the TSX on or before January 14, 2027. Subject to satisfying the TSX’s original listing requirements, the Securities of the Russell Investments Fallen Angels ETF and the Russell Investments Core Plus Fixed Income ETF will be listed on the TSX. The ticker symbols for the Securities of the Russell Investments Fallen Angels ETF and the Russell Investments Core Plus Fixed Income ETF will be as follows:

| <b>Fund</b>                                    | <b>Ticker Symbol</b> |
|--|----------------------|
| Russell Investments Fallen Angels ETF          | HALO                 |
| Russell Investments Core Plus Fixed Income ETF | RBND                 |

Investors may incur customary brokerage commissions when buying or selling Securities. No fees are paid by an investor to Russell Investments Canada Limited or the Funds in connection with the buying or selling of Securities on the TSX or another exchange or marketplace.

Russell Investments Canada Limited, on behalf of the Funds, has entered into an agreement with each Designated Broker under which we may require that certain Designated Brokers to subscribe for Securities for cash.

Generally, all orders to purchase Securities directly from a Fund must be placed by a Designated Broker. We reserve the absolute right to reject any subscription order placed by a Designated Broker in connection with the issuance of Securities. If we reject the order, we will immediately return any money received, without interest.

No fees or commissions will be payable by a Fund to a Designated Broker in connection with the issuance of Securities. On the listing, issuance, exchange or redemption of Securities, we may, in our discretion, charge an administrative fee to a Designated Broker to offset the expenses incurred in listing, issuing, exchanging or redeeming the Securities.

After the initial issuance of Securities to one or more Designated Brokers to satisfy the TSX's original listing requirements, a Designated Broker may place a subscription order for a Prescribed Number of Securities (and any additional multiple thereof) of a Fund on any Trading Day. Any subscription order that is received by the Cut-Off Time will be deemed to be received on the next Trading Day and will be based on the net asset value per unit determined on such next Trading Day. Any subscription order received after the Cut-Off Time on a Trading Day will be deemed to be received on the Trading Day following the next Trading Day and will be based on the net asset value per unit determined on such following Trading Day.

For each Prescribed Number of Securities issued, a Designated Broker must deliver payment consisting of, in our discretion: (i) cash in an amount equal to the aggregate net asset value per unit of the Prescribed Number of Securities next determined following the receipt of the subscription order; (ii) a Basket of securities or a combination of a Basket of securities and cash, as determined by us, in an amount sufficient so that the value of the securities and cash received is equal to the aggregate net asset value per unit of the Prescribed Number of Securities next determined following the receipt of the subscription order; or (iii) securities other than Baskets of Securities or a combination of securities other than Baskets of Securities and cash, as determined by us, in an amount sufficient so that the value of the securities and cash received is equal to the aggregate net asset value per unit of the Prescribed Number of Securities next determined following the receipt of the subscription order.

We will make available to Designated Brokers information as to the Prescribed Number of Securities and any Basket of securities for each applicable Fund for each Trading Day. We may, in our discretion, increase or decrease the Prescribed Number of Securities from time to time.

Securities may also be issued by a Fund to a Designated Broker in certain special circumstances, including when cash redemptions of Securities occur.

The provisions of the so-called "early warning" reporting requirements in Canadian securities legislation do not apply if a person or company acquires 10% or more of the Securities of a Fund. The Funds have applied for relief to permit unitholders to acquire more than 20% of the Securities of any Fund without regard to the takeover bid requirements of applicable Canadian securities legislation. In addition, the Funds have applied for relief to permit a Fund to borrow cash in an amount not exceeding 5% of the net assets of the Fund for a period not longer than forty five (45) days and, if required by the lender, to provide a security

interest over any of its portfolio assets as a temporary measure to fund the portion of any distribution payable to unitholders that represents amounts that have not yet been received by the Fund.

### **Redeeming units of the Funds**

You may choose to redeem Securities of a Fund on any Trading Day. When you redeem Securities of a Fund, you receive the proceeds of your sale in cash at a redemption price per unit equal to 95% of the closing price of the Securities on the effective date of redemption, subject to a maximum redemption price of the applicable net asset value per unit. As unitholders will generally be able to sell Securities at the market price on the TSX or another exchange or marketplace through a Designated Broker subject only to customary brokerage commissions, unitholders are advised to consult their brokers, dealers or investment advisers before redeeming their Securities for cash.

For such a cash redemption to be effective on a Trading Day, a cash redemption request in the form prescribed by us from time to time must be delivered to the Fund at its head office through a CDS Participant. Any cash redemption request that is received by the Cut-Off Time will be deemed to be received on the next Trading Day. Any cash redemption request received after the Cut-Off Time on a Trading Day will be deemed to be received on the Trading Day following the next Trading Day. Payment of the redemption price will be made by no later than the second Trading Day after the effective day of the redemption (or such shorter period as may be determined by us in response to changes in applicable laws or general changes to settlement procedures in applicable markets). The cash redemption request forms may be obtained from us.

If we have not received all the required documents within ten (10) Business Days of receiving your redemption request, we will issue the same number of Securities on the tenth (10<sup>th</sup>) Business Day after the redemption request. If the issue price is less than the sale proceeds, the Fund will keep the difference. If the issue price is more than the sale proceeds, your dealer must pay the shortfall. Your dealer may have the right to collect it from you.

If you are redeeming more than \$25,000 of Securities of the Funds, your signature must be guaranteed by your bank, trust company or registered dealer. In some cases, we may require other documents or proof of signing authority. You can contact your registered representative or us to find out the documents that are required to complete the sale.

We reserve the right to cause a Fund to redeem the Securities held by a unitholder at a price equal to the net asset value per unit on the effective date of such redemption if we believe it is in the best interests of the Fund to do so.

On any Trading Day, you may exchange a minimum of a Prescribed Number of Securities (and any additional multiple thereof) for cash or, with our consent, Baskets of Securities and cash. To effect an exchange of Securities, you must submit an exchange request, in the form prescribed by us from time to time, to the applicable Fund at its head office. The exchange price will be equal to the aggregate net asset value per unit of the Prescribed Number of Securities on the effective day of the exchange request, payable by delivery of cash or, with our consent, Baskets of Securities (constituted prior to the receipt of the exchange request) and cash. On an exchange, the applicable Securities will be redeemed. On an exchange we will require you to pay the applicable Fund an exchange transaction fee of 0.25%, or such other amount as we may determine from time to time, which approximates the brokerage expenses, commissions, transaction costs, costs or expenses related to market impact and other costs or expenses incurred or expected to be incurred by the Fund in effecting securities transactions on the market to obtain the necessary cash for the exchange. The exchange transaction fee may be higher if the costs and expenses incurred or

expected to be incurred by the Fund are higher than generally expected. In certain circumstances and at our discretion, we may waive or reduce the exchange transaction fee.

Any exchange request that is received by the Cut-Off Time will be deemed to be received on the next Trading Day and will be based on the net asset value per unit determined on such next Trading Day. Any exchange request received after the Cut-Off Time on a Trading Day will be deemed to be received on the Trading Day following the next Trading Day and will be based on the net asset value per unit determined on such following Trading Day. Settlement of exchanges for cash or Baskets of Securities and cash, as the case may be, will be made by no later than the second Trading Day after the effective day of the exchange request (or such shorter period as may be determined by us in response to changes in applicable laws or general changes to settlement procedures in applicable markets).

We will make available to Designated Brokers information as to the Prescribed Number of Securities and any Basket of securities for each applicable Fund for each Trading Day. We may, in our discretion, increase or decrease the Prescribed Number of Securities from time to time.

If securities held in the portfolio of a Fund are cease-traded at any time by order of a securities regulatory authority or other relevant regulator or stock exchange, the delivery of such securities to a unitholder on an exchange may be postponed until such time as the transfer of the securities is permitted by law.

The exchange and redemption rights described above must be exercised through the CDS Participant through which you hold Securities. Beneficial owners of Securities should ensure that they provide exchange and/or redemption instructions to the CDS Participants through which they hold Securities sufficiently in advance of the deadlines set by CDS Participants to allow such CDS Participants to notify us or as we may direct prior to the relevant Cut-Off Time.

The redemption or exchange price paid to a Designated broker may include income and/or capital gains realized by the Fund. The remaining portion of the redemption or exchange price will be proceeds of disposition.

### **Short-term trading**

We do not charge a short-term trading fee for redemptions of Securities because Securities are primarily traded over the TSX or another exchange or marketplace.

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

## **OPTIONAL SERVICES**

This section tells you about the services that are available to investors in Securities of the Funds.

### **Securities Distribution Reinvestment Plan**

If you are a holder of Securities (a “Plan Participant”), you can elect to automatically reinvest all cash distributions paid on Securities held by you in additional Securities (“Plan Securities”) in accordance with the terms of the Distribution Reinvestment Plan (a copy of which is available through your broker or dealer) and the distribution reinvestment agency between the manager, on behalf of the Securities, and the Plan Agent, as may be amended. The key terms of the Distribution Reinvestment Plan are as described below. You cannot participate in the Distribution Reinvestment Plan if you are not a resident of Canada. If you cease to be a resident of Canada, you will be required to terminate your participation in the Distribution

Reinvestment Plan. No Securities will be required to purchase Plan Securities if such purchase would be illegal. If you wish to enroll in the Distribution Reinvestment Plan as of a particular distribution record date, you should notify the CDS Participant through which you hold Securities sufficiently in advance of that distribution record date to allow such CDS Participant to notify CDS by 4:00 p.m. on the distribution record date. Distributions that you are due to receive will be used to purchase Plan Securities on your behalf in the market. No fractional Plan Securities will be purchased under the Distribution Reinvestment Plan. Any funds remaining after the purchase of whole Plan Securities will be credited to you via its CDS Participant in lieu of fractional Plan Securities. The automatic reinvestment of the distributions under the Distribution Reinvestment Plan will not relieve you of any income tax applicable to such distributions.

You may voluntarily terminate your participation in the Distribution Reinvestment Plan as of a particular distribution record date by notifying your CDS Participant sufficiently in advance of that distribution record date. You should contact your CDS Participant to obtain details of the appropriate procedures for terminating your participation in the Distribution Reinvestment Plan. Beginning on the first distribution payment date after such notice is received from you and accepted by a CDS Participant, distributions to you will be made in cash. Any expenses associated with the preparation and delivery of such termination notice will be borne by you to exercise your right to terminate participation in the Distribution Reinvestment Plan. The Manager may terminate the Distribution Reinvestment Plan, in its sole discretion, upon not less than 30 days' notice to: (i) registered participants in the Distribution Reinvestment Plan, (ii) the CDS Participants through which the Plan Participants hold their Securities; (iii) the Plan Agent; and (iv) if necessary, the TSX or another exchange or marketplace. The manager may amend, modify or suspend the Distribution Reinvestment Plan at any time in its sole discretion, provided that it receives prior approval for amendments from the TSX or another exchange or marketplace, and gives notice of the amendment, modification or suspension to: (i) registered participants in the Distribution Reinvestment Plan, (ii) the CDS Participants through which the Plan Participants hold their Securities, (iii) the Plan Agent, and (iv) if necessary, the TSX or another exchange or marketplace.

## FEES AND EXPENSES

There are certain fees and expenses associated with investing in Securities of the Funds. You may have to pay some of these fees and expenses directly. The Funds may have to pay some of these fees and expenses, which reduces the value of your investment in the Funds. At any time, we may change the basis of the calculation of a fee or expense that is charged to a 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 a Fund to compensate us for services rendered including portfolio management, research, and sub-adviser monitoring. The annual management fee we receive from the Funds is a percentage of the average daily net asset value of each series of Securities of each Fund as set out below.

| <b>Fees and expenses payable by the Fund</b>   |                                     |
|--|-------------------------------------|
| <b>Management Fees</b>                         |                                     |
| <i>Fund</i>                                    | <i>Management fee (annual rate)</i> |
| Russell Investments Fallen Angels ETF          | 0.35% of net asset value            |
| Russell Investments Core Plus Fixed Income ETF | 0.35% of net asset value            |

|  |  |
|--|--|
| <b>Fees and expenses payable by the Fund</b>   |  |
| The fees above are exclusive of any applicable taxes and operating expenses.   |  |
| <b>Operating Expenses</b>  |  |
| <p>Each Fund pays its own operating expenses, including expenses incurred by us on behalf of such Fund relating to its operation and the carrying on of its business. These expenses include legal, audit, custodial, safekeeping and trustee fees, fees payable to stock exchanges, 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 a Fund for the time spent by our employees on administrative matters for such 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 such Fund. The fee payable by each Fund to its trustee is \$10,000 per year. If a Fund invests in Underlying Funds, the Fund also bears indirectly its proportionate share of the operating expenses of its Underlying Funds as described below. We allocate the expenses to each series of Securities based on its share of the expenses. As required by securities regulations, the Funds pay the expenses of their Independent Review Committee (<i>IRC</i>), 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 Funds, and are reimbursed for expenses including secretarial costs. The annual retainer for each IRC member (other than the Chair) in respect of all of the Funds is \$18,000 and the annual retainer for the Chair is \$24,000.</p> |  |
| The fees and expenses of the IRC are allocated across all Russell Investments Funds 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 Fund.  |  |
| When a Fund invests in Underlying Funds:   |  |
| <ul style="list-style-type: none"> <li>• There are fees and expenses that are payable by the Underlying Funds in addition to the fees and expenses payable by the Fund</li> <li>• There are no management or incentive fees payable by the Fund that, to a reasonable person, would duplicate a fee payable by an Underlying Fund for the same service</li> <li>• No sales fees or redemption fees are payable by the Fund upon the purchase or redemption of Securities of any Underlying Fund</li> </ul>   |  |
| The Fund does not pay any management fees to us in respect of its investment in securities of any Underlying Fund  |  |
| We may assume responsibility for some of the operating expenses of the Funds. However, this does not bind us to continue this in the future and we may stop this without notice to you.  |  |

|                                |   |
|--------------------------------|---|
| <b>Other fees and expenses</b> |   |
| <i>Designated Broker fee</i>   | An amount may be charged to a Designated Broker to offset certain transaction and other costs associated with the listing, issue, exchange and/or redemption of Securities of a Fund. This charge, which is payable to the applicable Fund, does not apply to investors who buy and sell their Securities through the facilities of the TSX or another exchange or marketplace. |

| <b>Other fees and expenses</b> |   |
|--------------------------------|---|
| <i>Securities exchange fee</i> | On an exchange of Securities, we will require you to pay the applicable Fund an exchange transaction fee of 0.25%, or such other amount as we may determine from time to time, which approximates the brokerage expenses, commissions, transaction costs, costs or expenses related to market impact and other costs or expenses incurred or expected to be incurred by a Fund in effecting securities transactions on the market to obtain the necessary cash for the exchange. The exchange transaction fee may be higher if the costs and expenses incurred or expected to be incurred by a Fund is higher than generally expected. In certain circumstances and at our discretion, we may waive or reduce the exchange fee. |

## **DEALER COMPENSATION**

### **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.

## **INCOME TAX CONSIDERATIONS**

The following is a summary of the principal Canadian federal income tax considerations with respect to acquiring, owning and disposing of Securities of the Funds. It applies only to an individual investor (other than a trust) who, for the purposes of the Tax Act, is or is deemed to be resident in Canada, deals at arm's length with the Funds and holds the Securities as capital property. This summary does not address the deductibility of interest on any amounts borrowed by a Securityholder to purchase Securities of a Fund.

**This is a general summary and is not intended to be advice to any particular investor. An investor should seek independent advice about the income tax consequences of investing in Securities of the Funds, based on the investor's own circumstances.**

This summary is based on the current provisions of the Tax Act, the regulations under the Tax Act, specific proposals to amend the Tax Act and the regulations announced by the Minister of Finance (Canada) before the date of this Simplified Prospectus and the administrative practices and policies published by the Canada Revenue Agency ("CRA"). This summary assumes that such practices and policies will continue to be applied in a consistent manner. This summary does not take into account or anticipate any other changes in law whether by legislative, regulatory, administrative or judicial action. It also does not take into account provincial, territorial, or foreign income tax legislation or considerations.

Each of the Funds is expected to continue to qualify at all material times, as a mutual fund trust under the Tax Act. This summary assumes that each of the Funds will qualify for and will file an election under the Tax Act in its first income tax return to be deemed to have been a mutual fund trust from the beginning of its first taxation year until a date no later than 90 days after its first taxation year and that it meets all the conditions to qualify as a mutual fund trust. This summary also assumes that each Fund, will not be a "SIFT trust" as defined in the Tax Act.

## **Taxation of the Funds**

### *Taxation of the Funds*

In each taxation year, each Fund is subject to tax under Part I of the Tax Act on the amount of its income for tax purposes for that taxation year, including net taxable capital gains, less the portion that is paid or payable to unitholders. Generally, each Fund will distribute to its unitholders in each calendar year enough of its net income and net realized capital gains so that the Fund should not be liable for tax under Part I of the Tax Act on such amounts. Generally, gains and losses from using derivatives will be realized on income account rather than on capital account. Where a Fund is a mutual fund trust throughout a taxation year, the Fund is allowed to retain, without incurring a liability for tax, a portion of its net realized capital gains based on redemptions of its units during the year.

All of a Fund's deductible expenses, including expenses common to all series of the Fund and management fees and other expenses specific to a particular series of the Fund, will be taken into account in determining the income or loss of the Fund as a whole. Losses incurred by a Fund cannot be allocated to investors but may, subject to certain limitations, be deducted by the Fund from capital gains or other income realized in other years.

Each Fund which is a unit trust and a registered investment, but not a mutual fund trust, under the Tax Act may be liable for tax under Part X.2 of the Tax Act if it invests in investments that are not qualified investments for Registered Plans. Each such Fund will restrict its investments so that it will not be liable for a material amount of tax under Part X.2 of the Tax Act. The tax under Part X.2 applies based on the proportion of unitholders of the Fund that are certain types of tax-exempt investors (e.g. registered retirement savings plans).

For each Fund which is not a mutual fund trust under the Tax Act throughout the year, Part XII.2 of the Tax Act provides that such Fund is subject to a special tax under Part XII.2 of the Tax Act on the Fund's "designated income" under the Tax Act if the Fund has a unitholder who is a "designated beneficiary" under the Tax Act at any time in the taxation year. "Designated beneficiaries" generally include non-resident persons, certain trusts, certain partnerships and certain tax-exempt persons in certain circumstances where the tax-exempt person acquires units from another beneficiary. "Designated income" generally includes income from businesses carried on in Canada (including from derivatives) and from Canadian real estate, timber resource properties and Canadian resource properties, and taxable capital gains from dispositions of "taxable Canadian property." While these Funds may become liable for tax under these rules, it is expected that the amount of such tax will not be significant because these Funds are not expected to have material designated income. In any event, unitholders of such Funds resident in Canada who are subject to tax under the Tax Act will be eligible for a tax credit in respect of their proportionate amount of any Part XII.2 tax.

Generally, if a Fund is not a "mutual fund trust" under the Tax Act, and more than 50% (calculated on a fair market value basis) of the units of that particular Fund are held by one or more unitholders that are considered to be "financial institutions" for the purposes of certain "mark-to-market" rules in the Tax Act, then that Fund will be considered a "financial institution" and will be subject to the mark-to-market rules. Under the mark-to-market rules, the Fund would be required to recognize, at least annually, any gains and losses accruing on shares, certain types of debt obligations and certain other property that it holds. The entire amount of such gains and losses will be reflected in computing income, rather than 50% as in the case of capital gains and capital losses. Any income arising from such treatment would be included in amounts considered to be distributed to unitholders.

A Fund that does not qualify as a mutual fund trust under the Tax Act is also not entitled to claim the capital gains refund that would otherwise be available to it if it were a mutual fund trust throughout the year.

Consequently, non-redeeming unitholders of such Funds for a particular taxation year will be allocated and subject to tax on the amount of net realized capital gains that would have otherwise been reduced or refunded as a capital gains refund in respect of redeeming units throughout the year.

In certain circumstances, a Fund may experience a “loss restriction event” for purposes of the Tax Act, which generally will occur each time any person, together with other persons with whom that person is affiliated within the meaning of the Tax Act, or any group of persons acting in concert, acquires units of the Fund having a fair market value that is greater than 50% of the fair market value of all the units of the Fund. The Tax Act provides relief in the application of the “loss restriction event” rules for Funds that are “investment funds” as defined therein. The Manager expects that the Funds will be “investment funds” as defined for purposes of the “loss restriction event” rules. If a Fund fails to meet this definition, the Fund may be deemed to have a year end for tax purposes upon the occurrence of a “loss restriction event.” Where such a deemed year end occurs, any undistributed income and realized capital gains (net of applicable losses) would be expected to be made payable to all unitholders of the Fund as a distribution on their units (or tax thereon paid by the Fund in respect of such year). In addition, accrued capital losses and certain other realized losses of the Fund would be unavailable for use by the Fund in future years.

Each Fund which is not a mutual fund trust under the Tax Act throughout a taxation year may, in certain circumstances, be subject to alternative minimum tax under the Tax Act for that year (however, an “investment fund” as defined for purposes of the “loss restriction event” rules in the Tax Act is not subject to alternative minimum tax).

The derivative forward agreement rules in the Tax Act (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. If the DFA Rules were to apply to derivatives utilized by a 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.

Each Fund is required to compute its net income and net realized capital gains in Canadian dollars for the purposes of the Tax Act and may, as a consequence, realize foreign exchange gains or losses that will be taken into account in computing its income for tax purposes. Also, where a Fund accepts subscriptions or makes payments for redemptions or distributions in U.S. dollars or other foreign currency, it may experience a foreign exchange gain or loss between the date the order is accepted or the distribution is calculated and the date the Fund receives or makes payment.

In certain situations, where a Fund disposes of property and would otherwise realize a capital loss, the loss will be deemed to be a “suspended loss” and denied. This may occur if the Fund disposes of and acquires the same property during the period that begins thirty (30) days before and ends thirty (30) days after the disposition of property and holds it at the end of that period.

## **Taxation of Securityholders (other than Registered Plans)**

### Distributions

Unitholders, generally, will be required to include in computing their income the amount (computed in Canadian dollars) of the net income and the taxable portion of the net realized capital gains as is paid or payable to them by a Fund in the taxation year (which may include management fee rebates), whether or not such amount has been reinvested in additional units. A unitholder may be taxable on undistributed

income and realized capital gains and accrued but unrealized capital gains that are in a Fund at the time units are purchased to the extent that such amounts are subsequently distributed to the unitholder.

Provided that appropriate designations are made by the Funds, the amount, if any, of foreign source income, net taxable capital gains and taxable dividends from taxable Canadian corporations (including “eligible dividends”) of the Funds that are paid or payable to unitholders (including such amounts invested in additional units) will, effectively, retain their character for tax purposes and be treated as foreign source income, taxable capital gains and taxable dividends of the unitholders. “Eligible dividends” are subject to an enhanced gross-up and dividend tax credit. Foreign source income received by the Funds will generally be net of any taxes withheld in the foreign jurisdiction. The taxes so withheld will be included in the determination of the Fund’s income under the Tax Act. To the extent that the Funds so designate in accordance with the Tax Act, unitholders will, for the purpose of computing foreign tax credits, be entitled to treat their proportionate share of such taxes withheld as foreign taxes paid by the unitholders.

Generally, gains realized by a Fund from the use of derivative securities will result in the distribution of income rather than capital gains.

To the extent that distributions (including management fee rebates) made to a unitholder by a Fund in any year exceed that unitholder’s share of the net income and net realized capital gains of that Fund allocated to that unitholder for that year, those distributions (except to the extent that they are proceeds of disposition of a unit as described below) will not be taxable to the unitholder but will reduce the adjusted cost base of the unitholder’s units. If the adjusted cost base of a unitholder’s units becomes a negative amount at any time in a taxation year, the unitholder will be deemed to realize a capital gain equal to that amount and the adjusted cost base of the unitholder’s units will be reset to zero. In certain circumstances, a Fund is permitted to elect to treat distributions to unitholders that exceed the Fund’s income for the year as a distribution of income and to deduct that amount in computing the income of the Fund in its next taxation year.

### Capital gains

Upon the disposition or deemed disposition by a unitholder of a unit, whether by sale, redemption, switch or otherwise, a capital gain (or capital loss) will be realized to the extent that the proceeds of disposition, less any costs of disposition, are greater (or less) than the adjusted cost base to the unitholder of the unit. In particular, a disposition of a unit will occur on a switch to another Fund. A permitted switch between series of the same Fund is not a taxable disposition except to the extent that units are redeemed to pay any applicable fees. If those redeemed units are held outside a Registered Plan, unitholders may realize a taxable capital gain. See *Taxation of Capital Gains* below.

In the case of an exchange of Securities for a Basket of securities, a unitholder’s proceeds of disposition of Securities would generally be equal to the aggregate of the fair market value of the distributed property and the amount of any cash received, less any capital gain realized by the Fund on the disposition of such distributed property that is allocated to the unitholder. The cost to a unitholder for purposes of the Tax Act of any property received from the Fund upon the exchange will generally be equal to the fair market value of such property at the time of the distribution.

Pursuant to its declaration of trust, a Fund may allocate and designate any income or capital gains realized by the Fund as a result of any disposition of property of the Fund undertaken to permit or facilitate the redemption of units to a unitholder whose units are being redeemed. In addition, each Fund has the authority to distribute, allocate and designate any income or capital gains of the Fund to a unitholder who has redeemed units of the Fund during a year in an amount equal to the unitholder’s share, at the time of redemption, of the Fund’s income and capital gains for the year or such other amount that is determined by the Fund to be reasonable. Any such allocations will reduce the redeeming unitholder’s proceeds of

disposition. Based on rules contained in the Tax Act, a Fund that is a mutual fund trust for tax purposes throughout the year is prohibited from claiming a deduction in computing its income for amounts of income that are allocated to redeeming unitholders and, is limited in its ability to claim a deduction in computing its income for amounts of capital gains that are allocated to redeeming unitholders. Special rules apply for computing the limitation on capital gains allocated to redeeming unitholders of an ETF.

#### Canadian currency

Securityholders are required to compute all amounts including their income, capital gains and cost base of Securities in Canadian dollars for purposes of the Tax Act and may, as a consequence, realize income or capital gains by virtue of changes in the value of the United States dollar relative to the value of the Canadian dollar in connection with U.S. dollar denominated holdings of Funds purchased in U.S. dollars.

#### Taxation of capital gains

Generally, one-half of capital gains are included in income as taxable capital gains and one-half of capital losses are allowable capital losses which may be deducted from taxable capital gains subject to and in accordance with the detailed rules of the Tax Act.

The adjusted cost base to a Securityholder of a Security of a series of a Fund will generally be the weighted average cost of all Securities of that series of the Fund that are owned by that Securityholder, including Securities acquired on the reinvestment of a dividend, distribution or management fee rebate. Accordingly, when a Security of a Fund is acquired, its cost would generally be averaged with the adjusted cost base of the other Securities of the same series of the Fund owned by the Securityholder to determine the adjusted cost base of each Security of the series of the Fund then owned. Note that a separate adjusted cost base must be determined for each series of Securities of each Fund.

When calculating the Securityholder's gain or loss at the time of disposition of Securities, the Securityholder may include in the adjusted cost base of that series of Securities any sales fees paid by the Securityholder to the Securityholder's dealer when the Securityholder purchased those Securities.

In certain situations, where a Securityholder disposes of Securities of a Fund and would otherwise realize a capital loss, the loss will be denied. This may occur if the Securityholder, the Securityholder's spouse or another person affiliated with the Securityholder (including a corporation controlled by the Securityholder) has acquired Securities of the same Fund within thirty (30) days before or after the Securityholder disposed of the Securities, which are considered to be "substituted property" and continues to own them at the end of such period. In these circumstances, 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 of the owner of the Securities which are substituted property.

The redemption of Securities of a Fund in order to satisfy any fee payable by a Securityholder will be a disposition of such Securities to the Securityholder and will give rise to a capital gain (capital loss) equal to the amount by which the proceeds of disposition of such Securities exceeds (or is less than) the aggregate of the adjusted cost base of such Securities and any reasonable costs of disposition.

#### Alternative minimum tax

Securityholders may be liable for alternative minimum tax in respect of dividends and/or realized capital gains (including capital gains dividends received). Securityholders should consult their own tax advisors regarding the application of the alternative minimum tax based on their particular circumstances.

### Return of capital

A Fund will return capital to unitholders to the extent the Fund distributes more to its unitholders 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 monthly 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 monthly distributions during the year, then the difference will be characterized as a return of capital. Alternatively, the Fund may characterize one or more monthly distributions as a return of capital. In those circumstances, the amount by which the Fund's net income and net realized capital gains for the year exceed its monthly distributions that year not characterized as a return of capital will be made payable to its unitholders in December of that year.

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

### Buying Securities late in the year

The net asset value per Security of a 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 dividend or distribution. If a Securityholder buys Securities of a Fund just before it pays a dividend or makes a distribution, the Securityholder will be taxed on that dividend or distribution and may have to pay tax on income or capital gains the Fund earned before the Securityholder owned the Securities. For example, if a Fund pays a dividend or distributes its net income and net capital gains once a year in December and a Securityholder buys Securities late in the year, the Securityholder may have to pay tax on the net income and net capital gains the Fund earned for the whole year.

### Turnover rate

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

### *Taxation rules applicable to Registered Plans*

If Securities of a Fund are held in a Registered Plan, the Securityholder generally will pay no tax on distributions or dividends paid from the Fund on those Securities or on any capital gains that the Registered Plan realizes from redeeming or switching the Securities. However, withdrawals from Registered Plans, other than tax-free savings accounts, are generally taxable at the Securityholder's personal marginal income tax rate. Withdrawals from a first home savings account, registered disability savings plan or registered education savings plan are subject to special rules. Securityholders should consult their tax advisors for details. Registered Plan holders are responsible for keeping a record of their investment.

## **Eligibility for investment**

Provided that a Fund qualifies as a “mutual fund trust” within the meaning of the Tax Act or the Securities of the Fund are listed on a “designated stock exchange” (which currently includes the TSX), the Securities of that Fund, will be qualified investments for Registered Plans. Securities of such Funds will not be a “prohibited investment” for a trust governed by a first home savings account, tax-free savings account, registered retirement savings plan, registered education savings plan, registered disability savings plan or registered retirement income fund provided that certain provisions of the Tax Act dealing with non-arm’s length relationships and significant interests do not apply to the holder, subscriber or annuitant of the plan. Investors should consult their own tax advisors regarding the “prohibited investment” rules based on their own particular circumstances.

In the case of an exchange of Securities for a Basket of securities, the unitholder may receive securities that may or may not be qualified investments under the Tax Act for Registered Plans. If such securities are not qualified investments for Registered Plans, such Registered Plans (and, in the case of certain Registered Plans, the annuitants, beneficiaries or subscribers thereunder or holders thereof) may be subject to adverse tax consequences. Holders of Securities who are contemplating an exchange of Securities for a Basket of securities should consult their own tax counsel for advice on whether or not such securities would be qualified investments for Registered Plans.

## **Enhanced Tax Information Reporting**

Each of the Funds 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 CRA. As a result of such status, certain Securityholders may be requested to provide information to the Fund or their registered dealer relating to their citizenship, tax residency and, if applicable, a U.S. federal tax identification number (TIN) or such information relating to the controlling person(s) in the case of certain entities. If a Securityholder or any of the controlling person(s) of certain entities is identified as a U.S. taxpayer (including a U.S. citizen who is a tax resident in Canada) or if the Securityholder fails to provide the requested information and indicia of US status are present, the IGA and Part XVIII of the Tax Act will generally require information about the Securityholder’s investment in the Fund to be reported to the CRA, unless, in general, the investment is held in a Registered Plan. The CRA will then exchange the information with the U.S. Internal Revenue Service pursuant to the provisions of the Canada-U.S. Income Tax Treaty.

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

## **STATEMENT OF RIGHTS**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase Securities within 48 hours after the receipt of a confirmation of a purchase of such securities. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation, or non-delivery of the ETF Facts, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory.

The Funds have applied for relief from the requirement in securities legislation to include an underwriter's certificate in the prospectus under a decision pursuant to National Policy 11-203 – *Process for Exemption Relief Applications in Multiple Jurisdictions*. As such, purchasers of Securities will not be able to rely on the inclusion of an underwriter's certificate in the prospectus or any amendment for the statutory rights and remedies that would otherwise have been available against an underwriter that would have been required to sign an underwriter's certificate.

The purchaser should refer to the applicable provisions of the securities legislation of the province or territory for the particulars of these rights or should consult with a legal adviser.

## EXEMPTIONS AND APPROVALS

Each of the Funds has applied for relief from applicable securities laws in connection with the offering of Securities to:

- relieve these Funds from the requirement to prepare and file a long form prospectus for their Securities in accordance with National Instrument 41-101 – *General Prospectus Requirements* in the form prescribed by Form 41-101F2 – *Information Required in an Investment Fund Prospectus*, subject to the terms of the relief, provided that the Funds file a prospectus for their Securities in accordance with the provisions of National Instrument 81-101 – *Mutual Fund Prospectus Disclosure*, other than the requirements pertaining to the filing of a fund facts document;
- relieve the Funds from the requirement that a prospectus offering Securities contain a certificate of the underwriters;
- relieve a person or company purchasing Securities in the normal course through the facilities of the TSX or another exchange from the take-over bid requirements of Canadian securities legislation; and
- permit each Fund that offers Securities to borrow cash from the custodian of the Fund (the "Custodian") and, if required by the Custodian, to provide a security interest over any of its portfolio assets as a temporary measure to fund the portion of any distribution payable to unitholders that represents, in the aggregate, amounts that are owing to, but not yet been received by, the Fund.

### Registration and transfer of Securities through CDS

Registration of interests in, and transfers of, Securities will be made only through the book-entry only system of CDS. Securities must be purchased, transferred and surrendered for exchange or redemption only through a CDS Participant. All rights of an owner of Securities must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Securities. Upon purchase of any Securities, the owner will receive only the customary confirmation. All distributions and redemption proceeds in respect of Securities will be made or paid initially to CDS, which payments will be forwarded by CDS to the CDS Participants and, thereafter, by such CDS Participants to the applicable investors. References in this Simplified Prospectus to a holder of Securities means, unless the context otherwise requires, the owner of the beneficial interest in such Securities.

Neither us nor the Funds will have any liability for: (i) any aspect of the records maintained by CDS relating to the beneficial interests in the Securities or the book-entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS, whether contained in this Simplified Prospectus or otherwise, or

made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

The rules governing CDS provide that it acts as the agent and depository for the CDS Participants. As a result, CDS Participants must look solely to CDS and persons, other than CDS Participants, having an interest in the Securities must look solely to CDS Participants for payment made by the Funds to CDS.

The ability of a beneficial owner of Securities to pledge such Securities or otherwise take action with respect to such owner's interest in such Securities (other than through a CDS Participant) may be limited due to the lack of a physical certificate. The Funds have the option to terminate registration of Securities through the book-entry only system, in which case certificates for Securities in fully registered form will be issued to beneficial owners of such units or to their nominees.

## CERTIFICATES

Dated January 28, 2026

This Simplified Prospectus and the documents incorporated by reference into the Simplified Prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the Simplified Prospectus, as required by the securities legislation of all provinces and territories of Canada and do not contain any misrepresentations.

*“Jonathan Needham”*

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Jonathan Needham  
President and Chief Executive Officer of  
Russell Investments  
Canada Limited

*“Corbin Tsen”*

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Corbin Tsen  
Chief Financial Officer of Russell Investments  
Canada Limited

On behalf of the Board of Directors of Russell Investments Canada Limited in its capacity as trustee of the Funds and manager, promoter and principal distributor of the Funds.

*“Adam Smears”*

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Adam Smears  
Director of Russell Investments Canada Limited

*“Nazanin Rassouli”*

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Nazanin Rassouli  
Director of Russell Investments Canada Limited

**CERTIFICATE OF THE PRINCIPAL DISTRIBUTOR**

Dated January 28, 2026

To the best of our knowledge, information and belief, this Simplified Prospectus and the documents incorporated by reference into the Simplified Prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the Simplified Prospectus, as required by the securities legislation of all provinces and territories of Canada and do not contain any misrepresentations.

Russell Investments Canada Limited in its capacity as the principal distributor of the Funds.

Russell Investments Canada Limited

By: “Corbin Tsen”  
Corbin Tsen  
Chief Financial Officer of Russell  
Investments Canada Limited

## **SPECIFIC INFORMATION ABOUT EACH OF THE MUTUAL FUNDS DESCRIBED IN THIS DOCUMENT**

### **Introduction**

In the pages that follow, we have provided specific information about each of the Funds. Please read this introductory section for general information that also applies to each Fund.

### **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.

When we purchase investments for a Fund, we follow the investment objective and investment strategies of that Fund. You can find these objectives and strategies in the Fund descriptions in the second part of this Simplified Prospectus.

#### **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 or sell 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 or sell your units or shares of a mutual fund, they may be worth less than when you bought them. You and the other investors share in any profits the mutual fund makes or losses it suffers.

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

in the closure of businesses that are integral to a Fund's operations or otherwise disrupt the ability of employees of Fund service providers to perform essential tasks on behalf of a Fund.

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

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

### **What are the specific risks of investing in a mutual fund?**

Set out below are some of the more specific investment risks associated with investing in mutual funds. For information on the material risks applicable to each Fund, see the risk section of each Fund description in the second part of this Simplified Prospectus. A risk may be applicable to a Fund either directly because of the nature of the investments it makes, or indirectly because it invests in one or more Underlying Funds that have such risk.

In addition, each Fund may use foreign sub-advisers. 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 we use 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.

#### *Concentration risk*

A mutual fund may have a relatively high concentration of assets in a single or small number of issuers, which may reduce the diversification of the mutual fund and may result in increased volatility in the mutual fund's security price. If such concentration results in reduced liquidity, the mutual fund may need to suspend redemptions temporarily.

#### *Credit risk*

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

### *Currency risk*

When a mutual 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 mutual fund's investments. Changes in the exchange rate can also increase the value of an investment.

### *Cybersecurity risk*

With the increased use of technologies such as the internet to conduct business, the Manager and each Fund has become potentially more susceptible to operational and information security risks through breaches in cybersecurity. In general, a breach in cybersecurity can result from either a deliberate attack or an unintentional event. Cybersecurity breaches may involve, among other things, infection by "ransomware" attacks, injection of computer viruses or malicious software code or the use of vulnerabilities in code to gain unauthorized access to digital information systems, networks or devices that are used directly or indirectly by the Fund, the Manager or its service providers through "hacking" or other means. Cybersecurity risks also include the risk of losses of service resulting from external attacks that do not require unauthorized access to the Manager's or a Fund's systems, networks or devices. For example, denial-of-service attacks on the Manager's or an affiliate's website could effectively render a Fund's network services unavailable to the Fund's unitholders and other intended end-users. Any such cybersecurity breaches or losses of service may, among other things, cause the Manager or a Fund to lose proprietary information, suffer data corruption or lose operational capacity or may result in the misappropriation, unauthorized release or other misuse of a Fund's asset or sensitive information (including unitholder personal information or other confidential information), the inability of a Fund's unitholder to transact business, or the destruction of the Manager's or a Fund's physical infrastructure, equipment or operating systems. These, in turn, could cause the Manager or the Funds to violate applicable privacy and other laws and incur or suffer regulatory penalties, reputational damage, additional costs (including compliance costs) associated with corrective measures and/or financial loss. While the Funds and the Manager have established business continuity plans and risk management systems designed to prevent or reduce the impact of cybersecurity attacks, there are inherent limitations in such plans and systems due in part to the ever-changing nature of technology and cybersecurity attack tactics, and there is a possibility that certain risks have not been adequately identified or prepared for.

In addition, cybersecurity failures by or breaches of the Manager's or the Funds' third-party service providers (including, but not limited to, a Fund's derivatives portfolio advisor, investment subadvisor, transfer agent, custodian, administrators and other financial intermediaries) may disrupt the business operations of the service providers and of the Manager or the Fund, potentially resulting in financial losses, the inability of a Fund's unitholders to transact business with the Fund, the inability of a Fund to process transactions, the inability of a Fund to calculate its net asset value, violations of applicable privacy and other laws, rules and regulations, regulatory fines, penalties, reputational damage, reimbursement or other compensatory costs and/or additional compliance costs associated with implementation of any corrective measures. A Fund and its unitholders could be negatively impacted as a result of any such cybersecurity breaches, and a Fund may suffer losses relating to cybersecurity attacks or other informational security breaches affecting the Manager's or the Fund's third-party service providers in the future, particularly as the Manager and the Fund cannot control any cybersecurity plans or systems implemented by such service providers.

Cybersecurity risks may also impact issuers of securities in which a Fund invests, which may cause the Fund's investments in such issuers to lose value.

### *Derivatives risk*

A “derivative” is a type of investment whose value is based on, or derived from, the value or performance of another investment. Examples of derivatives include options, futures, swaps and forward contracts. Derivatives require or allow the holder to purchase or sell assets such as stocks, currencies or commodities at a certain price now or in the future.

Securities legislation set limits on the amount and type of derivative instruments that mutual funds can hold. Generally, this depends on whether the derivative is being used for hedging purposes (to mitigate market or portfolio risk) or for non-hedging purposes (to enhance returns). Derivatives can help a mutual fund achieve its investment objectives; however, they involve certain risks. Here are some of the most common ones:

- Derivatives may be used for hedging purposes so as to protect against or compensate for the portfolio’s investment risks, such as currency fluctuations, stock market volatility or interest rate changes. However, there can be no assurance that a mutual fund’s hedging transactions will be effective. There may be an imperfect correlation between the behaviour of the derivative instrument used for hedging and the investment or currency being hedged. Also, any historical correlation may not be maintained for the period during which the hedge is in place. Moreover, use of derivatives for hedging purposes does not eliminate all of the risks to which these portfolio’s investments may be exposed. For example, hedging against a currency’s devaluation does not eliminate fluctuations in the prices of portfolio securities or prevent losses if the prices of such securities decline. Using derivatives for hedging purposes may also preclude the opportunity for gain if the value of the hedged currency should rise.
- Derivatives may be used for non-hedging purposes. In such a case, derivatives may be used to gain an exposure to or as a substitute for a security, region or sector, to reduce transaction costs or to provide enhanced liquidity. However, there can be no assurance that using derivatives will procure a positive return, and there is the risk that the underlying security or investment on which the derivatives are based, and the derivatives themselves, may not perform the way the managers expect.
- There can be no assurance that a liquid exchange market will exist to permit a mutual fund to realize its profits or limit its losses by closing out derivatives positions. A mutual fund is subject to the credit risk that its counterparty (whether a clearing house in the case of standardized derivatives or another third party in the case of over the counter derivatives) may be unable to meet its obligations. In addition, there is the risk of loss by a mutual fund of margin deposits in the event of the bankruptcy of a dealer with whom the mutual fund has an open derivative instrument.
- The ability of a mutual fund to close out its derivative instruments may also be affected by exchange-imposed daily trading limits. If a mutual fund is unable to close out a derivative position, it will be unable to realize its profits or limit its losses and adversely impact a mutual fund’s ability to use derivative instruments to effectively hedge its portfolio or implement its investment strategy.
- Trading in derivative instruments may be interrupted if trading is halted in a substantial number of stocks or bonds included in the derivative instrument. If this occurred, a mutual fund would not be able to close out its derivative positions, and if restrictions on the exercise of the derivative instrument or performance of the derivative instrument were imposed, a mutual fund might experience losses.

- Some derivatives traded on foreign markets may be harder to trade and have higher credit risk than derivatives traded in North America.
- Gains and losses from derivatives contracts may be reported by a mutual fund for tax purposes on income account or capital account depending upon the nature of the derivative and how it was used in a mutual fund. There can be no assurance that the CRA will agree with the tax treatment adopted by a mutual fund in its tax return. The CRA could reassess a mutual fund on a basis that results in tax being payable by a mutual fund or in an increase in the taxable component of distributions considered to have been paid to securityholders. A reassessment by the CRA may also result in a mutual fund being liable for unremitted withholding tax on prior distributions to non-resident securityholders. Such liability may reduce the net asset value of securities of a mutual fund.

#### *Designated Broker risk*

Only Designated Brokers may engage in creation or redemption transactions directly with the Fund. A Fund has a limited number of institutions that may act as Designated Broker. If Designated Brokers exit the business or are unable to or elect not to engage in creation or redemption transactions, and no other Designated Broker engages in such function, Units may trade at a premium or discount to net asset value and/or at wider intraday bid-ask spreads and possibly face trading halts or delisting. If a purchasing Designated Broker is unable to meet its settlement obligations, the resulting costs and losses will be borne by the Fund.

#### *Emerging markets risk*

An emerging market is a country with an economy that is emerging or developing. We consider these to be all the countries of the world except those listed in the Russell Developed Index, which are currently Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Poland, Portugal, Singapore, South Korea, Spain, Sweden, Switzerland, the United Kingdom and the United States.

Mutual funds that invest in emerging markets are affected by the following risks:

- Many foreign companies and governments do not have the same level of accounting, auditing and financial reporting standards as in Canada and the U.S. and, as a result, there is often less information available about these companies and governments.
- Securities of some companies traded only in foreign countries may be less liquid and more volatile than securities of comparable companies traded in Canada or the U.S.
- Many of the securities markets of the countries in which a mutual fund invests may be subject to greater volatility, due to adverse events or large investors trading significant blocks of securities, than is usual in Canadian and U.S. markets.
- Political or social instability could also affect the value of investments held by the mutual fund or result in the complete loss of such investments.

#### *ETF risk*

Although Securities will be listed on the TSX or another exchange or marketplace, there can be no assurance that an active public market for Securities will develop or be sustained. Trading of Securities on certain marketplaces may be halted by the activation of individual or market-wide “circuit breakers” (which halt

trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). In the case of the TSX, trading of Securities also may be halted if (i) the Securities are delisted from the TSX without first being listed on another exchange; or (ii) TSX officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors. Securities may trade in the market at a premium or discount to their net asset value per security. There can be no assurance that Securities will trade at prices that reflect their net asset value per security. The trading price of Securities will fluctuate in accordance with changes in a Fund's net asset value, as well as market supply and demand on the TSX (or such other exchange or marketplace on which Securities of the Fund may be traded from time to time). However, as Designated Brokers subscribe for and exchange a Prescribed Number of Securities at their net asset value per security, large discounts or premiums to net asset value should not be sustained.

The TSX has conditionally approved the listing application for the Russell Investments Fallen Angels ETF and the Russell Investments Core Plus Fixed Income ETF. Listing of the Securities of the Russell Investments Fallen Angels ETF and the Russell Investments Core Plus Fixed Income ETF is subject to the Russell Investments Fallen Angels ETF and the Russell Investments Core Plus Fixed Income ETF fulfilling all of the requirements of the TSX on or before January 14, 2027.

#### *ETF investment risk*

When a mutual 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 a mutual fund that invests in such an ETF will change with these fluctuations. Some mutual funds have 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*

Mutual funds that invest 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 mutual fund in that country.
- A country may have foreign investment or exchange laws that make it difficult to sell an investment of the mutual fund in that country.
- Portfolio securities that trade on foreign exchanges may trade on days that the mutual fund does not offer or redeem its units or shares. There is a risk that such trading may significantly increase or decrease the value of the mutual fund when an investor is not able to purchase or redeem units or shares of the mutual fund.

As a result, mutual funds that specialize in foreign investments may experience larger and more frequent price changes in the short term.

#### *Interest rate risk*

The value of units or shares of a mutual fund that invests in fixed income securities is affected by the level of interest rates in Canada and elsewhere. Generally, the value of fixed income securities will vary inversely

in relation to a change in interest rates. As interest rates rise, the value of fixed income securities falls, and vice versa. Long-term bonds, due to their longer terms to maturity, usually are more sensitive to changes in interest rates than shorter-term bonds.

#### *Large investor risk*

Units or shares of a mutual 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 or shares of the mutual fund at one time. The purchase or redemption of a substantial number of units or shares of a mutual fund may require the mutual fund to change the composition of its portfolio significantly or may force the mutual fund to purchase or sell investments at unfavourable prices, which can affect the mutual fund's trading costs, performance, and trading expense ratio and may increase realized capital gains of the mutual fund.

#### *Large inflows/outflows risk*

Large inflows or outflows relative to a Fund's size may cause unexpected performance impacts that may affect the success of the fund achieving its investment objective.

As an investor in other mutual funds, a Fund may have a delay between subscriptions or redemptions to itself and when those subscriptions are placed with the underlying fund holdings. The investment manager has no ability to avoid this delay so it is possible that if a large inflow/outflow relative to the fund's size occurs there may be a brief delay between purchasing or selling the underlying units that may result in either too much or too little market exposure relative to the desired investment target. During this brief period, markets may move adverse to the Fund's actual economic exposure.

#### *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 a mutual fund can usually be sold promptly at a fair price and therefore can be described as relatively liquid. However, a mutual 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. A mutual fund that has difficulty selling a security 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 a mutual fund's value.

#### *Multi-series risk*

A mutual fund that offers multiple series of units or shares has an additional risk. Expenses are tracked for the mutual 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 mutual fund. As a result, the unit or share price of the other series would drop by its share of the excess expenses. In addition, taxable income is calculated for the mutual fund as a whole, which may cause expenses of one series of the mutual fund to be effectively used by another series of the mutual fund.

### *Securities lending risk*

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

### *Short sales*

A "short sale" is where a mutual fund borrows 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 mutual fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the mutual fund pays interest to the lender. 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 mutual fund and make a profit for the mutual fund, and securities sold short may instead appreciate in value.
- The mutual 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 mutual fund has borrowed securities may go bankrupt and the mutual fund may lose the collateral it has deposited with the lender.

### *Tax Risk*

There is no assurance that Canadian federal or provincial tax laws, foreign tax laws or the administrative policies or assessing practices of the Canada Revenue Agency respecting the treatment of mutual funds will not be changed in a manner that adversely affects the Funds or Securityholders.

### *Trading price of Securities risk*

Securities may trade in the market at a premium or a discount to the net asset value per Unit. There can be no assurance that Securities will trade at prices that reflect their net asset value per Unit. The trading price of the Securities will fluctuate in accordance with changes in the Fund's net asset value, as well as market supply and demand on the TSX.

## **INVESTMENT RESTRICTIONS**

We manage the Funds according to the requirements of Canadian securities legislation. The Funds are subject to certain restrictions and practices contained in this legislation, including National Instrument 81-102. These restrictions and practices are designed in part to ensure that the investments we make for the Funds are diversified and relatively liquid, and to ensure that the Funds are properly managed. For more information, refer to the securities legislation of your province or territory or consult your lawyer. We have received approval from Canadian securities regulatory authorities to deviate from some of these restrictions.

Both Funds have received an exemption from 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.

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

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

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

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

1. the futures commission merchant is a member of a clearing corporation, and, as a result, subject to a regulatory audit;
2. the futures commission merchant has a net worth, determined from its most recent audited financial statements that have been made public, in excess of \$50 million; and
3. the amount of margin deposited and maintained with the futures commission merchant does not, when aggregated with the amount of margin already held by the futures commission merchant, exceed 10% of the net asset value of the Fund as at the time of deposit.

Each Fund has received an exemption from National Instrument 81-102 which permits each of those Funds to hold, in excess of the illiquid asset restrictions, fixed income securities that qualify for, and may be traded pursuant to the exemption from the registration requirements of the U.S. Securities Act of 1933, as amended (the “US Securities Act”), as set out in Rule 144A of the US Securities Act for resales of certain fixed income securities to “qualified institutional buyers” (as defined in the US Securities Act), or those fixed income securities that qualify for, and may be traded pursuant to the exemption from the registration

requirements of the US Securities Act as set out in Rule 904 of Regulation S (Rule 904) of the US Securities Act for resales of certain fixed income securities to non-U.S. persons. Any investment in reliance on this exemption is required to comply with conditions, which provide that the Fund's must be readily able to resell such securities to eligible purchasers without being subject to any holding period, and that such securities are traded through market facilities on which public quotations in common use are widely available at an amount that at least approximates the amount at which such securities are value in calculating the net asset value of the Fund.

Each Fund has received permission from its Independent Review Committee to engage in inter-fund trades of securities with other Funds, provided that each such trade meets the requirements set out in National Instrument 81-107 applicable to such trades.

Each Fund intends to qualify continuously as a mutual fund trust under the Tax Act and will restrict its undertaking to the investing of its funds in property (other than real property or an interest therein).

## **DESCRIPTION OF SECURITIES OFFERED BY THE FUNDS**

### *Distribution rights*

The distribution policy of each 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 Part I of the Tax Act on such amounts. When a Fund pays a distribution to holders of units of a particular series, you are entitled to your proportionate amount of that distribution based on the number of units of that series of the Fund you hold.

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 dividends and distributions to purchase additional Securities of the same series of the Fund. See "Distribution Policy – All Funds" for additional details on the distribution policy of the Funds.

### *Liquidation rights*

For each unit of any series you hold of a Fund, you are entitled to your share of the net assets of that series of the Fund, if the Fund (or a particular series of the Fund) is ever terminated. If this happens, each unit you own will share equally, with each other unit of the same series, the net assets of the Fund allocated to that series (or those allocated to the series of units being terminated) that remain after all the Fund's liabilities have been paid.

### *Voting rights*

Units of the Funds do not have the right to vote except as required by Canadian securities legislation. For each unit of any series you hold of a Fund, you are entitled to one vote at any meeting of all unitholders of the Fund and any meeting held only for unitholders of that series.

## **Attributes common to all Securities**

### *Voting rights*

Pursuant to current Canadian securities legislation, the approval of Securityholders of a Fund is required for:

- A change to the fundamental investment objective of the Fund
- A decrease to the frequency of calculation of the net asset value per Security of the Fund
- The introduction of, or any change to, the basis of the calculation of any fee or expense that is charged to the Fund, or directly to you by the Fund or us in connection with the holding of Securities of the Fund, in a way that could result in an increase in charges to the Fund or to you, unless certain conditions are met
- Certain material reorganizations of the Fund, except as described in this Simplified Prospectus or unless exempted by the Canadian securities regulators
- A change in the manager of the Fund to an entity that is not an affiliate of the current manager

In some cases, only Securityholders of a particular series will vote on a matter stated above and, in other cases, all Securityholders of the Fund will vote on such matter.

#### *Redemption rights*

At the option of the Securityholder, all series of Securities of each Fund are redeemable by the Securityholder at the net asset value per Security of the relevant series by following the procedures described in this Simplified Prospectus.

At the option of the Fund, Securities of a Fund held by a particular Securityholder may be redeemed by the Fund at the net asset value per Security of the relevant series in the following circumstances:

- If the aggregate value of the Securityholder's holdings of the Fund falls below the amount specified from time to time in this Simplified Prospectus
- To pay any outstanding fees or expenses owed by the Securityholder in accordance with this Simplified Prospectus
- If the Securityholder fails to meet the eligibility requirements for the Securities of the particular series of the Fund, or otherwise fails to meet the criteria for investment in the Fund or series that are specified by us from time to time
- If authorized to do so by applicable securities law or securities regulators
- If the holding of Securities by such Securityholder may have an adverse effect on other Securityholders of the Fund.

### **NAME, FORMATION AND HISTORY OF THE MUTUAL FUND**

Russell Investments Canada Limited is a wholly owned subsidiary of Russell Investments Group, Ltd. and was established in 1985. Russell Investments was founded in 1936 and has its headquarters in Seattle, Washington.

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 had more than \$513 billion CAD in assets under management (as of September 30, 2025). As a consultant, Russell Investments has more than \$1.31 trillion CAD in assets under advisement (as of June 30, 2025). It has four decades of experience researching and selecting investment managers from around the world. Russell Investments has offices in Amsterdam, Auckland, Dubai, Dublin, London, Milan, Milwaukee, Mumbai, New York, Paris, Seattle, Seoul, Shanghai, Sydney, Tokyo and Toronto.

Each Fund has its head office at First Canadian Place, 100 King Street West, Suite 5715, Toronto, Ontario M5X 1E4.

Each Fund is an investment trust created under the laws of the Province of Ontario and is governed by an amended and restated declaration of trust dated January 28, 2026. Each Fund is an open-end mutual fund trust, which means that the Fund can offer an unlimited number of units to investors.

## INVESTMENT RISK CLASSIFICATION METHODOLOGY

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 state 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 assign a volatility risk rating to each Fund. The methodology used to determine the volatility risk rating of each Fund for purposes of disclosure in this prospectus 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. For any Fund that is new, or for a Fund that has less than 10 years of performance history, we calculate the investment risk level of these Funds using an index (a "Similar Index") that reasonably approximates or, for a newly established Fund, that is reasonably expected to approximate, the standard deviation of the Fund. If the Fund has less than 10 years of performance history but there is another mutual fund with 10 years of performance history that is managed by us and that is highly similar to the Fund (a "Similar Fund"), we calculate the investment risk level using the return history of the Similar Fund rather than that of a Similar Index. For Funds that have 10 years of performance history, the methodology will calculate the standard deviation of the Fund using the return history of the Fund rather than that of a Similar Index.

You should be aware that other types of risk, both measurable and non-measurable, also exist. Standard deviation is a statistical measure used to estimate the dispersion of a set of data around the average value of the data. In the context of investment returns, it measures the amount of variability of returns that has

historically occurred relative to the average return. The higher the standard deviation, the greater the variability of returns it has experienced in the past.

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

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

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

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

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

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

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

The following chart sets out a description of the Similar Index used for each Fund that has less than 10 years of performance history or that has changed its fundamental investment objective within the last 10 years:

| <b>Similar Index</b>                                      | <b>Description of Index</b>   |
|---|---|
| Bloomberg Canada Aggregate                                | Bloomberg Canadian Aggregate is a market capitalization weighted index consisting of a broadly diversified range of investment grade federal, provincial, municipal and corporate bonds.  |
| Bloomberg US High Yield 2% Issuer Capped Index CAD Hedged | Bloomberg US High Yield 2% Issuer Capped CAD Hedged measures the USD-denominated, high yield, fixed-rate corporate bond market. The index follows the same rules as the uncapped version, but limits the exposure of each issuer to 2% of the total market value and redistributes any excess market value indexwide on a pro rata basis. |

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

- Calling Russell Investments Canada Limited  
toll free at 1-888-509-1792
- Sending us an email at: [canada@russellinvestments.com](mailto:canada@russellinvestments.com)

- Writing to us at the following address: Russell Investments Canada Limited  
First Canadian Place  
100 King Street West, Suite 5715  
Toronto, ON M5X 1E4  
Attention: Director, Client Services

## INFORMATION APPLICABLE TO ONE OR MORE FUNDS

### The Russell Investments Investment Process

#### *Investment styles*

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

Certain funds invest in real assets, by that we mean asset classes that are directly or indirectly linked to physical assets, or to assets that the investment manager of the Fund believes have a tendency to maintain their real (after inflation) value over time. Certain funds also seek absolute returns, by that we are referring to a strategy that focuses on attempting to achieve positive performance over a market cycle regardless of whether equity and bond market performance trends are positive or negative.

We generally attempt to reduce the risk relating to any one investment style by using a combination of investment styles. The styles we use in the Funds may include any of the styles described below. To the extent that the Funds that invest in Underlying Funds do not directly use any of these styles, they indirectly use these styles through their investments in the Underlying Funds.

- **Interest Rate Management:** This investment style focuses on management of the Fund's duration and yield curve exposures versus its benchmark. *Duration* is the weighted average term-to-maturity of all cash flows from a bond. It takes into account a bond's coupon rate and yield-to-maturity and is a more precise measure of a bond's sensitivity to interest rate changes than the simple term-to-maturity. The *yield curve* refers to a series of interest rates plotted against their term to maturity. In a normal interest rate environment, a bond's interest rate increases with the length of its term to maturity.
- **Sector Selection:** This strategy focuses on investing in sectors of the bond market deemed to have attractive risk/reward characteristics. Examples include Government of Canada bonds, provincial bonds and corporate bonds.
- **Security Selection:** This style focuses on selecting suitable individual securities to best achieve the specific objective of the Fund.
- **Global Management:** This style tactically invests in bonds from non-Canadian issuers. This is done when there are attractive opportunities relative to opportunities in the Canadian market. For the Funds, this strategy will normally hedge most or all of the foreign currency exposure of foreign bonds into Canadian dollars.
- **Currency Management:** This style separates the management of currency risk from the security selection decisions. It differs from Global Management in that, rather than solely hedging the

foreign currency exposure from foreign bonds back into Canadian dollars, this style normally attempts to add value by strategically taking advantage of investment opportunities in the currency market.

- **ESG Consideration:** All of the Funds may consider environmental, social and governance (ESG) factors of a company as part of the process of evaluating the financial results and prospects of the company since inadequate ESG practices can be a risk to the future financial performance of the company. This is called ESG consideration, and it is a general process we apply to all the Funds that is not specific to any particular Fund. ESG consideration is not given greater weight than other factors we evaluate of a company, though if the financial risk to a company from its ESG practices is high enough, it could be a reason why the Fund does not invest in that company. Unless specifically noted in the Fund's specific information later in this Simplified Prospectus, the Fund does not consider ESG factors for achieving non-financial results, nor are ESG factors used as a principal investment strategy of the Fund.

While a Fund cannot change its investment objectives without the approval of its shareholders or unitholders, a Fund may change its investment styles and investment strategies at any time without advance notice. In addition, each 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 each Fund are generally disclosed on the Russell Investments designated website, at [www.russellinvestments.com/ca](http://www.russellinvestments.com/ca), approximately sixty (60) days after the end of each calendar quarter. The top 10 holdings of each Fund may also be disclosed on the Russell Investments' designated 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 Funds to institutional investors invested in those Funds, 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 Funds or their other investors. When we provide this information to an institutional investor, we require that the institutional investor enter into an agreement with us that restricts their use of this information to non-trading purposes that are in accordance with applicable laws.

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

#### *Sub-adviser selection*

Another impact on risk and return is the ability of the sub-adviser to a Fund.

We may use one or more sub-advisers to manage each 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 discretionary sub-adviser has complete discretion to purchase and sell portfolio securities for its segment of a Fund. At the same time, however, each discretionary sub-adviser must operate within each 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 discretionary sub-adviser based on our assessment of the sub-adviser's expertise and investment style. By assigning more specific constraints to each discretionary 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 discretionary sub-advisers on an ongoing basis, we do not direct the individual security selections of any discretionary sub-adviser. Non-discretionary sub-advisers do not have any discretion to purchase and sell portfolio securities for its segment of a Fund. Non-discretionary sub-advisers provide model portfolios which are implemented by Russell Investments Implementation Services, LLC. See "Enhanced Portfolio Implementation" for more information. We may hire or terminate sub-advisers at any time.

Each discretionary sub-adviser makes most of the decisions relating to the purchasing and selling of securities for the Funds; however, there are times in which we may be directing the purchasing or selling of securities for the Funds. For example, if a discretionary 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 discretionary sub-advisers to facilitate contributions or redemptions to or from the Funds. We may become involved in the trading of a security whose weight approaches 10% of a Fund so that we can ensure that the Fund remains in compliance with regulatory restrictions.

RIIS acts as a sub-adviser from time to time to the Funds in connection with each Fund's use of derivatives, assisting us with the transition of a 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 each Fund 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.

RIM acts as a sub-adviser from time to time to the Funds in connection with portfolio management services, including those Funds' investments in fixed income or money market securities. RIM may also act as sub-adviser to each 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.

## **Use of derivatives**

Each 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. Please see the section relating to each Fund for more information on how the Fund expects to use derivatives.

When a 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. For example, the Fund may hedge foreign exchange rates for a series offered in other than Canadian dollars in order to protect currency movements between the other currency and the Canadian dollars in which the Fund's assets are valued.

A 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.

Each Fund also must hold a certain amount of cash to meet redemption requests. However, holding cash can make it difficult for a 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, a Fund can enter into a futures contract linked to the Government of Canada 10 year bond, which provides a return similar to the return which would be achieved if the Fund purchased the Government of Canada 10 year bond itself, but purchasing the futures contract is faster and less expensive than directly purchasing the bond. This is called "cash bondization".

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

Certain Funds have received an exemption from National Instrument 81-102 that 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) cash cover (as defined in National Instrument 81-102), (b) 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, or (c) a combination of (a) and (b), and
- when the Fund has a right to receive payments under an interest rate swap, (a) cash cover (as defined in National Instrument 81-102), (b) 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, or (c) a combination of (a) and (b).

Please see the section relating to each Fund for a description of which Funds have received the exemptive relief described above.

### **Use of short sales**

Each Fund may engage in a limited amount of short selling. A short sale by a 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 a 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, a Fund has more opportunities for gains when markets are generally volatile or declining.

Each 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 a 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
- A 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 a Fund to purchase long positions other than cash cover

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

Short selling will be used by a Fund only as a complement to the Fund’s primary investment strategies. In addition, a Fund that invests in underlying funds may be indirectly exposed to short selling if the underlying funds in which they invest short sell.

### **Use of securities lending**

Certain Funds may enter into securities lending transactions to generate additional income from securities held in that 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, a Fund will loan securities it holds in its portfolio to a borrower in exchange for a fee.

A 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, a 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
- A 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 a Fund's assets may be loaned in such transactions
- The value of the securities and collateral will be monitored daily
- A 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 ninety (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

Please see the section relating to each Fund for more information on which Funds enter into securities lending transactions and how the Funds expect to engage in securities lending.

### **Cleared Swaps**

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

- entering into a swap contract even if, at the time of the transaction (i) the swap contract does not have a designated rating; or (ii) the equivalent debt of the counterparty, or of a person that has fully and unconditionally guaranteed the obligations of the counterparty in respect of the swap contract, does not have a designated rating;

- the mark-to-market value of the exposure of a Fund under its cleared swaps positions with any one counterparty may exceed 10% of the net asset value of the Fund;
- the portfolio assets of the Fund may be held under the custodianship of more than one custodian so that each Fund can deposit cash and other portfolio assets directly with a futures commission merchant and indirectly with a clearing corporation as margin.

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

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

- (1) the futures commission merchant is a member of a clearing corporation, and, as a result, subject to a regulatory audit;
- (2) the futures commission merchant has a net worth, determined from its most recent audited financial statements that have been made public, in excess of \$50 million; and
- (3) the amount of margin deposited and maintained with the futures commission merchant does not, when aggregated with the amount of margin already held by the futures commission merchant, exceed 10% of the net asset value of the Fund as at the time of deposit.

### **Fund-on-Fund Investments**

In each case, the decision to invest a Fund 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.

### **Distribution policy**

The distribution policy of each 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 Part I of the Tax Act on such amounts. The timing and frequency of such distributions varies between Funds. We may elect to make more frequent distributions subject to each Fund's declaration of trust. Please see the section relating to each Fund for more information on the distribution policy of each Fund.

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

In December of each year, the Fund will pay or make payable to its unitholders sufficient net income and net realized capital gains so that the Fund will not be liable for Part I income tax under the Tax Act on such amounts. If the amount paid or made payable to unitholders in December is more than the amount

distributed to them through monthly distributions during the year, this will result in a greater distribution in December on such series of units. If the amount paid or made payable to unitholders in December is less than the amount distributed to them through monthly distributions during the year, then the difference will be a return of capital. Alternatively, the Manager may characterize one or more monthly distributions as a return of capital. In those circumstances, the amount by which the Fund's net income and net realized capital gains for the year exceed its monthly distributions that year not characterized as a return of capital will be made payable to its unitholders in December of that year.

Certain Funds offer one or more series where the Fund expects to make monthly distributions attributable to such series. Please see the section relating to each Fund for a description of which Funds offer such monthly distributions.

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. We may change the frequency of distribution from time to time.

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 dividends and distributions to purchase additional Securities 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 dividends and distributions to purchase additional Securities of the same series of the Fund.

Distributions in respect of Securities of the relevant Funds are made in cash. However, the Manager has adopted a Distribution Reinvestment Plan with respect to the Securities, which provides that a Plan Participant may elect to use the cash distributions paid on Securities to acquire Plan Securities in the market, which are then credited to the account of the Plan Participant through CDS. Please see "Optional services – Securities Distribution Reinvestment Plan" for a description of the key terms of the Distribution Reinvestment Plan. For Securities, distributions are paid in cash. If you are enrolled in a Distribution Reinvestment Plan, your cash distributions are used to acquire Securities and are credited to the account of the Plan Participant through CDS pursuant to the Distribution Reinvestment Plan. To the extent that the Fund has not otherwise distributed a sufficient amount of its net income or net realized capital gains, a distribution will be paid to the unitholders at the end of the year and that distribution will be automatically reinvested in additional Securities. Immediately following such reinvestment, the number of Securities outstanding will be consolidated so that the net asset value per ETF Unit following the distribution and reinvestment is the same as it would have been if the distribution had not been paid.

You may request that all dividends and distributions paid by a 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 dividend and distribution dates falling at least fifteen (15) days after we receive the request. If you subscribe for Securities during the period from one Business Day before a distribution record date to that distribution record date, you will not be entitled to receive the applicable distribution in respect of those Securities.

For information about how dividends and distributions can affect your taxes, see "Income Tax Considerations".

**RUSSELL INVESTMENTS FALLEN ANGELS ETF**

**Fund details**

|                                  |  |
|----------------------------------|--|
| Type of fund                     | High yield fixed income                                      |
| 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 total return by gaining exposure primarily to higher yielding corporate fixed income securities.

**Investment strategies**

This Fund invests primarily in fixed income securities to execute a strategy that focusses on buying Fallen Angels. Fallen Angels are corporate fixed income securities that were issued with an investment grade rating but have, at some point been downgraded to sub-investment grade. The strategy may employ quantitative models to select securities from the universe of Fallen Angels.

The Fund intends to primarily invest in Fallen Angels denominated in U.S. Dollars; however, it is the intention of the fund to hedge foreign currency exposure back to Canadian Dollars, through the use of currency forwards and futures.

Although the Fund usually invests in fixed income securities with credit ratings of BB+ or lower (as determined by S&P, Moody’s, Fitch or DBRS Morningstar), it will also invest a portion of its assets in higher investment grade rated securities should holdings be upgraded by credit rating agencies.

The Fund has received an exemption from the Canadian securities regulators which permits the Fund to use certain additional types of securities to cover certain specified derivative positions. See “Information Applicable to One of More Funds – Use of derivatives” for additional information on how derivatives may be used by this Fund.

The Fund also may use forward contracts with respect to its Canadian cash in order to gain exposure to foreign currency. This is done by entering into various forward contracts to effectively convert the Canadian cash into the currencies of the countries in which the Fund invests.

We may change the Fund’s investment strategies at our discretion, at any time.

**What are the risks of investing in the Fund?**

The main investment risks for this Fund are:

- Concentration risk
- Credit risk
- Cybersecurity risk
- Currency risk
- Derivatives risk
- Designated broker risk

## Russell Investments Fallen Angels ETF

- Emerging markets risk
- ETF risk
- Foreign investment risk
- Interest rate risk
- Large inflows/outflows risk
- Large investor risk
- Liquidity risk
- Tax risk
- Trading price of Securities risk

For information on these risks as well as 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?”.

The Fund uses the Bloomberg US High Yield 2% Issuer Capped Index CAD Hedged as its Similar Index for determining its risk rating.

### **Distribution policy**

We pay distributions from net income and net realized capital gains to all unitholders monthly. Monthly distributions on these series will be in amounts we estimate to be approximately 1/12 of the Fund’s net income for the year.

**RUSSELL INVESTMENTS CORE PLUS FIXED INCOME ETF**

**Fund details**

|                                  |  |
|----------------------------------|--|
| Type of fund                     | Global fixed income  |
| 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 objective is to provide income primarily through exposure to Canadian and foreign fixed income investments.

**Investment strategies**

To achieve its objective, the Fund invests primarily 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 Underlying Funds or change the weighting of the Underlying Funds at any time without notice. The Fund is predominantly invested in investment grade fixed income investments. As part of obtaining exposure to Canadian and foreign fixed income investments, the Fund aims to maintain a maximum of 25% of its net assets in exposure to high yield bonds.

The Fund generally intends to hedge foreign currency exposure; however, it is possible for Underlying Funds to have some small exposures to foreign currencies.

The fund’s investments in Underlying Funds may use derivatives from time to time for hedging and non-hedging purposes. Derivatives may be used to hedge against changes in the value of the Fund’s investments caused by changes to the exchange rates between the Canadian dollar and other currencies. The Fund has received an exemption from the Canadian securities regulators which permits the Fund to use certain additional types of securities to cover certain specified derivative positions. See “Information Applicable to One of More Funds – Use of derivatives” for additional information on how derivatives may be used by this Fund.

We may change the Fund’s investment strategies at our discretion, at any time.

**What are the risks of investing in the Fund?**

The main investment risks for this Fund are:

- Concentration risk
- Credit risk
- Currency risk
- Cybersecurity risk
- Derivatives risk
- Designated broker risk
- Emerging markets risk
- ETF risk
- ETF investment risk

## Russell Investments Core Plus Fixed Income ETF

- Foreign investment risk
- Interest rate risk
- Large inflows/outflows risk
- Large investor risk
- Liquidity risk
- Multi-series risk
- Securities lending risk
- Tax risk
- Trading price of securities risk

For information on these risks as well as 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?”.

The Fund uses a blended index composed of the Bloomberg Canada Aggregate (80%) and Bloomberg US High Yield 2% Issuer Capped Index CAD Hedged (20%) as its Similar Index for determining its risk rating.

### **Distribution policy**

We pay distributions from net income and net realized capital gains to all unitholders monthly. Monthly distributions on these series will be in amounts we estimate to be approximately 1/12 of the Fund’s net income for the year.

## **Russell Investments Funds**

Additional information about the Funds is available in the Fund's Fund Facts, ETF 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](mailto: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  
First Canadian Place  
100 King Street West, Suite 5715  
Toronto, ON M5X 1E4

Attention: Director, Client Services

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

- on our designated website at [www.russellinvestments.com/ca](http://www.russellinvestments.com/ca)
- at [www.sedarplus.ca](http://www.sedarplus.ca)

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