

If you are in any doubt about the contents of this Prospectus you should consult your stockbroker, bank manager, solicitor, accountant or other financial advisor. The Directors of the Company whose names appear on page 5 accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information and the Directors accept responsibility accordingly.

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**RUSSELL INVESTMENT COMPANY II**

**PUBLIC LIMITED COMPANY**

constituted as an investment company with variable capital

incorporated under the laws of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended

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**P R O S P E C T U S**

For

**G E R M A N Y**

an umbrella fund with segregated liability between sub-funds comprising

**RUSSELL INVESTMENTS GLOBAL BOND (EURO HEDGED) FUND\***

**RUSSELL INVESTMENTS PAN EUROPEAN EQUITY FUND**

**RUSSELL INVESTMENTS EURO FIXED INCOME FUND**

**RUSSELL INVESTMENTS U.S. QUANT FUND**

**RUSSELL INVESTMENTS U.S. GROWTH FUND\***

**RUSSELL INVESTMENTS U.S. VALUE FUND\***

**RUSSELL INVESTMENTS WORLD EQUITY FUND**

**RUSSELL INVESTMENTS U.K. EQUITY PLUS FUND\***

**RUSSELL INVESTMENTS EMERGING MARKETS EXTENDED OPPORTUNITIES FUND\***

**RUSSELL INVESTMENTS EMERGING MARKET DEBT LOCAL CURRENCY FUND**

**RUSSELL INVESTMENTS GLOBAL DEFENSIVE EQUITY FUND\***

**RUSSELL INVESTMENTS CHINA EQUITY FUND**

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7 June 2024

**Distribution of this document is not authorised unless it is accompanied by a copy of the latest annual report of the Company and, if published thereafter, the latest half-yearly report of the Company. Such reports will form part of this Prospectus.**

\*These Funds are closed and are no longer available for investment. Accordingly, the Company intends to apply to the Central Bank to revoke the Funds' approval and shall seek approval from the Central Bank to remove the references to the Funds on this page of the Prospectus following approval of the revocation applications.

## **THIS DOCUMENT IS IMPORTANT**

*If you are in any doubt about the contents of this Prospectus you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.*

*Certain terms used in this Prospectus are defined in Schedule IV.*

***It should be appreciated that the value of the Shares and the income from them may go down as well as up and accordingly an investor may not get back the full amount invested.***

### **Sales Charges**

***Investors may be required to pay a Sales Charge on subscriptions in certain Classes of Shares. The difference at any one time between the subscription and repurchase price of Shares in Classes on which a Sales Charge is applied means that the investment should be viewed as medium to long term.***

*The distribution of this Prospectus and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or any accompanying application form in any such jurisdiction may treat this Prospectus or such application form as constituting an invitation to them to subscribe for Shares, nor should they in any event use any such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Accordingly, this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares pursuant to this Prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying and as to any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.*

*The Company is an investment undertaking as defined in Section 739B(1) of the Taxes Consolidation Act 1997, as amended (the "TCA").*

### **MiFID II Product Governance Rules – UCITS as non-complex financial instruments**

*Article 25 of MiFID II sets out requirements in relation to the assessment of suitability and appropriateness of financial instruments for clients. Article 25(4) contains rules relating to the selling of financial instruments by a MiFID-authorised firm to clients in an execution only manner. Provided the financial instruments are comprised from the list contained in Article 25(4)(a) (referred to broadly as non-complex financial instruments for these purposes), a MiFID-authorised firm selling the instruments will not be required to also conduct what is referred to as an "appropriateness test" on its clients. An appropriateness test would involve requesting information on the client's knowledge and experience on the type of investment offered and, on this basis, assessing whether the investment is appropriate for the client. If the financial instruments fall outside the list contained in Article 25(4)(a) (i.e. are categorised as complex financial instruments), the MiFID-authorised firm selling the instruments will be required to also conduct an appropriateness test on its clients.*

*UCITS (other than structured UCITS) are specifically referenced in the list in Article 25(4)(a). Accordingly, each Fund is deemed to be a non-complex financial instrument for these purposes.*

### **Japan**

*In Japan Shares may be offered to certain qualified institutional investors ("QIIs" as defined under Japanese law and regulations) by way of a private placement exemption pursuant to Article 2, Paragraph 3, Item 2(a) of the Financial Instruments and Exchange Law of Japan (the "FIE") with a condition that the purchaser shall enter into a transfer agreement with a covenant that he shall not transfer the Shares to non-QIIs. No filing of a securities registration statement has been made pursuant to Article 4, Paragraph 1 of the FIE.*

### **Dubai**

*This Prospectus relates to a fund which is not subject to any form of regulation or approval by the Dubai Financial Services Authority ("DFSA"). The DFSA has no responsibility for reviewing or verifying any Prospectus or other documents in connection with this fund. Accordingly, the DFSA has not approved this Prospectus or any other associated documents nor taken any steps to verify the information set out in this Prospectus, and has no responsibility for it. The Shares to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the*

Shares. If you do not understand the contents of this document you should consult an authorised financial adviser.

The Prospectus is intended for distribution only to Professional Clients as defined in the DFSA Rulebook and must not, therefore, be delivered to, or relied on by, a retail client. The Shares to which the Prospectus relates are not directed to retail clients.

***This document has been issued by Russell Investments Limited (DIFC Branch) is a Dubai International Financial Centre company which is regulated by the Dubai Financial Services Authority at: Office 4, Level 1, Gate Village Building 3, DIFC, PO Box 506591, Dubai UAE. Telephone +971 4 578 7097. This material should only be marketed towards Professional Clients as defined by the DFSA.***

#### United States of America

**THE SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE U.S., AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED TO OR FOR THE ACCOUNT OF A U.S. PERSON. THE FUNDS ARE AVAILABLE ONLY TO INVESTORS WHO ARE NOT "U.S. PERSONS". AS DEFINED HEREIN, A U.S. PERSON INCLUDES U.S. CITIZENS, RESIDENTS AND ENTITIES. THIS PROSPECTUS MAY NOT BE DELIVERED IN THE U.S., ITS TERRITORIES OR POSSESSIONS TO ANY PROSPECTIVE INVESTOR. NO PERSON (WHETHER OR NOT A U.S. PERSON) MAY ORIGINATE A PURCHASE ORDER FOR SHARES FROM WITHIN THE U.S.**

#### United Kingdom

The Company has been granted the status of a **"recognised scheme"** by the Financial Conduct Authority (**"FCA"**) in the UK for the purposes of s264 of the Financial Services and Markets Act 2000 (as amended) (**"FSMA"**). Russell Investments Limited whose registered office is at Rex House, 10 Regent Street, London SW1Y 4PE (the **"UK Facilities Agent"**) has been appointed as the Company's facilities agent in the UK to provide the facilities required under the rules and guidance of the FCA (the **"FCA Rules"**) to be maintained in the UK for a recognised scheme. Russell Investments Limited is authorised by the FCA to conduct investment business in the UK.

Accordingly facilities are maintained at the offices of the UK Facilities Agent:

- (a) for any person to inspect and obtain (free of charge) copies of the memorandum of association and Articles (and of any amendments), the latest version of this Prospectus, any key investor information document and the latest annual and half-yearly reports of the Company during normal business hours on any weekday (UK public holidays excepted);
- (b) for any person to obtain information about the price of Shares in any Fund and for any Shareholder to arrange for redemption of his Shares and obtain payment; and
- (c) at which any person, who has a complaint to make about the operation of the Company, may submit a complaint for transmission to the Manager.

Notwithstanding that the Company is a recognised scheme, to the extent that this Prospectus is made available in the UK by any person who is not an **"Authorised Person"** (as defined in FSMA):

(i) it will only be communicated or caused to be communicated to persons falling within a relevant exemption contained in the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, (**"FPO"**) to whom this Prospectus may lawfully be communicated or caused to be communicated (**"Exempt Persons"**). Exempt Persons includes but, in accordance with the FPO, is not limited to: (a) persons who have professional experience in matters relating to investments falling within Article 19(5) of the FPO; or (b) high net worth entities, and other persons to whom this material may otherwise lawfully be communicated, falling within Article 49(1) of the FPO. Any person who is not an Exempt Person should not act or rely on this material or any of its contents. In these circumstances, be aware that for your purposes, the content has not been approved by an Authorised Person for the purposes of s21 FSMA; and

(ii) neither this Prospectus nor the Shares will be available to persons in the UK who are not Exempt Persons and no one in the UK who is not an Exempt Person is entitled to rely on, and they must not act on, any information in this Prospectus. Any communication from within the UK other than by an Authorised Person to any person in the UK not falling within a relevant exemption contained in the FPO, is unauthorised and is likely to contravene FSMA.

*Notwithstanding that the Company is a recognised scheme, to the extent that this Prospectus is made available in the UK by Russell Investments Limited (who is an Authorised Person) or another Authorised Person:*

*(i) the restrictions in the FPO on communicating this Prospectus do not apply; and*

*(ii) this Prospectus has been approved for the purpose of Section 21 of FSMA by Russell Investments Limited, but solely for such purpose.*

*Notwithstanding that the Company is a recognised scheme, to the extent that this Prospectus is made available in the UK by a distributor other than Russell Investments Limited (for the purpose of this paragraph only, the "distributor"), this Prospectus may be made available to retail clients and approved for that purpose under Section 21 of FSMA by the distributor. Russell Investments Limited accepts no responsibility for the distribution of this Prospectus to retail clients.*

*Some or all of the protections provided by the FCA's regulatory system in the UK do not apply to investments in the Company or a Fund and compensation under the UK's Financial Services Compensation Scheme may not be available.*

*The contents of the Prospectus are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person.*

*Any individual who is in any doubt about the investment to which this Prospectus relates should consult an Authorised Person specialising in advising on investments of this kind.*

*Applicants will be required to declare whether they are an Irish Resident and/or a U.S. Person.*

*The Company will not be registered under the U.S. Investment Company Act of 1940 and the Shares will not be registered under the U.S. Securities Act. Accordingly, the Shares may not be purchased by or for the account of a U.S. Person.*

*Key Information Document/Key Investor Information Document:*

*Shares are offered only on the basis of the information contained in the current KIDs/KIIDS (as applicable) and Prospectus and, as appropriate, the latest audited annual accounts and any subsequent half-yearly report. Any further information or representation given or made by any dealer, salesman or other person should be disregarded and, accordingly, should not be relied upon.*

*Each Class that is available for subscription will have a KID/KIID issued in accordance with the Central Bank Rules. Prospective investors should consider the KID/KIID for the relevant Class prior to subscribing for Shares in that Class in order to assist them in making an informed investment decision. While some Classes are described in the Prospectus, these Classes may not currently be offered for subscription. Prospective investors should contact the distributors directly to determine whether the relevant Class is available for subscription.*

*Where a KIID is provided, a Fund must calculate and disclose in the relevant KIID a Synthetic Risk and Reward Indicator ("SRRI") in accordance with the methodology prescribed in the European Securities and Markets Authority's ("ESMA") Guidelines on the Methodology for the Calculation of the SRRI. The SRRI will correspond to a number designed to rank the relevant Fund over a scale from 1 to 7, according to its increasing level of volatility/risk-reward profile. The historic performance of each Fund is set out in the relevant KIID.*

*Where a KID is provided, a Fund must calculate and disclose in the relevant KID a summary risk indicator (or "SRI") in accordance with the requirements of the PRIIPs Regulation. The SRI will correspond to a number designed to rank the relevant Fund over a scale of 1 to 7, according to the level of volatility/risk-reward profile. The SRRI and SRI differ in calculation methodology with the SRI taking into account, amongst other factors, credit risk. Accordingly, a Fund may be assigned a different SRRI to the SRI assigned under the PRIIPs Regulation.*

*Because the Prospectus and KID/KIID may be updated from time to time, investors should make sure they have the most recent versions.*

*Statements made in this Prospectus are based on the law and practice currently in force in Ireland and are subject to changes therein. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall, under any circumstances, constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date of this Prospectus. Statements made in this Prospectus are based on the law and practice currently in force in Ireland and are subject to changes therein.*

*This Prospectus may be translated into other languages provided that it is a direct translation of the English version. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English text shall prevail. All disputes as to the terms thereof, regardless of the language version, shall be governed by, and construed in accordance with, the law of Ireland.*

*This Prospectus should be read in its entirety before making an application for Shares.*

## **RUSSELL INVESTMENT COMPANY II PUBLIC LIMITED COMPANY**

### **Board of Directors of the Company**

Mr. William Roberts (Chairman)  
Mr. David Shubotham  
Mr. Neil Jenkins  
Mr. Tom Murray  
Mr. Peter Gonella  
Mr. William Pearce

### **Board of Directors of the Manager**

Neil Clifford  
Teddy Otto  
Sarah Murphy  
Elizabeth Beazley  
Christophe Douche  
Jackie O'Connor  
Aleda Anderson

### **Registered Office**

78 Sir John Rogerson's Quay,  
Dublin,  
D02 RK57  
Ireland.

### **Company Secretary**

MFD Secretaries Limited,  
32 Molesworth Street,  
Dublin 2,  
Ireland.

### **Manager**

Carne Global Fund Managers (Ireland)  
Limited,  
3<sup>rd</sup> Floor  
55 Charlemont Place  
Dublin 2,  
Ireland.

### **Auditors**

PricewaterhouseCoopers,  
Chartered Accountants,  
One Spencer Dock, North Wall Quay,  
Dublin 1,  
Ireland.

### **Depository**

State Street Custodial Services (Ireland)  
Limited,  
78 Sir John Rogerson's Quay,  
Dublin,  
D02 RK57  
Ireland.

### **Principal Money Manager and Distributor**

Russell Investments Limited,  
Rex House,  
10 Regent Street, St James's  
London SW1Y 4PE,  
England.

### **Administrator**

State Street Fund Services (Ireland) Limited,  
78 Sir John Rogerson's Quay,  
Dublin,  
D02 RK57  
Ireland.

### **Promoter**

Russell Investments Limited  
Rex House,  
10 Regent Street, St James's  
London SW1Y 4PE,  
England.

### **Legal Advisers**

Maples and Calder (Ireland) LLP,  
75 St Stephens Green,  
Dublin 2,  
Ireland.

## **INDEX**

<b>THE COMPANY</b>	<b>9</b>
Introduction	9
<b>THE FUNDS</b>	<b>10</b>
Investment Objectives and Policies	10
Russell Investments Emerging Market Debt Local Currency Fund	12
Russell Investments Euro Fixed Income Fund	15
Russell Investments Pan European Equity Fund	17
Russell Investments U.S. Quant Fund	20
Russell Investments World Equity Fund	22
<i>Russell Investments China Equity Fund</i>	25
Borrowings	27
Investment Techniques and Financial Derivative Instruments	27
Securities Financing Transactions .	28
General.	33
<b>ADMINISTRATION OF THE FUNDS</b>	<b>36</b>
Determination of the Net Asset Value	36
Subscription Price	37
Applications for Shares	37
Repurchases of Shares	39
Mandatory Repurchase of Shares and Forfeiture of Distributions	40
Dilution Adjustment	40
Transfers of Shares	41
Certificates	41
Distribution Policy	41
Publication of the Price of the Shares	42
Temporary Suspension of Valuation and of Issues and Repurchases of Shares	42
Conversion of Shares	43
<b>MANAGEMENT AND ADMINISTRATION</b>	<b>44</b>
Directors and Secretary	44
The Secretary	45
The Manager	46
The Principal Money Manager and Distributor	48
The Administrator	48
The Depositary	49
Facilities Agents / Paying Agents / Representatives / Distributors	50
PRC Sub-Custodian	50
Conflicts of Interest	<b>Error! Bookmark not defined.</b>

<b>FEES AND EXPENSES</b>	<b>53</b>
General.	53
Fees and Expenses	54
<b>IRISH TAXATION</b>	<b>59</b>
Taxation of the Company	59
Exempt Irish Resident Shareholders	Error! Bookmark not defined.
Taxation of Non-Irish Resident Shareholders	Error! Bookmark not defined.
Taxation of Irish Resident Shareholders	Error! Bookmark not defined.
Overseas Dividends	Error! Bookmark not defined.
Stamp Duty	Error! Bookmark not defined.
Automatic Exchange of Information	63
FATCA Implementations in Ireland	63
Residence	Error! Bookmark not defined.
Individual Investors	65
Trust Investors	65
Corporate Investors	65
<b>Disposal of Shares and Irish Capital Acquisitions Tax</b>	<b>Error! Bookmark not defined.</b>
PRC Tax Considerations	Error! Bookmark not defined.
<b>GENERAL</b>	Error! Bookmark not defined.
The Share Capital	Error! Bookmark not defined.
The Funds and Segregation of Liability	Error! Bookmark not defined.
Meetings and Votes of Shareholders	71
Reports .	71
Termination of Funds	72
Total Repurchase	72
Miscellaneous	73
Cross Border Distribution of Funds	74
Supply and Inspection of Documents	74
The Managers' Policies	74
<b>SCHEDULE I The Regulated Markets</b>	<b>77</b>
<b>SCHEDULE II Characteristics of Classes of Shares by Fund</b>	<b>79</b>
<b>SCHEDULE III Material Contracts</b>	<b>83</b>
<b>SCHEDULE IV Definitions</b>	<b>86</b>
<b>SCHEDULE V Investment Restrictions</b>	<b>96</b>
Investment Restrictions	96
<b>SCHEDULE VI Risk Factors</b>	<b>101</b>
<b>RISK FACTORS</b>	<b>101</b>



<b>SCHEDULE VII Sub-Custodian List</b>	<b>124</b>
<b>SCHEDULE VIII SFDR Annex</b>	<b>127</b>
<b>ADDITIONAL INFORMATION FOR INVESTORS IN GERMANY</b>	<b>144</b>

## THE COMPANY

### Introduction

The Company is an investment company with variable capital organised under the laws of Ireland as a public limited company pursuant to the Companies Acts 2014 and the Regulations. It was incorporated on 1 November 2000 under registration number 334632 and was authorised by the Central Bank on 8 November 2000.

The memorandum of association of the Company provides that the Company's sole object is the collective investment in Transferable Securities and/or other liquid financial assets referred to in Regulation 68 of the Regulations of capital raised from the public and which operates on the principle of risk spreading.

The Company has been approved by the Central Bank as a UCITS within the meaning of the Regulations. Authorisation by the Central Bank is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of the Prospectus. **The authorisation of the Company shall not constitute a warranty as to performance of the Company and the Central Bank shall not be liable for the performance or default of the Company.**

The Company is organised in the form of an umbrella fund with segregated liability between Funds. The Articles of Association provide that each Fund may be comprised of one or more Classes of Shares in the Company. Furthermore, the Company may offer separate Classes of Shares each representing interests in a Fund comprised of a distinct portfolio of investments. These Classes are distinguished principally on the basis of either the fees and/or the charges to the relevant Class (see the section entitled "**Fees and Expenses**" for a complete list of all fees charged); the distribution policy relating to the relevant Class (see the section entitled "**Distribution Policy**"); on the basis of Class Currency (see Schedule II for a list of the Class Currency of each Class); and/or on the basis of voting rights. The Net Asset Value per Share for one Class will differ from the other Classes, reflecting these differing fee levels or Class Currency and in some cases due to the initial subscription price per Share differing from the Net Asset Value per Share of Classes already in issue.

Additional Classes may be created by the Directors and notified to and cleared in advance with the Central Bank or otherwise the creation of the further Classes must be effected in accordance with requirements of the Central Bank. Separate books and records will be maintained for each Fund but not for each Class.

This Prospectus relates to Russell Investments Emerging Market Debt Local Currency Fund, Russell Investments Euro Fixed Income Fund, Russell Investments Pan European Equity Fund, Russell Investments U.S. Quant Fund, Russell Investments World Equity Fund and Russell Investments China Equity Fund.

## THE FUNDS

### Investment Objectives and Policies

The assets of each Fund will be invested separately in accordance with the investment objectives and policies of the Fund. The specific investment objective and policies of each Fund will be set out in the relevant sub-fund specific information which follows, and will be formulated by the Directors in consultation with the Manager at the time of creation of the relevant Fund.

The investment objective of a Fund may not be altered, and material changes to the investment policy of a Fund may not be made, without prior approval of Shareholders on the basis of: (i) a majority of votes cast at a meeting of the Shareholders of the particular Fund duly convened and held; or (ii) with the prior written approval of all Shareholders of the relevant Fund. In the event of a change of the investment objective and/or a material change in the investment policy of a Fund, by way of a majority of votes cast at a meeting of the relevant Shareholders, Shareholders in the relevant Fund will be given reasonable notice of such change to enable them to request the repurchase of their Shares prior to implementation of the change.

There can be no assurance that a Fund will achieve its investment objectives.

### Investment Restrictions

Each of the Funds' investments will be limited to investments permitted by the Regulations. The limits on investments shall apply at the time of the purchase of the investments. If the limits referred to in Schedule V are exceeded for reasons beyond the control of the Manager (or its duly appointed delegate), or as a result of the exercise of subscription rights, the Manager shall ensure that the Company will adopt as a priority objective for its sales transactions the remedying of that situation taking due account of the interests of Shareholders. Each Fund is also subject to the relevant investment policies stated above and in the case of a conflict between such policies and the Regulations the more restrictive limitation shall apply.

In addition to the investment restrictions noted in the investment policy for each Fund, the Funds may seek to exclude companies or issuers involved in the manufacture of tobacco or controversial weapons. These exclusions may not be exhaustive and may be subject to change at the Company's discretion. Information on the exclusions in place for each Fund can be obtained from the Principal Money Manager upon request.

If the Regulations are altered during the term of a Fund, the investment restrictions may be changed to take account of any such alterations and Shareholders will be advised of such changes in the next succeeding annual or half-yearly report of the Company.

With the exception of permitted investment in unlisted investments and over-the-counter FDI, investments by a Fund will be restricted to securities and FDIs listed or traded on Regulated Markets as set out in Schedule I.

Accordingly, each Fund may invest up to 10% of its Net Asset Value in unlisted securities/securities listed on markets other than those set out in Schedule I provided this is consistent with its investment objective.

Unless specifically otherwise stated in a Fund's investment objectives and policies, no Fund may invest more than 10% of its net assets in aggregate in units or shares of UCITS eligible collective investment schemes and exchange traded funds ("**ETFs**"). The Funds shall only invest in AIFs that satisfy the conditions applied from time to time by the Central Bank.

### Profile of a typical investor

The following table sets out the suitability of each of the Funds for investors, by stating (i) what type of return the investor should seek to achieve by investing in each Fund (ii) over what time period the investor should invest in each Fund for and (iii) the level of volatility an investor should be prepared to accept and (iv) the classification of each Fund in respect of SFDR. Funds which are classified as Article 8 will be Funds which promote environmental and/or social characteristics within the meaning of Article 8 of SFDR. Please refer to the relevant SFDR Annex at Schedule VIII of the Prospectus for full details on how these characteristics (including how they are measured and achieved). Funds which are described as "Article 6" do not have a sustainable investment objective and do not promote any environmental and/or social characteristics within the meaning of Article 8 of SFDR.

Fund:	Suitable for investors seeking:		Over a time horizon of:	Level of volatility:	SFDR Classification
	Growth	Income			
Russell Investments Emerging Market Debt Local Currency Fund	✓	✓	5 to 7 years	Moderate high -	Article 6
Russell Investments Euro Fixed Income Fund	✓	✓	3 to 5 years	Moderate	Article 6
Russell Investments Pan European Equity Fund	✓	-	5 to 7 years	Moderate high -	Article 8
Russell Investments U.S. Quant Fund	✓	-	5 to 7 years	High	Article 6
Russell Investments World Equity Fund	✓	-	5 to 7 years	High	Article 8
Russell Investments China Equity Fund	✓	-	5 to 7 years	High	Article 6

## ***Russell Investments Emerging Market Debt Local Currency Fund***

### **Investment Objective**

The Russell Investments Emerging Market Debt Local Currency Fund's investment objective is to provide income and capital growth.

### **Investment Policy and Strategy**

The Russell Investments Emerging Market Debt Local Currency Fund will invest more than 20% of its total assets in Emerging Markets. Accordingly, an investment in the Russell Investments Emerging Market Debt Local Currency Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Please refer to the risk factors set out in the section titled "Risk Factors".

During normal market conditions the Russell Investments Emerging Market Debt Local Currency Fund will seek to achieve its investment objective by investing at least 80% of its net assets in Fixed Income Securities and Instruments that are issued by or economically tied to an Emerging Market country and FDIs that create or hedge relevant exposures as set out below.

A security or instrument is economically tied to an Emerging Market country if the issuer or guarantor has its headquarters or registered office in an Emerging Market country or exercises a preponderant part of its economic activity in Emerging Markets or if the currency of settlement is that of an Emerging Market country.

The primary types of Fixed Income Securities and Instruments that the Russell Investments Emerging Market Debt Local Currency Fund may invest in may be fixed or floating rate and may be government and sovereign debt securities, supranational debt securities, corporate debt securities and structured notes.

The Russell Investments Emerging Market Debt Local Currency Fund will be exposed to the currencies of Emerging Market countries through the purchase of Fixed Income Securities and Instruments that are settled in the currencies of Emerging Market countries and as a result of the use of currency derivatives (as described below). The Russell Investments Emerging Market Debt Local Currency Fund may also establish positions in developed market currencies such as the US Dollar. These currency exposures will be actively managed meaning that the Russell Investments Emerging Market Debt Local Currency Fund's exposures will be increased or decreased from time to time, depending on the outlook for the respective currency.

In addition to investments in Fixed Income Securities and Instruments, up to 20% of the Russell Investments Emerging Market Debt Local Currency Fund's net assets may be invested in Emerging Market linked convertible bonds.

The Russell Investments Emerging Market Debt Local Currency Fund will not be restricted by credit quality measured by rating agencies or maturity when making investment decisions. Therefore no minimum credit rating or maximum maturity will apply to the investments of the Russell Investments Emerging Market Debt Local Currency Fund, which may be rated investment grade or below investment grade as determined by Standard & Poor's.

The Russell Investments Emerging Market Debt Local Currency Fund may employ investment techniques and FDIs for efficient portfolio management and/or investment purposes as described in the section "Investment Techniques and Financial Derivative Instruments". At any time the Russell Investments Emerging Market Debt Local Currency Fund may hold a combination of derivative instruments such as futures, forward contracts, options, swaps and swaptions, forward foreign exchange contracts and credit derivatives, any of which may be listed or over-the-counter. The Russell Investments Emerging Market Debt Local Currency Fund may use any of the above derivatives in order to hedge certain exposures or to gain certain exposures including exposures to currencies, interest rates, instruments, markets, reference rates or indices, provided that the Russell Investments Emerging Market Debt Local Currency Fund may not have an indirect exposure to an instrument, issuer or currency to which it cannot have a direct exposure. Such exposures may lead to economic benefits for the Russell Investments Emerging Market Debt Local Currency Fund when a currency, interest rate, instrument, market, reference rate or index appreciates in value or, in certain cases, depreciates in value. In particular, it is expected that the Russell Investments Emerging Market Debt Local Currency Fund will use: (i) forward foreign exchange contracts to gain exposure to certain currencies or to hedge exposures to certain currencies that have arisen due to investment in Emerging Market Fixed Income Securities and Instruments; and (ii) interest rate swaps and futures to gain exposure to changes in relevant interest rates or to hedge against changes in relevant interest rates. The expected effect of the use of these instruments will be to enhance returns and/or reduce inherent risks relating to the currencies and interest rates affecting the

instruments in which the Russell Investments Emerging Market Debt Local Currency Fund is invested. Details of the expected level of exposure arising from the use of such instruments are set out below.

The Russell Investments Emerging Market Debt Local Currency Fund may also invest up to 10% of its net assets in each of the following types of assets respectively: Short-Term Instruments, unlisted securities including units or shares in unregulated collective investment schemes, other regulated collective investment schemes that meet the criteria set out in the Central Bank Regulations and Equities or Equity-Related Instruments listed on Regulated Markets worldwide.

#### How Indexes are used by the Fund

The Russell Investments Emerging Market Debt Local Currency Fund is actively managed with reference to the JP Morgan GBI-EM Global Diversified Index (the "**JPM GBI-EM GD Index**").

The Principal Money Manager (or its duly appointed delegate) has full discretion to select investments for the Russell Investments Emerging Market Debt Local Currency Fund and in doing so may take into consideration the JPM GBI-EM GD Index but the Russell Investments Emerging Market Debt Local Currency Fund is not constrained by it. The Principal Money Manager (or its duly appointed delegate) may manage a portion of the Russell Investments Emerging Market Debt Local Currency Fund with reference to an index which is not the JPM GBI-EM GD Index. Any such index(es) used by the Principal Money Manager (or its duly appointed delegate) will be relevant to the strategy for which they are appointed and may be used as the basis for portfolio constraints (in terms of focus, as further described below) or for performance measurement purposes.

Any use of such an index(es) will not result in a constraint on the overall portfolio of the Russell Investments Emerging Market Debt Local Currency Fund (i.e. the Russell Investments Emerging Market Debt Local Currency Fund will continue to be managed on a fully discretionary basis and in accordance with the investment objective). The purpose of using such index(es) is to deliver a more focused strategy by the Principal Money Manager (or its duly appointed delegate) in terms of style, geographical or sector focus for the purposes of delivering on the overall objective of the Russell Investments Emerging Market Debt Local Currency Fund. Details of any such indices are available from the Manager upon request and will be published in the audited financial statements of the Company.

The Russell Investments Emerging Market Debt Local Currency Fund references the JPM GBI-EM GD Index for performance measurement purposes (this may include measurement of net returns and various other portfolio management and risk management metrics). The Russell Investments Emerging Market Debt Local Currency Fund seeks to outperform the JPM GBI-EM GD Index by 1.00% over the medium to long term.

#### Risk Measurement

In order to protect Shareholders' interests, the Russell Investments Emerging Market Debt Local Currency Fund will use VaR as a risk measurement technique to accurately measure, monitor and manage risks. The Russell Investments Emerging Market Debt Local Currency Fund will use the absolute VaR approach to measure the maximum potential loss due to market risk at a given confidence level over a specified time period under prevailing market conditions. The VaR of the Russell Investments Emerging Market Debt Local Currency Fund calculated daily shall not exceed 3.16% of the Net Asset Value of the Russell Investments Emerging Market Debt Local Currency Fund, based on a 1 day holding period and a "one-tailed" 95% confidence interval using a historical observation period of at least 1 year.

The Russell Investments Emerging Market Debt Local Currency Fund will monitor its use of FDIs. The level of exposure is expected to be 130% of the Russell Investments Emerging Market Debt Local Currency Fund's Net Asset Value at any point in time. It is possible that this could increase, for example during abnormal market conditions and at times when there is low volatility. The expected level of exposure figure is calculated based on the sum of the absolute value of notionals of the derivatives used, in accordance with the requirements of the Central Bank. This figure does not take into account any netting and hedging arrangements that the Russell Investments Emerging Market Debt Local Currency Fund has in place at any time even though these netting and hedging arrangements are used for risk reduction purposes and is therefore not a risk-adjusted method of measuring exposure which means this figure is higher than it otherwise would be if such netting and hedging arrangements were taken into account. As these netting and hedging arrangements, if taken into account, may reduce the level of exposure, this calculation may not provide an accurate measure of the Russell Investments Emerging Market Debt Local Currency Fund's actual level of exposure. There are limitations in using VaR as a statistical measure of risk because it does not directly limit the level of exposure in the Russell Investments Emerging Market Debt Local Currency Fund and only describes the risk of loss in prevailing market conditions and would not capture future significant changes in volatility.

### Exposure Monitoring

It is anticipated that the Russell Investments Emerging Market Debt Local Currency Fund will have approximately 160% long exposure and 70% short exposure. Short exposure will only be gained through the use of FDIs. It is possible that the Russell Investments Emerging Market Debt Local Currency Fund may be subject to higher exposure levels from time to time. The anticipated range of long and short exposure is calculated on a gross basis using notional values with no deductions for netting and no deductions for hedging.

### SFDR Classification

The Russell Investments Emerging Market Debt Local Currency Fund does not have as its objective sustainable investment nor does it promote environmental and/or social characteristics.

### Taxonomy Regulation

The investments underlying the Russell Investments Emerging Market Debt Local Currency Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## ***Russell Investments Euro Fixed Income Fund***

### **Investment Objective**

Russell Investments Euro Fixed Income Fund's investment objective is to provide income and capital growth by investing primarily in Euro denominated transferable debt instruments which include, but are not limited to, municipal and government bonds, agency debt (being that issued by local authorities or public international bodies of which one or more States is a member), mortgage related debt and corporate debt that are listed, traded or dealt in on a Regulated Market in the OECD and which may have fixed or floating interest rates.

### **Investment Policy and Strategy**

At least two-thirds of the assets of the Russell Investments Euro Fixed Income Fund will be invested in transferable debt instruments. No more than one third of the assets of the Russell Investments Euro Fixed Income Fund will be invested in money market instruments including, but not limited to, T-bills, certificates of deposit, commercial paper, banker's acceptances and letters of credit, whose maturity or interest rate reset period does not exceed 397 days. The Russell Investments Euro Fixed Income Fund will not purchase equity securities but may hold them if they are acquired through a restructuring of a company's debt instruments that are already held by the Russell Investments Euro Fixed Income Fund.

Investors should note that the Russell Investments Euro Fixed Income Fund may also invest in transferable debt instruments with non-investment grade ratings or in unrated instruments which are deemed to be of comparable quality. The Russell Investments Euro Fixed Income Fund will not invest more than 30% of its assets in non-investment grade instruments.

Russell Investments Euro Fixed Income Fund will be allowed to take positions in currencies other than Euro through the use of techniques described in the section "Investment Techniques and Financial Derivative Instruments". Russell Investments Euro Fixed Income Fund's currency exposure to the Euro will range between 75 and 125% of the Russell Investments Euro Fixed Income Fund's net assets, leveraging through investment in FDIs.

Russell Investments Euro Fixed Income Fund may employ investment techniques and FDIs for efficient portfolio management and/or investment purposes as described in the section "Investment Techniques and Financial Derivative Instruments". At any time the Russell Investments Euro Fixed Income Fund may hold a combination of derivative instruments such as futures, forward contracts, options, swaps and swaptions, forward foreign exchange contracts, caps, floors and credit derivatives, any of which may be listed or over-the-counter. The Russell Investments Euro Fixed Income Fund may use any of the above derivatives to (i) hedge an exposure, (ii) gain a positive or negative exposure to an underlying market, asset, reference rate or index, provided that the Russell Investments Euro Fixed Income Fund may not have an indirect exposure to an instrument, issuer or currency to which it cannot have a direct exposure.

The Directors have authorised the issuance of the Classes of Shares set out in Schedule II.

### **How Indexes are used by the Fund**

The Russell Investments Euro Fixed Income Fund is actively managed with reference to the FTSE Euro Broad Investment-Grade Bond Index (the "**FTSE EuroBig Index**").

The Principal Money Manager (or its duly appointed delegate) has full discretion to select investments for the Russell Investments Euro Fixed Income Fund and in doing so may take into consideration the FTSE EuroBig Index but the Russell Investments Euro Fixed Income Fund is not constrained by it. The Principal Money Manager (or its duly appointed delegate) may manage a portion of the Russell Investments Euro Fixed Income Fund with reference to an index which is not the FTSE EuroBig Index. Any such index(es) used by the Principal Money Manager (or its duly appointed delegate) will be relevant to the strategy for which they are appointed and may be used as the basis for portfolio constraints (in terms of focus, as further described below) or for performance measurement purposes.

Any use of such an index(es) will not result in a constraint on the overall portfolio of the Russell Investments Euro Fixed Income Fund (i.e. the Russell Investments Euro Fixed Income Fund will continue to be managed on a fully discretionary basis and in accordance with the investment objective). The purpose of using such index(es) is to deliver a more focused strategy by the Principal Money Manager (or its duly appointed delegate) in terms of style, geographical or sector focus for the purposes of delivering on the overall objective of the Russell Investments Euro Fixed Income Fund. Details of any such indices are available from the Manager upon request and will be published in the audited financial statements of the Company.



The Russell Investments Euro Fixed Income Fund references the FTSE EuroBig Index for performance measurement purposes (this may include measurement of net returns and various other portfolio management and risk management metrics). The Russell Investments Euro Fixed Income Fund seeks to outperform the FTSE EuroBig Index by 0.50% over the medium to long term.

#### Risk Measurement

In order to protect Shareholders' interests, the Russell Investments Euro Fixed Income Fund will use VaR as a risk measurement technique to measure, monitor and manage risks. The Russell Investments Euro Fixed Income Fund will use the absolute VaR approach to measure the maximum potential loss due to market risk at a given confidence level over a specified time period under prevailing market conditions. The VaR of the Russell Investments Euro Fixed Income Fund shall not exceed 3.16% of the Net Asset Value of the Russell Investments Euro Fixed Income Fund, based on a 1 day holding period and a "one-tailed" 95% confidence interval using a historical observation period of at least 1 year.

The Russell Investments Euro Fixed Income Fund will monitor its use of FDIs. The level of exposure (calculated based on the sum of the absolute value of notionals of the derivatives used, in accordance with the requirements of the Central Bank) is expected to be 255% of the Russell Investments Euro Fixed Income Fund's Net Asset Value. It is possible that this could increase, for example, during abnormal market conditions and at times when there is low volatility. The expected level of exposure figure is calculated based on the sum of the absolute value of notionals of the derivatives used, in accordance with the requirements of the Central Bank. This figure does not take into account any netting and hedging arrangements that the Russell Investments Euro Fixed Income Fund has in place at any time even though these netting and hedging arrangements are used for risk reduction purposes and is therefore not a risk-adjusted method of measuring exposure which means this figure can be higher than it otherwise would be if such netting and hedging arrangements were taken into account. As these netting and hedging arrangements, if taken into account, may reduce the level of exposure, this calculation may not provide an accurate measure of the Russell Investments Euro Fixed Income Fund's actual level of exposure. In addition there are limitations in using VaR as a statistical measure of risk because it does not directly limit the level of exposure in the Russell Investments Euro Fixed Income Fund and only describes the risk of loss in prevailing market conditions and would not capture future significant changes in volatility.

#### Exposure Monitoring

It is anticipated that the Russell Investments Euro Fixed Income Fund will have approximately 160% long exposure and 95% short exposure. Short exposure will only be gained through the use of FDIs. It is possible that the Russell Investments Euro Fixed Income Fund may be subject to higher exposure levels from time to time. The anticipated range of long and short exposure is calculated on a gross basis using notional values with no deductions for netting and no deductions for hedging.

#### SFDR Classification

The Russell Investments Euro Fixed Income Fund does not have as its objective sustainable investment nor does it promote environmental and/or social characteristics.

#### Taxonomy Regulation

The investments underlying the Russell Investments Euro Fixed Income Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## ***Russell Investments Pan European Equity Fund***

### **Investment Objective**

Russell Investments Pan European Equity Fund will seek to achieve capital appreciation by investing principally in equity securities listed on Regulated Markets in Europe, with a focus on reducing the carbon exposure of the Russell Investments Pan European Equity Fund relative to the MSCI Europe Index (EUR) - Net Returns (the "**MSCI Europe Index**").

### **Investment Policy and Strategy**

Russell Investments Pan European Equity Fund may also invest in new issues for which application for listing on a Regulated Market in Europe will be sought. Russell Investments Pan European Equity Fund may hold such securities listed or traded on Regulated Markets worldwide of companies that are not incorporated, listed or traded in Europe but which receive the majority of their total revenue from European countries. Russell Investments Pan European Equity Fund will not be concentrating on any specific industry sector but will pursue a policy of active stock selection and active country allocation on the Regulated Markets in which it invests.

Following the selection of the equity securities, the Principal Money Manager will apply a binding

Decarbonisation Overlay Strategy (as detailed further in the SFDR Annex at Schedule VIII) to adjust the portfolio of the Russell Investments Pan European Equity Fund so that it will always have no less than a 20% lower aggregate Carbon Footprint (as defined in the SFDR Annex at Schedule VIII) compared to the MSCI Europe Index. Investors should be aware that the application of the Decarbonisation Overlay Strategy will not necessarily result in a 20% reduction in the aggregate Carbon Footprint of the Russell Investments Pan European Equity Fund's portfolio as against the aggregate Carbon Footprint of the Russell Investments Pan European Equity Fund's portfolio prior to the application of the Decarbonisation Overlay Strategy (for these purposes, the latter will be referred to as the "Investable Universe"). The reason for this is that the 20% carbon reduction target is made in reference to the aggregate Carbon Footprint of the MSCI Europe Index and not the Russell Investments Pan European Equity Fund's Investable Universe. The application of the Decarbonisation Overlay Strategy will nevertheless always result in a reduction in the aggregate Carbon Footprint of the Russell Investments Pan European Equity Fund as compared to Investable Universe. Non-financial analysis will be undertaken on at least 90% of the Russell Investments Pan European Equity Fund's assets.

For efficient portfolio management purposes, the Russell Investments Pan European Equity Fund may engage in currency hedging transactions to hedge against exchange rate risk. Russell Investments Pan European Equity Fund will carry out spot foreign exchange transactions to meet its investment requirements.

Russell Investments Pan European Equity Fund may employ investment techniques and FDIs for efficient portfolio management and/or investment purposes as described in the section "Investment Techniques and Financial Derivative Instruments". Futures contracts will be used to hedge against market risk or gain exposure to an underlying market. Forward contracts will be used to hedge or gain exposure to an increase in the value of an asset, currency, commodity or deposit. Options will be used to hedge or achieve exposure to a particular market instead of using a physical security. Swaps (including swaptions) will be used to achieve profit as well as to hedge existing long positions. Forward foreign exchange transactions will be used to reduce the risk of adverse market changes in exchange rates or to increase exposure to foreign currencies or to shift exposure to foreign currency fluctuations from one country to another. Caps and floors will be used to hedge against interest rate movements exceeding given minimum or maximum levels. Credit derivatives will be used to isolate and transfer the exposure to or transfer the credit risk associated with a reference asset or index of reference assets.

The Directors have authorised the issuance of the Classes of Shares set out in Schedule II.

The Russell Investments Pan European Equity Fund invests at least 70% of its net assets in equity securities as defined by German Tax Law.

### **How Indexes are used by the Fund**

The Russell Investments Pan European Equity Fund is actively managed with reference to the MSCI Europe Index. The MSCI Europe Index is a broad market index which does not focus on the reduction of carbon exposure or improve ESG characteristics.

The Principal Money Manager (or its duly appointed delegate) has full discretion to select investments for the Russell Investments Pan European Equity Fund and in doing so may take into consideration the MSCI Europe Index but the Russell Investments Pan European Equity Fund is not constrained by it. The Principal Money

Manager (or its duly appointed delegate) may appoint one or more Investment Advisers who have expertise in, for example, a particular geographical area, style, sector and/or asset class. The Principal Money Manager may consider the views of such Investment Advisers regarding the selection of securities or instruments when managing portions of the Russell Investments Pan European Equity Fund.

In each case, the Principal Money Manager (or its duly appointed delegate) may evaluate the views of an Investment Adviser with reference to an index which is not the MSCI Europe Index, but is considered appropriate for the investment strategy in which the Investment Adviser has expertise. Any such index may be used by the Principal Money Manager (or its duly appointed delegate) for the purpose of oversight of the Investment Adviser and/or as the basis for constraints given to the Investment Adviser(s). It may also be used for performance measurement purposes for a particular portion of the Russell Investments Pan European Equity Fund.

Any use of such an index(es) will not result in a constraint on the overall portfolio of the Russell Investments Pan European Equity Fund (i.e. the Russell Investments Pan European Equity Fund will continue to be managed on a fully discretionary basis and in accordance with the investment objective). The purpose of using such index(es) is to deliver a more focused strategy by the Principal Money Manager (or its duly appointed delegate) in terms of style, geographical or sector focus for the purposes of delivering on the overall objective of the Russell Investments Pan European Equity Fund. Details of any such indices are available from the Manager upon request and will be published in the audited financial statements of the Company.

The Russell Investments Pan European Equity Fund references the MSCI Europe Index for performance measurement purposes (this may include measurement of net returns and various other portfolio management and risk management metrics).

The Russell Investments Pan European Equity Fund seeks to outperform the MSCI Europe Index by 1.75% over the medium to long term.

Further details regarding the MSCI Europe Index (including its constituents, composition and methodology) are available at the following link: <https://www.msci.com/developed-markets>.

#### Risk Measurement

In order to protect Shareholders' interests, the Russell Investments Pan European Equity Fund will use VaR as a risk measurement technique to measure, monitor and manage risks. The Russell Investments Pan European Equity Fund will use the relative VaR approach to measure the maximum potential loss due to market risk at a given confidence level over a specified time period under prevailing market conditions. The risk of loss of the Russell Investments Pan European Equity Fund will be monitored and calculated daily to ensure that the VaR of the Russell Investments Pan European Equity Fund shall not exceed twice that of the VaR of the reference portfolio based on a 1 day holding period and a "one-tailed" 95% confidence interval using a historical observation period of at least 1 year. The reference portfolio is the MSCI Europe Index (EUR) - Net Returns Index which has a risk profile similar to that of the Russell Investments Pan European Equity Fund.

The Russell Investments Pan European Equity Fund will monitor its use of FDIs. The level of exposure (calculated based on the sum of the absolute value of notionals of the derivatives used, in accordance with the requirements of the Central Bank) is expected to be 110% of the Russell Investments Pan European Equity Fund's Net Asset Value. It is possible that this could increase, for example, during abnormal market conditions and at times when there is low volatility. The expected level of exposure figure is calculated based on the sum of the absolute value of notionals of the derivatives used, in accordance with the requirements of the Central Bank. This figure does not take into account any netting and hedging arrangements that the Russell Investments Pan European Equity Fund has in place at any time even though these netting and hedging arrangements are used for risk reduction purposes and is therefore not a risk-adjusted method of measuring exposure which means this figure can be higher than it otherwise would be if such netting and hedging arrangements were taken into account. As these netting and hedging arrangements, if taken into account, may reduce the level of exposure, this calculation may not provide an accurate measure of the Russell Investments Pan European Equity Fund's actual level of exposure. In addition there are limitations in using VaR as a statistical measure of risk because it does not directly limit the level of exposure in the Russell Investments Pan European Equity Fund and only describes the risk of loss in prevailing market conditions and would not capture future significant changes in volatility.

### Exposure Monitoring

It is anticipated that the Russell Investments Pan European Equity Fund will have approximately 105% long exposure and 5% short exposure. Short exposure will only be gained through the use of FDIs. It is possible that the Russell Investments Pan European Equity Fund may be subject to higher exposure levels from time to time. The anticipated range of long and short exposure is calculated on a gross basis using notional values with no deductions for netting and no deductions for hedging.

### SFDR Classification

The Russell Investments Pan European Equity Fund promotes environmental characteristics within the meaning of Article 8 of SFDR.

**Please see the SFDR Annex at Schedule VIII to this Prospectus** for full details on these characteristics (including how they are measured and achieved).

## ***Russell Investments U.S. Quant Fund***

**The Net Asset Value of the Russell Investments U.S. Quant Fund is likely to have a high volatility.**

### **Investment Objective**

Russell Investments U.S. Quant Fund will seek to achieve capital appreciation by investing primarily in U.S. equity securities, including common stock, American depositary receipts, global depositary receipts, convertibles and warrants listed, traded or dealt in on a Regulated Market in the U.S.

### **Investment Policy and Strategy**

The Russell Investments U.S. Quant Fund will seek to achieve its investment objective by investing in derivative instruments that have as their underlying exposure the foregoing (e.g. swaps) and may implement bought (long) and synthetic short (sold) positions through the use of derivatives. Russell Investments U.S. Quant Fund may invest in new issues for which application for listing on a Regulated Market will be sought. Russell Investments U.S. Quant Fund may also hold such securities listed or traded on Regulated Markets worldwide of companies that are not incorporated, listed or traded in the U.S. but which receive the majority of their total revenue from the U.S. At all times, at least two-thirds of the Russell Investments U.S. Quant Fund's net assets will be invested in the foregoing instruments of issuers domiciled in the U.S. Russell Investments U.S. Quant Fund will be highly diversified and, therefore, will not be concentrating on any specific industry sectors but will pursue a policy of active stock selection in the markets, with an emphasis on quantitative methods of security selection and/or portfolio construction. These methods employ investment models incorporating mathematical formulae based on statistical analysis.

Russell Investments U.S. Quant Fund will seek to be fully invested at all times with ancillary liquid assets kept to a minimum. Russell Investments U.S. Quant Fund may employ investment techniques and FDIs for efficient portfolio management and/or investment purposes as described in the section "Investment Techniques and Financial Derivative Instruments". Russell Investments U.S. Quant Fund proposes to ensure that cash and liquidity balances will be equitised using futures contracts or such other derivative instruments which are deemed appropriate by the Principal Money Manager. Futures contracts will be used to hedge against market risk or gain exposure to an underlying market. Forward contracts will be used to hedge or gain exposure to an increase in the value of an asset, currency, commodity or deposit. Options will be used to hedge or achieve exposure to a particular market instead of using a physical security. Swaps (including swaptions) will be used to achieve profit as well as to hedge existing long positions. Forward foreign exchange transactions will be used to reduce the risk of adverse market changes in exchange rates or to increase exposure to foreign currencies or to shift exposure to foreign currency fluctuations from one country to another. Caps and floors will be used to hedge against interest rate movements exceeding given minimum or maximum levels. Credit derivatives will be used to isolate and transfer the exposure to or transfer the credit risk associated with a reference asset or index of reference assets.

The Directors have authorised the issuance of the Classes of Shares set out in Schedule II.

The Russell Investments U.S. Quant Fund invests at least 70% of its net assets in equity securities as defined by German Tax Law.

### **How Indexes are used by the Fund**

The Russell Investments U.S. Quant Fund is actively managed with reference to the Russell 1000 Index (the "**Russell 1000 Index**").

The Principal Money Manager (or its duly appointed delegate) has full discretion to select investments for the Russell Investments U.S. Quant Fund and in doing so may take into consideration the Russell 1000 Index but the Russell Investments U.S. Quant Fund is not constrained by it. The Principal Money Manager (or its duly appointed delegate) may appoint one or more Investment Advisers who have expertise in, for example, a particular geographical area, style, sector and/or asset class. The Principal Money Manager may consider the views of such Investment Advisers regarding the selection of securities or instruments when managing portions of the Russell Investments U.S. Quant Fund.

In each case, the Principal Money Manager (or its duly appointed delegate) may evaluate the views of an Investment Adviser with reference to an index which is not the Russell 1000 Index, but is considered appropriate for the investment strategy in which the Investment Adviser has expertise. Any such index may be used by the Principal Money Manager (or its duly appointed delegate) for the purpose of oversight of the Investment Adviser and/or as the basis for constraints given to the Investment Adviser(s). It may also be

used for performance measurement purposes for a particular portion of the Russell Investments U.S. Quant Fund.

Any use of such an index(es) will not result in a constraint on the overall portfolio of the Russell Investments U.S. Quant Fund (i.e. the Russell Investments U.S. Quant Fund will continue to be managed on a fully discretionary basis and in accordance with the investment objective). The purpose of using such index(es) is to deliver a more focused strategy by the Principal Money Manager (or its duly appointed delegate) in terms of style, geographical or sector focus for the purposes of delivering on the overall objective of the Russell Investments U.S. Quant Fund. Details of any such indices are available from the Manager upon request and will be published in the audited financial statements of the Company.

The Russell Investments U.S. Quant Fund references the Russell 1000 Index Net of Withholding Tax 30% (the "**Russell 1000 Net Index**") for performance measurement purposes (this may include measurement of net returns and various other portfolio management and risk management metrics).

The Russell Investments U.S. Quant Fund seeks to outperform the Russell 1000 Net Index by 1.15% over the medium to long term.

#### *Risk Measurement*

In order to protect Shareholders' interests, the Russell Investments U.S. Quant Fund will use VaR as a risk measurement technique to measure, monitor and manage risks. The Russell Investments U.S. Quant Fund will use the relative VaR approach to measure the maximum potential loss due to market risk at a given confidence level over a specified time period under prevailing market conditions. The risk of loss of the Russell Investments U.S. Quant Fund will be monitored and calculated daily to ensure that the VaR of the Russell Investments U.S. Quant Fund shall not exceed twice that of the VaR of the reference portfolio based on a 1 day holding period and a "one-tailed" 95% confidence interval using a historical observation period of at least 1 year. The reference portfolio is the Russell 1000 Index which has a risk profile similar to that of the Russell Investments U.S. Quant Fund.

The Russell Investments U.S. Quant Fund will monitor its use of FDIs. The level of exposure (calculated based on the sum of the absolute value of notionals of the derivatives used, in accordance with the requirements of the Central Bank) is expected to be 100% of the Russell Investments U.S. Quant Fund's Net Asset Value. It is possible that this could increase, for example, during abnormal market conditions and at times when there is low volatility. The expected level of exposure figure is calculated based on the sum of the absolute value of notionals of the derivatives used, in accordance with the requirements of the Central Bank. This figure does not take into account any netting and hedging arrangements that the Russell Investments U.S. Quant Fund has in place at any time even though these netting and hedging arrangements are used for risk reduction purposes and is therefore not a risk-adjusted method of measuring exposure which means this figure can be higher than it otherwise would be if such netting and hedging arrangements were taken into account. As these netting and hedging arrangements, if taken into account, may reduce the level of exposure, this calculation may not provide an accurate measure of the Russell Investments Emerging U.S. Quant Fund's actual level of exposure. In addition there are limitations in using VaR as a statistical measure of risk because it does not directly limit the level of exposure in the Russell Investments U.S. Quant Fund and only describes the risk of loss in prevailing market conditions and would not capture future significant changes in volatility.

#### *Exposure Monitoring*

It is intended that the Russell Investments U.S. Quant Fund will be managed to operate in normal circumstances on a long only basis.

#### *SFDR Classification*

The Russell Investments U.S. Quant Fund does not have as its objective sustainable investment nor does it promote environmental and/or social characteristics.

#### *Taxonomy Regulation*

The investments underlying the Russell Investments U.S. Quant Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## ***Russell Investments World Equity Fund***

**The Net Asset Value of the Russell Investments World Equity Fund is likely to have a high volatility.**

### **Investment Objective**

Russell Investments World Equity Fund will seek to achieve capital appreciation by investing predominantly in equity securities, including common stock, convertibles and warrants, listed, traded or dealt in on any Regulated Market worldwide, with a focus on reducing the carbon exposure of the Russell Investments World Equity Fund relative to the MSCI World Index (USD) - Net Returns (the "**MSCI World Index**").

### **Investment Policy and Strategy**

The Russell Investments World Equity Fund may also invest in new issues for which application for listing on a Regulated Market will be sought in accordance with Section 2.2 of Schedule V entitled "Investment Restrictions". Russell Investments World Equity Fund may hold not more than 20% of its net assets in equity securities of companies whose securities are listed, traded or dealt in on any Regulated Market in the Emerging Markets. Russell Investments World Equity Fund will not be concentrating on any specific markets or industry sectors but will pursue a policy of active stock, sector and country allocation on the Regulated Markets in which it invests.

Following the selection of the equity securities, the Principal Money Manager will apply a binding Decarbonisation Overlay Strategy (as detailed further in the SFDR Annex at Schedule VIII to this Prospectus) to adjust the portfolio of the Russell Investments World Equity Fund so that it will always have no less than a 20% lower aggregate Carbon Footprint (as defined in the SFDR Annex at Schedule VIII to this Prospectus) compared to the MSCI World Index. Investors should be aware that the application of the Decarbonisation Overlay Strategy will not necessarily result in a 20% reduction in the aggregate Carbon Footprint of the Russell Investments World Equity Fund's portfolio as against the aggregate Carbon Footprint of the Russell Investments World Equity Fund's portfolio prior to the application of the Decarbonisation Overlay Strategy (for these purposes, the latter will be referred to as the "**Investable Universe**"). The reason for this is that the 20% carbon reduction target is made in reference to the aggregate Carbon Footprint of the MSCI World Index and not the Russell Investments World Equity Fund's Investable Universe. The application of the Decarbonisation Overlay Strategy will nevertheless always result in a reduction in the aggregate Carbon Footprint of the Russell Investments World Equity Fund as compared to Investable Universe. Non-financial analysis will be undertaken on at least 90% of the Russell Investments World Equity Fund's assets.

Russell Investments World Equity Fund may employ investment techniques and FDIs for efficient portfolio management and/or investment purposes as described in the section "Investment Techniques and Financial Derivative Instruments". For efficient portfolio management purposes, the Russell Investments World Equity Fund may engage in currency hedging transactions to hedge against exchange rate risk. Russell Investments World Equity Fund will carry out spot foreign exchange transactions. Futures contracts will be used to hedge against market risk or gain exposure to an underlying market. Forward contracts will be used to hedge or gain exposure to an increase in the value of an asset, currency, commodity or deposit. Options will be used to hedge or achieve exposure to a particular market instead of using a physical security. Swaps (including swaptions) will be used to achieve profit as well as to hedge existing long positions. Forward foreign exchange transactions will be used to reduce the risk of adverse market changes in exchange rates or to increase exposure to foreign currencies or to shift exposure to foreign currency fluctuations from one country to another. Caps and floors will be used to hedge against interest rate movements exceeding given minimum or maximum levels. Credit derivatives will be used to isolate and transfer the exposure to or transfer the credit risk associated with a reference asset or index of reference assets.

Investments in convertibles may not exceed 25% of the Russell Investments World Equity Fund's net assets. Investments in warrants may not exceed 5% of the Russell Investments World Equity Fund's net assets and warrants may be purchased only if it is reasonably foreseeable that the right to subscribe conferred by the warrants could be exercised without contravening the Regulations.

The Directors have authorised the issuance of the Classes of Shares set out in Schedule II.

The Russell Investments World Equity Fund invests at least 70% of its net assets in equity securities as defined by German Tax Law.

### How Indexes are used by the Fund

The Russell Investments World Equity Fund is actively managed with reference to the MSCI World Index. The MSCI World Index is a broad global equity index which does not focus on the reduction of carbon exposure or improve ESG characteristics.

The Principal Money Manager (or its duly appointed delegate) has full discretion to select investments for the Russell Investments World Equity Fund and in doing so may take into consideration the MSCI World Index but the Russell Investments World Equity Fund is not constrained by it.

The Principal Money Manager (or its duly appointed delegate) may appoint one or more Investment Advisers who have expertise in, for example, a particular geographical area, style, sector and/or asset class. The Principal Money Manager (or its duly appointed delegate) may consider the views of such Investment Advisers regarding the selection of securities or instruments when managing portions of the Russell Investments World Equity Fund.

In each case, the Principal Money Manager (or its duly appointed delegate) may evaluate the views of an Investment Adviser with reference to an index which is not the MSCI World Index, but is considered appropriate for the investment strategy in which the Investment Adviser has expertise. Any such index may be used by the Principal Money Manager (or its duly appointed delegate) for the purpose of oversight of the Investment Adviser and/or as the basis for constraints given to the Investment Adviser(s). It may also be used for performance measurement purposes for a particular portion of the Russell Investments World Equity Fund.

Any use of such an index(es) will not result in a constraint on the overall portfolio of the Russell Investments World Equity Fund (i.e. the portfolio of the Russell Investments World Equity Fund will continue to be managed on a fully discretionary basis and in accordance with the investment objective). The purpose of using such index(es) is to deliver a more focused strategy by the Principal Money Manager (or its duly appointed delegate) in terms of style, geographical or sector focus for the purposes of delivering on the overall objective of the Russell Investments World Equity Fund. Details of any such indices are available from the Manager upon request and will be published in the audited financial statements of the Company.

The Russell Investments World Equity Fund references the MSCI World Index for performance measurement purposes (this may include measurement of net returns and various other portfolio management and risk management metrics).

The Russell Investments World Equity Fund seeks to outperform the MSCI World Index by 2.00% over the medium to long term.

Further details regarding the MSCI World Index (including its constituents, composition and methodology) are available at the following link: <https://www.msci.com/developed-markets>.

### Risk Measurement

In order to protect Shareholders' interests, the Russell Investments World Equity Fund will use VaR as a risk measurement technique to measure, monitor and manage risks. The Russell Investments World Equity Fund will use the relative VaR approach to measure the maximum potential loss due to market risk at a given confidence level over a specified time period under prevailing market conditions. The risk of loss of the Russell Investments World Equity Fund will be monitored and calculated daily to ensure that the VaR of the Russell Investments World Equity Fund shall not exceed twice that of the VaR of the reference portfolio based on a 1 day holding period and a "one-tailed" 95% confidence interval using a historical observation period of at least 1 year. The reference portfolio is the MSCI World Index (USD) - Net Returns Index which has a risk profile similar to that of the Russell Investments World Equity Fund.

The Russell Investments World Equity Fund will monitor its use of FDIs. The level of exposure (calculated based on the sum of the absolute value of notional of the derivatives used, in accordance with the requirements of the Central Bank) is expected to be 200% of the Russell Investments World Equity Fund's Net Asset Value. It is possible that this could increase, for example, during abnormal market conditions and at times when there is low volatility. The expected level of exposure figure is calculated based on the sum of the absolute value of notional of the derivatives used, in accordance with the requirements of the Central Bank. This figure does not take into account any netting and hedging arrangements that the Russell Investments World Equity Fund has in place at any time even though these netting and hedging arrangements are used for risk reduction purposes and is therefore not a risk-adjusted method of measuring exposure which means this figure can be higher than it otherwise would be if such netting and hedging arrangements were taken into account. As these netting and hedging arrangements, if taken into account, may reduce the level of exposure,



this calculation may not provide an accurate measure of the Russell Investments World Equity Fund's actual level of exposure. In addition there are limitations in using VaR as a statistical measure of risk because it does not directly limit the level of exposure in the Russell Investments World Equity Fund and only describes the risk of loss in prevailing market conditions and would not capture future significant changes in volatility.

#### Exposure Monitoring

It is anticipated that the Russell Investments World Equity Fund will have approximately 150% long exposure and 50% short exposure. Short exposure will only be gained through the use of FDIs. It is possible that the Russell Investments World Equity Fund may be subject to higher exposure levels from time to time. The anticipated range of long and short exposure is calculated on a gross basis using notional values with no deductions for netting and no deductions for hedging.

#### SFDR Classification

The Russell Investments World Equity Fund promotes environmental characteristics within the meaning of Article 8 of SFDR.

**Please see the SFDR Annex at Schedule VIII of this Prospectus** for full details on these characteristics (including how they are measured and achieved).

### ***Russell Investments China Equity Fund***

The Russell Investments China Equity Fund will invest more than 20% of its total assets in Emerging Markets. Accordingly, an investment in the Russell Investments China Equity Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. The Net Asset Value of the Russell Investments China Equity Fund is likely to have a high volatility. Please refer to the risk factors set out in the section titled "Risk Factors".

#### **Investment Objective**

The investment objective of the Russell Investments China Equity Fund is to achieve long term capital appreciation through investing in companies established or operating in the PRC.

#### **Investment Policy and Strategy**

In order to achieve its investment objective, the Russell Investments China Equity Fund will invest predominantly (meaning no less than 80% of NAV) in Chinese companies listed on exchanges worldwide.

Up to 20% of NAV may be invested in:

- (i) Permitted Securities including stock index futures (subject to a maximum of 10% in fixed income securities). Stock index futures may be traded outside or inside the PRC;
- (ii) Cash which may be held outside or inside the PRC and may be equitized using stock index futures. Cash held inside the PRC is used for ancillary liquidity purposes; and/or
- (iii) UCITS Exchange Traded Funds that are considered to be collective investment schemes and that meet the criteria set out in the Central Bank Regulations (subject to a maximum of 10%).

The Russell Investments China Equity Fund may obtain exposure to A Shares which are eligible for investment either through the QFI status of Russell Investment Management Limited ("**RIML**") and/or via Stock Connect (see section of the Prospectus entitled "Investing through Stock Connect" for further details).

The Russell Investments China Equity Fund may employ investment techniques and FDIs for efficient portfolio management and/or investment purposes as described in the section "Investment Techniques and Financial Derivative Instruments". For efficient portfolio management purposes, the Russell Investments China Equity Fund may engage in currency hedging transactions and may carry out spot foreign exchange transactions to hedge against exchange rate risk. Futures contracts may be used to hedge against market risk or gain exposure to an underlying market. Options may be used to hedge or achieve long or short exposure to particular markets or securities, that fall within the scope of the Russell Investments China Equity Fund's investment policy, rather than using a physical security. Forward foreign exchange transactions may be used to reduce the risk of adverse market changes in exchange rates or to increase exposure to foreign currencies or to shift exposure to foreign currency fluctuations from one country to another.

#### **How Indexes are used by the Fund**

The Russell Investments China Equity Fund is actively managed with reference to the MSCI China All Shares Index (USD) - Net Returns Index (the "**China All Shares Index**").

The Principal Money Manager (or its duly appointed delegate) has full discretion to select investments for the Russell Investments China Equity Fund and in doing so may take into consideration the China All Shares Index but the Russell Investments China Equity Fund is not constrained by it. The Principal Money Manager (or its duly appointed delegate) may manage a portion of the Russell Investments China Equity Fund with reference to an index which is not the China All Shares Index. Any such index(es) used by the Principal Money Manager (or its duly appointed delegate) will be relevant to the strategy for which they are appointed and may be used as the basis for portfolio constraints (in terms of focus, as further described below) or for performance measurement purposes.

Any use of such an index(es) will not result in a constraint on the overall portfolio of the Russell Investments China Equity Fund (i.e. the Russell Investments China Equity Fund will continue to be managed on a fully discretionary basis and in accordance with the investment objective). The purpose of using such index(es) is to deliver a more focused strategy by the Principal Money Manager (or its duly appointed delegate) in terms of style, geographical or sector focus for the purposes of delivering on the overall objective of the Russell Investments China Equity Fund. Details of any such indices are available from the Manager upon request and will be published in the audited financial statements of the Company.

The Russell Investments China Equity Fund references the China All Shares Index for performance measurement purposes (this may include measurement of net returns and various other portfolio management and risk management metrics). The Russell Investments China Equity Fund seeks to outperform the China All Shares Index by 3.00% over the medium to long term.

The Russell Investments China Equity Fund may also pay a performance fee to the Principal Money Manager (or its duly appointed delegate) which is calculated using an index. Further information is set out in the "Performance Fee Indexes" section.

#### Risk Measurement

In order to protect Shareholders' interests, the Russell Investments China Equity Fund will use VaR as a risk measurement technique to identify, monitor and manage risks. The Russell Investments China Equity Fund will use the relative VaR approach to measure the maximum potential loss due to market risk at a given confidence level over a specified time period under prevailing market conditions. The risk of loss of the Russell Investments China Equity Fund will be monitored and calculated daily to ensure that the VaR of the Russell Investments China Equity Fund shall not exceed twice that of the VaR of the reference portfolio based on a 1 day holding period and a "one-tailed" 95% confidence interval using historical observation period of at least 1 year. The reference portfolio is the MSCI China All Shares Index which has a risk profile similar to that of the Russell Investments China Equity Fund.

The Russell Investments China Equity Fund will monitor its use of FDIs. The level of exposure is expected to be 15% of the Russell Investments China Equity Fund's Net Asset Value at any point in time. It is possible that this could increase, for example, during abnormal market conditions and at times when there is low volatility. The expected level of exposure figure is calculated based on the sum of the absolute value of notionals of the derivatives used, in accordance with the requirements of the Central Bank. This figure does not take into account any netting and hedging arrangements that the Russell Investments China Equity Fund has in place at any time even though these netting and hedging arrangements are used for risk reduction purposes and is therefore not a risk-adjusted method of measuring exposure which means this figure is higher than it otherwise would be if such netting and hedging arrangements were taken into account. As these netting and hedging arrangements, if taken into account, may reduce the level of exposure, this calculation may not provide an accurate measure of the Russell Investments China Equity Fund's actual level of exposure. There are limitations in using VaR as a statistical measure of risk because it does not directly limit the level of exposure in the Russell Investments China Equity Fund and only describes the risk of loss in prevailing market conditions and would not capture future significant changes in volatility.

#### Exposure Monitoring

It is anticipated that the Russell Investments China Equity Fund will have approximately 110% long exposure and 5% short exposure. Short exposure will only be gained through the use of FDIs for hedging purposes. It is possible that the Russell Investments China Equity Fund may be subject to higher exposure levels from time to time. The anticipated range of long and short exposure is calculated on a gross basis using notional values with no deductions for netting and no deductions for hedging.

The attention of investors is drawn to the section entitled "Risk Factors" and in particular the sub-section entitled "QFI Risks", "PRC Taxation Risks" and "PRC-Specific Risks",

Investors should also refer to the sections entitled "PRC Tax Considerations" and "PRC Sub-Custodian(s)".

#### SFDR Classification

The Russell Investments China Equity Fund does not have as its objective sustainable investment nor does it promote environmental and/or social characteristics.

#### Taxonomy Regulation

The investments underlying the Russell Investments China Equity Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## Borrowing

The Company may only borrow on a temporary basis for the account of a Fund and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of such Fund. In accordance with the provisions of the Regulations, the Company may charge the assets of a Fund as security for borrowings of that Fund.

The Company may acquire foreign currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of Regulation 103(1) provided that the offsetting deposit (a) is denominated in the Base Currency and (b) equals or exceeds the value of the foreign currency loan outstanding.

## Investment Techniques and Financial Derivative Instruments

Each of the Funds may employ investment techniques and FDIs for efficient portfolio management and/or investment purposes subject to the conditions.

New techniques and FDIs may be developed which may be suitable for use by a Fund in the future and a Fund may employ such techniques and FDIs. Details of the risks associated with derivative instruments, futures and options are set out in the section entitled "Risk Factors" below.

The Company employs a risk management process which enables it to accurately measure, monitor and manage the various risks associated with such investment techniques and FDIs. The Company shall supply to a Shareholder on request supplementary information in relation to the quantitative risk management limits applied by it, the risk management methods used by it and any recent developments in the risks and yields characteristics for the main categories of investment.

A list of the Regulated Markets on which the FDIs may be quoted or traded is set out in Schedule I. The following is a description of the types of FDIs which may be used by the Funds:

**Futures:** Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. Futures contracts allow investors to hedge against market risk or gain exposure to the underlying market. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract's delivery date. Futures may also be used to equitise cash balances, both pending investment of a cash flow and with respect to fixed cash targets. Frequently, using futures to achieve a particular strategy instead of using the underlying or related security or index results in lower transaction costs being incurred.

**Forwards:** A forward contract locks-in the price an index or asset may be purchased or sold on a future date. In currency forward contracts, the contract holders are obligated to buy or sell the currency at a specified price, at a specified quantity and on a specified future date, whereas an interest rate forward determines an interest rate to be paid or received on an obligation beginning at a start date sometime in the future. Forward contracts may be cash settled between the parties. These contracts cannot be transferred. The Funds' use of forward foreign exchange contracts may include, but is not be limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency, and shifting exposure to currency fluctuations from one currency to another. The use of a forward foreign exchange contract may give rise to variation margin requirements under EMIR.

**Options:** There are two forms of options, put and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) of the contract, a specific quantity of a particular product or financial instrument at a specified price. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option. Options may also be cash settled. A Fund may be a seller or buyer of put and call options.

**Swaps:** A standard swap is an agreement between two counterparties in which the cash flows from two assets are exchanged as they are received for a fixed time period, with the terms initially set so that the present value of the swap is zero. The Funds may enter into swaps, including, but not limited to, equity swaps, swaptions, interest rate swaps or currency swaps and other derivative instruments both as independent profit opportunities and to hedge existing long positions. Swaps may extend over substantial periods of time, and typically call for the making of payments on a periodic basis. Swaptions are contracts whereby one party receives a fee in return for agreeing to enter into a forward swap at a predetermined fixed rate if some contingency event occurs (normally where future rates are set in relation to a fixed benchmark). Interest rate swaps involve the exchange by a Fund with another party of their respective commitments to make or receive interest payments (e.g. an

exchange of fixed rate payments for floating rate payments). On each payment date under an interest rate swap, the net payments owed by each party, and only the net amount, is paid by one party to the other. Currency swaps are agreements between two parties to exchange future payments in one currency for payments in another currency. These agreements are used to transform the currency denomination of assets and liabilities. Unlike interest rate swaps, currency swaps must include an exchange of principal at maturity.

**Spot foreign exchange transactions:** The Funds may enter into spot foreign exchange transactions which involve the purchase of one currency with another, a fixed amount of the first currency being paid to receive a fixed amount of the second currency. "Spot" settlement means that delivery of the currency amounts normally takes place two business days in both relevant centres after the trade is executed. The EMIR variation margin rules will not apply to foreign exchange transactions characterised as spot trades in accordance with Commission Delegated Regulation (EU) 2017/565. This includes foreign exchange contracts with up to T+5 settlement terms where the main purpose of the contract is in connection with the sale or purchase of investments by the Funds and this corresponds with the standard settlement period for such investments.

**Caps and floors:** The Funds may enter into caps and floors which are agreements under which the seller agrees to compensate the buyer if interest rates rise above a pre-agreed strike rate on pre-agreed dates during the life of the agreement. In return the buyer pays the seller a premium up front. A floor is similar to a cap except that the seller compensates the buyer if interest rates fall below a pre-agreed strike rate on pre-agreed dates during the life of the agreement. As with a cap, the buyer pays the seller a premium up front.

**Credit derivatives:** The Funds may enter into credit derivatives, such as credit default swaps, to isolate and transfer the credit risk associated with a particular reference asset. Credit default swaps provide a measure of protection against defaults of debt issuers. The Funds' use of credit default swaps does not assure their use will be effective or will have the desired result. A Fund may either be the buyer or seller in a credit default swap transaction. Credit default swaps are transactions under which the parties' obligations depend on whether a credit event has occurred in relation to the reference asset. The credit events are specified in the contract and are intended to identify the occurrence of a significant deterioration in the creditworthiness of the reference asset. On settlement, credit default products may be cash settled or involve the physical delivery of an obligation of the reference entity following a default. The buyer in a credit default swap contract is obligated to pay the seller a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference asset has occurred. If a credit event occurs, the seller must pay the buyer the full notional value of the reference asset that may have little or no value. If the Fund is a buyer and no credit event occurs the Fund's losses will be limited to the periodic stream of payments over the term of the contract. As a seller, the Funds will receive a fixed rate of income throughout the term of the contract, provided that there is no credit event. If a credit event occurs, the seller must pay the buyer the full notional value of the reference obligation.

### **Securities Financing Transactions**

A Fund may use Securities Financing Transactions and Total Return Swaps, where provided for in the investment policy of a Fund, and, unless specifically stated in a Fund's investment objectives and policies, a Fund may enter into securities lending arrangements and repurchase agreements in accordance with normal market practice and subject to the requirements of the SFTR and the Central Bank Rules.

Such Securities Financing Transactions and/or Total Return Swaps may be entered into for any purpose that is consistent with the investment objective of the relevant Fund, including to generate income or profits in order to increase portfolio returns or to reduce portfolio expenses or risks. Total Return Swaps may also be used for investment purposes where provided for in the investment policy of the relevant Fund. Repurchase/ reverse repurchase and securities lending transactions may only be utilised for efficient portfolio management purposes.

Any type of assets that may be held by a Fund in accordance with its investment objective and policies may be subject to the SFTR. Subject to each Fund's investment objective and policies, there is no restriction on the proportion of assets that may be Securities Financing Transactions or Total Return Swaps and therefore the maximum and expected proportion of a Fund's assets that can be subject to Securities Financing Transactions or Total Return Swaps can be as much as 100%, i.e. all of the assets of the relevant Fund. In any case the most recent semi-annual and annual report of the relevant Fund will express as an absolute amount and as a percentage of the relevant Fund's assets the amount of Fund assets engaged in each type of Securities Financing Transactions and Total Return Swaps.

Securities lending means transactions by which one party transfers securities to the other party subject to a

commitment that the other party will return equivalent securities on a future date or when requested to do so by the party transferring the securities, that transaction being considered as securities lending for the party transferring the securities.

Repurchase agreements are a type of securities lending transaction in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities.

A reverse repurchase agreement is a transaction whereby a Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price.

Any Fund that engages in securities lending shall ensure that it is able to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

Any Fund that enters into a repurchase agreement shall ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

Any Fund that enters into a reverse repurchase agreement shall ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is callable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the Net Asset Value of the Fund.

All the revenues arising from Securities Financing Transactions and any other efficient portfolio management techniques shall be returned to the relevant Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees (which are all fully transparent), which shall not include hidden revenue, shall include fees and expenses payable to repurchase/reverse repurchase agreements counterparties engaged by the Company from time to time. Such fees and expenses of any repurchase/reverse repurchase agreements counterparties engaged by the Company, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the Company or the Fund in respect of which the relevant party has been engaged.

Details of Fund revenues arising and direct and indirect operational costs and fees as well as the identity of any specific repurchase/reverse repurchase agreements counterparties and/ or securities lending agents engaged by the Company from time to time shall be included in the relevant Fund's semi-annual and annual reports.

While the Company will conduct appropriate due diligence in the selection of counterparties, including consideration of the legal status, country of origin, credit rating and minimum credit rating (where relevant), it is noted that the Central Bank Rules do not prescribe any pre trade eligibility criteria for counterparties to a Fund's Securities Financing Transactions and Total Return Swaps.

Counterparties to such transactions shall: (1) be entities regulated, approved, registered or supervised in their home jurisdiction; and (2) be located in an OECD Member State, which together will constitute the Company's criteria to select counterparties. Counterparties need not have a minimum credit rating. In accordance with the Credit Ratings Agencies Directive (2013/14/EU) ("**CRAD**"), the Principal Money Manager shall not solely or mechanistically rely on credit ratings in determining the credit quality of an issuer or counterparty. However, where a counterparty is downgraded to A-2 or below (or comparable rating) this shall result in a new credit assessment being conducted of the counterparty without delay.

From time to time, a Fund may engage repurchase/reverse repurchase agreements counterparties and/or securities lending agents that are related parties to the Depositary or other service providers of the Company. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the Company. Please refer to the section headed "Conflicts of Interest" for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the relevant Fund's semi-annual and annual reports.

Collateral or margin may be passed by the Fund to a counterparty or broker in respect of OTC FDI transactions or Securities Financing Transactions. Please refer to the section entitled "Collateral" for further details.

Repurchase/reverse repurchase agreements do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the Regulations respectively.

The use of FDI and Securities Financing Transactions for the purposes outlined above will expose the Fund to the risks disclosed in the section headed "Risk Factors". The risks arising from the use of Securities Financing Transactions shall be adequately captured in the Company's risk management process.

### **Risk Management Process**

The Manager on behalf of each Fund has filed with the Central Bank its risk management process which enables it to accurately measure, monitor and manage the various risks associated with the use of FDI and Securities Financing Transactions where appropriate. Any FDI not included in the risk management process will not be utilised until such time as the risk management process has been updated, in accordance with the Central Bank requirements. The Manager will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

#### *Collateral Policy*

In the context of efficient portfolio management techniques, Securities Financing Transactions and/or the use of FDI for hedging or investment purposes, collateral may be received from a counterparty for the benefit of a Fund or posted to a counterparty by or on behalf of a Fund. Any receipt or posting of collateral by a Fund will be conducted in accordance with the Central Bank Rules and the terms of the Company's collateral policy outlined below.

#### *Collateral – received by a Fund*

Collateral posted by a counterparty for the benefit of a Fund may be taken into account as reducing the exposure to such counterparty. Each Fund will require receipt of the necessary level of collateral so as to ensure counterparty exposure limits are not breached.

Counterparty risk may be reduced to the extent that the value of the collateral received corresponds with the value of the amount exposed to counterparty risk at any given time.

Risks linked to the management of collateral, such as operational and legal risks, shall be identified, managed and mitigated by the Company's risk management process. A Fund receiving collateral for at least 30% of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy will at least prescribe the components set out in Regulation 24 paragraph 8 of the Central Bank Regulations.

For the purpose of providing margin or collateral in respect of transactions in efficient portfolio management techniques and FDI, a Fund may transfer, mortgage, pledge, charge or encumber any assets or cash forming part of the Fund in accordance with normal market practice and the requirements outlined in the Central Bank's Rules.

All assets received by a Fund in the context of Securities Financing Transactions shall be considered as collateral and must comply with the terms of the Company's collateral policy.

Any non-cash assets received by the Fund from a counterparty on a title transfer basis (whether in respect of a Securities Financing Transaction, an OTC derivative transaction or otherwise) shall be held by the Depositary or a duly appointed sub-depositary. Assets provided by the Fund on a title transfer basis shall no longer belong to the Fund and shall pass outside the custodial network. The counterparty may use those assets at its absolute discretion. Assets provided to a counterparty other than on a title transfer basis shall be held by the Depositary or a duly appointed sub-depositary.

The Manager or its delegate(s) will liaise with the Depositary in order to manage all aspects of the counterparty collateral process.

#### *Collateral*

Collateral received from a counterparty for the benefit of a Fund may be in the form of cash or non-cash assets and must, at all times, meet with the specific criteria outlined in the Central Bank Regulations, as summarised below, in relation to: (i) liquidity; (ii) valuation; (iii) issuer credit quality; (iv) correlation; (v) diversification (asset concentration); and (vi) immediate availability:

- (a) Liquidity: Collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that

is close to pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the Regulations.

- (b) Valuation: Collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts (as referred to below) are in place. Where appropriate, non-cash collateral held for the benefit of a Fund shall be valued in accordance with the valuation policies and principles applicable to the Fund. Subject to any agreement on valuation made with the counterparty, collateral posted to a recipient counterparty will be valued daily at mark-to-market value. The rationale for the valuation methodology as described above is to ensure compliance with the requirements set out in the Central Bank Regulations.
- (c) Issuer credit quality: Collateral received should be of high quality.
- (d) Correlation: Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty.
- (e) Diversification (asset concentration): Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Fund's Net Asset Value. When the Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.
- (f) Immediate availability: Collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.
- (g) The Principal Money Manager, on behalf of each Fund, shall apply suitably conservative haircuts to assets being received as collateral where appropriate on the basis of an assessment of the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of any stress tests in accordance with the requirements of EMIR. EMIR does not require the application of a haircut for cash variation margin. Accordingly, any haircut applied to cover currency risk will be as agreed with the relevant counterparty. The Principal Money Manager has determined that generally if issuer or issue credit quality of the collateral is not of the necessary quality or the collateral carries a significant level of price volatility with regard to residual maturity or other factors, a conservative haircut must be applied in accordance with more specific guidelines as will be maintained in writing by the Principal Money Manager on an on-going basis. To the extent that a Fund avails of the increased issuer exposure facility in section 5(ii) of Schedule 3 of the Central Bank Regulations, such increased issuer exposure may be to any of the issuers listed in section 2.12 of Schedule V to the Prospectus.
- (h) Safe-keeping: Any non-cash assets received by a Fund from a counterparty on a title transfer basis (whether in respect of a Securities Financing Transaction, an OTC derivative transaction or otherwise) shall be held by the Depositary or a duly appointed sub-depositary.

There are no restrictions on maturity provided the collateral is sufficiently liquid.

Non-cash collateral cannot be sold, pledged or re-invested.

#### *Cash collateral*

Cash collateral may only be invested in the following:

- deposits with Relevant Institutions;
- high-quality government bonds;
- reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the relevant Fund is able to recall at any time the full amount of cash on an accrued basis;
- short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).

Re-invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral outlined above. Invested cash collateral may not be placed on deposit with the counterparty or a related entity. Exposure created through the reinvestment of collateral must be taken into account in determining risk exposures to a counterparty. Reinvestment of cash collateral in accordance with



the provisions above can still present additional risk for a Fund. Please refer to the risk factor "Reinvestment of Cash Collateral Risk" for more details.

*Collateral – posted by a Fund*

Collateral posted to a counterparty by or on behalf of a Fund must be taken into account when calculating counterparty risk exposure. Collateral posted to a counterparty and collateral received by such counterparty may be taken into account on a net basis provided the relevant Fund is able to legally enforce netting arrangements with the counterparty.

Collateral posted to a counterparty by or on behalf of a Fund will consist of such collateral as is agreed with the counterparty from time to time and may include any types of assets held by the Fund.

## **General**

### **Co-Investing**

Subject to the Central Bank Rules and where more than one Fund is established within the Company, each of the Funds may invest in the other Funds of the Company where such investment is appropriate to the investment objectives and policies of the relevant Fund. Any commission received by the Principal Money Manager (including a rebated commission) in respect of such investment will be paid into the assets of the relevant Fund. In addition, no preliminary charge, repurchase charge or exchange charge may be charged on the cross-investing Fund's investment.

In order to avoid double-charging of any management fee, investment management fee and/or any performance fee, any Fund that is invested in another Fund may not be charged a management fee, an investment management fee and/or performance fee in respect of that part of its assets invested in other Funds unless such investment in another Fund is made into a Class of Shares that does not attract any management fee, investment management fee and/or performance fee. Investment may not be made by a Fund in a Fund which itself cross-invests in another Fund within the Company.

If a Fund invests a substantial proportion of its Net Asset Value in other collective investment schemes and/or other Funds of the Company, the maximum level of the management fees that may be charged to the Fund by the other collective investment schemes or both, as the case may be, will be set out in the relevant Supplement for the relevant Fund. Details of such fees will also be contained in the relevant Fund's annual report. Such fees and expenses, in the aggregate, may exceed the fees and expenses that would typically be incurred by an investor making a direct investment in an underlying fund. In addition, performance based compensation arrangements may create an incentive for the investment managers of such underlying funds to make investments that are more risky or more speculative than would be the case if such arrangement were not in effect.

### **Reference to Ratings**

The European Union (Alternative Investment Fund Managers) (Amendment) Regulations 2014 (S.I. No. 379 of 2014) (the "**Amending Regulations**") transpose the requirements of CRAD into Irish law. CRAD aims to restrict the reliance on ratings provided by credit rating agencies and to clarify the obligations for risk management. In accordance with the Amending Regulations and the CRAD, notwithstanding anything else in this Prospectus, the Principal Money Manager shall not solely or mechanistically rely on credit ratings in determining the credit quality of an issuer or counterparty.

### **Hedged Classes**

The Company intends to enter into certain currency-related transactions in order to hedge the currency exposure at both Share Class level and asset level.

Any financial instruments used to implement such currency hedging strategies with respect to one or more Classes shall be assets/liabilities of the Fund as a whole but will be attributable to the relevant Class(es) and the gains/losses on, and the costs of, the relevant financial instruments will accrue solely to the relevant Class. However, investors should note that there is no segregation of liability between Share Classes. Although the costs, gains and losses of the currency hedging transactions will accrue solely to the relevant Class, Shareholders are nonetheless exposed to the risk that hedging transactions undertaken in one Class may impact negatively on the Net Asset Value of another Class, particularly where (pursuant to EMIR) such currency hedging transactions require the Fund to post collateral (i.e. initial or variation margin).

As appropriate, Classes will be identified as currency hedged Classes for the Fund in which such Class is issued. Where the Company seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. The Manager shall ensure that over-hedged positions will not exceed 105% of the Net Asset Value of the Class which is to be hedged or that under-hedged positions will not fall below 95% of the portion of the Net Asset Value of the Class which is to be hedged. Hedged positions will be kept under review on an ongoing basis, at least at the same valuation frequency of the relevant Fund, to ensure that over-hedged positions do not exceed the permitted level disclosed above. This review will also incorporate a procedure to ensure that any positions materially in excess of 100% will not be carried forward from month to month. The currency exposures of different currency Classes may not be combined or offset and currency exposures of assets of the Fund may not be allocated to separate Share Classes. To the extent that hedging is successful for a particular Class, the performance of the Class is likely to move in line with the performance of the underlying assets, with the result

that investors in that Class will not gain/lose if the Class currency falls / rises against the Base Currency. Counterparty exposure in respect of foreign exchange hedging shall at all times comply with the requirements of the Central Bank.

### **References to Indices**

Pursuant to Article 3(1)(7)(e) of the Benchmark Regulation, a fund 'uses' an index if it is used for (i) measuring the performance of an investment fund through an index or a combination of indices for the purpose of tracking the return of such index or combination of indices; (ii) defining the asset allocation of a Fund; or (iii) computing performance fees. Any such use will be clearly set out in the profile of a Fund or the Performance Fees section of this Prospectus. The Manager and the Company have put in place robust written plans in accordance with Article 28(2) of the Benchmark Regulation. The plans detail the actions that will be taken where a particular index used by a Fund in this way materially changes or ceases to be provided or a change of index is instigated by the Manager or the Principal Money Manager. The plans include, where appropriate, details of alternative indices that could be used by a Fund where the index has to be substituted.

The Manager, acting in consultation with the Principal Money Manager, may seek to change the index of a Fund in various circumstances including where:

- the particular index or index series ceases to be provided or to exist or is materially changed;
- a new index becomes available which supersedes the existing one;
- a new index becomes available which is regarded as the market standard for professional investors in the particular market and/or would be regarded as of greater benefit to the Shareholders than the existing index;
- it becomes difficult to invest in stocks comprised within the particular index;
- the index provider introduces a charge at a level which the Manager or the Principal Money Manager considers too high; or
- the quality (including accuracy and availability of data) of a particular index has, in the opinion of the Manager or the Principal Money Manager, deteriorated.

Any material change to an index which results in a change to the investment objective and/or policy of the relevant Fund will be subject to Shareholder approval.

The Funds in scope of the Benchmark Regulation use indices administered or provided by MSCI Limited. As at the date of this Prospectus, MSCI Limited is an EU benchmark administrator under Article 34 of the Benchmark Regulation and is included in the public register established and maintained by ESMA in accordance with Article 36 of the Benchmark Regulation.

Indexes may also be used for other purposes including, but not limited to, (i) operating as a reference index which the Fund seeks to outperform; and (ii) relative VaR measurement. Where an index is used for the purposes of (i) above this will not constitute use of an index within the meaning of Article 3 (1)(7)(e) of the Benchmark Regulation on the basis that the relevant Fund does not track the return of the index and the index does not determine asset allocation of the Fund. Shareholders should note that the Company and/or its distributors may from time to time refer to other indices in marketing literature or other communications purely for financial or risk comparison purposes. In such cases, it is not an index against which a Fund is managed.

Fund performance data will generally be shown in fund documentation against the index of the relevant Fund (where applicable). The currency denomination of a Fund's index may differ from its Base Currency. In such circumstances, all performance data made available by the Principal Money Manager (or its duly appointed delegate) will be produced using the Fund's index converted into the Base Currency of the Fund. Similarly, where a Share Class is denominated in a currency which is different to the Fund's index, all performance data made available by the Principal Money Manager (or its duly appointed delegate) will be produced using the Fund's index converted into the currency of the relevant Share Class. Performance data for hedged Share Classes will generally be shown against a hedged version of the Fund's index unless otherwise stated in the document.

### **Use of a Subscriptions/Redemptions Account**

The Company operates a single, omnibus Subscriptions/Redemptions Account for all of the Funds, in accordance with the Central Bank's guidance relating to umbrella fund cash accounts. Accordingly, monies in

the Subscriptions/Redemptions Account are deemed assets of the respective Funds and shall not have the protection of the Investor Money Regulations. It should be noted however that the Depositary will monitor the Subscriptions/Redemptions Account in performing its cash monitoring obligations and ensuring effective and proper monitoring of the Company's cash flows in accordance with its obligations as prescribed under UCITS V.

There nonetheless remains a risk for investors to the extent that monies are held by the Company in the Subscriptions/Redemptions Account for the account of a Fund at a point where such Fund (or another Fund of the Company) becomes insolvent.

In respect of subscription monies received into the Subscriptions/Redemptions Account from an investor in advance of Shares being issued (as will be the case in the context of a Fund which operates on a cleared funds basis), such subscription monies will be the property of the relevant Fund and accordingly an investor will be treated as a general unsecured creditor of the Company during the period between receipt of subscription monies into the Subscriptions/Redemptions Account and the issue of Shares.

In respect of dividend income and/or redemption proceeds being paid out by a Fund and held for any time in the Subscriptions/Redemptions Account such proceeds shall remain an asset of the relevant Fund until such time as the proceeds are released to the investor and during that time the investor will rank as a general unsecured creditor of the Company. For redemption proceeds this would include, for example, cases where redemption proceeds are temporarily withheld pending the receipt of any outstanding identity verification documents as may be required by the Company or the Administrator – enhancing the need to address these issues promptly so that the proceeds may be released.

The Company in conjunction with Depositary shall establish a policy to govern the operation of the Subscriptions/Redemptions Account, in accordance with the Central Bank's guidance in this area. This policy shall be reviewed by the Company and the Depositary at least annually.

## ADMINISTRATION OF THE FUNDS

### Determination of the Net Asset Value

The Net Asset Value per Share of each Fund shall be determined on each Dealing Day in accordance with the Articles of Association and by reference to the last traded price as at close of business on the market on which such investments are quoted. The Net Asset Value per Share in each Fund shall be calculated at 2.30 pm (Irish time) on the following Dealing Day.

The procedures and methodology for calculating the Net Asset Value per Share are summarised below:

- (a) In determining the Net Asset Value per Share of a Fund the securities of a Fund which are normally listed, traded or dealt in on a Regulated Market shall be valued at the closing or last known market price which for the purposes of the Company shall be understood to mean the last traded price as at the close of business on the Regulated Market which in the opinion of the Manager is the principal Regulated Market for such securities. Securities listed or traded on a Regulated Market but acquired or traded at a premium or at a discount outside or off the relevant market may be valued taking into account the level of premium or discount at the date of the valuation. The Depositary must ensure that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.
- (b) In the case of any investment which is not listed, traded or dealt in on a Regulated Market or the market price is unrepresentative or not available the value of such security shall be its probable realisation value as at the close of business which must be estimated with care and in good faith and shall be determined by a competent person appointed by the Manager approved for the purpose by the Depositary or such value as the Manager considers in the circumstances to be fair and which value is approved by the Depositary. Where reliable market quotations are not available for fixed income securities, the value of such securities may be determined using matrix methodology compiled by the Directors or competent person, who is approved for the purpose by the Depositary, whereby such securities are valued by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics.
- (c) Investments in collective investment schemes will be valued at the latest available net asset value per unit of latest bid price as published by the relevant collective investment scheme or if listed or traded on a Regulated Market, in accordance with (a) above.
- (d) Cash and other liquid assets will be valued at their face value with interest accrued or less debit interest, where applicable, to the Dealing Day.
- (e) Exchange traded derivative instruments will be valued based on the settlement price as determined by the market where the instrument is traded. If such settlement price is not available such value shall be valued in accordance with (b) above.
- (f) Notwithstanding the provisions of paragraphs (a) to (e) above:
  - (i) The Manager or its delegate shall, at its discretion in relation to any particular Fund which is a short-term money market fund, have in place an escalation procedure to ensure that any material discrepancy between the market value and the amortised cost value of a money market instrument is brought to the attention of the Principal Money Manager (or its delegates) or a review of the amortised cost valuation vis-à-vis market valuation will be carried out in accordance with the requirements of the Central Bank.
  - (ii) Where it is not the intention or objective of the Manager to apply amortised cost valuation to the portfolio of the Fund as a whole, a money market instrument within such a portfolio shall only be valued on an amortised basis if the money market instrument has a residual maturity of less than 3 months and does not have any specific sensitivity to market parameters, including credit risk.
- (g) Notwithstanding the generality of the foregoing, the Manager may, with the approval of the Depositary, adjust the value of any investment if they consider that such adjustment is required to reflect the fair value in the context of currency, marketability, dealing costs and/or such other considerations which are deemed relevant. The rationale for adjusting the value must be clearly documented.
- (h) If the Manager deems it necessary, a specific investment may be valued under an alternative method of valuation approved by the Depositary and the rationale/methodologies used must be clearly documented. Any liabilities of the Company that are not attributable to any Fund shall be allocated

amongst the Funds based on their respective Net Asset Values or on any other basis approved by the Depositary having taken into account the nature of the liabilities.

Any liabilities of the Company that are not attributable to any Fund shall be allocated amongst the Funds based on their respective Net Asset Values or on any other basis approved by the Depositary having taken into account the nature of the liabilities.

Where a Fund is made up of more than one Class of Shares, the Net Asset Value of each Class shall be determined by calculating the amount of the Net Asset Value of the relevant Fund attributable to each Class. The amount of the Net Asset Value of a Fund attributable to a Class shall be determined by establishing the number of Shares in issue in the Class, by allocating certain Class expenses and fees to the Class and making appropriate adjustments to take account of distributions paid out of the Fund, if applicable, and apportioning the Net Asset Value of the Fund accordingly. The Net Asset Value per Share of a Class shall be calculated by dividing the Net Asset Value of the Class by the number of shares in issue in that Class. Class expenses or management fees or charges not attributable to a particular Class may be allocated amongst the Classes based on their respective Net Asset Value or any other reasonable basis approved by the Depositary and having taken into account the nature of the fees and charges. Class expenses or management fees relating specifically to a Class will be charged to that Class. In the event that Classes of Shares within a Fund are issued which are priced in a Class Currency other than the Base Currency for that Fund currency conversion costs will be borne by that Class.

### **Subscription Price**

The Initial Offer Price per Share of each Class is set out in Schedule II. The Initial Offer Period for all Classes of Shares identified in the column of the table in Schedule II headed "Initial Offer Period Status" as "New" will continue until 5.00 pm (Irish time) on 10 December 2024, or such other date or dates as the Directors may determine and notify to the Central Bank. Following the close of the Initial Offer Period of any Class of Shares, Shares in that Class will be issued at the relevant Net Asset Value per Share as determined on the Dealing Day on which they are deemed to be issued. A dilution adjustment and/or Sales Charge (the latter in respect of certain Classes of Shares only) may be payable on subscriptions. Please refer to the sections entitled "Dilution Adjustment" and "Sales Charge" below for further details. The Sales Charge may be payable to the Distributor or its agents on the subscription price per Share or the Net Asset Value per Share, as the case may be.

### **Applications for Shares**

Shares of any Class in respect of any Fund may be purchased through the Administrator by completing a subscription form. Applicants will be obliged to declare to the Company at the time of their initial subscription for Shares whether they are an Irish Resident and/or a U.S. Person. The Company reserves the right to reject any application for Shares. Subscription applications may be received by facsimile or by electronic means in accordance with the Central Bank's requirements. Where an initial subscription application has been received by facsimile, the original subscription form must be received promptly along with any supporting documentation required to prevent money laundering. Subsequent facsimile subscription requests into a Shareholder's account may be processed without the need to submit original documentation. Amendments to a Shareholder's registration details and payment instructions will only be effected upon receipt of original documentation.

The value of Shares to be purchased must at least meet the minimum subscription stated in Schedule II. The minimum initial subscription amounts may be changed by the Directors in their absolute discretion.

For cash purchases of Shares, the applicant can purchase Shares at the Net Asset Value per Share of a Class in a Fund provided the Administrator has received a properly completed subscription form by the relevant Trade Cut-Off Time and subscription monies by the relevant Settlement Time. The applicant will pay from the subscription monies any foreign exchange costs associated with converting the subscription monies into the Class Currency of the Class of the Fund in which the applicant is investing at prevailing exchange rates.

The Manager reserves the right, in its sole discretion, to require the applicant to indemnify the Company against any losses arising as a result of the Company's failure to receive payment as required. All subscription monies should be paid to the Subscriptions/Redemptions Account. Purchase of Shares may be made *in specie* in the Manager's sole discretion.

Subscriptions for Shares should be made in accordance with the procedures detailed in the subscription form. Subscriptions for a specific number of Shares will be accepted for all Funds.

If payment in full has not been received by the Dealing Deadline or within a reasonable time, or in the event of non-clearance of funds, all or part of any allotment of Shares made in respect of such application may be cancelled, or, alternatively, the Administrator may treat the application as an application for such number of Shares as may be purchased with such payment on the Dealing Day next following receipt of payment in full or of cleared funds. In such cases the Company may charge the applicant for any resulting loss incurred by the relevant Fund. The Company reserves the right to charge interest at a reasonable commercial rate on subscriptions which are settled late.

If the Administrator does not receive a properly completed subscription form by the relevant Trade Cut-Off Time, the applicant will receive the Net Asset Value per Share on the first Dealing Day thereafter on which the Manager or its agent has received the properly completed subscription form by the relevant Trade Cut-Off Time. The Manager, on an individual basis and at its sole discretion, as agreed by the Directors, may accept properly completed subscription forms received after the relevant Trade-Cut Off Time if the delay was the result of exceptional circumstances such as electronic or other failure. However, subscription forms may not be accepted after the Net Asset Value of a Fund has been calculated on a Dealing Day.

For subscriptions for a specific number of Shares, the Administrator will accept a subscription where the applicant (1) is required to make payment for the Shares by the relevant Settlement Time and (2) in the sole discretion and upon the request of the Manager, the applicant agrees to indemnify the Company against any losses arising as a result of the Company's failure to receive payment as required. Any shares subscribed for in this manner will only be provisionally allotted until such time as they are fully paid.

The Articles of Association provide that the Company may issue Shares in a Fund in exchange for investments which the Company may acquire in accordance with the investment objectives, policies and restrictions of the relevant Fund and may hold or sell, dispose or otherwise convert such securities into cash. No Shares shall be issued until the investments are entrusted to the Depositary or its nominee. The number of Shares issued in exchange for a subscription *in specie* must not exceed the number of Shares that would have been issued for the cash equivalent. The Depositary must be satisfied that the terms of any such exchange will not be such as are likely to result in any prejudice to the existing Shareholders of the relevant Fund.

The Manager reserves the right to reject in whole or in part any application for Shares. Any Class of Shares may be closed for subscription either temporarily or permanently at the discretion of the Manager. Where an application for Shares is rejected, the subscription monies shall be returned to the applicant within fourteen days of the date of such application at the risk of the applicant and without interest.

Each Shareholder must notify the Administrator in writing of any change in the information contained in the application form (including as to status as an Irish Resident or a U.S. Person) and furnish the Administrator with whatever additional documents relating to such change as it may request. Shareholders are obliged to notify the Company in the event that they become Irish Residents and shall immediately dispose of, or cause to have repurchased any Shares held by them. Shareholders are further obliged to notify the Company in the event that they become U.S. Persons, in which case they will be obliged to immediately dispose of or cause to have repurchased any Shares held by them.

### ***Anti-Money Laundering and Counter Terrorist Financing Measures***

The Company is regulated by the Central Bank, and must comply with the measures provided for in the Criminal Justice (Money Laundering & Terrorist Financing) Acts 2010 and 2018 which is aimed towards the prevention of money laundering. In order to comply with these anti-money laundering regulations, the Administrator, on the Company's behalf, will require from any subscriber or Shareholder certain verification of the identity information. The Company and the Administrator each reserve the right to request such information as is necessary to verify the identity of an applicant and where applicable, the beneficial owner.

The Administrator reserves the right to request such information as is necessary to verify the identity of an applicant. In the event that the Administrator requires further proof of the identity of any applicant the Administrator will contact the applicant on receipt of subscription instructions. In the event of delay or failure by the applicant to produce any information required for verification purposes or the signed original application form the Administrator may refuse to accept the application and return all subscription monies at the risk of the applicant and without interest.

It is further acknowledged that the Administrator, in the performance of its delegated duties, shall be held harmless by the applicant against any loss arising as a result of a failure to process the subscription if such information as has been requested by the Administrator has not been provided by the applicant.

## **Data Protection**

Prospective investors should note that by virtue of making an investment in the Company and the associated interactions with the Company and its affiliates and delegates (including completing the Application Form, and including the recording of electronic communications or phone calls where applicable), or by virtue of providing the Company with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing the Company and its affiliates and delegates with certain personal information which constitutes personal data within the meaning of the Data Protection Legislation. The Company shall act as a data controller in respect of this personal data and its affiliates and delegates, such as the Manager, the Administrator, the Principal Money Manager and the Distributor, may act as data processors (or joint data controllers in some circumstances).

The Company has prepared a document outlining the Company's data protection obligations and the data protection rights of individuals under the Data Protection Legislation (the "**Privacy Notice**").

All new investors shall receive a copy of the Privacy Notice as part of the process to subscribe for Shares in the Company and a copy of the Privacy Notice will be sent to all existing investors in the Company that subscribed prior to the Data Protection Legislation coming into effect.

The Privacy Notice contains information on the following matters in relation to data protection:

- that investors will provide the Company with certain personal information which constitutes personal data within the meaning of the Data Protection Legislation;
- a description of the purposes and legal bases for which the personal data may be used;
- details on the transmission of personal data, including (if applicable) to entities located outside the EEA;
- details of data protection measures taken by the Company;
- an outline of the various data protection rights of individuals as data subjects under the Data Protection Legislation;
- information on the Company's policy for retention of personal data;
- contact details for further information on data protection matters.

Given the specific purposes for which the Company and its affiliates and delegates envisage using personal data, under the provisions of the Data Protection Legislation, it is not anticipated that individual consent will be required for such use. However, as outlined in the Privacy Notice, individuals have the right to object to the processing of their data where the Company has considered this to be necessary for the purposes of its or a third party's legitimate interests.

## **Repurchases of Shares**

Shareholders may request the Manager or its agent to repurchase any number of their Shares on a Dealing Day at the relevant Net Asset Value per Share by delivering a completed repurchase request form to the Administrator by the relevant Trade Cut-Off Time. A Dilution Adjustment may be payable on repurchase of Shares. Please refer to the section entitled "Dilution Adjustment" below for further details.

Any repurchase request form received by the Administrator after the relevant Trade Cut-Off Time shall be held in abeyance and should be effective on the next succeeding Dealing Day. The Manager on an individual basis and at its sole discretion, as agreed by the Directors, may accept properly completed repurchase request forms after the relevant Trade Cut-Off Time if the delay was the result of exceptional circumstances such as electronic or other failure. However, repurchase request forms may not be accepted after the Net Asset Value is calculated on each Dealing Day.

Repurchase proceeds will normally be paid to Shareholders within fourteen days of the acceptance of the repurchase request and any other relevant documentation. Any currency conversion that takes place on repurchase will be carried out at prevailing exchange rates. Repurchase applications may be received by facsimile or by electronic means in accordance with the Central Bank's requirements. Where a subscription application has been received by facsimile, no Repurchase payment may be made from the holding until the original subscription application form has been received from the Shareholder along with all documentation required by the Company, including any documents required in connection with the obligation to prevent money laundering. Repurchases will not be processed on accounts that are not cleared or that are unverified for anti-



money laundering purposes. Repurchase orders received by facsimile will only be processed where payment is to be made to the account of record.

If the Company receives requests for the repurchase of Shares representing 10% or more of the Net Asset Value of a Fund in respect of any Dealing Day, the Directors may, in their sole discretion, elect to restrict the total value of Shares to be repurchased to 10% or more of that Fund's Net Asset Value. If the Directors elect to restrict the repurchase of Shares in this manner then:

1. all relevant repurchase requests will be scaled down *pro rata* to the value of Shares requested to be repurchased; and
2. subject to the above restriction, any Shares which are not repurchased on a Dealing Day shall be treated as if a request for repurchase has been made in respect of such Shares for the next and each subsequent Dealing Day until all of the Shares to which the original request(s) related have been repurchased.

The Articles of Association also permit the Company, with the approval of the Depositary and the applicant Shareholder, to satisfy any application for repurchase of Shares by the transfer of assets of the Company *in specie* to the Shareholder, provided that the nature of the assets to be transferred shall be determined by the Directors on such basis as the Directors in their sole discretion shall deem equitable and not prejudicial to the interest of the remaining Shareholders. At the request of the Shareholder making such a repurchase request, such assets shall be sold (the cost of the sale of the relevant Shares which may be charged to the Shareholder) and the proceeds of sale shall be transmitted to the Shareholder.

### **Mandatory Repurchase of Shares and Forfeiture of Distributions**

Shareholders shall immediately notify the Company and the Administrator in writing in the event that it becomes a U.S. Person or holds Shares on behalf of a U.S. Person. The Company further reserves the right to repurchase any Shares on thirty days' notice to a Shareholder if the Directors have reason to believe that the Shares are owned directly or beneficially by any person in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Shares or where any person who is or has acquired such Shares on behalf of or for the benefit of a U.S. Person or where any person does not supply any of the information or declarations required under the Articles of Association within 7 days of a request being sent by the Directors, the holding might result in the Company or Shareholders incurring any liability to taxation or suffering pecuniary or administrative disadvantages which the Company or the Shareholders might not otherwise suffer or incur.

The Articles of Association of the Company permit the Company to repurchase the Shares where, during a period of six years, no cheque in respect of any dividend on the Shares has been cashed and no acknowledgement has been received in respect of any Share certificate or other confirmation of ownership of the Shares sent to the Shareholder and the repurchase proceeds will be held in a separate interest bearing account and the Shareholder shall be entitled to claim the amount standing to his credit in such account.

Any distribution monies which have not been claimed within six years of the declaration of the distribution shall be forfeited and shall form part of the assets of the relevant Fund.

### **Dilution Adjustment**

The actual cost of purchasing or selling the underlying investments in a Fund may be higher or lower than the last traded price used in calculating the Net Asset Value per Share. The effects of dealing charges, commissions and dealing at prices other than the last traded price may have a materially disadvantageous effect on the Shareholders' interests in a Fund. To prevent this effect, known as 'dilution' and to protect Shareholders, the Company may charge a Dilution Adjustment when there are net inflows into a Fund or net outflows from a Fund, so that the price of a Share in the Fund is above or below that which would have resulted from a valuation based on the last traded price. The charging of a Dilution Adjustment may either reduce the repurchase price or increase the subscription price of the Shares in a Fund. Where a Dilution Adjustment is made, it will increase the Net Asset Value per Share where the Fund receives net subscriptions and will reduce the Net Asset Value per Share where the Fund receives net repurchases. The charging of a Dilution Adjustment on the Initial Offer Price will similarly be applied at the launch of any new Class of Shares in a Fund that is already established and will have the effect of reducing the number of Shares issued. The Initial Offer Price will be published in the official price history. Dilution Adjustments may apply in the normal manner on the closing of an individual Class but will not be applied at the closure of a Fund where actual closure costs will be reflected instead across all of the Classes of Shares.

The imposition of a Dilution Adjustment will depend on the value of subscriptions or repurchases of Shares on any Dealing Day. The Company may make a Dilution Adjustment: (i) if net subscriptions or repurchases (excluding in specie transfers) exceed certain pre-determined percentage thresholds relating to a Fund's Net Asset Value (where such percentage thresholds have been pre-determined for each Fund from time to time by the Directors or a committee nominated by the Directors); or (ii) where a Fund is in a continual decline (i.e. is suffering a net outflow of investments); or (iii) in any other case where the Company reasonably believes that it is in the interests of Shareholders to impose a Dilution Adjustment.

The Dilution Adjustment for each Fund will be calculated by reference to the typical costs of dealing in the underlying investments of that Fund, including any dealing spreads, market impact, commissions, fees and taxes. These costs can vary over time and as a result the amount of Dilution Adjustment will also vary over time. The price of each Class of Share in a Fund will be calculated separately but any Dilution Adjustment will affect the price of Shares of each Class in a Fund in an identical manner. When the Dilution Adjustment is not made and Shares are bought or sold there may be an adverse impact on the Net Asset Value of a Fund.

Any in specie subscriptions or repurchases will not be taken into account when determining whether there are net inflows or outflows from a Fund. Shareholders subscribing or repurchasing in specie will do so at the prevailing Net Asset Value per Share, without a Dilution Adjustment applied. However, in the case of a Fund which may suffer stamp duty costs as a result of an in specie subscription a Dilution Adjustment may be applied sufficient to reflect the cost of the stamp duty charges incurred as a result of the in specie subscription.

Dilution Adjustments may be applied on any Dealing Day but the possible amount of such adjustments will be reviewed from time to time by the Principal Money Manager.

The details of the Dilution Adjustments that have been applied to subscriptions and/or repurchases can be obtained by a Shareholder on request from the Principal Money Manager.

### **Transfers of Shares**

All transfers of Shares shall be effected by transfer in writing in any usual or common form or in any other form and every form of transfer shall state the full name and address of the transferor and the transferee. The instrument of transfer of a Share shall be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the share register in respect thereof. The registration of transfers may be suspended at such times and for such periods as the Directors from time to time may determine, provided always that such registration shall not be suspended for more than thirty days in any year. The Directors may decline to register any transfer of Shares unless the instrument of transfer is deposited at the registered office of the Company, or at such other place as the Directors may reasonably require, together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and a declaration from the transferee confirming whether the transferee is an Irish Resident and/or a U.S. Person. The measures aimed towards the prevention of money laundering, as described above under "Application of Shares", apply equally to transfers of Shares. The Administrator shall decline to register any transfer of Shares if in consequence of such transfer the transferee does not meet the minimum initial subscription as set out in Schedule II.

### **Certificates**

The Administrator shall be responsible for maintaining the Company's register of Shareholders in which all issues, repurchases, conversions and transfers of Shares will be recorded. No share certificates shall be issued in respect of the Shares, but each Shareholder shall receive a written confirmation of ownership in respect of the Shares. A Share may be registered in a single name or in up to four joint names.

### **Distribution Policy**

Each of the Funds may issue Income Class Shares, Accumulation Class Shares or Roll-Up Class Shares. All Share Classes are Accumulation Class Shares unless otherwise indicated in the name of the Share Class.

Income Class Shares are shares that distribute net income from time to time, subject to Directors' discretion on the Distribution Date. The amount of any distribution on different Classes of Income Class Shares in a Fund may vary to reflect any differing charges and expenses suffered by such Share Classes. Any such distribution shall be made from net income. Net income includes all interest, dividends and other amounts deemed by the Company to be in the nature of income less the expenses of the Fund applicable to that dividend period. Where the actual expenses incurred cannot be determined, estimated expenses will be used. An investor in Income Class Shares shall have the choice of investing the distribution in additional Income Class Shares or receiving payment by telegraphic transfer in the Class Currency of the Income Class Shares in which the investor is

invested and the investor will indicate a preference in writing to the Company at the time of the investor's application for Income Class Shares. Any currency conversion that takes place on distributions will be done at prevailing exchange rates. Any distribution monies which have not been claimed within six years of the declaration of the distribution shall be forfeited and shall form part of the assets of the relevant Fund. The Company will be obliged and entitled to deduct an amount, as more particularly described in the section entitled "Taxation", in respect of Irish taxation from any dividend payable to an investor holding Income Class Shares of any Fund who is Irish Resident or who is not Irish Resident and has failed to make a true and correct declaration to that effect to the Administrator.

Accumulation Class Shares are shares that declare a distribution but whose net income is then reinvested in the capital of the relevant Fund on the Distribution Date, thereby increasing the Net Asset Value per Share for an Accumulation Class Share relative to an Income Class Share.

Roll-Up Class Shares do not declare or distribute net income and the Net Asset Value therefore reflects net income.

Where Classes of Shares in issue in the same Fund have a different distribution status, all distributable income of a Fund after deduction of expenses will be allocated by Share Class in accordance with the value of their respective interests.

#### *U.K. Reporting Fund Status*

From and in respect of the accounting period commencing 1 April 2012 it is intended that the Company will conduct its affairs so as to enable U.K. reporting fund status to be obtained.

Amongst other requirements, a reporting fund must report the income returns of the Company on a per-Share basis to each relevant Shareholder for each reporting period.

Shareholders and potential investors who are resident or ordinarily resident in the U.K. for tax purposes are advised to consult their professional advisors concerning possible taxation or other consequences of the U.K. distributor status and U.K. reporting fund status regimes.

#### **Publication of the Price of the Shares**

Except where the determination of the Net Asset Value per Share has been suspended, in the circumstances described below, the latest Net Asset Value per Share in each Fund shall be made available at the registered office of the Administrator on each Dealing Day and shall be published (so far as is practicable) daily on the first Business Day after the Dealing Day on Bloomberg ([www.bloomberg.com](http://www.bloomberg.com)), a public website.

In addition to the information disclosed in the periodic reports of the Company, the Company may, from time to time, make available to investors portfolio holdings and portfolio-related information in respect of one or more of the Funds. Any such information will be available to all investors in the relevant Fund on request. Any such information will only be provided on a historical basis and after the relevant Dealing Day to which the information relates.

#### **Temporary Suspension of Valuation and of Issues and Repurchases of Shares**

The Directors may, following consultation with the Manager, at any time temporarily suspend the calculation of the Net Asset Value of any Fund and the subscription, redemption and exchange of Shares and the payment of repurchase proceeds:

- (i) any period (other than ordinary holiday or customary weekend closings) when any Regulated Market is closed which is the main Regulated Market for a significant part of the Fund's assets, or in which trading thereon is restricted or suspended; or
- (ii) any period when an emergency exists as a result of which disposal by the Fund of investments which constitute a substantial portion of the assets of the Fund is not practically feasible; or
- (iii) any period when for any reason the prices of any investments of the Fund cannot be reasonably, promptly or accurately ascertained by the Manager; or
- (iv) any period when remittance of monies which will, or may be, involved in the realisation of, or in the payment for, investments of the Fund cannot, in the opinion of the Manager, be carried out at the normal rate of exchange; or
- (v) any period when the proceeds of any sale or repurchase of the Shares cannot be transmitted to or

from the Fund's account;

- (vi) any period when in the opinion of the Directors such suspension is justified having regard to the interests of the Company and/or the relevant Sub-Fund; or
- (vii) following the circulation to the relevant Shareholders of a notice of a general meeting at which a resolution to wind up the Company or terminate the relevant Sub-Fund is to be considered.

All reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Details of any such suspension will be notified immediately (without delay) to the Central Bank. Details of any such suspension will also be notified to all Shareholders if, in the opinion of the Directors, it is likely to exceed 14 days. Where Shareholders who have requested subscriptions or redemptions of Shares of any Class in any Fund or exchanges of Shares of one Class in any Fund to another, unless withdrawn but subject to the limitation referred to above, their requests will be dealt with on the first relevant Dealing Day after the suspension is lifted.

### Conversion of Shares

The Articles of Association permit Shareholders with the consent of the Directors to convert their Shares in any Fund to Shares in any other Fund on giving notice to the Manager in such form as the Manager may request. Conversion shall take place in accordance with the following formula:

$$NS = \frac{(S \times R \times F) - X}{P}$$

where:

- NS = the number of Shares which will be issued in the new Fund;
- S = the number of the Shares to be converted;
- R = the repurchase price per Share after deduction of any repurchase charge;
- F = the currency conversion factor (if any) as determined by the Manager;
- P = the price of a Share of the new Fund, after the addition of any Sales Charge (as appropriate);
- X = a handling charge (if any) not exceeding 5% of the Net Asset Value of the Shares to be converted.

If NS is not an integral number of Shares the Company reserves the right to issue fractional Shares in the new Fund or to return the surplus arising to the Shareholder seeking to convert the Shares. Any currency conversion that takes place on conversion will be done at prevailing exchange rates.

The Company may, without prejudice to any rights previously conferred on the holders of any existing class of shares, on any Dealing Day compulsorily exchange all or any shares of one class in a Sub-Fund for shares of any other class of the same Sub-Fund by such reasonable notice as the Directors may determine, provided this does not materially prejudice the interests of holders of the relevant class.

The Directors may, at their discretion, refuse to effect a conversion request without giving any reason for such refusal.

## **MANAGEMENT AND ADMINISTRATION**

### **Directors**

The Directors are responsible for managing the business affairs of the Company in accordance with the Articles of Association and may exercise all the powers of the Company to borrow money, subject to the limits and conditions set forth in the Regulations and as may from time to time be laid down by the Central Bank. The Directors may delegate certain functions to the Manager, subject to supervision and direction by the Directors.

The Directors are listed below with their principal occupations. The Company has delegated the day-to-day management of the Company to the Manager and, consequently, none of the Directors is an executive director. The address of the Directors is the registered office of the Company.

#### ***William Roberts***

Mr. Roberts, British, (and Irish resident) qualified as a solicitor in Scotland in 1983, as a solicitor of the Supreme Court in Hong Kong in 1985, as a barrister and an attorney at law in Bermuda in 1988 and as an attorney at law in the Cayman Islands in 1990. He worked for several law firms in Scotland, Hong Kong, London and Bermuda between 1982 and 1990. During the period from 1990 to 1999 he was a member of W.S. Walker & Company in the Cayman Islands where he became a partner in 1994. Mr. Roberts has experience in international financial services law. He was a director of a number of companies established in Bermuda and was a director of the Cayman Islands Stock Exchange from 1996 to 1999. He is currently a director of a number of collective investment schemes authorised by the Central Bank.

#### ***David Shubotham***

Mr. Shubotham, Irish, was a main board director of J. & E. Davy (an Irish stockbroking firm) from 1975 until 2002. Following graduate training with Aer Lingus, he joined J. & E. Davy in 1973. Mr. Shubotham became a partner of J. & E. Davy in 1977 with responsibility for the bond desk. In 1991 he became chief executive of Davy International, a company operating in Dublin's International Financial Services Centre. He retired in 2001. He qualified as an accountant in 1971 having graduated with a Bachelor of Commerce degree from University College Dublin in 1970 and became a member of the Society of Investment Analysts in 1975. Mr. Shubotham has served on various state committees in Ireland including the Committee for the Development of Science and Technology Strategy and the Committee for the Development of Bio Strategy. He has served as chairman of the boards of directors of the National Stud of Ireland and the National Digital Park, a joint venture with the Irish Industrial Development Authority. He was chairman of the board of directors of the Hugh Lane Municipal Gallery, Dublin for 6 years. He is a director of a number of collective investment schemes authorised by the Central Bank as well as collective investment schemes established in the Cayman Islands.

#### ***Neil Jenkins***

Mr. Jenkins, British, is Managing Director, Investments of the Principal Money Manager which he joined in October 2006. Mr. Jenkins was educated at Keble College, Oxford, where he received first class honours in Modern Languages (German and Russian). He also holds an MSc from London Business School. In 1985 Mr. Jenkins joined Morgan Grenfell in London where he worked in export project finance in Eastern Europe. From 1988 to 1990 he was Morgan Grenfell's representative based in Moscow. From 1990 to 2000 Mr. Jenkins worked in various investment roles at Morgan Grenfell (Deutsche) Asset Management Investment Services and also spent five years assigned to Morgan Grenfell Capital Management in New York. Mr. Jenkins was Managing Director of AXA Multi Manager from January 2001 until June 2003, after which he joined Rothschild Private Management Limited as Executive Director and Head of Multi-Manager Investment, a position he held until October 2006 when he joined the Principal Money Manager. Mr. Jenkins worked in Russell's London office as senior portfolio manager of a number of funds for the Principal Money Manager and he also worked in Russell Investments' Seattle office from April 2016 to January 2018. He moved away from portfolio management responsibilities in Q3 2018, and in January 2019 he moved to a half-time position within the Principal Money Manager. He is also a director of other collective investment schemes authorised by the Central Bank.

#### ***Tom Murray***

Mr Murray, Irish, has worked in investment banking and financial services for over 25 years. He is currently an independent non-executive director of several collective investment vehicles and management companies. He obtained a Bachelor of Commerce Degree from University College Dublin in 1976 and qualified as a Chartered Accountant with Coopers & Lybrand in 1980 where he was a computer audit specialist and systems analyst. He was also a member of the National Futures Association between 1990 and 1992. In 2011, Mr

Murray was awarded a Diploma in Directors Duties & Responsibilities by the Institute of Chartered Accountants in Ireland.

Between 2004 and 2008, Mr Murray was a director of Merrion Corporate Finance Ltd where he was involved in several high profile transactions including the initial public offering of Aer Lingus, Eircom and the sale of Reox. Prior to joining Merrion, he was Treasury Director of Investec Bank Ireland where he was responsible for funding, asset and liability management, corporate and proprietary foreign exchange dealing, stock lending and borrowing, equity financing and structured finance activities. In 1987, he was a founder director and early shareholder in Gandon Securities Ltd, the first entity to be licenced to operate in the International Financial Services Centre, Dublin. Initially, Mr Murray served as Finance Director where, inter alia, he was instrumental in the design and implementation of the financial control and risk management systems for the proprietary trading division. In 1990 Mr Murray moved into a business development role where he established the structured finance, managed futures and equity financing units. In 2000, Gandon Securities Ltd was acquired by Investec Bank and Mr Murray was appointed Treasury Director in which role he served for 4 years.

Prior to joining Gandon between 1981 and 1987, Mr Murray was the Chief Financial Officer of Wang International Finance Ltd, the vendor financing division of Wang Computers, where he established the tax, legal and financial reporting structures for computer leasing operations in 14 countries globally.

#### **Peter Gonella**

Mr. Gonella, British, is Director of Operations for the Principal Money Manager, since 2007, where he is responsible for fund services in Europe, Middle East & Africa. His management and operational responsibilities primarily include overseeing the delivery of fund administration, fund accounting and client services. Mr. Gonella was educated at the University of Hull where he received honours in English Language & Literature. He is a CIFD, a designation awarded in 2016 by The CIFD within The Institute of Banking, Ireland. Mr Gonella worked for Deutsche (Morgan Grenfell) Asset Management from 1986 to 2005 and Aberdeen Asset Management from 2005 to 2007, holding a variety of senior management and Operations Director roles including responsibility for fund accounting, client administration and vendor management. He is a director of a number of collective investment schemes authorised by the Central Bank and is also a director of other subsidiaries within Russell Investments.

#### **William Pearce**

Mr. Pearce, British, is Senior Portfolio Manager for the Principal Money Manager, since 2005 where he is responsible for Global Equity pooled funds and segregated mandates managed for a number of sovereign wealth and national pension funds. Mr Pearce was educated at the University of Sheffield where he received honours in Business Studies and French. He holds the ASIP qualification from the UK Society of Investment Professionals and is an Associate of the CFA Society of the UK. Mr Pearce worked for Tilney Investment Management's institutional group from 1998 to 2003, managing UK equity and balanced portfolios for UK pension funds and charities. He is a director of a number of collective investment schemes authorized by the Central Bank.

None of the Directors has entered into a service contract with the Company or is an executive of the Company. The Articles of Association do not stipulate a retirement age for Directors and do not provide for retirement of Directors by rotation.

The Articles of Association provide that a Director may be a party to any transaction or arrangement with the Company or in which the Company is interested, provided that he has disclosed to the Directors the nature and extent of any material interest which he may have. A Director may not vote in respect of any contract in which he has a material interest. However, a Director may vote in respect of any proposal concerning any other company in which he is interested, directly or indirectly, whether as an officer or shareholder or otherwise provided that he is not the holder of 5% or more of the issued shares of any class of such company or of the voting rights available to members of such company. A Director may also vote in respect of any proposal concerning an offer of Shares in which he is interested as a participant in an underwriting or sub-underwriting arrangement and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the Company or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the Company for which the Director has assumed responsibility in whole or in part.

#### **The Secretary**

The Company Secretary is MFD Secretaries Limited.

## **The Manager**

The Company delegates UCITS management company functions to Carne Global Fund Managers (Ireland) Limited (the "**Manager**"). The Central Bank Regulations refer to the "responsible person", being the party responsible for compliance with the relevant requirements of the Central Bank Regulations on behalf of an Irish authorised UCITS. The Manager assumes the role of the responsible person for the Company.

The Company has appointed the Manager to act as manager to the Company and each Fund with power to delegate one or more of its functions subject to the overall supervision and control of the Company. The Manager is a private limited company and was incorporated in Ireland on 10 November 2003 under the registration number 377914 and has been authorised by the Central Bank to act as a UCITS management company and to carry on the business of providing management and related administration services to UCITS collective investment schemes. The Manager's parent company is Carne Global Financial Services Limited, a company incorporated in Ireland with limited liability.

The Manager is responsible for the general management and administration of the Company's affairs and for ensuring compliance with the Central Bank Regulations, including investment and reinvestment of each Fund's assets, having regard to the investment objective and policies of each Fund. However, pursuant to the Administration Agreement, the Manager has delegated certain of its administration and transfer agency functions in respect of each Fund to the Administrator.

Pursuant to the Principal Money Manager and Advisory Agreement (and as detailed further below), the Manager has delegated certain investment management functions in respect of each Fund to the Principal Money Manager.

The directors of the Manager are:

### **Neil Clifford (nationality: Irish – Irish resident)**

Mr. Clifford is a Director and Chief Executive Officer of the Manager. He is an experienced Irish-based investment management professional and fund director, with wide experience in the governance and operations of traditional and alternative investment funds. Neil joined the Manager in October 2014 from Irish Life Investment Managers ("ILIM") (April 2006 – September 2014), where he was Head of Alternative Investments. He began his career with Irish Life as a sector-focused equity fund manager. Prior to this, Neil was a senior equity analyst for Goodbody Stockbrokers (September 2000 - April 2006) in Dublin. He has also worked as an engineer with a number of leading engineering and telecoms firms in Ireland. Neil holds a degree in Electrical Engineering from University College Cork and a Masters of Business Administration from the Smurfit School of Business, University College, Dublin. He has also attained the professional certifications of Chartered Alternative Investment Analyst (CAIA) and Financial Risk Manager (FRM – Global Association of Risk Professionals).

### **Teddy Otto (nationality: German – Irish resident)**

Mr. Otto is a Principal with the Carne Group. He specialises mainly in product development, fund establishment and risk management. Before joining the Manager, Mr. Otto was employed by the Allianz / Dresdner Bank group in Ireland for six years. During this time, he acted as head of fund operations, head of product management and was appointed as a director of the Irish management company for Allianz Global Investors and a range of Irish and Cayman domiciled investment companies. He had previously held senior positions in the areas of market data and custody at Deutsche International (Ireland) Limited and worked in the investment banking division of Deutsche Bank, Frankfurt. He spent over six years at DeutscheBank group. Prior to that, he was employed with Bankgesellschaft Berlin for two years. Mr. Otto holds a degree in business administration from Technische Universität Berlin.

### **Sarah Murphy (nationality: Irish – Irish resident)**

Sarah is an Executive Director and the Chief Operating Officer of the Manager. The Manager is a UCITS Management Company and Alternative Investment Fund Manager which currently manages in excess of €130bn in assets across a wide range of fund structures and asset classes. Sarah began her career at the Carne Group as a business manager where she was tasked with leading the launch and development of a number of the firm's corporate services businesses.

Prior to joining the Carne Group, Sarah held a number of senior management roles in BDO Ireland's corporate services business. During this period, Sarah was responsible for providing advisory services to a broad range

of domestic and international clients in relation to corporate governance and company law issues associated with acquisitions, disposals and company re-organisations.

**Elizabeth Beazley (nationality: Irish – Irish resident)**

Elizabeth Beazley is a Managing Director in Carne Group with over 20 years' experience in the funds' industry focussing on fund establishment, operations and corporate governance. During her time in Carne Group, Ms Beazley has held a number of roles including Global Head of Onboarding covering a variety of jurisdictions including Ireland, Luxembourg, the UK and Channel Islands amongst others. Ms Beazley acts as non-executive director on a number of fund boards. Prior to joining Carne, she spent 4 years in a senior role with AIB/BNY Fund Management in Ireland, and before that worked for Bank of Bermuda (now HSBC).

Ms Beazley has been a member of various industry working groups and currently sits on the Irish Funds' Management Company working group as Deputy Chair in addition to being a member of the ETF Committee in EFAMA. She has a Bachelor of Commerce degree from University College Cork and has a Masters' degree in Business Studies from the Smurfit Graduate School of Business at University College Dublin. Ms Beazley is a member of the Association of Chartered Certified Accountants.

**Christophe Douche (nationality: French –Luxembourg resident)**

Christophe Douche is a Director with the Carne Group with over 23 years' experience in the funds industry, focusing on risk management, compliance, AML and corporate governance. His roles have included acting as conducting officer, executive director and chairman on fund boards, committees and management companies.

Christophe currently acts as conducting officer in charge of risk for Carne Global Fund Managers (Luxembourg) SA. He also acts as Head of the Carne Group Risk & Valuation Teams. Previously he worked as a director with responsibility for risk & operations with FundRock where he was the conducting officer in charge of risk, distribution, central administration and depositary oversight. He also acted as Head of Regulatory Compliance and AML and Head of Investment Compliance during his time with FundRock. Prior to that he worked with State Street Bank Luxembourg as fund compliance manager and with Natixis Private Banking Luxembourg as a manager in the fund compliance and fund depositary department.

Christophe has a master's degree in Finance and Economics and a degree in Banking, Finance and Insurance from University Nancy.

**Jackie O'Connor (nationality: British – Irish resident)**

Jackie O'Connor is an independent non-executive director on Carne Group's Irish and Luxembourg management companies. She has over 20 years' experience within the asset management industry, most recently as Managing Director and CEO of Goldman Sachs Asset Management Fund Services Ltd ("GSAMFSL"), GSAM's Irish domiciled UCITS management company and Alternative Investment Fund Manager based in Ireland. Jackie was responsible for setting up GSAMFSL in Ireland.

Prior to that, Jackie was international head of regulatory reform for Goldman Sachs Asset Management ("GSAM"), responsible for identifying and implementing requirements under new regulations within the EMEA and Asia Pacific regions. Earlier in her career, Jackie worked in a number of roles within the GSAM and the wider Goldman Sachs Group, including global project manager for the GSAM Client Relationship Team as well as five years in Goldman Sachs's Internal Audit department.

Jackie holds a bachelor's degree with honours in Zoology from Sheffield University in the UK.

**Aleda Anderson (nationality: USA – Irish resident)**

Aleda has over 30 years' experience within the investment industry, most recently as Chief Executive Officer and Chief Investment Officer at Principal Global Investors (EU) Limited, a subsidiary of Principal Financial Group (NASDAQ:PFG), a global investment firm and FORTUNE 500 member. Prior to relocating to Ireland from the United States in 2018 to establish a Dublin office for Principal Global Investors, she was Director of Strategy & Operations at Edge Asset Management, a specialist investment boutique located in Seattle, WA. During her 30-year career, Aleda has held various positions at Charles Schwab in San Francisco, CA. including Vice President and General Manager, Asset Management Strategic Alliances, and Vice President Distribution Services for Schwab Funds and Laudus Funds. Earlier in her career, she worked for Franklin Templeton in San Mateo, CA. Aleda studied Philosophy and Religion from San Francisco State University and holds Professional Diplomas in Strategic Management and Applied Alternative Investments, and a Professional Certificate in Complex Financial Instruments from University College Dublin.



The Secretary of the Manager is Carne Global Financial Services Limited.

### **The Principal Money Manager and Distributor**

Russell Investments Limited was incorporated in England and Wales on 30 December 1986.

The Company and the Manager have appointed Russell Investments Limited as Principal Money Manager with discretionary powers pursuant to the Principal Money Manager and Advisory Agreement (as further described below).

Under the terms of the Principal Money Manager and Advisory Agreement, the Principal Money Manager is responsible, subject to the overall supervision and control of the Directors and the Manager, for managing the assets and investments of the Company and each of its Funds in accordance with the investment objective and policies of each Fund.

The Principal Money Manager may delegate the discretionary investment management functions in respect of the assets of each or any Fund, as further described below. For example, the Principal Money Manager:

- (i) may appoint one or more Money Managers to manage the whole or a portion of a Fund's assets.
- (ii) may manage or may appoint one or more Investment Managers to manage the whole or a portion of a Fund's assets. In this scenario, there are three possibilities:
  - a) the Principal Money Manager/Investment Manager may appoint one or more Investment Advisers who have expertise in a particular sector and/or asset class. The optimal views on securities or instruments from those Investment Advisers will be aggregated by the Principal Money Manager/Investment Manager and trades will be effected by an Investment Manager on a periodic basis with a view to improving trading efficiency, managing portfolio risk more effectively and reducing potential transaction costs in respect of a Fund's investments.
  - b) the Principal Money Manager/Investment Manager may manage a portion of the Fund's assets directly. The aim of this approach is to enable the management of exposures at a total portfolio level for risk management and return enhancement purposes.
  - c) the Principal Money Manager/Investment Manager may manage all or a portion of the Fund's assets directly in pursuit of the investment objective and policy.

Information concerning the Money Managers, the Investment Managers and Investment Advisers will be provided by the Company, free of charge, upon a Shareholder's request. Information concerning the Money Managers, the Investment Managers and Investment Advisers appointed to the respective Fund's is also contained in the Company's latest annual and half-yearly reports. The Principal Money Manager will monitor each Fund's characteristics in detail, and in consultation with the relevant Money Managers and/or Investment Managers.

Russell Investments Limited was also appointed as Distributor of the Shares of the Company and it is also the entity that primarily promotes the Company.

The Company has also appointed Russell Investments Limited to provide certain operational support services pursuant to the Support Services Agreement

### **The Administrator**

The Manager has appointed State Street Fund Services (Ireland) Limited to act as administrator of the Company pursuant to the Administration Agreement.

The Administrator is responsible for performing the day to day administration of the Company and for providing fund accounting for the Company, including the calculation of the Net Asset Value and the Net Asset Value per Share, and for providing registration, transfer agency and related services to the Company.

The Administrator was incorporated in Ireland on 23 March 1992 and is a private limited liability company ultimately owned by the State Street Corporation. The authorised share capital of the Administrator is Stg£ 5 million with an issued and paid up share capital of Stg£350,000.

State Street Corporation is a leading world-wide specialist in providing sophisticated global investors with investment servicing and investment management. State Street Corporation is headquartered in Boston, Massachusetts, U.S.A., and trades on the New York Stock Exchange under the symbol "STT".

## The Depositary

The Company has appointed State Street Custodial Services (Ireland) Limited to act as Depositary of all the assets of the Company pursuant to the Depositary Agreement.

The Depositary is a private limited company incorporated in Ireland and has its registered office at 78 Sir John Rogerson's Quay, Dublin 2. The principal activity of the Depositary is to act as depositary of the assets of collective investment schemes. The Depositary is ultimately owned by the State Street Corporation. The Depositary is regulated by the Central Bank. The Depositary was incorporated to provide trustee and custodial services to collective investment schemes.

The Depositary shall carry out functions in respect of the Company including but not limited to the following:

- (i) the Depositary shall
  - (a) hold in custody all financial instruments that may be registered or held in a financial instruments account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary;
  - (b) ensure that all financial instruments that can be registered in a financial instruments account opened in the Depositary's books are registered in the Depositary's books within segregated accounts in accordance with the principles set out in Article 16 of Commission Directive 2006/73/EC, opened in the name of the Company, so that they can be clearly identified as belonging to the UCITS in accordance with the applicable law at all times;
- (ii) the Depositary shall verify the Company's ownership of any assets (other than those referred to in (i) above) and maintain and keep up-to-date a record of such assets it is satisfied are owned by the Company;
- (iii) the Depositary shall ensure proper monitoring of the Depositary 's cash flows;
- (iv) the Depositary shall be responsible for certain oversight obligations in respect of the Company – see "Summary of Oversight Obligations" below.

Under the terms of the Depositary Agreement, the Depositary may delegate duties and functions in relation to (i) and (ii) above, subject to certain conditions. The liability of the Depositary will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary's liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are contained in Schedule VII to the Prospectus.

Duties and functions in relation to (iii) and (iv) above may not be delegated by the Depositary.

### Summary of Oversight Obligations:

The Depositary is obliged, among other things, to:

- (i) ensure that the sale, issue, repurchase, redemption and cancellation of Shares effected by or on behalf of the Company are carried out in accordance with the Regulations and the Articles of Association;
- (ii) ensure that the value of Shares is calculated in accordance with the Regulations and the Articles of Association;
- (iii) carry out the instructions of the Company unless they conflict with the Regulations or the Articles of Association;
- (iv) ensure that in each transaction involving the Company's assets, any consideration is remitted to it within the usual time limits;
- (v) ensure that the Company's income is applied in accordance with the Regulations and the Articles of Association;
- (vi) enquire into the conduct of the Company in each Accounting Period and report thereon to the Shareholders. The Depositary's report will be delivered to the Directors in good time to enable the Directors to include a copy of the report in the annual report of the Company. The Depositary's report will state whether, in the Depositary's opinion, the Company has been managed in that period:

- (a) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Central Bank, the Articles of Association and by the Regulations; and
- (b) otherwise in accordance with the provisions of the Articles of Association and the Regulations.

If the Company has not been managed in accordance with (a) or (b) above, the Depositary will state why this is the case and will outline the steps that the Depositary has taken in respect thereof;

- (i) notify the Central Bank promptly of any material breach by the Company or the Depositary of any requirement, obligation or document to which Regulation 114(2) of the Central Bank Regulations relates; and
- (ii) notify the Central Bank promptly of any non-material breach by the Company or the Depositary of any requirement, obligation or document to which Regulation 114(2) of the Central Bank Regulations relates where such breach is not resolved within 4 weeks of the Depositary becoming aware of such non-material breach.

In carrying out its duties the Depositary shall act honestly, fairly professionally, independently and solely in the interests of the Company and its Shareholders.

In the event of a loss of a financial instrument held in custody, determined in accordance with UCITS V, the Depositary shall return financial instruments of identical type or the corresponding amount to the Company without undue delay.

The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to UCITS V.

To the extent permitted by the Regulations, the Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations.

#### **Facilities Agent / Paying Agents / Representatives / Distributors**

Facilities agents (as appointed pursuant to the provisions of the CBDF Directive) and Paying Agents may be appointed to facilitate the authorisation or registration of the Company and/or the marketing of any of its Shares in various jurisdictions. In addition, local regulations in EEA countries may require the appointment of a facilities agent or Paying Agent and the maintenance of accounts by such agents through which subscriptions and repurchase monies may be paid. Investors who choose or are obliged under local regulations to pay/receive subscription/repurchase monies via an intermediary entity rather than directly to/from the Administrator or the Depositary (e.g. a sub-distributor or agent in the local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Administrator or the Depositary for the account of a Fund and (b) repurchase monies payable by such intermediate entity to the relevant investor.

The appointment of a facilities agent or Paying Agent (including a summary of the agreement appointing such entity) may be detailed in a Country Supplement.

#### **PRC Sub-Custodian**

The PRC Sub-Custodian has been appointed by the Depositary to act as its sub-custodian for the assets to be invested in the PRC including all assets of the Russell Investments China Equity Fund held through the QFI status of RIML.

The PRC Sub-Custodian has established a RMB special account and a corresponding foreign exchange account for the Russell Investments China Equity Fund. The PRC Sub-Custodian has also established the Russell Investments China Equity Fund's securities account in the joint names of RIML as the QFI licence holder and the Russell Investments China Equity Fund with CSDCC.

Additional local custodian(s) other than the PRC Sub-Custodian may be appointed to keep the relevant investments of the Russell Investments China Equity Fund in the PRC, if and when the Russell Investments China Equity Fund invests in Permitted Securities via the QFI status of RIML, where available (the "QFI Custodian").

#### **Conflicts of Interest**

The Directors, the Depositary and the Manager and its duly appointed delegates and their respective affiliates, officers, directors and shareholders, employees and agents (each a "Connected Party" and collectively, the "Connected Parties") are or may be involved in other financial, investment and professional activities (for example provision of securities lending agent services) which may on occasion cause a conflict of interest with the management of the Company and/or their respective roles with respect to the Company.

These other activities may include managing or advising other funds, purchases and sales of securities, banking and investment management services, brokerage services and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the Company may invest. Each of the Connected Parties will use reasonable endeavours to ensure that any conflicts which may arise will be resolved fairly. The appointment of the Manager, the Principal Money Manager, Administrator and Depositary in their primary capacity as service providers to the Company are excluded from the scope of these Connected Party requirements.

Each Fund may effect portfolio transactions with or through subsidiaries of Russell Investments. The Investment Managers and Money Managers may be requested by the Principal Money Manager to direct a target percentage of portfolio transactions to affiliates of Russell Investments and, in addition, a Director may from time to time be a director, shareholder, officer, employee or consultant of brokerage firms with or through whom portfolio transactions for the Funds are effected. The affiliates of Russell Investments will refund to the Fund effecting such transactions up to 70% of the commission paid, after reimbursement for research services. Each Money Manager may effect portfolio transactions with an affiliated party, provided that the aggregate of such transactions does not exceed 25% of the total portfolio transactions of the Fund.

Each of the Principal Money Manager, Investment Managers and Money Managers may enter into transactions on a soft commission basis, i.e., utilise the services and expertise of brokers in return for the execution of trades through such brokers, provided that the transactions are entered into on the principle of best execution, the benefits provided in the transaction will assist in the provision of investment services to the Company. More information on soft commissions can be found in the annual or half-yearly report of the Company.

Where appropriate, any such arrangements will comply with the requirements of Article 11 of the MiFID II Delegated Directive.

There is no prohibition on transactions with Connected Parties including, without limitation, holding, disposing or otherwise dealing with Shares issued by or property of the Company and none of them shall have any obligation to account to the Company for any profits or benefits made by or derived from or in connection with any such transaction provided that such transactions are in the best interests of Shareholders and dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis. Dealings will be deemed to have been effected on normal commercial terms if:

- (a) a certified valuation by a person approved by the Depositary as independent and competent (or in the case of a transaction involving the Depositary, the Manager) has been obtained ; or
- (b) the relevant transaction is executed on best terms on an organised investment exchange in accordance with its rules ; or
- (c) where the conditions set out in (a) and (b) above are not practical, the relevant transaction is executed on terms which the Depositary is (or in the case of a transaction involving the Depositary, the Manager is) satisfied that it conforms with the principle that such transactions be carried out as if negotiated at arm's length and in the best interests of Shareholders.

The Depositary (or in the case of a transaction involving the Depositary, the Directors) shall document how it complied with paragraphs (a), (b) and (c) above and where transactions are conducted in accordance with paragraph (c), the Depositary (or in the case of a transaction involving the Depositary, the Directors), must document the rationale for being satisfied that the transaction conformed to the principles outlined above.

Potential conflicts of interest may arise from time to time from the provision by the Depositary and/or its affiliates of other services to the Company and/or other parties. For example, the Depositary and/or its affiliates may act as the depositary, trustee, custodian and/or administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the Company and/or other funds for which the Depositary (or any of its affiliates) act.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the Company and will treat the Company and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which are not materially less favourable to the Company

than if the conflict or potential conflict had not existed. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of the Depositary's functions from its other potentially conflicting tasks and by the Depositary adhering to its "Conflicts of Interest Policy" (a copy of which can be obtained on request from the head of compliance for the Depositary).

Each Connected Party will provide the Company with relevant details of each transaction (including the name of the party involved and where relevant, fees paid to that party in connection with the transaction) in order to facilitate the Company discharging its obligation to provide the Central Bank with a statement within the relevant Fund's annual and semi-annual reports in respect of all Connected Party transactions.

The preceding list of potential conflicts of interest does not purport to be a complete enumeration or explanation of all of the conflicts of interest that may be involved in an investment in the Company.

The Manager has adopted a policy designed to ensure that in all transactions a reasonable effort is made to avoid conflicts of interest and, when they cannot be avoided, such conflicts are managed so that the Funds and their Shareholders are fairly treated.

The Manager has policies designed to ensure that the Principal Money Manager (and its delegates) acts in a Fund's best interests when executing decisions to deal on behalf of a Fund in the context of managing the Fund's portfolio. For these purposes, all reasonable steps must be taken to obtain the best possible result for the Fund, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature, research services provided by the broker to the Principal Money Manager (and its delegates) or any other consideration relevant to the execution of the order. Information about the Manager's execution policy and any material change to the policy are available to Shareholders at no charge upon request.

The Manager has adopted a policy for determining when and how voting rights are exercised. This policy is available to Shareholders at no charge upon request.

## **FEES AND EXPENSES**

### **General**

#### ***Organisational Expenses***

All fees and expenses relating to the establishment, organisation and authorisation of the Company and the initial Fund(s) including the fees of the Company's professional advisers (including legal, accounting, tax, regulatory, compliance, fiduciary and other professional advisers) will be borne by the Company. All expenses relating to the establishment of the Funds have been paid.

The cost of establishing each new Fund will be set out in the relevant Fund specific information for the relevant Fund and amortised over the first three years of such Fund's operation or such other period as the Company may determine. The cost of establishing any subsequent Fund will be charged to the relevant Fund.

The Articles of Association provide that the Directors shall be entitled to a fee by way of remuneration at a rate to be determined from time to time by the Directors. The Directors' annual remuneration for the forthcoming year will be disclosed in the Prospectus. The Directors' remuneration will not exceed EUR150,000 for the calendar year ending 31 December 2024. In addition to such fees the Directors shall be entitled to be reimbursed out of the assets of the Company for all travelling, hotel and other reasonable out-of-pocket expenses properly incurred by them in attending and returning from meetings of the Directors or any meetings in connection with the business of the Company. None of the Directors affiliated to Russell Investments, the Manager, the Principal Money Manager, the Administrator or the Depositary will receive a Director's fee.

#### ***Operating Expenses and Fees***

The Company and/or each Fund and, where expenses or liabilities are attributable specifically to a Class, such Class shall bear the following expenses and liabilities or, where appropriate, its pro rata share thereof subject to adjustment to take account of expenses and/or liabilities attributable to one or more Classes: (i) registration fees and other expenses relating to regulatory, supervisory or fiscal authorities in various jurisdictions, including the Central Bank's industry funding levy, statutory fees and any relevant regulatory filing fees; (ii) all fees and expenses payable to, or expenses (including costs of due diligence) incurred in respect of the appointment of, the Manager, the Principal Money Manager, the Administrator, the Depositary, the Secretary, any sub-investment manager, adviser, Distributor, Sub-Distributor(s), dealer, Paying Agent or local representatives (which will be at normal commercial rates), prime brokers, sub-custodians (which will be at normal commercial rates), money laundering reporting officer, correspondent bank, fiscal representative or other supplier of services to the Company appointed by or on behalf of the Company or with respect to any Fund or Class and their respective delegates (iii) Directors' fees and expenses; (iv) client service fees; (v) investor reporting fees including expenses incurred in connection with publication and supply of information to Shareholders; (vi) writing, translating, typesetting and printing the Prospectus and any supplemental prospectus, sales, literature and other documents for Shareholders including the financial statements and any other reports to the Central Bank or to any other regulatory authority or to the Shareholders and the cost of all stationery and postage costs in connection with the preparation and distribution of information to Shareholders; (vii) all duties, taxes or government charges which may be payable on the assets, income or expenses of the Company; (viii) issuing, purchasing, repurchasing and redeeming Shares; (ix) transfer agents, dividend dispersing agents, Member servicing agents and registrars; (x) all fees and expenses of the Auditors, tax, legal and other professional advisers and any valuer or other supplier of services to the Company; (xi) reports to Shareholders and governmental agencies (xii) meetings of Directors and meetings of Shareholders and proxy solicitations therefore (if any); (xiii) insurance premiums; (xiv) association and membership dues; (xv) the costs and expenses arising from any licensing or other fees payable to any Index Provider or other licensor of intellectual property, trademarks or service marks used by the Company; (xvi) any costs associated with ESG factors (including but not limited to screening, voting monitoring and reporting costs); (xvii) all brokerage fees, bank fees, charges and commissions incurred by or on behalf of the Company in the course of its business and any payments to and/or the costs associated with the administration of a research payment account in accordance with Article 13 of the MiFID II Delegated Directive; (xviii) the costs of listing and maintaining a listing of Shares on any stock exchange; (xix) the costs of liquidation or winding up the Company or terminating any Fund including liabilities on amalgamation or reconstruction arising after the transfer of the relevant Fund's assets in any such transaction; (xx) all transfer fees, registration fees and other charges whether in respect of the constitution or increase of the assets or the creation, exchange, sale, purchase or transfer of Shares or the purchase or sale or proposed purchase or sale of assets or otherwise which may have become or will become payable in respect of or prior to or upon the occasion of any transaction, dealing or valuation, but not including

commission payable on the issue and/or redemption of Shares; and (xxi) such non-recurring and extraordinary items as may arise.

Any such expenses may be deferred to subsequent accounting periods and amortised by the Company in accordance with standard accounting practice, at the discretion of the Directors. An estimated accrual for operating expenses of the Company will be provided for in the calculation of the Net Asset Value of each Fund. Operating expenses and the fees and expenses of service providers which are payable by the Company shall be borne by all Funds in proportion to the Net Asset Value of the relevant Fund or attributable to the relevant Class provided that fees and expenses directly or indirectly attributable to a particular Fund or Class shall be borne solely by the relevant Fund or Class.

Where an expense is not considered by the Directors to be attributable to any one Class or Fund, the expense will normally be allocated to all Classes or Funds in proportion to the Net Asset Value of the Class or Funds or otherwise on such basis as the Directors deem fair and equitable.

### **Fees and Expenses**

The following fees and expenses will be borne by the Company (expressed as a maximum annual percentage of average daily Net Asset Value, except as otherwise noted) which fees shall accrue daily and be paid monthly in arrears:

#### **Management Fee**

The maximum management fee shall be set out in the table below.

The fees of the Manager and the Principal Money Manager are paid out of the below management fees which shall be paid out of the assets of each Fund, calculated and accrued daily and shall be payable monthly in arrears. The Company shall pay all reasonable out of pocket expenses properly incurred by the Manager and the Principal Money Manager.

The Principal Money Manager will discharge all fees (except for any Performance Fees as set out below) payable to the Money Managers, the Investment Managers, the Investment Advisers and the Distributor out of its management fee. The Principal Money Manager may at any time waive all or part of its fees or reimburse all or part of the Company's expenses, provided that any such waiver may be discontinued by the Principal Money Manager at any time at its discretion. The fees payable by the Company to Russell Investments Limited for the support services set out in the Support Services Agreement will be paid out of the assets of the Funds with such fees capped at 0.5 basis points of the Net Asset Value of the relevant Fund per annum.

In addition to the Share Classes listed below, other Share Classes may be established that may be subject to higher, lower or no fees. Information in relation to the fees applicable to other Share Classes within each Fund will be contained in a revised prospectus or a supplemental prospectus. Any increase of the management fee (where it is payable out of the assets of the Funds) as listed in the table below will be subject to prior approval of Shareholders of the Company or as applicable, of the relevant Fund or Class of Shares.

<b>Russell Investments Emerging Market Debt Local Currency Fund</b>	<b>Management Fee as a%. of NAV per Class</b>	<b>Aggregate of Administration, Depositary Fees as a%. of NAV per Fund</b>
Class I Sterling	1.00%.	Up to 0.35%.
Class I Sterling Income	1.00%.	
Class I Euro	1.00%.	
Class I USD	1.00%.	
Class I AUD Income	1.00%.	
Class U Euro	2.20%.	
Class Z USD	Up to 2.00%	

<b>Russell Investments Euro Fixed Income Fund</b>	<b>Management Fee as a%. of NAV per Class</b>	<b>Aggregate of Administration, Depositary Fees as a%. of NAV per Fund</b>
Class A Income	1.40%.	Up to 0.20%.
Class B	0.80%.	

Class B Income	0.80%.	
Class F	1.60%.	
Class G	1.80%.	
Class I	0.60%.	
Class J	0.80%.	
Class K	1.40%.	
Class L	1.60%.	
Class M	1.80%.	
Class P	1.00%.	
Class P Income	1.00%.	
Class R Roll-Up	1.02%.	
Class S	1.02%.	
Class TYA	0.32%.	
Class TYA Income	0.32%.	
Class TYB	0.52%.	
Class TYB Income	0.52%.	
Class TYHA	0.32%.	
Class TYHA Income	0.32%.	
Class TYHB	0.52%.	
Class TYHB Income	0.52%.	

<b>Russell Investments Pan European Equity Fund</b>	<b>Management Fee as a%. of NAV per Class</b>	<b>Aggregate Administration, Depositary Fees as a%. of NAV per Fund</b>
Class A	1.60%.	Up to 0.20%.
Class A Income	1.60%.	
Class A USD-H	0.90%.	
Class B	1.00%.	
Class B Income	1.00%.	
Class F	1.80%.	
Class G	2.00%.	
Class I	0.90%.	
Class K	1.60%.	
Class M	2.00%.	
Class PAMEU	2.30%.	
Class P	1.50%.	
Class P Income	1.50%.	
Class R Roll-Up	1.25%.	
Class SH-B	1.05%.	
Class TYA	Up to 2.00%.	
Class TYA Income	Up to 2.00%.	
Class TYB	Up to 2.00%.	
Class TYB Income	Up to 2.00%.	
Class TYC	Up to 2.00%.	
Class TYC Income	Up to 2.00%.	

<b>Russell Investments U.S. Quant Fund</b>	<b>Management Fee as a%. of NAV per Class</b>	<b>Aggregate Administration, Depositary Fees as a%. of NAV per Fund</b>
Class A	1.50%.	Up to 0.20%.
Class B	1.00%.	
Class B Income	1.00%.	
Class C	1.60%.	
Class F	1.80%.	



Class G	2.00%.	
Class I	0.80%.	
Class L	1.80%.	
Class M	2.00%.	
Class P	1.50%.	
Class P Income	1.50%.	
Class R1 Roll-Up	1.20%.	
Class TDA	Up to 2.00%.	
Class TDA Income	Up to 2.00%.	
Class TDB	Up to 2.00%.	
Class TDB Income	Up to 2.00%.	
Class TDC	Up to 2.00%.	
Class TDC Income	Up to 2.00%.	
Class TYA	Up to 2.00%.	
Class TYA Income	Up to 2.00%.	
Class TYB	Up to 2.00%.	
Class TYB Income	Up to 2.00%.	
Class TYC	Up to 2.00%.	
Class TYC Income	Up to 2.00%.	

<b>Russell Investments World Equity Fund</b>	<b>Management Fee as a%. of NAV per Class</b>	<b>Aggregate of Administration, Depository Fees as a%. of NAV per Fund</b>
Class A	1.80%.	Up to 0.25%.
Class A Income	1.80%.	
Class B	0.90%.	
Class C	1.60%.	
Class D	0.75%.	
Class E	1.10%.	
Class EH-T	0.95%.	
Class F	1.80%.	
Class G	2.00%.	
Class I	0.90%.	
Class J	1.60%.	
Class L	2.00%.	
Class M	0.60%.	
Class M Sterling	0.60%.	
Class N	2.30%.	
Class NZD-H	up to 0.25%.	
Class P	1.50%.	
Class R	2.10%.	
Class SH-B	0.95%.	
Class TDA	Up to 2.30%.	
Class TDA Income	Up to 2.30%.	
Class TDB	Up to 2.30%.	
Class TDB Income	Up to 2.30%.	
Class TDC	Up to 2.30%.	
Class TDC Income	Up to 2.30%.	
Class TYA	0.68%.	
Class TYA Income	Up to 2.30%.	
Class TYB	Up to 2.30%.	
Class TYB Income	Up to 2.30%.	
Class TYC	0.58%.	
Class TYC Income	Up to 2.30%.	

<b>Russell Investments China Equity Fund</b>	<b>Management Fee as a%. of NAV per Class</b>	<b>Aggregate of Administration, Depositary Fees as a%. of NAV per Fund</b>
Class A	Up to 1.00%.	Up to 0.30%.
Class B	Up to 1.50%.	
Class C	Up to 2.00%.	
Class D	Up to 1.50%.	
Class E	Up to 1.60%.	
Class X	Up to 1.00%.	
Class V	Up to 1.00%.	

### ***Administrator, Depositary fees***

The Company shall pay the fees of the Administrator and the Depositary and all of the reasonable out of pocket expenses properly incurred by them. All transactions fees payable to the Depositary and the sub-custodians (which shall be charged at normal commercial rates) shall be paid by the Company.

The Company shall reimburse the Depositary for reasonable fees paid to any sub-custodian.

The fees payable to the Administrator and the Depositary may be subject to benchmarking conditions as agreed in writing from time to time, which may result in renegotiation of the fees payable to the Administrator and/or the Depositary on the basis of normal commercial rates.

### ***Performance Fees - Russell Investments China Equity Fund***

A Performance Fee shall be payable to the Principal Money Manager/Investment Manager only on the positive performance of the Fund as against the MSCI China All Shares Index (USD) – Net Returns Index (the "**Performance Index**").

#### Performance Period:

A Performance Fee will be paid to the Principal Money Manager/Investment Manager, on an annual basis, on 31 March (the "**Performance Period**"). The Company shall pay the entire amount of any Performance Fees to the Principal Money Manager/Investment Manager.

The Performance Fee will be calculated and accrued daily during the Performance Period.

Any Performance Fee shall normally be paid within 90 calendar days after the end of the relevant Performance Period.

Performance will be measured as the performance of the Fund above the Performance Index. The Performance Index has been determined by the Principal Money Manager to be appropriate to the Fund and consistent with its investment policy.

The Performance Fee will be paid in full to the Principal Money Manager/Investment Manager for the Performance Period. In no event will a Performance Fee accrue for any Performance Period in which the performance of the Fund, as against the Performance Index, during the Performance Period is negative. Any negative performance must be clawed back before the Principal Money Manager or Money Manager can accrue a Performance Fee for future positive performance.

**It is possible that Performance Fees may be payable by the Company, out of the assets of the Fund, to the Principal Money Manager/Investment Manager even though the overall Net Asset Value of the Fund may not have increased; i.e. the Fund has negative performance.** For example, if the performance of the Performance Index is negative and the Fund is also in negative performance, but it has outperformed the Performance Index.

Please read the "Risks associated with Performance Fees" in the Risk Factors section of the Prospectus.

#### **Example Performance Fee Calculation**

Example – RIC II China Equity Fund, Class A US\$

Daily Return of Class A US\$ compared to the previous day = 2.00%

Daily return of the Performance Index compared to the previous days value = 1.10%

The previous days NAV of Class A US\$ = 10,000,000

Performance Fee Rate = 10%

Daily Performance Fee =  $(2.00\% - 1.10\%) \times 10,000,000 \times 10\% = 9,000$

Any Performance Fee payable to the Principal Money Manager/Investment Manager shall be paid by the relevant Fund to the Principal Money Manager/Investment Manager. Any Performance Fee calculations will be verified by the Depositary and is not open to the possibility of manipulation. Excess Performance Fee shall be calculated net of all costs but could be calculated without deducting the performance fee itself, provided that in doing so it is in the investor's best interest (i.e. it would result in the investor paying less fees).

Past performance against the Performance Index can be found

- in respect of Share Classes for which KIIDs are produced, in the KIID for the relevant Share Class which is available at <https://microsite.fundassist.com/RussellEMEA/Home/RegulatorView>; and
- in respect of all other Share Classes at <https://russellinvestments.com/fund-centre/priips>

### **Sales Charge**

A Sales Charge of up to 5% may be charged on initial subscriptions in the Class listed below. In addition, investors investing through a sub-distributor or other intermediary, such as a bank or independent financial adviser may pay additional fees to the intermediary. Such investors should contact the intermediary for information concerning what additional fees, if any, they will be charged.

<b>Fund</b>	<b>Share Class</b>
Russell Investments Emerging Market Debt Local Currency Fund	Class B Euro
Russell Investments Euro Fixed Income Fund	Class S
Russell Investments Pan European Equity Fund	Class A, Class F

## IRISH TAXATION

The following is a general summary of the main Irish tax considerations applicable to the Company and certain investors in the Company who are the beneficial owners of Shares in the Company. It does not purport to deal with all of the tax consequences applicable to the Company or to all categories of investors, some of whom may be subject to special rules. For instance, it does not address the tax position of Shareholders whose acquisition of Shares in the Company would be regarded as a shareholding in a Personal Portfolio Investment Undertaking (PPIU). Accordingly, its applicability will depend on the particular circumstances of each Shareholder. It does not constitute tax advice and Shareholders and potential investors are advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile, and in the light of their particular circumstances.

The following statements on taxation are based on advice received by the Directors regarding the law and practice in force in Ireland at the date of this document. Legislative, administrative or judicial changes may modify the tax consequences described below and as is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely, as the basis for and rates of taxation can fluctuate.

### Taxation of the Company

The Directors have been advised that, under current Irish law and practice, the Company qualifies as an investment undertaking for the purposes of Section 739B of the TCA so long as the Company is resident in Ireland. Accordingly, it is generally not chargeable to Irish tax on its relevant income and gains.

#### *Chargeable Event*

However, Irish tax can arise on the happening of a "chargeable event" in the Company. A chargeable event includes any payments or distributions to Shareholders, any encashment, repurchase, cancellation or transfer of Shares and any deemed disposal of Shares as described below for Irish tax purposes arising as a result of holding Shares in the Company for a period of eight years or more. Where a chargeable event occurs, the Company may be required to withhold and account for Irish investment undertaking tax thereon, depending on the location or the tax residence status of the Shareholder.

No Irish tax will arise in respect of a chargeable event where:

- (a) the Shareholder is neither resident nor ordinarily resident in Ireland ("**Non-Irish Resident**") and it (or an intermediary acting on its behalf) has made a Relevant Declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained in the Relevant Declaration is not, or is no longer, materially correct; or
- (b) the Shareholder is Non-Irish Resident and has confirmed that to the Company and the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide a Relevant Declaration has been complied with in respect of the Shareholder and the approval has not been withdrawn; or
- (c) the Shareholder is an Exempt Irish Resident as defined below and it (or an intermediary acting on its behalf) has made a Relevant Declaration to that effect.

A reference to "**intermediary**" means an intermediary within the meaning of Section 739B(1) of the TCA, being a person who (a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or (b) holds units in an investment undertaking on behalf of other persons.

In the absence of a Relevant Declaration or written notice of approval from the Revenue Commissioners, as applicable, being in the possession of the Company at the relevant time there is a presumption that the Shareholder is resident or ordinarily resident in Ireland ("**Irish Resident**") and is not an Exempt Irish Resident and a charge to tax arises.

A chargeable event does not include:-

- any transactions (which might otherwise be a chargeable event) in relation to Shares held in a recognised clearing system as designated by order of the Revenue Commissioners; or

- a transfer of Shares between spouses or civil partners and any transfer of Shares between spouses or former spouses and civil partners or formal civil partners on the occasion of judicial separation and/or divorce; or
- an exchange by a Shareholder, effected by way of arm's length bargain where no payment is made to the Shareholder, of Shares in the Company for other Shares in the Company; or
- an exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the TCA) of the Company with another investment undertaking; or
- the cancellation of Shares in the Company arising from an exchange in relation to a scheme of amalgamation (as defined in section 739HA).

If the Company becomes liable to account for tax on a chargeable event, the Company shall be entitled to deduct from the payment arising on that chargeable event an amount equal to the appropriate tax and/or, where applicable, to repurchase and cancel such number of Shares held by the Shareholder, as is required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event.

#### *Deemed Disposals*

The Company may elect not to account for Irish tax in respect of deemed disposals in certain circumstances. Where the total value of Shares in a Fund held by Shareholders who are Irish Resident and who are not Exempt Irish Residents as defined below, is 10% or more of the Net Asset Value of the Fund, the Company will be liable to account for the tax arising on a deemed disposal in respect of Shares in that Fund as set out below. However, where the total value of Shares in the Fund held by such Shareholders is less than 10% of the Net Asset Value of the Fund, the Company may, and it is expected that the Company will, elect not to account for tax on the deemed disposal. In this instance, the Company will notify relevant Shareholders that it has made such an election and those Shareholders will be obliged to account for the tax arising under the self-assessment system themselves. Further details of this are set out below under the heading "Taxation of Irish Resident Shareholders".

#### *Irish Courts Service*

Where Shares are held by the Irish Courts Service the Company is not required to account for Irish tax on a chargeable event in respect of those Shares. Rather, where money under the control or subject to the order of any Court is applied to acquire Shares in the Company, the Courts Service assumes, in respect of the Shares acquired, the responsibilities of the Company to, *inter alia*, account for tax in respect of chargeable events and file returns.

#### **Exempt Irish Resident Shareholders**

The Company will not be required to deduct tax in respect of the following categories of Irish Resident Shareholders, provided the Company has in its possession a completed Relevant Declaration from those persons (or an intermediary acting on their behalf) and the Company is not in possession of any information which would reasonably suggest that the information contained in the Relevant Declaration is not, or is no longer, materially correct.

A Shareholder who comes within any of the categories listed below and who (directly or through an intermediary) has provided a Relevant Declaration to the Company is referred to herein as an **"Exempt Irish Resident"**.

- a qualifying management company within the meaning of section 739B(1) TCA;
- an investment undertaking within the meaning of section 739B(1) TCA;
- an investment limited partnership within the meaning of section 739J TCA;
- a pension scheme which is an exempt approved scheme within the meaning of section 774 TCA, or a retirement annuity contract or a trust scheme to which section 784 or 785 TCA applies;
- a company carrying on life business within the meaning of section 706 TCA;
- a special investment scheme within the meaning of section 737 TCA;

- (g) a unit trust to which section 731(5)(a) TCA applies;
- (h) a charity being a person referred to in section 739D(6)(f)(i) TCA;
- (i) a person who is entitled to exemption from income tax and capital gains tax by virtue of section 784A(2) TCA or section 848B TCA and the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (j) a person who is entitled to exemption from income tax and capital gains tax by virtue of section 787I TCA and the Shares held are assets of a personal retirement savings account as defined in section 787A TCA;
- (k) the National Asset Management Agency;
- (l) the Courts Service;
- (m) a credit union within the meaning of section 2 of the Credit Union Act 1997;
- (n) an Irish resident company, within the charge to corporation tax under Section 739G(2) TCA, but only where the Fund is a money market fund;
- (o) a company which is within the charge to corporation tax in accordance with section 110(2) TCA in respect of payments made to it by the Fund;
- (p) any other person as may be approved by the Directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the Fund in respect of that Shareholder under Part 27, Chapter 1A TCA; and
- (q) the National Treasury Management Agency of Ireland, or a fund investment vehicle within the meaning of Section 739D(6)(kb) TCA; and
- (r) a PEPP provider (within the meaning of Chapter 2D of Part 30 TCA) acting on behalf of a person who is entitled to an exemption from income tax and capital gains tax by virtue of Section 787AC TCA and the Shares held are assets of a PEPP (within the meaning of Chapter 2D of Part 30 TCA);

and where necessary the Fund is in possession of a Relevant Declaration in respect of that Shareholder;

There is no provision for any refund of tax to Shareholders who are Exempt Irish Residents where tax has been deducted in the absence of a Relevant Declaration. A refund of tax may only be made to corporate Shareholders who are within the charge to Irish corporation tax.

### **Taxation of Non-Irish Resident Shareholders**

Non-Irish Resident Shareholders who (directly or through an intermediary) have made the necessary declaration of non-residence in Ireland (a 'Relevant Declaration', as defined), where required, are not liable to Irish tax on the income or gains arising to them from their investment in the Company and no tax will be deducted on distributions from the Company or payments by the Company in respect of a repurchase, cancellation or other disposal of their investment.

Tax will be deducted as described above on the happening of a chargeable event where a Shareholder fails to provide the Company with a Relevant Declaration unless the Company is not required to collect Relevant Declarations (and this has been confirmed in writing by the Revenue Commissioners). Furthermore, if the Company is in possession of information which would reasonably suggest that a Relevant Declaration provided to it in respect of a Shareholder is not or is no longer materially correct then it will be required to deduct tax on the happening of a chargeable event in respect of that Shareholder's Shares.

Where a Non-Irish Resident company holds Shares in the Company which are attributable to an Irish branch or agency, it will be liable to Irish corporation tax in respect of income and capital distributions it receives from the Company under the self assessment system.

## **Taxation of Irish Resident Shareholders**

### *Deduction of Tax*

Tax will be deducted and remitted to the Revenue Commissioners by the Company from any distributions made by the Company (other than on a disposal) to an Irish Resident Shareholder who is not an Exempt Irish Resident, where the Shareholder is a company, at the rate of 25%., and where the Shareholder is not a company, at the rate of 41%.

Tax will also be deducted by the Company and remitted to the Revenue Commissioners from any gain arising on an encashment, repurchase or other disposal of Shares by such a Shareholder at the rate of 41%. Any gain will be computed as the difference between the value of the Shareholder's investment in the Company at the date of the chargeable event and the original cost of the investment as calculated under special rules.

### *Deemed Disposals*

Tax will also be deducted by the Company and remitted to the Revenue Commissioners in respect of any deemed disposal where the total value of Shares in a Fund held by Irish Resident Shareholders who are not Exempt Irish Residents is 10% or more of the Net Asset Value of the Fund. A deemed disposal will occur on each and every eighth anniversary of the acquisition of Shares in the Fund by such Shareholders. The deemed gain will be calculated as the difference between the value of the Shares held by the Shareholder on the relevant eighth year anniversary or, as described below where the Company so elects, the value of the Shares on the later of the 30 June or 31 December prior to the date of the deemed disposal and the relevant cost of those Shares. The excess arising will be taxable at the rate of 41%. Tax paid on a deemed disposal should be creditable against the tax liability on an actual disposal of those Shares.

Where the Company is obliged to account for tax on deemed disposals it is expected that the Company will elect to calculate any gain arising for Irish Resident Shareholders who are not Exempt Irish Residents by reference to the Net Asset Value of the relevant Fund on the later of the 30 June or 31 December prior to the date of the deemed disposal, in lieu of the value of the Shares on the relevant eight year anniversary.

The Company may elect not to account for tax arising on a deemed disposal where the total value of Shares in the relevant Fund held by Irish Resident Shareholders who are not Exempt Irish Residents is less than 10% of the Net Asset Value of the Fund. In this case, such Shareholders will be obliged to account for the tax arising on the deemed disposal under the self assessment system themselves. The deemed gain will be calculated as the difference between the value of the Shares held by the Shareholder on the relevant eighth year anniversary and the relevant cost of those Shares. The excess arising will be regarded as an amount taxable under Case IV of Schedule D and will be subject to tax where the Shareholder is a company, at the rate of 25%., and where the Shareholder is not a company, at the rate of 41%. Tax paid on a deemed disposal should be creditable against the tax payable on an actual disposal of those Shares.

### *Residual Irish Tax Liability*

Corporate Shareholders resident in Ireland which receive distributions (where payments are made annually or at more frequent intervals) from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D from which tax at the rate of 41% has been deducted. In practice, a credit of the excess tax deducted from such distributions over the higher corporation tax rate of 25% may be available to corporate Shareholders resident in Ireland. Subject to the comments below concerning tax on a currency gain, in general, such Shareholders will not be subject to further Irish tax on payments received in respect of their holding from which tax has been deducted. A corporate Shareholder resident in Ireland which holds the Shares in connection with a trade will be taxable on any income or gains received from the Company as part of that trade with a set-off against corporation tax payable for any tax deducted from those payments by the Company.

Subject to the comments below concerning tax on a currency gain, in general, non-corporate Irish Resident Shareholders will not be subject to further Irish tax on income arising on the Shares or gains made on disposal of the Shares, where the appropriate tax has been deducted by the Company from distributions paid to them.

Where a currency gain is made by a Shareholder on the disposal of Shares, the Shareholder will be liable to capital gains tax in respect of that gain in the year/s of assessment in which the Shares are disposed of.

Any Irish Resident Shareholder who is not an Exempt Irish Resident and who receives a distribution from which tax has not been deducted (for example, because the Shares are held in a recognised clearing system) will be liable to account for income tax or corporation tax, as the case may be on that payment. Where such

Shareholder receives a gain on an encashment, repurchase, cancellation or transfer from which tax has not been deducted (for example, because the Shares are held in a recognised clearing system) the Shareholder will also be liable to account for income tax or corporation tax on the amount of the gain under the self-assessment system and in particular, Part 41 of the TCA. Shareholders who are individuals should also note that failure to comply with these provisions may result in them being subject to tax at their marginal rate (currently up to 41%) on the income and gains together with a surcharge, penalties and interest.

### **Overseas Dividends**

Dividends (if any) and interest which the Company receives with respect to investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of the investments are located. It is not known whether the Company will be able to benefit from reduced rates of withholding tax under the provisions of the double tax treaties which Ireland has entered into with various countries.

However, in the event that the Company receives any repayment of withholding tax suffered, the Net Asset Value of the relevant Fund will not be restated and the benefit of any repayment will be allocated to the then existing Shareholders rateably at the time of such repayment.

### **Stamp Duty**

On the basis that the Company qualifies as an investment undertaking within the meaning of Section 739B of the TCA, generally, no stamp duty will be payable in Ireland on the issue, transfer or repurchase of Shares in the Company. However, where any subscription for or repurchase of Shares is satisfied by an in-kind or in specie transfer of Irish securities or other Irish property, Irish stamp duty might arise on the transfer of such securities or properties.

No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities of a company not registered in Ireland, provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property, or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B of the TCA) which is registered in Ireland.

### **Automatic Exchange of Information**

The Company is obliged, pursuant to the IGA, Council Directive 2011/16/EU, section 891E, section 891F and section 891G of the TCA and regulations made pursuant to those sections, to collect certain information about its investors.

The Company will be required to provide certain information to the Revenue Commissioners in relation to the investors (including information in respect of the investor's tax residence status) and also in relation to accounts held by investors. For further information on FATCA or CRS please refer to the website of the Revenue Commissioners at

Further detail in respect of FATCA and CRS is set out below.

### **FATCA Implementation in Ireland**

On 21 December 2012, the governments of Ireland and the U.S. signed the IGA.

The IGA will significantly increase the amount of tax information automatically exchanged between Ireland and the U.S. It provides for the automatic reporting and exchange of information in relation to accounts held in Irish "financial institutions" by U.S. persons and the reciprocal exchange of information regarding U.S. financial accounts held by Irish Residents. The Company will be subject to these rules beginning 1 July 2014. Complying with such requirements will require the Company to request and obtain certain information and documentation from its Shareholders, other account holders and (where applicable) the beneficial owners of its Shareholders and to provide any information and documentation indicating direct or indirect ownership by U.S. Persons to the competent authorities in Ireland. Shareholders and other account holders will be required to comply with these requirements, and non-complying Shareholders may be subject to compulsory redemption and/or U.S. withholding tax of 30% on withholdable payments and/or other monetary penalties.

The IGA provides that Irish financial institutions will report to the Revenue Commissioners in respect of U.S. account-holders and, in exchange, U.S. financial institutions will be required to report to the IRS in respect of any Irish-resident account-holders. The two tax authorities will then automatically exchange this information on an annual basis.



The Company (and/or any of its duly appointed agents) shall be entitled to require Shareholders to provide any information regarding their tax status, identity or residency in order to satisfy any reporting requirements which the Company may have as a result of the IGA or any legislation promulgated in connection with the agreement and Shareholders will be deemed, by their subscription for or holding of Shares to have authorised the automatic disclosure of such information by the Company or any other person to the relevant tax authorities.

### **OECD Common Reporting Standard**

Ireland has provided for the implementation of CRS through section 891F of the TCA and the enactment of the CRS Regulations.

The CRS, which has applied in Ireland from 1 January 2016, is a global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations.

Ireland and a number of other jurisdictions have entered or will enter into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the OECD. The Company is required to provide certain information to the Revenue Commissioners about Investors resident or established in jurisdictions which are party to CRS arrangements.

The Company, or a person appointed by the Company, will request and obtain certain information in relation to the tax residence of its shareholders or "account holders" for CRS purposes and (where applicable) will request information in relation to the beneficial owners of any such account holders. The Company, or a person appointed by the Company, will report the information required to Revenue Commissioners by 30 June in the year following the year of assessment for which a return is due. The Revenue Commissioners will share the appropriate information with the relevant tax authorities in participating jurisdictions. Ireland introduced CRS Regulations in December 2015 and implementation of CRS among early adopting countries occurred with effect from 1 January 2016.

### **DAC6 – Disclosure requirements for reportable cross-border tax arrangements**

On 25 June 2018, Council Directive (EU) 2018/822 ("DAC6") introduced rules regarding the mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements.

DAC6 imposes mandatory reporting requirements on EU-based intermediaries who design, market, organise, make available for implementation or manage the implementation of potentially aggressive cross-border tax-planning schemes. It also covers persons who provide aid, assistance or advice in relation to potentially aggressive cross-border tax-planning schemes, where they can be reasonably expected to know that they have performed that function. If the intermediary is located outside the EU or is bound by legal professional privilege, the obligation to report may pass to the taxpayer.

DAC6 was required to be transposed by each EU member state by the end of 2019 with the measures being in effect since 1 July 2020. In addition, arrangements implemented between 25 June 2018 and 30 June 2020 were also subject to the reporting requirements. Intermediaries and/or taxpayers are required to report any reportable cross-border arrangements within 30 days from the earliest of:

- a) The day after the arrangement is made available for implementation;
- b) The day after the arrangement is ready for implementation; or
- c) When the first step in the implementation of the arrangement was taken.

The transactions contemplated under the Prospectus may fall within the scope of mandatory disclosure rules under DAC6 or equivalent local law provisions and thus may qualify as reportable cross-border arrangements within the meaning of such provisions. If that were the case, any person that falls within the definition of an "intermediary" with respect to the Company may have to report certain transactions entered into by the Company to the relevant EU tax authority.

### **Residence**

In general, investors in the Company will be either individuals, corporate entities or trusts. Under Irish rules, both individuals and trusts may be resident or ordinarily resident. The concept of ordinary residence does not apply to corporate entities.

## **Individual Investors**

### ***Test of Residence***

An individual will be regarded as resident in Ireland for a particular tax year if the individual is present in Ireland: (1) for a period of at least 183 days in any one tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is resident in Ireland for at least 31 days in each tax year. In determining days present in Ireland, for periods up to 31 December 2008 an individual is deemed to be present if the individual is in the country at the end of the day (midnight). Since 1 January 2009, an individual is deemed to be present if he/she is present in the country at any time during the day. Therefore, for tax years from 1 January 2009 on, any day during which the individual is present in the country counts in ascertaining the total number of days spent here for residence purposes.

If an individual is not resident in Ireland in a particular tax year the individual may, in certain circumstances, elect to be treated as resident.

### ***Test of Ordinary Residence***

If an individual has been resident for the three previous tax years then the individual will be deemed "**ordinarily resident**" from the start of the fourth year. An individual will remain ordinarily resident in Ireland until the individual has been non-resident for three consecutive tax years.

## **Trust Investors**

A trust will generally be regarded as resident in Ireland where all of the trustees are resident in Ireland. Trustees are advised to seek specific tax advice if they are in doubt as to whether the trust is resident in Ireland.

## **Corporate Investors**

A company which has its central management and control in Ireland is resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is resident in Ireland except where the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

## **Disposal of Shares and Irish Capital Acquisitions Tax**

### **(a) Persons Domiciled or Ordinarily Resident in Ireland**

The disposal of Shares in the Company by means of a gift or inheritance made by a disponent domiciled or ordinarily resident in Ireland or received by a beneficiary domiciled or ordinarily resident in Ireland may give rise to a charge to Irish Capital Acquisitions Tax for the beneficiary of such a gift or inheritance with respect to those Shares.

### **(b) Persons Not Domiciled or Ordinarily Resident in Ireland**

On the basis that the Company qualifies an investment undertaking within the meaning of Section 739B of the TCA, the disposal of Shares will not be within the charge to Irish Capital Acquisitions Tax provided that; the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date; the donor is not domiciled or ordinarily resident in Ireland at the date of the disposition; and the beneficiary is not domiciled or ordinarily resident in Ireland at the date of the gift or inheritance.

## **PRC Tax Considerations**

The following is a general summary of certain Chinese taxes that may be imposed on a Fund or by way of reimbursement by the Fund to RIML. In the event that in relation to a Fund investments are made and held through the QFI status of RIML, the Fund will, subject to the terms of the arrangement between the Fund and RIML, be liable to RIML for any tax related to the QFI status of RIML imposed by the Chinese government.

The law, rules and practice relating to the taxation treatment of a Fund's investments in the PRC is not entirely certain and is subject to change (and such changes may be made on a retrospective basis) and the value of Shares may be impacted by tax liabilities for which an over-accrual or under-accrual may have been made.

### ***Allowance for PRC taxation***

Foreign investors were not permitted to invest in listed A Shares on the SSE and SZSE in China. In 2002, the qualified foreign institutional investor ("**QFII**") licence holders were permitted to invest in certain PRC securities

(including A Shares). In 2011, the Renminbi qualified foreign institutional investor ("**RQFII**") regime was introduced and RQFII license holders were also permitted to invest in certain PRC securities (including A Shares).

Although the rules and regulations governing QFII were initially promulgated in 2002 and have further been revisited in 2006 and 2012, the PRC taxation regime on capital gains for QFII/RQFII had not been explicitly clarified over the years until a tax circular was issued in 2014.

Under China's Corporate Income Tax Law ("**CIT Law**") and its implementation rules, enterprises considered as tax resident enterprises in the PRC will be subject to a PRC Corporate Income Tax ("**CIT**") at 25% on their worldwide income. Non-resident enterprises with permanent establishments or places of business ("**PEs**") in the PRC are subject to CIT at 25% on taxable income attributable to such PEs in the PRC. Income derived from China by non-resident enterprises which have no PEs in the PRC or non-resident enterprises whose income is not attributable to a PE in the PRC are subject to a withholding income tax ("**WHT**") at the rate of 10% on PRC-sourced dividends, interest and capital gains, unless reduced or exempted by laws and regulations or applicable tax treaties. The Manager intends to use commercially reasonable efforts to manage and conduct the affairs of the relevant Fund in such a way that the risk of such Fund being considered as a PRC resident enterprise or having a PE in the PRC is reduced as far as possible, and thus the non-PRC sourced investment income received by the Fund should not be subject to PRC taxes. However, there can be no assurance that such objective will be achieved. As such, it is expected that the relevant Fund(s) should not be subject to CIT on an assessment basis and would only be subject to PRC WHT to the extent the Fund(s) directly derives PRC sourced income in respect of its investments in PRC securities. Please refer to the section below headed "Chinese corporate income tax withholding" for further details.

In order to meet the potential PRC tax liabilities for gains or income that may be derived from a Fund's investments in China, the Fund reserves the right to provide for withholding income tax on such gains or income and withhold tax for the account of the Fund. Accordingly, the NAV and the profitability of the Fund may be affected.

#### *Chinese tax ownership of QFI investments*

China has not issued guidance with respect to the tax ownership of securities and debt instruments held through a RQFII for Chinese tax purposes. In addition, there is a general lack of guidance in Chinese tax law with respect to the application of Chinese taxes in situations where legal title to underlying assets are held by an intermediary on behalf of the beneficial owners of such assets. The question of tax ownership may also depend on the formal arrangement under which the RQFII invests on behalf of a Fund. According to current Chinese administrative practice, although a Fund will be the beneficial owner of the securities and debt instruments held through the QFI status of RIML, RIML as the RQFII may be treated as the owner of such securities and debt instruments for Chinese tax purposes.

If so, RIML, not the relevant Fund, would constitute the taxpayer to the extent any Chinese taxes are imposed with respect to the purchase, ownership and disposition of securities and debt instruments held through the QFI status of RIML. Subject to the terms of the arrangement between the Fund and RIML, any PRC tax liability imposed on RIML as a result of investments made by it on behalf of a Fund could eventually be passed onto the relevant Fund. This would reduce the returns generated from investments in A Shares and other PRC securities purchased by a Fund and/or adversely affect the performance of the Fund.

In the event that the Chinese tax authorities issue guidance with respect to the application of Chinese taxes in situations where legal title to underlying assets are held by an intermediary on behalf of the beneficial owners of such assets, the expected treatment described above could change, possibly with retroactive effect. Depending on the content of such guidance, if any, a Fund, not RIML, might constitute the taxpayer with respect to Chinese taxes that are imposed with respect to the purchase, ownership and disposal of securities and debt instruments held through the QFI status of RIML.

If this position changes in the future and the application of a higher or lower rate results in a liability or repayment to a Fund, the NAV will not be re-stated and the cost or benefit will be allocated to the existing Shareholders rateably at the time of notification of tax change.

#### *Chinese corporate income tax withholding*

Under the general taxing provision of the CIT Law, a RQFII considered a non-PRC tax resident enterprise is subject to 10% PRC WHT on interest income, dividends and capital gains from PRC listed securities. This is on the basis that the RQFII would be managed and operated such that it would not be considered a tax resident

enterprise in the PRC and it would not be considered to have a PE in the PRC. A double tax agreement (if any) between the PRC and the country in which the RQFII is a tax resident may further reduce the 10% WHT rate depending on the RQFII's ability to meet the relevant conditions under the relevant tax treaty.

#### Interest/dividends

Interest received from government bonds issued by the Ministry of Finance ("**MOF**") or bonds issued by local government of a province, autonomous region, municipality directly under the Central Government, or municipality separately listed on the state plan, as approved by the State Council would be exempt from PRC WHT. However, unless a specific exemption is applicable, non-PRC tax residents without PE in the PRC, including the relevant Funds, are subject to PRC WHT on the payment of interests on debt instruments issued by PRC tax residents, including bonds issued by enterprises established within mainland China and the dividend income received from A Shares of companies listed on the SSE and the SZSE. The general PRC WHT rate applicable is 10%, subject to reduction under relevant double tax treaties (if any). The entity distributing such interests/dividends is technically required to withhold such tax. Accordingly, the relevant Fund may be subject to PRC WHT and/or other PRC taxes on any cash dividends, distributions and interests it receives from its investment in PRC securities.

Pursuant to the "Notice about the tax policies related to the Shanghai-Hong Kong Stock Connect" (Caishui [2014] No. 81) ("**Notice 81**") promulgated by the MOF, the SAT and the CSRC on 14 November 2014, the relevant Fund is subject to a WHT at 10% on dividends received from A Shares traded via Shanghai-Hong Kong Stock Connect, unless reduced under a double tax treaty with the PRC upon application to and obtaining approval from the competent PRC authority.

Pursuant to the "Notice on the tax policies related to the Pilot program of Shenzhen-Hong Kong Stock Connect" (Caishui [2016] No. 127) ("**Notice 127**") promulgated by the MOF, SAT and CSRC on 5 November 2016, the relevant Fund is subject to a WHT at 10% on dividends received from A Shares traded via Shenzhen-Hong Kong Stock Connect.

#### Capital gains

The PRC tax authority has not enforced collection of PRC WHT on capital gains realised by RQFII license holders from the sale of A Shares until a tax circular Caishui [2014] 79 ("**Circular 79**") dated on 31 October 2014 was issued. Pursuant to Circular 79, RQFIIs, which do not have an establishment or place of business in the PRC or have an establishment or place in the PRC but the income so derived in the PRC is not effectively connected with such establishment or place of business, are temporarily exempt from PRC WHT with respect to gains realised from the trading of equity investments including shares in PRC enterprises on or after 17 November 2014. However, gains realised by RQFIIs prior to 17 November 2014 are subject to PRC withholding income tax in accordance with the relevant laws.

According to Caishui [2016] 70 ("**Notice 70**"), gains realised by RQFIIs from the trading of PRC securities in the PRC are exempt from value-added tax ("**VAT**").

There is a risk that the PRC tax authorities could withdraw the exemption pursuant to Circular 79, Notice 36 and Notice 70 in the future and seek to collect CIT and VAT from gains realized on the sale of A Shares without giving any prior warning. If such exemption is withdrawn, any CIT and VAT arising from or to the Fund's A Shares may be directly borne by or indirectly passed on to the Fund and may result in a substantial impact to its NAV. More specifically, any CIT and VAT arising from or to the investments by the Fund, if not already provisioned for, respectively, may be directly borne by and/or indirectly passed on the Fund.

In addition to the investment channel through the QFI regime, a Fund may directly access certain eligible A Shares listed on SSE and SZSE through Stock Connect.

Pursuant to Notice 81 and Notice 127, foreign investors investing in A Shares listed on the SSE and SZSE through Stock Connect would be temporarily exempt from China CIT on the gains on disposal of such A Shares. Notice 81, which was issued under the PRC Business Tax ("**BT**") regime, stated that investors in the Hong Kong market are temporarily exempt from PRC BT with respect to gains derived from the trading of A Shares through the Shanghai-Hong Kong Stock Connect. Pursuant to Notice 127, investors in the Hong Kong market are temporarily exempt from PRC VAT with respect to gains derived from the trading of A Shares through the Shenzhen-Hong Kong Stock Connect.

It is noted that Notice 81 and Notice 127 both state that the exemption on CIT, BT and VAT effective from 17 November 2014 and from 5 December 2016 respectively is temporary. As such, as and when the PRC authorities announce the expiry date of the exemption, the relevant Fund may in future need to make provision

to reflect taxes payable, which may have a substantial negative impact on the NAV.

There is no specific rule governing taxes on capital gains derived by RQFIs from trading of onshore PRC debt securities. Based on the current interpretation of the SAT and the local PRC tax authorities, capital gains from the disposition of listed government and corporate bonds could be treated as non-PRC sourced income and therefore not subject to 10% PRC withholding income tax. As a matter of practice, such 10% PRC WHT on capital gains realised by non-PRC tax resident enterprises from the trading of these securities has not been strictly enforced by the PRC tax authorities. However, such treatment is not explicitly clarified under the current PRC tax regulations. In case such gains are taxable for PRC withholding income tax, tax exemption may be available under the double tax treaty between China and Ireland.

#### *Chinese stamp tax*

Stamp duty at 0.1% applies to the disposal of A Shares on the transferor, effective from 19 September 2008, pursuant to notices issued by the China tax authorities. This duty may be subject to further changes to reflect the corresponding introduction of further state policies.

#### *Value-added tax*

With Notice 36 regarding the final stage of VAT reform which came into effect on 1 May 2016, gains derived from the trading of PRC securities will be subject to VAT instead of BT starting from 1 May 2016.

According to Notice 36 and Notice 70, gains derived by RQFIs from the transfer of PRC securities will be exempt from VAT since 1 May 2016. Notice 70 also states that the gains derived from investment in China interbank local currency markets (including money market, bond market and derivatives market) by foreign investors, which are qualified by PBOC, are exempt from VAT since 1 May 2016. Based on Notice 36 and Notice 127, the gains derived from transfer of A Shares through Shanghai-Hong Kong Stock Connect is exempt from VAT since 1 May 2016 and through Shenzhen-Hong Kong Stock Connect is exempt from VAT since 5 December 2016.

However, other than the VAT exemption in the paragraph above, Notice 36 shall apply to levy VAT at 6% on the difference between the selling and purchase prices in trading of those marketable securities. Where capital gains are derived from transfer of offshore PRC investment (e.g. H-Shares), VAT in general is not imposed as the purchase and disposal are often concluded and completed outside China.

Interest income received by RQFIs from investments in PRC debt securities shall be subject to 6% VAT unless special exemption applies. According to the Notice 36 and Caishui [2016] No. 46, deposit interest income is not subject to VAT and interest income earned on government bonds and policy bank bonds is exempted from VAT.

Further to Notice 36 and Notice 70, interest income derived from holding of financial bonds issued by PRC incorporated financial institutions in China Interbank Bond Market or exchange market by financial institutions is exempt from VAT. However, such exemption is technically not applicable to interest derived from bonds other than the aforesaid. Hence interest income from debt securities other than the aforesaid may be subject to VAT at 6%.

Dividend income or profit distributions on equity investment derived from China are not included in the taxable scope of VAT.

If VAT is applicable, there may also be other surtaxes (which include Urban Construction and Maintenance Tax, Education Surcharge and Local Education Surcharge) that could amount to as high as 12% of VAT payable.

#### *Application of Chinese tax treaties*

Foreign enterprises with no permanent establishment in China who are qualified residents in countries which have entered into tax treaties with China may be entitled to a reduction or exemption of Chinese taxes imposed on the payment of dividends, interest and the recognition of gains with respect to various Chinese investments. China currently has tax treaties with United Kingdom, Ireland, Hong Kong and a large number of other countries and territories. Whether and which of these treaties might be applicable to reduce or exempt certain Chinese taxes described above will depend in part on whether China issues guidance with respect to the application of Chinese taxes in situations where legal title to assets are held by an intermediary on behalf of the beneficial owners of such assets.

#### *Future tax laws, regulations and practice in the PRC*

There can be no guarantee that new tax laws, regulations and practice in the PRC specifically relating to the relevant Fund's investment in the PRC may be promulgated in the future. The promulgation of such new laws, regulations and practice may operate to the advantage or disadvantage of Shareholders. Various tax reform policies have been implemented by the PRC government in recent years, and existing tax laws and regulations may be revised or amended in the future. There is a possibility that the current tax laws, regulations and practice in the PRC will be changed with retrospective effect in the future. Moreover, there is no assurance that tax incentives currently offered to PRC companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any changes in tax policies may reduce the after-tax profits of the companies in the PRC which the Fund invests in, thereby reducing the income from, and/or value of the Shares.

With the uncertainty of the tax treatment on RQFII's investment in A Shares, the possibility of the rules being changed and the possibility of taxes being applied retrospectively, any provision for taxation made by RIML may be excessive or inadequate to meet the final PRC tax liabilities on the A Shares profits. Consequently, existing investors may be advantaged (in the case of excessive provision for taxation) or disadvantaged (in the case of inadequate provision for taxation) depending upon the position of the tax authorities in the future, the level of provision and when they subscribed and/or redeemed their Shares in/from a Fund. Investors subscribing for Shares may therefore be disadvantaged in the case of inadequate provision of taxation; conversely, investors redeeming Shares may be disadvantaged where RIML has made an excessive provision of taxation.

Investors should seek their own tax advice on their tax position with regard to their investment in a Fund.

## **GENERAL**

### **The Share Capital**

The share capital of the Company shall at all times equal its Net Asset Value. The initial capital of the Company was EUR39,000 represented by 39,000 Subscriber Shares of no par value. The Company may issue up to five hundred billion Shares at the Net Asset Value per Share on such terms and in such Classes as they may think fit.

The proceeds from the issue of Shares (excluding the initial share capital) shall be applied in the books of the Company to the relevant Fund and shall be used in the acquisition on behalf of the relevant Fund of Transferable Securities and ancillary liquid assets.

The Directors are authorised from time to time to re-designate any existing Class of Shares and merge such Class or Classes of Shares provided that Shareholders in such Class or Classes of Shares are first notified by the Company and given the opportunity to have the Shares repurchased. In the event that the Directors transfer any asset to and from any Fund they shall advise Shareholders of any such transfer in the next succeeding annual or half-yearly report to Shareholders.

Each of the Shares entitles the holder to participate equally on a *pro rata* basis in the profits and dividends of the Fund attributable to such Shares and to attend and vote at meetings of the Company and of the Fund represented by those Shares. No Class of Shares confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other Class of Shares or any voting rights in relation to matters relating solely to any other Class of Shares.

Any resolution to alter the Class rights of the Shares requires the approval of three-quarters of the holders of the Shares represented or present and voting at a general meeting duly convened in accordance with the Articles of Association. The quorum for any general meeting convened to consider any alteration to the Class rights of the Shares shall be such number of Shareholders whose holdings comprise one-third of the Shares.

The Articles of Association of the Company empower the Directors to issue fractional Shares in the Company. Fractional Shares shall not carry any voting rights at general meetings of the Company or of any Fund and the Net Asset Value of any fractional Share shall be the Net Asset Value per Share adjusted in proportion to the fraction.

The Subscriber Shares entitle the Shareholders holding them to attend and vote at all meetings of the Company.

### **The Funds and Segregation of Liability**

The Company is an umbrella fund with segregated liability between Funds and each Fund may comprise one or more Classes of Shares in the Company, including hedged and unhedged share classes.

The assets and liabilities of each Fund will be allocated in the following manner:

- (a) the proceeds from the issue of Shares representing a Fund shall be applied in the books of the Company to the Fund and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Articles of Association;
- (b) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Company to the same Fund as the assets from which it was derived and in each valuation of an asset, the increase or diminution in value shall be applied to the relevant Fund;
- (c) where the Company incurs a liability which relates to any asset of a particular Fund or to any action taken in connection with an asset of a particular Fund, such a liability shall be allocated to the relevant Fund, as the case may be; and
- (d) where an asset or a liability of the Company cannot be considered as being attributable to a particular Fund, such asset or liability, subject to the approval of the Depositary, shall be allocated to all the Funds pro rata to the Net Asset Value of each Fund.

Any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund, and neither the Company nor any Director, receiver, examiner, liquidator, provisional liquidator or other person shall apply, nor be obliged to apply, the assets of any such Fund in satisfaction of any liability incurred on behalf of, or attributable to, any other Fund.

There shall be implied in every contract, agreement, arrangement or transaction entered into by the Company the following terms, that:

- (i) the party or parties contracting with the Company shall not seek, whether in any proceedings or by any other means whatsoever or wheresoever, to have recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund;
- (ii) if any party contracting with the Company shall succeed by any means whatsoever or wheresoever in having recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund, that party shall be liable to the Company to pay a sum equal to the value of the benefit thereby obtained by it; and
- (iii) if any party contracting with the Company shall succeed in seizing or attaching by any means, or otherwise levying execution against, the assets of a Fund in respect of a liability which was not incurred on behalf of that Fund, that party shall hold those assets or the direct or indirect proceeds of the sale of such assets on trust for the Company and shall keep those assets or proceeds separate and identifiable as such trust property.

All sums recoverable by the Company shall be credited against any concurrent liability pursuant to the implied terms set out in (i) to (iii) above.

Any asset or sum recovered by the Company shall, after the deduction or payment of any costs of recovery, be applied so as to compensate the Fund.

In the event that assets attributable to a Fund are taken in execution of a liability not attributable to that Fund, and in so far as such assets or compensation in respect thereof cannot otherwise be restored to the Fund affected, the Directors, with the consent of the Depositary, shall certify or cause to be certified, the value of the assets lost to the Fund affected and transfer or pay from the assets of the Fund or Funds to which the liability was attributable, in priority to all other claims against such Fund or Funds, assets or sums sufficient to restore to the Fund affected, the value of the assets or sums lost to it.

A Fund is not a legal person separate from the Company but the Company may sue and be sued in respect of a particular Fund and may exercise the same rights of set-off, if any, as between its Funds as apply at law in respect of companies and the property of a Fund is subject to orders of the court as it would have been if the Fund were a separate legal person.

Separate records shall be maintained in respect of each Fund.

### **Meetings and Votes of Shareholders**

All general meetings of the Company shall be held in Ireland. In each year the Company shall hold a general meeting as its annual general meeting. Twenty-one days' notice (excluding the day of mailing and the day of the meeting) shall be given in respect of each general meeting of the Company. The notice shall specify the venue and time of the meeting and the business to be transacted at the meeting. A proxy may attend on behalf of any Shareholder. Two Shareholders present in person or by proxy shall constitute a quorum, save in the case of a meeting of any one Class of Shares where the quorum shall be at least two Shareholders who hold at least one-third of the Shares of the relevant Class. An ordinary resolution is a resolution passed by a simple majority of votes cast and a special resolution is a resolution passed by a majority of 75% or more of the votes cast. The Articles of Association provide that matters may be determined by a majority at a meeting of Shareholders on a show of hands unless a poll is requested by Shareholders holding 10% or more of the Shares in number or by value or unless the chairman of the meeting requests a poll.

On a show of hands each Shareholder has one vote. Each Share gives the holder one vote in relation to any matters relating to the Company which are submitted to Shareholders for a vote by poll. All Shares of each Class have equal voting rights except that in matters affecting only a particular Class, only Shares of that Class shall be entitled to vote.

### **Reports**

In each year the Directors shall cause to be prepared an annual report and audited annual accounts for the Company which shall be filed with the Central Bank within four months of the financial year end to which it relates. In addition, the Company shall prepare and file with the Central Bank within two months of the end of the relevant period a half yearly report which shall include unaudited half yearly accounts for the Company. All reports and accounts shall be made available to Shareholders as soon as possible after filing.



Annual accounts shall be made up to 31 March in each year. Unaudited half-yearly report of the Company shall be made up to 30 September of each year. Audited annual reports and unaudited half-yearly reports incorporating financial statements and other reports shall be sent via electronic communication subject to Shareholder consent or posted to each Shareholder at his registered address free of charge and will be made available for inspection at the registered office of the Company.

### **Termination of Funds**

Any Fund may be terminated by the Directors, in their sole and absolute discretion following consultation with the Manager, in any of the following events:-

- (a) By giving not less than twenty-one (21) days' notice in writing to the relevant Shareholders;
- (b) if at any time the Net Asset Value of the relevant Fund shall be less than the Minimum Fund Size of that Fund, where relevant, as the Directors may from time to time prescribe;
- (c) if at any time the Shareholders resolve by Special Resolution that the relevant Sub-Fund be wound up;
- (d) if any Fund shall cease to be authorised or otherwise officially approved by the Central Bank;
- (e) if any law shall be passed that renders it illegal or in the opinion of the Directors impracticable or inadvisable to continue the relevant Fund;
- (f) if there is a change in material aspects of the business, or in the economic or political situation relating to a Sub-Fund that the Directors consider would have material adverse consequences on the Investments of the Sub-Fund;
- (g) if the Directors or their delegate have resolved that it is impracticable or inadvisable for a Sub-Fund to continue to operate having regard to prevailing market conditions;
- (h) if, within ninety (90) days' from the date of the Depositary serving notice of termination of the Depositary Agreement, another depositary acceptable to the Company and the Central Bank has not been appointed to act as depositary; or
- (i) if the Directors consider that it is in the best interests of the Shareholders.

The decision of the Directors in any of the events specified herein shall be final and binding on all the parties concerned but the Directors and the Manager shall be under no liability on account of any failure to terminate the relevant Fund pursuant to points (a) to (i) above or otherwise.

The Directors shall give notice of termination of a Fund to the Shareholders in the relevant Fund and by such notice fix the date at which such termination is to take effect, which date shall be for such period after the service of such notice as the Directors shall in their sole and absolute discretion determine.

Pursuant to the CBDF Directive, where the Company is seeking to de-register the shares of a Class or Fund in all or any Member State, the Company is required to provide Shareholders in the relevant Member State(s) with a blanket offer to repurchase or redeem, free of any charges or deductions, all such Shares held by Shareholders in the relevant Member State(s), which offer shall be available for at least 30 days.

### **Total Repurchase**

All of the Shares of the Company may be repurchased by the Company in the following circumstances:

- (i) if 75% of the holders of the Shares in the Company or of a Fund voting at a general meeting of the Company, of which not more than six and not less than four weeks' notice has been given, approve the repurchase of the Shares in the Company or the Fund, as appropriate;
- (ii) at any time if so determined by the Directors the Company may repurchase all of the Shares of the Company or any Fund or a Class, provided that written notice of not less than twenty-one days has been given to the holders of the Shares of the Company, Fund or Class as appropriate;
- (iii) if no replacement Depositary shall have been appointed during the period of three months commencing on the date the Depositary or any replacement thereof shall have notified the Company of its desire to retire as Depositary or shall have ceased to be approved by the Central Bank; or
- (iv) if the Shareholders do not authorise the Directors to issue further Shares in the Company at any general meeting at which a resolution approving such authorisation is proposed.

Where a repurchase of Shares would result in the number of Shareholders falling below seven or such other minimum number stipulated by statute or where a repurchase of Shares would result in the issued share capital of the Company falling below such minimum amount as the Company may be obliged to maintain pursuant to applicable law, the Company may defer the repurchase of the minimum number of Shares sufficient to ensure compliance with applicable law. The repurchase of such Shares will be deferred until the Company is wound up or until the Company procures the issue of sufficient Shares to ensure that the repurchase can be effected. The Company shall be entitled to select the Shares for deferred repurchase in such manner as it may deem to be fair and reasonable and as may be approved by the Depositary.

If all of the Shares are to be repurchased and it is proposed to transfer all or part of the assets of the Company to another company, the Company, with the sanction of a special resolution of Shareholders may exchange the assets of the Company for shares or similar interests in the transferee company for distribution among Shareholders. The Shareholder may request that a repurchase of Shares be satisfied by a cash payment.

If all of the Shares in any Fund are to be repurchased, the assets available for distribution (after satisfaction of creditors' claims) shall be applied in the following priority:

- (a) firstly, in the payment to the Shareholders of each Class of each Fund of a sum in the Class Currency in which that Class is denominated or in any other currency selected by the liquidator as nearly as possible equal (at a rate of exchange reasonably determined by the liquidator) to the Net Asset Value of the Shares of such Class held by such holders respectively as at the date of commencement of the winding up provided that there are sufficient assets available in the relevant Fund to enable such payment to be made. In the event that, as regards any Class of Shares, there are insufficient assets available in the relevant Fund to enable such payment to be made, recourse shall be had to the assets of the Company not comprised within any of the Funds;
- (b) secondly, in the payment to the holders of the Subscriber Shares of sums up to the amount paid thereon (plus any interest accrued) out of the assets of the Company not comprised within any Funds remaining after any recourse thereto under paragraph (i) above. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Funds;
- (c) thirdly, in the payment to the Shareholders of any balance then remaining in the relevant Fund, such payment being made in proportion to the number of Shares held; and
- (d) fourthly, in the payment to the Shareholders of any balance then remaining and not comprised within any of the Funds, such payment being made in proportion to the value of each Fund and within each Fund to the value of each Class and in proportion to the Net Asset Value per Share. With the approval of Shareholders in general meeting the Company may make distributions *in specie* to Shareholders. The Subscriber Shares do not entitle the holders to participate in the dividends or net assets of any Fund. If a Shareholder so requests the Company shall arrange to dispose of the investments on behalf of the Shareholder. The price obtained by the Company may be different from the price at which the investments were valued when determining the Net Asset Value and the Company shall not be liable for any loss arising. The transaction costs incurred in the disposal of such investments shall be borne by the shareholder.

#### **Miscellaneous**

- (i) The Company has not been involved in any litigation or arbitration since its incorporation and no litigation or claim is known to the Company to be pending or threatened against the Company or any Fund.
- (ii) There are no service contracts in existence between the Company and any of its Directors, nor are any such contracts proposed.
- (iii) Mr. Jenkins, Mr. Gonella and Mr. Pearce are employees of entities within Russell Investments. Save as disclosed herein, none of the Directors is interested in any contract or arrangement subsisting at the date hereof which is significant in relation to the business of the Company.
- (iv) At the date of this document, neither the Directors nor any connected person have any interest in the share capital of the Company or any options in respect of such capital.

- (v) No Share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option.
- (vi) Save as disclosed in this Prospectus, no commissions, discounts, brokerage or other special terms have been granted by the Company in relation to Shares issued by the Company.
- (vii) The Company has the power to appoint distributors and paying agents.

### **Cross Border Distribution of Funds**

Where the Company is required, in respect of the relevant Fund, to make certain information publicly available pursuant to the CBDF Directive or CBDF Regulation, such information may be made available at <https://russellinvestments.com/it/legal#SHAREHOLDERNOTICES-a3328dbe-a3bf-4afc-893a-fbe91f14db55>.

Unless otherwise disclosed to investors, where the relevant Fund is marketed in another Member State, the Company shall make available facilities to perform the following tasks directly or through one or more third parties:

- (i) process subscription, repurchase and redemption orders and make other payments to Shareholders relating to the Shares of the relevant Fund, in accordance with the conditions set out in the Prospectus required pursuant to Chapter IX of the UCITS Directive;
- (ii) provide Shareholders with information on how orders referred to in point (a) can be made and how repurchase and redemption proceeds are paid;
- (iii) facilitate the handling of information and access to procedures and arrangements referred to in Article 15 of the UCITS Directive relating to the Shareholders' exercise of their rights arising from their investment in the relevant Fund in the Member State where the relevant Fund is marketed;
- (iv) make the information and documents required pursuant to Chapter IX of the UCITS Directive available to Shareholders under the conditions laid down in Article 94 of the UCITS Directive, for the purposes of inspection and obtaining copies thereof;
- (v) provide Shareholders with information relevant to the tasks that the facilities perform in a durable medium and which may be obtained from the Website;
- (vi) act as a contact point for communicating with the competent authorities.

The facilities to perform the tasks referred to above shall be provided in the official language or one of the official languages of the Member State where the relevant Fund is marketed or in a language approved by the competent authorities of that Member State.

### **Supply and Inspection of Documents**

The following documents may be obtained free of charge during normal business hours on any Business Day at the registered office of the Company, or on a website designed for this purpose at <https://russellinvestments.com> in electronic format:

- (a) the Prospectus;
- (b) the Articles of Association;
- (c) the KIID/KID; and
- (d) once published, the latest annual and half yearly reports of the Company.

### **The Manager's Policies**

#### Complaints Policy

Information regarding the Manager's complaint procedures are available to Shareholders free of charge upon request and on <http://www.carnegroup.com/policies-and-procedures/>. Shareholders may file any complaints about the Company or the Manager free of charge at the registered office of the Company or by contacting the Manager.

#### Remuneration Policy

The Manager has remuneration policies and practices in place consistent with the requirements of the Regulations and the ESMA Guidelines on sound remuneration policies under the UCITS Directive ("ESMA

**Remuneration Guidelines").** The Manager will procure that any delegate, including the Principal Money Manager, to whom such requirements also apply pursuant to the ESMA Remuneration Guidelines will have equivalent remuneration policies and practices in place.

The remuneration policy reflects the Manager's objective for good corporate governance, promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the Funds or the Articles of Association. It is also aligned with the investment objectives of each Fund and includes measures to avoid conflicts of interest. The remuneration policy is reviewed on an annual basis (or more frequently, if required) by the board of directors of the Manager, to ensure that the overall remuneration system operates as intended and that the remuneration pay-outs are appropriate. This review will also ensure that the remuneration policy reflects best practice guidelines and regulatory requirements, as may be amended from time to time.

Details of the up-to-date remuneration policy of the Manager (including, but not limited to: (i) a description of how remuneration and benefits are calculated; (ii) the identities of persons responsible for awarding the remuneration and benefits; and (iii) the composition of the remuneration committee, where such a committee exists) will be available by means of a website <http://www.carnegroup.com/policies-and-procedures/> and a paper copy will be made available to Shareholders free of charge upon request.

#### The Manager's Sustainability Risks Policy

The EU regulation on sustainability-related disclosures in the financial services sector, SFDR or the "Disclosure Regulation", came into effect on 10 March 2021. SFDR is part of the EU financial policy framework of regulatory measures aimed at mobilising finance for sustainable growth and channelling private investment to the transition to a climate-neutral economy. SFDR imposes transparency and disclosure requirements on the Manager including in relation to the integration of sustainability risks in investment decisions.

As per SFDR, the Manager will be classified as a "financial market participant. Under Article 3 of SFDR, a financial market participant must disclose information about its policies with regards to the integration of sustainability risks in its investment decision-making process. As the Manager has delegated the portfolio management function to the Principal Money Manager, it will, subject to oversight by the Manager, be responsible for identifying and integrating Sustainability Risks and determining whether they are, or could potentially be, financially material.

"Sustainability Risks" are defined as environmental, social or governance ("**ESG**") events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of an investment.

Sustainability Risks are integrated by the Principal Money Manager into the investment decisions through the identification, evaluation and management of relevant risks in the investment review process and through the implementation of proprietary solutions. Sustainability Risks are considered most relevant to investment outcomes when they exhibit financial materiality, and, like all investment risks, are incorporated by balancing expected risk with expected reward. As at 1 December 2022 the Principal Money Manager has determined that the level of exposure to Sustainability Risks in each Fund is unlikely to have a material financial impact on expected returns.

Where relevant, exposure to Sustainability Risks in the Funds is assessed on an ongoing basis as well as taking into account the overriding objective and policy of the relevant Fund.

In managing the Funds, Sustainability Risks will be considered by the Principal Money Manager in the context of expected rewards using a blend of inputs from sources including, but not limited to, Money Managers, third-party data sources and Money Managers' proprietary analysis. Sustainability Risks will be considered in all investment decisions taken in respect of the Funds except for investments in certain asset classes or where a strategy or service does not support the integration of Sustainability Risks. There may be circumstances in which Sustainability Risks will not be relevant to investments decisions including but not limited to:

- Where the purpose of the investment is to achieve one or more specific outcome(s) e.g. placing derivative trades to manage liquidity.
- In respect of certain instruments or asset classes e.g. Sustainability Risks are unlikely to affect the value of reserve currency.

For more details on how sustainability and ESG factors are integrated into the investment process and their potential impact on returns, please refer to the Principal Money Manager's Sustainable Investment Policy which is available at: <https://russellinvestments.com/ie/important-information>.

The principal adverse impacts of investment decisions on sustainability factors ("**PAI**") are not currently considered by the Principal Money Manager either at entity level or in the management of the Funds. The Principal Money Manager has opted against considering the mandatory PAI following a detailed assessment of the mandatory PAI indicator reporting requirements under SFDR. It is the Principal Money Manager's view that the data available on the mandatory PAI indicators does not have sufficient coverage of the investment universes of the Funds to provide transparent and reliable information to shareholders. While the Principal Money Manager will not consider PAI at this time, it has elected to invest in infrastructure to allow it to potentially consider PAI in the future. This includes contracting with a third-party data vendor for the indicators, monitoring corporate disclosure levels, and integrating PAI data into internal systems. The Principal Money Manager will continue to closely monitor the development of data quality and shareholder demand with respect to PAI consideration and may revisit its' position in the future, in particular for Funds with a strong focus on ESG investing.

Notwithstanding the foregoing, while the Principal Money Manager does not consider and report on the PAI of the Funds, it will have regard to certain adverse impacts of its investment decisions on sustainability factors. An explanation as to how the Principal Money Manager does consider adverse impacts of its investment decisions on sustainability factors can be found at: <https://russellinvestments.com/ie/important-information>.

Consideration of the integration of sustainability risks into investment decisions will be detailed in pre-contractual disclosures in accordance with Article 6 of SFDR. This is determined during the on-boarding stage of a new Fund in conjunction with the Principal Money Manager.

Since the investment strategies of the Funds managed by the Manager differ in their consideration of sustainability factors and principal adverse impacts, the Manager has adopted appropriate policies covering all of these scenarios. The Manager's policy framework has been amended in accordance with the above and will ensure appropriate classifications and respective disclosures for all Funds it manages.

## SCHEDULE I

### The Regulated Markets

Each Fund may deal through securities and derivative markets which are regulated markets and meet the requirements for Regulated Markets as set out in accordance with the regulatory criteria as defined in the Central Bank Rules which includes any market which is regulated, operates regularly, is open to the public and is located in an EEA state (except Malta), the U.S., the United Kingdom (at any time it is not an EEA state), Australia, Canada, Japan, New Zealand, Hong Kong or Switzerland.

Each Fund may also deal through:

- The market organized by the International Capital Markets Association;
- AIM – the Alternative Investment Market in the UK, regulated and operated by the London Stock Exchange;
- The over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;
- NASDAQ in the United States;
- The market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York and the Securities and Exchange Commission;
- The over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);
- The French market for "Titres de Creance Negotiable (over-the-counter market in negotiable debt instruments);
- The over-the-counter market in Canadian Government bonds, regulated by the Investment Dealers Association of Canada.
- The South African Futures Exchange.
- The following securities markets established in non-EEA States:

Argentina:	Bolsa de Comercio de Buenos Aires
Bahrain:	Bahrain Bourse
Bangladesh:	Dhaka Stock Exchange
Botswana:	Botswana Stock Exchange
Brazil:	BM&F BOVESPA S.A
Chile:	Bolsa de Comercio de Santiago
China:	Shenzhen Stock Exchange (SZSE), Shanghai Stock Exchange (SSE), China Interbank Bond Market (CIBM)
Colombia:	Bolsa de Valores de Colombia
Costa Rica:	Bolsa Nacional de Valores
Egypt:	Egyptian Exchange
India:	Bombay Stock Exchange, Ltd, National Stock Exchange
Indonesia:	Indonesia Stock Exchange
Israel:	Tel Aviv Stock Exchange
Jordan:	Amman Stock Exchange
Kazakhstan:	Kazakhstan Stock Exchange
Kenya:	Nairobi Securities Exchange
Kuwait:	Kuwait Stock Exchange
Malaysia:	Bursa Malaysia Securities Berhad
Mauritius:	Stock Exchange of Mauritius
Mexico:	Bolsa Mexicana de Valores
Morocco:	Exchange Bourse de Casablanca
Namibia:	Namibian Stock Exchange
Nigeria:	Nigeria Stock Exchange
Pakistan:	Karachi Stock Exchange

Peru:	Bolsa de Valores de Lima
The Philippines:	Philippine Stock Exchange
Qatar:	Qatar Exchange
Russia:	MICEX-RTS Main Market
Singapore:	Singapore Exchange Limited
South Africa:	JSE Limited
South Korea:	Korea Exchange
Sri Lanka:	Colombo Stock Exchange
Taiwan:	Taiwan Stock Exchange, GreTai Securities Market
Tanzania:	Dar es Salaam Stock Exchange
Thailand:	The Stock Exchange of Thailand
Tunisia:	Bourse des Valeurs Mobilieres de Tunis
Turkey:	Istanbul Stock Exchange
Uganda:	Uganda Securities Exchange
Ukraine:	Persha Fondova Torgovelna Systema
United Arab Emirates:	Abu Dhabi Securities Market, Dubai Financial Market
Uruguay:	Bolsa de Valores de Montevideo
Vietnam:	Ho Chi Minh Stock Exchange
West Africa:	Bourse Regionale des Valeurs Mobilieres (BVRM)
Zimbabwe:	Zimbabwe Stock Exchange

These exchanges and markets are listed in accordance with the requirements of the Central Bank which does not issue a list of approved exchanges and markets.

**SCHEDULE II**  
**Characteristics of Classes of Shares by Fund**

The distribution status of each Share Class is Accumulation unless otherwise indicated in the name of the Class.

<b>Russell Investments Emerging Market Debt Local Currency Fund – Fund Base Currency – US\$</b>					
<b>Share Class</b>	<b>Class Currency</b>	<b>Hedged Currency Class</b>	<b>Initial Price Per Share</b>	<b>Offer</b>	<b>Initial Offer Period Status</b>
Class I Sterling	Stg£	No	-		Existing
Class I Sterling Income	Stg£	No	-		Existing
Class I Euro	EUR	No	EUR1,000		New
Class I USD	US\$	No	-		Existing
Class I AUD Income	AUD	No	-		Existing
Class U Euro	EUR	No	-		Existing
Class Z USD	USD	No	USD1,000		New

<b>Russell Investments Euro Fixed Income Fund – Fund Base Currency – EUR</b>					
<b>Share Class</b>	<b>Class Currency</b>	<b>Hedged Currency Class</b>	<b>Initial Price Per Share</b>	<b>Offer</b>	<b>Initial Offer Period Status</b>
Class A Income	US\$	No	US\$1,000		New
Class B	EUR	No	-		Existing
Class B Income	EUR	No	EUR1,000		New
Class F	EUR	No	-		Existing
Class G	EUR	No	EUR1,000		New
Class I	Stg£	No	-		Existing
Class J	US\$	No	US\$10		New
Class K	US\$	No	US\$10		New
Class L	US\$	No	US\$10		New
Class M	US\$	No	US\$10		New
Class P	Stg£	No	Stg£10		New
Class P Income	Stg£	No	-		Existing
Class R Roll-Up	EUR	No	EUR100		New
Class S	EUR	No	-		Existing
Class TYA	JP¥	No	JP¥10,000		New
Class TYA Income	JP¥	No	JP¥10,000		New
Class TYB	JP¥	No	JP¥10,000		New
Class TYB Income	JP¥	No	JP¥10,000		New
Class TYHA	JP¥	Yes	JP¥10,000		New
Class TYHA Income	JP¥	Yes	JP¥10,000		New
Class TYHB	JP¥	Yes	JP¥10,000		New
Class TYHB Income	JP¥	Yes	JP¥10,000		New

<b>Russell Investments Pan European Equity Fund – Base Currency – EUR</b>					
<b>Share Class</b>	<b>Class Currency</b>	<b>Hedged Currency Class</b>	<b>Initial Price Share</b>	<b>Offer Per</b>	<b>Initial Offer Period Status</b>
Class A	EUR	No	-		Existing



Class A Income	EUR	No	EUR1,000	New
Class A USD-H	US\$	Yes	US\$10	New
Class B	EUR	No	-	Existing
Class B Income	EUR	No	EUR1,000	New
Class F	EUR	No	-	Existing
Class G	EUR	No	EUR1,000	New
Class I	Stg£	No	-	Existing
Class K	US\$	No	US\$10	New
Class M	US\$	No	US\$10	New
Class PAMEU	EUR	No	-	Existing
Class P	Stg£	No	Stg£10	New
Class P Income	Stg£	No	Stg£10	New
Class R Roll-Up	EUR	No	-	Existing
Class SH-B	Stg£	Yes	Stg£1,000	New
Class TYA	JP¥	No	JP¥10,000	New
Class TYA Income	JP¥	No	JP¥10,000	New
Class TYB	JP¥	No	JP¥10,000	New
Class TYB Income	JP¥	No	JP¥10,000	New
Class TYC	JP¥	No	JP¥10,000	New
Class TYC Income	JP¥	No	JP¥10,000	New

Russell Investments U.S. Quant Fund – Fund Base Currency – US\$					
Share Class	Class Currency	Hedged Currency Class	Initial Price Share	Offer Per	Initial Offer Period Status
Class A	US\$	No	US\$10		New
Class B	US\$	No	-		Existing
Class B Income	US\$	No	US\$10		New
Class C	EUR	No	-		Existing
Class F	EUR	No	EUR1,000		New
Class G	EUR	No	EUR1,000		New
Class I	Stg£	No	-		Existing
Class L	US\$	No	US\$10		New
Class M	US\$	No	US\$10		New
Class P	Stg£	No	Stg£10		New
Class P Income	Stg£	No	-		Existing
Class R1 Roll-Up	US\$	No	-		Existing
Class TDA	US\$	No	US\$10		New
Class TDA Income	US\$	No	US\$10		New
Class TDB	US\$	No	US\$10		New
Class TDB Income	US\$	No	US\$10		New
Class TDC	US\$	No	US\$10		New
Class TDC Income	US\$	No	US\$10		New
Class TYA	JP¥	No	JP¥1,000		New
Class TYA Income	JP¥	No	JP¥1,000		New
Class TYB	JP¥	No	JP¥1,000		New
Class TYB Income	JP¥	No	JP¥1,000		New
Class TYC	JP¥	No	JP¥1,000		New
Class TYC Income	JP¥	No	JP¥1,000		New

Russell Investments World Equity Fund – Fund Base Currency – US\$					
Share Class	Class Currency	Hedged Currency Class	Initial Price Per Share	Offer Period Status	Minimum Initial Investment Amount
Class A	US\$	No	US\$10	New	-
Class A Income	US\$	No	US\$10	New	-
Class B	US\$	No	-	Existing	-
Class C	EUR	No	-	Existing	-
Class D	Stg£	No	-	Existing	USD 50m
Class E	EUR	No	EUR10	New	-
Class EH-T	EUR	Yes	-	Existing	-
Class F	EUR	No	EUR10	New	-
Class G	EUR	No	EUR10	New	-
Class I	Stg£	No	-	Existing	-
Class J	US\$	No	-	Existing	-
Class L	US\$	No	US\$10	New	-
Class M	EUR	No	-	Existing	-
Class M Sterling	Stg£	No	-	Existing	-
Class N	US\$	No	-	Existing	-

Class NZD-H	NZD	Yes	NZD100	New	-
Class P	Stg£	No	-	Existing	-
Class R	EUR	No	-	Existing	-
Class SH-B	Stg£	Yes	-	Existing	-
Class TDA	US\$	No	US\$10	New	-
Class TDA Income	US\$	No	US\$10	New	-
Class TDB	US\$	No	US\$10	New	-
Class TDB Income	US\$	No	US\$10	New	-
Class TDC	US\$	No	US\$10	New	-
Class TDC Income	US\$	No	US\$10	New	-
Class TYA	JP¥	No	-	Existing	-
Class TYA Income	JP¥	No	JP¥1,000	New	-
Class TYB	JP¥	No	JP¥1,000	New	-
Class TYB Income	JP¥	No	JP¥1,000	New	-
Class TYC	JP¥	No	-	Existing	-
Class TYC Income	JP¥	No	JP¥1,000	New	-

Russell Investments China Equity Fund – Fund Base Currency – US\$					
Share Class	Class Currency	Hedged Currency Class	Initial Price Per Share	Offer Period Status	Minimum Initial Investment Amount
Class A	US\$	No	-	Existing	-
Class B	US\$	No	US\$1,000	New	-
Class C	US\$	No	US\$1,000	New	-
Class D	EUR	No	-	Existing	-
Class E	US\$	No	US\$1,000	New	-
Class V	EUR	No	EUR10,000	New	-
Class X	US\$	No	US\$10,000	New	-

## SCHEDULE III

### Material Contracts

The following contracts, details of which have been sent out in the section entitled "Management and Administration", have been entered into and are, or may be, material:

The **Depositary Agreement** between the Company and the Depositary, pursuant to which the latter was appointed as Depositary in relation to the Funds.

The Depositary Agreement shall continue in force until terminated and may be terminated by the Manager or the Company (without the payment of any Additional Compensation Amount by the Company) on giving at least three (3) months' notice to the Depositary or by the Depositary on giving six (6) months' written notice to the parties or such other period as may be agreed between the parties.

Termination may be immediate in certain circumstances such as insolvency of the Depositary. The Depositary may not be replaced without the approval of the Central Bank.

The Depositary Agreement shall be governed by the laws of Ireland and the courts of Ireland shall have non-exclusive jurisdiction to hear any disputes or claims arising out of or in connection with the Depositary Agreement.

The **Management Agreement** between the Company and the Manager, pursuant to which the latter was appointed manager in relation to the Funds, as may be amended from time to time in accordance with the requirements of the Central Bank.

The Management Agreement provides that the Manager shall administer the Company in accordance with the Regulations, the Articles of Association and the provisions of this Prospectus. The Management Agreement shall continue in force until terminated by either party on ninety days' notice in writing to the other party, provided that the Manager shall continue in office until a successor manager or administrator is appointed. The Company may at any time terminate the Management Agreement in the event of the appointment of an examiner or receiver to the Manager or on the happening of a like event. The Company may also terminate the Management Agreement if the CSSF determines that the Manager is no longer permitted to act as manager or investment adviser to the Company.

The Manager shall not be liable for any loss suffered by the Company or its agents in connection with the performance of the Manager's obligations under the Management Agreement, except loss resulting from negligence, wilful misfeasance, fraud or bad faith on the part of the Manager in the performance of, or from reckless disregard by the Manager of, its duties under the Management and Agreement. The Company shall indemnify the Manager in respect of all liabilities, damages, costs, claims and expenses incurred by the Manager, its directors, officers, employees, servants or agents in the performance of its duties under the Management Agreement and against all taxes on profits or gains of the Company which may be assessed upon or become payable by the Manager or its directors, officers, employees, servants or agents to the extent permitted by law, provided that such indemnity shall not be given where the Manager, its servants or agents, is or are guilty of any negligence, wilful misconduct, fraud, bad faith or reckless disregard of its or their duties.

The **Administration Agreement** between the Company, the Manager and the Administrator, pursuant to which the latter was appointed as administrator, transfer agent and registrar of the Company.

The Administration Agreement shall continue in force until terminated and may be terminated (without the payment of any Compensation Amount by the Company) on giving three (3) months' prior written notice or by the Administrator on giving six (6) months' notice or such other period as may be agreed between the parties in writing.

The Administration Agreement may be terminated at any time forthwith by any party and without the obligation to pay any Compensation Amount on the part of the Company upon giving notice in writing to the other parties if at any time; (i) the party notified shall be unable to pay its debts as they fall due or go into liquidation or receivership or an examiner shall be appointed pursuant to the Companies Act 2014, (ii) the party notified shall commit any material breach of the provisions of the Administration Agreement and, if such breach is capable of remedy, shall not have remedied that within thirty (30) days after the service of written notice requiring it to be remedied.

The Administration Agreement provides that the Administrator shall exercise its power and discretion under the Administration Agreement using its reasonable endeavours and applying the level of skill and expertise

that can be reasonably expected of a professional administrator for hire. The Administrator shall not be liable for any loss of any nature whatsoever suffered by the Manager, the Company or the Shareholders in connection with the performance of its obligations under the Administration Agreement, except where that loss results directly from negligence, bad faith, fraud, wilful misconduct on the part of the Administrator. The Administrator shall not be liable for any indirect, special or consequential loss howsoever arising.

The Manager shall indemnify and hold harmless the Administrator out of the assets of the Company on its own behalf and on behalf of its permitted delegates, employees and agents against all actions, proceedings and claims and against all reasonable costs, demands and expenses (including reasonable legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by the Administrator, its permitted delegates, employees or agents in the performance of its obligations and duties under the Administration Agreement and against all taxes on profits or gains of the Company which may be assessed or become payable by the Administrator, its permitted delegates, employees or agents provided that such indemnity shall not be given where the Administrator, its delegates, employees or agents, is or are guilty of negligence, recklessness, wilful default, fraud or bad faith.

The Company shall indemnify, hold harmless and defend the Administrator out of the assets of the relevant sub-fund from and against any loss, liability, claim or expense (including reasonable attorneys' fees and disbursements) suffered or incurred by the Administrator in connection with the performances of its duties hereunder, including, without limitation, any liability or expense suffered or incurred as a result of the acts or omissions of the Company or any third party agent whose data or services the Administrator must rely upon in performing its duties hereunder, or as a result of acting upon any instructions reasonably believed by it to have been duly authorized by the Fund; provided, however, that such indemnity shall not apply to any loss, liability, claim or expense resulting directly from the fraud, negligence, bad faith or wilful misconduct of the Administrator.

The **Principal Money Manager and Advisory Agreement** between the Company, Manager and the Principal Money Manager pursuant to which the latter was appointed as discretionary investment manager and adviser.

The Principal Money Manager and Advisory Agreement shall continue in force until terminated by any party on 90 days' notice in writing to the other parties (or such other period as may be agreed between the parties), but any such termination will not affect the outstanding obligations or liabilities of any party hereto to the other.

Any party may terminate this Agreement immediately without notice upon:

(i) another party passing a resolution for its winding up (except a voluntary liquidation for the purpose of reconstruction or amalgamation on terms previously approved in writing by the parties) or the appointment of a liquidator or an examiner or receiver of another party or upon the happening of a like event at the direction of a regulatory agency or court of competent jurisdiction or otherwise; (ii) any party being unable to perform its obligations under this Agreement because it is no longer permitted to do so by its regulator or under applicable laws; (iii) any party breaching any material provision of this Agreement, provided that if the breach is capable of being remedied, the breaching party has not remedied such breach within thirty (30) days of receipt of a notice from the other party of such material breach; (iv) the request of its or another party's regulator.

The Principal Money Manager and Advisory Agreement provides that, save in the case of fraud, wilful misconduct, bad faith, negligence or reckless disregard of its functions and duties, the Principal Money Manager shall not be liable to the Manager or the Company or the Shareholders of the Company for any error of judgment or loss suffered by any of them in connection with the performance by the Principal Money Manager of its functions and duties thereunder and the Manager shall indemnify the Principal Money Manager, out of the Company's assets against all claims, demands, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (including the cost of investigating or defending against such claims, demands or liabilities and any legal costs incurred in connection therewith) incurred by the Principal Money Manager, its employees, officers, directors, agents or delegates in the performance of its functions and duties and against all taxes on profits or gains of the Company which may be assessed upon or become payable by the Principal Money Manager, its directors, officers or agents, to the extent permitted by law and the Articles of Association, provided that such indemnity shall not be given where the Principal Money Manager, its directors, officers or agents are guilty of any negligence, bad faith, fraud, wilful misconduct or reckless disregard of its or their duties.

The **Distribution Agreement** between the Manager, the Company and the Distributor pursuant to which the latter was appointed to distribute the Funds.

The Distribution Agreement may be terminated by any party, without the payment of any penalty, immediately upon receipt of 90 days' written notice to the other party. The Company will indemnify the Distributor and its directors, officers or employees against claims, demands, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (including the cost of investigating or defending against such claims, demands or liabilities and any legal costs incurred in connection therewith) resulting from the fact that the Distributor or employees, officers, directors or agents appointed by the Distributor have acted thereunder as agent of the Management Company in accordance with the terms of this Agreement and not resulting from a material breach of this Agreement, wilful misconduct, negligence, fraud, reckless disregard or bad faith of its duties under this Agreement by the Distributor or its employees, officers, directors or agents.

The **Support Services Agreement** between the Company and Russell Investments Limited, pursuant to which the latter was appointed to provide support services to the Company.

These services include assisting in relation to the registration of the Funds for distribution, attending to compliance matters, coordinating the preparation of the financial statements and the preparation of materials for meetings of the board of Directors and assisting with the appointment and assessment of the various service providers appointed to the Company. In the absence of fraud, negligence, wilful default or bad faith on the part of Russell Investments Limited in the performance or unjustifiable non-performance of its obligations or duties under the Support Services Agreement, Russell Investments Limited, its directors, officers, employees or agents shall not be liable to the Fund for any loss or damage suffered by the Fund as a result of any act or omission of Russell Investments Limited. The Support Services Agreement may be terminated by either party upon 90 days' written notice to the other party (or such lesser period as may be agreed) or immediately in the event of the winding up or the appointment of an examiner or receiver to the other party or upon the happening of a like event at the direction of an appropriate regulatory agency or court of competent jurisdiction, where either party fails to remedy a material breach of the agreement (if capable of remedy) within 30 days after service of notice by the other party requesting it to do so or where either party is no longer permitted to perform its obligations.

## SCHEDULE IV

### Definitions

In this Prospectus the following words and phrases have the meanings set forth below:

<b>"A Shares"</b>		means shares denominated in Renminbi, issued by companies in the PRC and listed on PRC Stock Exchanges.
<b>"Accounting Period"</b>		means a period ending on 31 March of each year or such other date as the Directors may from time to time decide with the prior approval of the Central Bank;
<b>"Accumulation Shares"</b>	<b>Class</b>	means each Class of a Fund that declare a distribution but whose net income is then reinvested in the capital of the relevant Fund on the Distribution Date;
<b>"Administration Agreement"</b>		means the administration agreement made on 30 September 2021 between the Company, the Manager and the Administrator as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank;
<b>"Administrator"</b>		means State Street Fund Services (Ireland) Limited;
<b>"AIF"</b>		means an alternative investment fund as defined in regulation 5(1) of the European Union (Alternative Investment Fund Managers) Regulations 2013 (S.I. No. 257 of 2013) and/or any other collective investment undertaking meeting the criteria outlined in Regulation 68(1)(e) of the Regulations;
<b>"Articles of Association"</b>		means the memorandum and articles of association of the Company;
<b>"AUD"</b>		means Australian dollars, the lawful currency of the Commonwealth of Australia;
<b>"Base Currency"</b>		means in respect of any Fund the currency set out for that Fund in Schedule II;
<b>"Benchmark Regulation"</b>		means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial contracts or to measure the performance of investment funds;
<b>"Business Day"</b>		means a day (excluding Saturday and Sunday) on which Irish banks are open for business, provided that the Directors from time to time may designate as a business day a day on which Irish banks are not open for business as aforesaid;
<b>"Central Bank"</b>		means the Central Bank of Ireland and any successor regulatory authority with responsibility for the authorisation and supervision of the Company;
<b>"Central Bank Regulations"</b>		means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings For Collective Investment in Transferable Securities) Regulations 2019 as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time;

<b>"Central Bank Rules"</b>	means the Central Bank Regulations and any other statutory instrument, regulations, rules, conditions, notices, requirements or guidance of the Central Bank issued from time to time applicable to the Company pursuant to the Regulations;
<b>"CIS"</b>	means a UCITS or other alternative investment fund within the meaning of Regulation 68(1)(e) of the Regulations and which is prohibited from investing more than 10% of its assets in other such collective investment schemes;
<b>"Class"</b>	means any class of Shares in the Company;
<b>"Class Currency"</b>	means in respect of any Class of Shares the currency in which the Shares are issued;
<b>"Company"</b>	means Russell Investment Company II p.l.c, an investment company with variable capital, incorporated in Ireland;
<b>"Country Supplement"</b>	means a supplement to this Prospectus, issued from time to time, specifying certain information pertaining to the offer of Shares of the Company or a Fund or Class in a particular jurisdiction or jurisdictions;
<b>"CRS"</b>	means the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the Organisation for Economic Cooperation and Development, also known as the Common Reporting Standard, and any bilateral or multilateral competent authority agreements, intergovernmental agreements and treaties, laws, regulations, official guidance or other instrument facilitating the implementation thereof and any law implementing the Common Reporting Standard;
<b>"CSDCC"</b>	means China Securities Depository & Clearing Corporation Limited;
<b>"CSRC"</b>	means the China Securities Regulatory Commission of the PRC, the government agency responsible for matters relating to securities regulation.
<b>"Data Protection Legislation"</b>	means the EU data protection regime introduced by the General Data Protection Regulation (Regulation 2016/679)
<b>"Dealing Day"</b>	means any Business Day or Business Days as the Directors may from time to time determine, provided that there shall, in respect of each Fund, be at least one Dealing Day per fortnight and unless otherwise determined and notified to the Central Bank, as and from the date of this Prospectus: (i) every Business Day following the Initial Offer Period for each Fund shall be a Dealing Day;
<b>"Depositary"</b>	means State Street Custodial Services (Ireland) Limited or any successor depositary appointed by the Company with the prior approval of the Central Bank as the depositary of the Company;
<b>"Depositary Agreement"</b>	means the depositary agreement between the Company and the Depositary as may be amended or supplemented from time to time in accordance with the Central Bank Rules, pursuant to which the latter was appointed as depositary of the Company;



<b>"Dilution Adjustment"</b>	means an adjustment made on net subscriptions and/or net repurchases as a percentage of the value of the relevant subscription/repurchase calculated for the purposes of determining a subscription price or repurchase price to reflect the impact of dealing costs relating to the acquisition or disposal of assets and to preserve the value of the underlying assets of the relevant Fund;
<b>"Directors"</b>	means the directors of the Company for the time being and any duly constituted committee thereof;
<b>"Distribution Agreement"</b>	means the distribution agreement made on 30 September 2021 between the Company, the Manager and the Distributor pursuant to which the latter was appointed to distribute the Funds as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank;
<b>"Distribution Date"</b>	means for any Class of Shares of a Fund a date on which distributions for the Fund are to be made;
<b>"Distributor"</b>	means Russell Investments Limited;
<b>"EEA"</b>	means the EU member states together with Iceland, Liechtenstein and Norway;
<b>"Eligible Counterparties"</b>	means a counterparty to OTC derivatives with which a Fund may trade and belonging to one of the categories approved by the Central Bank which at the date of this Prospectus comprise the following: <ul style="list-style-type: none"> <li>(i) a Relevant Institution;</li> <li>(ii) an investment firm, authorised in accordance with the Markets in Financial Instruments Directive in an EEA member state; or</li> <li>(iii) a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve;</li> </ul>
<b>"Emerging Markets"</b>	means any market not included in the following group of industrialised countries: Australia, Austria, Belgium, Bermuda, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom and United States;
<b>"EMIR"</b>	means Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories;
<b>"Equities"</b>	means (in respect of the Russell Investments Emerging Market Debt Local Currency Fund specifically) equity securities issued by companies including ordinary shares, preference shares and common stock;
<b>"Equity-Related Instruments"</b>	means (in respect of the Russell Investments Emerging Market Debt Local Currency Fund specifically) American depository receipts, global depository receipts, rights issues, equity-linked notes, equity-

	linked securities and participatory notes, but shall not include convertible debt securities;
<b>"EU"</b>	means the European Union;
<b>"EUR", "€" or "Euro"</b>	means the euro, the European single currency;
<b>"FATCA"</b>	means: <ul style="list-style-type: none"> <li>(a) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 or any associated regulations or other official guidance;</li> <li>(b) any intergovernmental agreement, treaty, regulation, guidance or other agreement between the Government of Ireland (or any Irish government body) and the US, UK or any other jurisdiction (including any government bodies in such jurisdiction), entered into in order to comply with, facilitate, supplement, implement or give effect to the legislation, regulations or guidance described in paragraph (a) above; and</li> <li>(c) any legislation, regulations or guidance in Ireland that give effect to the matters outlined in the preceding paragraphs;</li> </ul>
<b>"Fixed Income Securities and Instruments"</b>	means (in respect of the Russell Investments Emerging Market Debt Local Currency Fund specifically) transferable debt securities and instruments of varying durations that are denominated in a variety of currencies and issued by a number of different types of issuer, such as governments and companies, including but not limited to, municipal and government bonds, agency debt instruments (being issued by local authorities or public international bodies of which one or more States is a member), zero coupon bonds, discount bonds, insurance-linked bonds, mortgage-backed debt securities, asset-backed debt instruments and corporate debt securities (including corporate bonds) that are listed, traded or dealt in on a Regulated Market, that may have fixed or floating interest rates and that may be rated investment grade or below investment grade, but shall not include convertible debt securities, FDIs and money-market instruments;
<b>"Fund" or "Funds"</b>	means any fund or funds, from time to time established by the Company, each of which shall comprise one or more Classes of Share in the Company;
<b>"German Tax Law"</b>	means the German Investment Tax Act and German Investment Tax Reform Act;
<b>"H Shares"</b>	means shares of a company incorporated in the Chinese mainland that are listed on the Hong Kong Stock Exchange;
<b>"Income Class Shares"</b>	means Shares of a Class of a Fund that distribute net income from time to time, subject to Directors' discretion;
<b>"Initial Offer Period"</b>	means such date or period specified in the section entitled "Subscription Price" in respect of the Class or Classes identified as "new" in Schedule II or such longer or shorter period as the Directors may determine and notify the Central Bank for any Class of Shares of any Fund;

<b>"Investment Adviser"</b>	means the person or persons from time to time appointed by the Principal Money Manager or an Investment Manager to act as an investment adviser;
<b>"Investment Manager"</b>	means Russell Investments Management LLC or RIML;
<b>"Investor Money Regulations"</b>	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers, as may be amended from time to time;
<b>"Irish Resident"</b>	means, any person resident in Ireland or ordinarily resident in Ireland other than an Exempt Irish Resident (as defined in the Taxation section of the Prospectus);
<b>"KID"</b>	means the key information document as required by the PRIIPs Regulation;
<b>"KIID"</b>	means the key investor information document;
<b>"Management Agreement"</b>	means the management agreement made between the Company, and the Manager on 30 September 2021 as may be further amended from time to time in accordance with the requirements of the Central Bank;
<b>"Manager"</b>	means Carne Global Fund Managers (Ireland) Limited;
<b>"Member State"</b>	means a member state of the EU;
<b>"MiFID II"</b>	means the Markets in Financial Instruments Directive (recast) (Directive 2014/65/EU);
<b>"MiFID II Delegated Directive"</b>	means Commission Delegated Directive (EU) of 7 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits;
<b>"Money Manager"</b>	means the person or persons from time to time appointed by the Principal Money Manager to act as a money manager;
<b>"Money Manager Agreement"</b>	means a money manager agreement between the Principal Money Manager and a Money Manager;
<b>"Moody's"</b>	means Moody's Investors Service, Inc., the rating agency;
<b>"MSCI China All Shares Index"</b>	means the index that is designed to measures large and mid-cap representation across China A shares, B shares, H shares, Red chips, P chips and foreign listing (e.g. ADRs). The index aims to represent the performance of the opportunity set of China share classes listed in Hong Kong, Shanghai, Shenzhen and outside of China.
<b>"MSCI EFM (Emerging Markets Free) Index"</b>	means the free float adjusted market capitalisation index that is designed to measure equity market performance in the global Emerging Markets;

<b>"MSCI World Index"</b>	means the free float adjusted market capitalisation index that is designed to measure global developed market equity performance;
<b>"Net Asset Value" or "NAV"</b>	means the net asset value of the Company or of a Fund calculated as described herein;
<b>"Net Asset Value per Share"</b>	means the Net Asset Value of each Class of a Fund divided by the number of Shares issued in respect of such Class;
<b>"OECD"</b>	means the Organisation for Economic Co-Operation and Development;
<b>"OTC"</b>	means over-the-counter and refers to derivatives negotiated between two counterparties;
<b>"Permitted Securities"</b>	means securities and investments permitted to be held or made by QFIs using the QFI status pursuant to the relevant PRC regulations (as amended from time to time);
<b>"PRIIPs Regulation"</b>	means Regulation (EU) No. 1286/2014 of the European Parliament and of the Council on key information documents for packaged retail and insurance-based investment products (PRIIPs), as amended and as may be further amended, consolidated or substituted from time to time;
<b>"Principal Money Manager"</b>	means Russell Investments Limited;
<b>"Principal Money Manager And Advisory Agreement"</b>	means the principal money manager and advisory agreement between the Company, the Manager and the Principal Money Manager on 30 September 2021 as may be further amended from time to time in accordance with the requirements of the Central Bank;
<b>"PRC or "China"</b>	means the People's Republic of China (excluding for the purposes of this Prospectus the Hong Kong and Macau Special Administration Regions and Taiwan) and the term "Chinese" shall be construed accordingly;
<b>"PRC Sub-Custodian"</b>	means The Hong Kong and Shanghai Banking Corporation Limited appointed by the Depositary pursuant to a Sub-Custodian Agreement dated May 2012;
<b>"PRC Stock Exchanges"</b>	means the Shanghai Stock Exchange, the Shenzhen Stock Exchange and any other stock exchange that opens in the PRC;
<b>"QFI"</b>	means qualified foreign investors approved pursuant to the relevant PRC regulations (as amended from time to time), including qualified foreign institutional investors (" <b>QFII</b> ") and Renminbi qualified foreign institutional investors (" <b>RQFII</b> ");
<b>"Quota"</b>	means the PRC foreign exchange investment quota granted to a RQFII pursuant to the RQFII regulations;
<b>"Regulated Market"</b>	means any stock exchange or regulated market in the EU or a stock exchange or regulated market, details of which are set out in Schedule I hereto;

<b>"Regulations"</b>	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended and as such may be amended, supplemented and replaced from time to time and any rules made by the Central Bank pursuant to them;
<b>"Relevant Declaration"</b>	means the declaration relevant to the Shareholder as set out in Schedule 2B TCA;
<b>"Relevant Institution"</b>	means (i) a credit institution authorised in the EEA; (ii) a credit institution authorised within a signatory state, other than a member state of the EEA, to the Basle Capital Convergence Agreement of July 1988 (Canada, Japan, Switzerland, the U.S. and the United Kingdom); or (iii) a credit institution authorised in Australia, Guernsey, the Isle of Man, Jersey or New Zealand;
<b>"Revenue Commissioners"</b>	means the Irish Revenue Commissioners;
<b>"RMB" or "Renminbi"</b>	mean the lawful currency of the PRC;
<b>"Roll-Up Class Shares"</b>	means Shares of a Class of a Fund that do not declare or distribute net income and whose Net Asset Value reflects net income;
<b>"Russell Investments"</b>	means any or all of Russell Investments Systems Limited and its subsidiaries, including the Principal Money Manager, Russell Investments Management LLC and any other affiliates conducting business under the name "Russell Investments" and any successor entity of those entities;
<b>"Sales Charge"</b>	means a charge on a subscription in a Class of Shares of up to 5% of the subscription price which is to be paid to the Distributor and/or any of its agents or appointed sub-distributors;
<b>"SAFE"</b>	means the PRC State Administration of Foreign Exchange, the government agency responsible for matters relating to foreign exchange administration;
<b>"Securities Financing Transactions"</b>	means repurchase agreements, reverse repurchase agreements, securities lending agreements and any other transactions within the scope of SFTR that a Fund is permitted to engage in;
<b>"Securitisation Position"</b>	means an instrument held by a Fund that meets the criteria of a "Securitisation" contained in Article 2 of the Securitisation Regulation so as to bring such instruments into the scope of the Securitisation Regulation and trigger obligations which must be met by the Fund (as an "institutional investor" under the Securitisation Regulation). Without prejudice to the precise definition in Article 2 of the Securitisation Regulation, this generally covers transactions or schemes, whereby (i) the credit risk associated with an exposure or a pool of exposures is divided into classes or tranches; (ii) payments are dependent upon the performance of the exposure or of the pool of exposures; and (iii) the subordination of classes or tranches determines the distribution of losses during the ongoing life of the transaction or scheme;
<b>"Securitisation Regulation"</b>	means the Securitisation Regulation (EU) 2017/2402, as may be amended from time to time;

<b>"Settlement Time"</b>	means the time by which subscription monies must be received by the Administrator and which shall be the third Business Day from the date on which the Manager or its agent receives the applicant's properly completed subscription form;
<b>"SFDR" or "Sustainable Finance Disclosure Regulation"</b>	means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time;
<b>"SFDR Annex"</b>	means an annex to this Prospectus issued from time to time, prepared for the purpose of meeting the specific financial product level disclosures contained in SFDR and specifically, the disclosure requirements applicable to Article 8 financial products;
<b>"SFT Regulations or SFTR"</b>	means Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time;
<b>"Share" or "Shares"</b>	means a share or shares in the capital of the Company;
<b>"Shareholder"</b>	means a holder of Shares in the Company;
<b>"Short-Term Instruments"</b>	means (in respect of the Russell Investments Emerging Market Debt Local Currency Fund specifically) short-term debt instruments with a maturity of less than one year and includes certificates of deposit, bankers' acceptances, commercial paper, T-bills and agency discount paper. The duration of floating rate instruments will be recognised as the duration of the reset period. Unless otherwise stated in a Fund's investment objective, all short term instruments acquired by a Fund must carry a short-term rating or a minimum issuer's rating of A1/P1 by S&P or Moody's. A short term instrument that is not rated by either of these rating agencies is permissible if the instrument is deemed by the relevant Investment Manager or the Money Manager to be of equivalent credit quality to the minimum credit constraint;
<b>"S&amp;P"</b>	means Standard & Poor's Corporation, the rating agency;
<b>"Sterling" or "Stg£"</b>	means pounds sterling, the lawful currency of the U.K.;
<b>"Subscriptions/Redemptions Account"</b>	means the account in the name of the Company through which subscription monies and redemption proceeds and dividend income (if any) for each Fund are channelled, the details of which are specified in the application form;
<b>"Subscriber Shares"</b>	means the initial share capital of 39,000 shares of no par value subscribed for at EUR39,000;
<b>"Support Services agreement"</b>	means the support services agreement between the Company and Russell Investments Limited on 30 September 2021 as may be further amended from time to time in accordance with the requirements of the Central Bank;

<b>Taxonomy Regulation</b>	means the Regulation on the Establishment of a Framework to Facilitate Sustainable Investment (Regulation EU/2020/852) as may be supplemented, consolidated, substituted in any form or otherwise modified from time to time;
<b>"Total Return Swap"</b>	means a derivative (and a transaction within the scope of SFTR) whereby the total economic performance of a reference obligation is transferred from one counterparty to another counterparty;
<b>"Trade Cut-Off Time"</b>	means in the case of subscriptions and repurchases 2.00 pm (Irish time) on the relevant Dealing Day;
<b>"Transferable Securities"</b>	means shares in companies and other securities equivalent to shares in companies which fulfil the applicable criteria specified in Part 1 of Schedule 2 of the Regulations; bonds and other forms of securitised debt which fulfil the applicable criteria specified in Part 1 of Schedule 2 of the Regulations; other negotiable securities which carry the right to acquire any securities within (i) or (ii) above by subscription or exchange which fulfil the criteria specified in Part 1 of Schedule 2 of the Regulations; and securities specified for this purpose in Part 2 of Schedule 2 of the Regulations.
<b>"UCITS"</b>	means an undertaking for collective investment in transferable securities established pursuant to the Regulations;
<b>"UCITS V"</b>	means Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as regards depositary functions, remuneration and sanctions as amended from time to time and including any supplementing European Commission delegated regulations in force from time to time;
<b>"UCITS Directive"</b>	means Directive 2009/65/EC of the European Parliament and the Council of 13 July 2009 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS);
<b>"UCITS Exchange Traded Fund"</b>	means an exchange traded fund, the units of which shall be classified as units in an eligible collective investment scheme;
<b>"U.K."</b>	means the United Kingdom of Great Britain and Northern Ireland;
<b>"Untradeable Security"</b>	means any security which is suspended from trading on a stock exchange, illiquid or not freely tradeable for any reason;
<b>"U.S."</b>	means the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction;
<b>"U.S. Dollars", "US\$" or "USD"</b>	means U.S. Dollars, the lawful currency of the U.S.;

**"U.S. Person"**

means, unless otherwise determined by the Directors, (i) a citizen or resident of the U.S.; (ii) a corporation, partnership, or other entity organised in or under the laws of the U.S. or any state, (iii) an estate or trust the executor, administrator or trustee of which is a U.S. person as defined above, the income or beneficiaries of which are subject to U.S. federal income tax; and (iv) certain accounts held by a dealer or other fiduciary where the person exercising discretion over the account is a U.S. Person. U.S. Person shall not include corporations, partnerships or other entities which are organised or incorporated under the laws of any non U.S. jurisdiction that are controlled, directly or indirectly, by a U.S. Person as described above, unless such corporation, partnership or other entity was formed by such U.S. Person principally for the purpose of investing in securities not registered under the U.S. Securities Act.



## SCHEDULE V

### Investment Restrictions

<b>1</b>	<b>Permitted Investments</b>
	Investments of a UCITS are confined to:
<b>1.1</b>	Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments other than those dealt on a regulated market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of AIFs
<b>1.6</b>	Deposits with credit institutions
<b>1.7</b>	Financial derivative instruments
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	A UCITS may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
<b>2.2</b>	<p>Recently Issued Transferable Securities</p> <p>Subject to paragraph (2) a responsible person shall not invest any more than 10% of assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011 apply.</p> <p>Paragraph (1) does not apply to an investment by a responsible person in US Securities known as "Rule 144 A securities" provided that;</p> <p>(a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and</p> <p>(b) the securities are not illiquid securities i.e. they may be realised by the UCITS within 7 days at the price, or approximately at the price, which they are valued by the UCITS.</p>
<b>2.3</b>	A UCITS may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
<b>2.4</b>	The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a UCITS invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the UCITS. <b>This restriction need not be included unless it is intended to avail of this provision and reference must be made to the fact that this requires the prior approval of the Central Bank.</b>

<b>2.5</b>	The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
<b>2.6</b>	The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
<b>2.7</b>	A UCITS shall not invest more than 20% of its assets in deposits made with the same body.
<b>2.8</b>	<p>The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets.</p> <p>This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand</p>
<b>2.9</b>	<p>Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:</p> <ul style="list-style-type: none"> <li>- investments in transferable securities or money market instruments;</li> <li>- deposits, and/or</li> <li>- counterparty risk exposures arising from OTC derivatives transactions.</li> </ul>
<b>2.10</b>	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
<b>2.11</b>	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
<b>2.12</b>	<p>A UCITS may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.</p> <p>The individual issuers must be listed in the prospectus and may be drawn from the following list:</p> <p>OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC, Export-Import Bank.</p> <p>The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>

<b>3</b>	<b>Investment in Collective Investment Schemes ("CIS")</b>
<b>3.1</b>	A UCITS may not invest more than 20% of net assets in any one CIS.
<b>3.2</b>	Investment in AIFs may not, in aggregate, exceed 30% of net assets.
<b>3.3</b>	The CIS are prohibited from investing more than 10% of net assets in other open-ended CIS.
<b>3.4</b>	When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the UCITS investment in the units of such other CIS.
<b>3.5</b>	Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment advisor receives a commission on behalf of the UCITS (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the UCITS.
<b>4</b>	<b>Index Tracking UCITS</b>
<b>4.1</b>	A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank
<b>4.2</b>	The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.
<b>5</b>	<b>General Provisions</b>
<b>5.1</b>	An investment company, ICAV or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
<b>5.2</b>	<p>A UCITS may acquire no more than:</p> <ul style="list-style-type: none"> <li>(i) 10% of the non-voting shares of any single issuing body;</li> <li>(ii) 10% of the debt securities of any single issuing body;</li> <li>(iii) 25% of the units of any single CIS;</li> <li>(iv) 10% of the money market instruments of any single issuing body.</li> </ul> <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.</p>
<b>5.3</b>	<p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> <li>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</li> <li>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</li> </ul>

	<p>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</p> <p>(iv) shares held by a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.</p> <p>(v) Shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.</p>
<b>5.4</b>	UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
<b>5.5</b>	The Central Bank may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
<b>5.6</b>	If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
<b>5.7</b>	<p>Neither an investment company, ICAV nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:</p> <ul style="list-style-type: none"> <li>- transferable securities;</li> <li>- money market instruments*;</li> <li>- units of investment funds; or</li> <li>- financial derivative instruments.</li> </ul>
<b>5.8</b>	A UCITS may hold ancillary liquid assets.
<b>6</b>	<b>Financial Derivative Instruments ('FDIs')</b>
<b>6.1</b>	The UCITS global exposure relating to FDI must not exceed its total net asset value.
<b>6.2</b>	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations/Guidance. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in Central Bank UCITS Regulations.)
<b>6.3</b>	UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that

\* Any short selling of money market instruments by UCITS is prohibited

	<ul style="list-style-type: none"> <li>- The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.</li> </ul>
<b>6.4</b>	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank

## **SCHEDULE VI**

### **RISK FACTORS**

All financial investments involve an element of risk to both income and capital.

There are risks associated with investment in the Company and in the Shares of each Fund.

The risks described in this Prospectus should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund. Potential investors should be aware that an investment in a Fund may be exposed to other risks from time to time.

Different risks may apply to different Funds and/or Classes. Details of specific risks attaching to a particular Fund or Class which are additional to those described in this section will be disclosed in the Fund specific information section.

Investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or other matters. If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the Company or a Fund or the suitability for you of investing in the Company or a Fund, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

As the price of Shares in each Fund may fall as well as rise, the Company is not a suitable investment for an investor who cannot sustain a loss on their investment.

The liability of a Shareholder is limited to any unpaid amount of the nominal value of its Shares and all Shares in the Company will only be issued on a fully paid basis. However, under the Application Form and the Articles of Association (to which each Shareholder will subscribe as a member), investors will be required to indemnify the Company and its associates for certain matters.

#### ***Investment Risks***

The securities and instruments in which the Funds invest are subject to normal market fluctuations and other risks inherent in investing in such investments, and there can be no assurance that any appreciation in value will occur.

Past performance is not necessarily a guide to the future. The price of Shares and the income from them may fall as well as rise and an investor may not recover the full amount invested. There can be no assurance that any Fund will achieve its investment objective or that a Shareholder will recover the full amount invested in a Fund. The capital return and income of each Fund are based on the capital appreciation and income on the securities it holds, less expenses incurred. Therefore, each Fund's return may be expected to fluctuate in response to changes in such capital appreciation or income. As investors may be required to pay a Sales Charge on the issue of certain Classes of Shares, an investment in a Fund through such Classes should be considered to be a medium to long term investment.

Prospective Shareholders should note that a Fund's investment policies may not be able to be fully implemented or complied with during the launch and wind-down phase of a Fund when initial investment positions are being established or final positions are being liquidated, as relevant. In addition, in respect of the launch phase of a Fund, the Central Bank permits a Fund to derogate from certain of the Regulations for six (6) months from the date of its authorisation, provided that the Fund still observes the principle of risk spreading. In respect of the wind-down phase and in accordance with the terms of this Prospectus and the Articles of Association, Shareholders will be notified in advance of a Fund being wound-down. As a consequence, Shareholders may be exposed to different types of investment risk and may receive a return that is different to the return that would have been received if full compliance with the relevant investment policies and/or Regulations had been maintained (noting that there can be no assurance that any Fund will achieve its investment objective) during the launch and/or wind-down phase of a Fund.

***Risk of Loss*** In the case of all Funds, an investment in a Fund is neither insured nor guaranteed by any bank, government, government agency or instrumentality, guarantee scheme or any bank guarantee fund which may protect the holders of a bank deposit. Shares of the Company are not bank deposits or obligations of, or guaranteed or endorsed or otherwise supported by the Manager, the Investment Managers, the Distributor or any of their affiliates.

### ***Credit Risk***

There can be no assurance that issuers of the securities or other instruments which a Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments (as well as any appreciation of sums invested in such securities).

Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. However, there is no guarantee of the accuracy of credit ratings. A Fund investing in bonds or other debt securities will be subject to the credit risk of the issuers of the bonds or debt securities in which it invests. In the event that any issuer of bonds or other debt securities in which the assets of a Fund are invested defaults, becomes insolvent or experiences financial or economic difficulties, this may adversely affect the value of the relevant securities (which may be zero) and any amounts paid on such securities (which may be zero), which may in turn adversely affect the Net Asset Value of the Fund. In times of financial instability, there may be increased uncertainty surrounding the creditworthiness of issuers of debt or other securities, including financial derivatives instruments and market conditions may lead to increased instances of default amongst issuers. This may in turn affect the Net Asset Value of the Fund.

The value of a Fund may be affected if any of the financial institutions with which the cash of the Fund is invested or deposited suffers insolvency or other financial difficulties.

There is no certainty in the credit worthiness of issuers of debt securities. Unstable market conditions may mean there are increased instances of default amongst issuers.

### ***Equity Risks***

Prices of equities fluctuate daily dependent on market conditions. Markets can be influenced by a series of factors such as political and economic news, corporate earnings reports, demographic trends, catastrophic events and wider market expectations. It is worth noting that the value of equities can fall as well as rise and investors into equities funds may not get back the amount that was originally invested. Potentially a Fund investing in equities could incur significant losses.

### ***Political Risks***

The value of the Company's assets may be affected by uncertainties such as political developments, changes in government policies, taxation, currency repatriation restrictions and restrictions on foreign investment in some of the countries in which the Company may invest.

### ***Terrorist Risk, Hostilities and Pandemic Risk***

Acts of terrorist violence, political unrest, armed regional and international hostilities and international responses to these hostilities, natural disasters, including hurricanes or floods, global health risks or pandemics or the threat of or perceived potential for these events could have a negative impact on the performance of a Fund. These events could adversely affect levels of business activity and precipitate sudden significant changes in regional and global economic conditions and cycles. These events also pose significant risks to people and physical facilities and operations around the world.

A global pandemic may cause extreme volatility and limited liquidity in securities markets and such markets may be subject to governmental intervention. Certain governments may impose restrictions on the manufacture of goods and the provision of services in addition to the free movement of persons. This may have a material impact on the activities of businesses, their profitability and their ability to generate positive cash flow. In these market conditions there is a much higher risk of credit defaults and bankruptcies. As a result, this may have a material impact on the performance of a Fund.

There is a possibility with the severe decline in economic activity and restrictions imposed, of disruption of electricity, other public utilities or network services, as well as system failures at facilities or otherwise affecting businesses which could adversely affect the performance of a Fund. A global pandemic may result in employees of the Principal Money Manager and certain of the other service providers to the Company to be absent from work or work remotely for prolonged periods of time. The ability of the employees of the Principal Money Manager and/or other service providers to the Company to work effectively on a remote basis may adversely impact the day to day operations of a Fund.

### ***Continuing Impact of Brexit***

The UK formally left the European Union on 31 January 2020 and there are still significant uncertainties and potential disruptions in various areas, including financial services, data protection, taxation, regulatory cooperation, and dispute resolution.

The Company may be exposed to various risks arising from the UK's withdrawal from the European Union, especially if a Fund engages a UK delegate investment manager to perform portfolio management or risk management functions on its behalf. Such risks may include, but are not limited to:

- The loss or limitation of the Fund's or the UK delegate investment manager's access to the EU single market, the EU passporting regime, or the EU equivalence framework, which may affect their ability to offer, market, or provide services across the EU, or to access EU financial infrastructure, counterparties, or markets.
- The divergence or inconsistency of the UK's and the EU's legal, regulatory, supervisory, or enforcement frameworks, standards, or practices, which may create additional costs, complexities, or uncertainties for the Fund or the UK delegate investment manager, or expose them to different or conflicting obligations, liabilities, or sanctions.

The Company will seek to mitigate the potential impact of Brexit-related risks on the Fund and its investors, and to comply with any applicable laws, regulations, or contractual obligations arising from the UK's withdrawal from the European Union. However, there can be no assurance that the Company will be able to anticipate, avoid, or manage all such risks, or that such risks will not have a material adverse effect on the Fund's business, financial condition, results of operations, or prospects.

### ***Eurozone Crisis***

As a result of the crisis of confidence in the markets which has caused bond yield spreads (the cost of borrowing in the debt capital markets) and credit default spreads (the cost of purchasing credit protection) to increase, most notably in relation to certain Eurozone countries, certain countries in the EU have had to accept "bailouts" from banks and lines of credit from supra-governmental agencies such as the International Monetary Fund and the recently created European Financial Service Facility. The European Central Bank has also been intervening to purchase Eurozone debt in an attempt to stabilise markets and reduce borrowing costs.

In December 2011, leaders of the countries in the Eurozone, as well as the leaders of certain other countries in the EU, met in Brussels and agreed a "fiscal compact" which includes a commitment to a new fiscal rule, to be introduced into the legal systems of the relevant countries, as well as acceleration of the entry into force of the European Stability Mechanism treaty.

Notwithstanding the measures described above, and future measures which may be introduced, it is possible that a country may leave the Eurozone and return to a national currency, and as a result may leave the EU and/or that the Euro, the European single currency, will cease to exist in its current form and/or lose its legal status in one or more countries in which it currently has such status. The effect of such potential events on the Funds, particularly those which are denominated in Euro or which invest in instruments predominantly tied to Europe, is impossible to predict.

More generally, the liquidity and price of certain assets held by the Funds may continue to be directly or indirectly affected by the Eurozone crisis and this may have a negative impact upon the performance of the Funds

### ***Currency Risks***

The investments of a Fund may be acquired in a wide range of currencies and changes in exchange rates between currencies may cause the value of an investment in a Fund to fluctuate. The Company may use hedging, cross-hedging and other techniques and instruments in a Fund within the limits laid down, from time to time, by the Central Bank.

A Fund may issue Classes where the Class Currency is different to the Base Currency of that Fund. In addition, a Fund may invest in assets that are denominated in a currency other than the Base Currency of that Fund. Accordingly, the value of a Shareholder's investment may be affected favourably or unfavourably by fluctuations in the rates of the different currencies. The Company may create hedged currency Classes to hedge the resulting currency exposure back into the Class Currency of the relevant Class. In addition, the Company may hedge the currency exposure due to investing in assets denominated in a currency other than the Fund's Base Currency. In such cases the relevant Class Currency of the Share Class may be hedged so



that the resulting currency exposure will not exceed 105% of the Net Asset Value of the Class or fall below 95% of the position of the Net Asset Value of the Share Class which is being hedged provided that if the relevant limit is exceeded the Company shall adopt as a priority objective the managing back of the exposure to within the limit taking due account of the interests of the Shareholders and provided further that the positions will be reviewed on a monthly basis and any over or under hedged positions will not be carried forward. The costs and gains or losses associated with any hedging transactions for hedged currency Classes will accrue solely to the hedged currency Class to which they relate. Where hedged currency Classes have been created, the Directors and/or their duly appointed delegates will use instruments such as forward currency contracts to hedge the currency exposures implied by the Fund's relevant or appropriate index to the Class Currency of the relevant Share Class. Whilst these hedging strategies are designed to reduce the losses to a Shareholder's investment if the Class Currency of that Class or the currencies of assets which are denominated in currencies other than the Fund's Base Currency fall against that of the Base Currency of the relevant Fund and/or the currencies of the relevant or appropriate index, the use of Class hedging strategies may substantially limit holders of Shares in the relevant Class from benefiting if the Class Currency of that Class rises against that of the Base Currency of the relevant Fund and/or the currency in which the assets of the relevant Fund are denominated and/or the currencies of the relevant or appropriate index. The same applies where the currency exposure due to holding non-Base Currency investments is carried out by a Fund.

#### ***Foreign Exchange Transaction Risk***

The Funds may use foreign exchange contracts to alter the currency exposure characteristics of Transferable Securities they hold. Consequently, there is a possibility that the performance of a Fund may be strongly influenced by movements in foreign exchange rates because the currency position held by the Fund may not correspond with the securities position.

#### ***Changes in Interest Rates***

The value of Shares may be affected by substantial adverse movements in interest rates.

#### ***Counterparty and Settlement Risks***

The Company will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default.

#### ***Custody Risks***

Market practices in relation to the settlement of securities transactions and the custody of assets could provide increased risk. In particular, some of the markets in which a Fund may invest do not provide for settlement on a delivery versus payment basis and the risk in relation to such settlements has been borne by the Fund.

#### ***Umbrella structure of the Company and Cross Liability***

Each Fund will be responsible for paying its fees and expenses regardless of the level of its profitability. The Company is an umbrella fund with segregated liability between Funds and under Irish law the Company generally will not be liable as a whole to third parties and there generally will not be the potential for cross liability between the Funds. Notwithstanding the foregoing, there can be no assurance that, should an action be brought against the Company in the courts of another jurisdiction, the segregated nature of the Funds would necessarily be upheld.

#### ***Risks associated with Financial Derivative Instruments***

While the prudent use of FDI can be beneficial, FDIs also involve risks different from, and in certain cases greater than, the risks presented by more traditional investments. Each Fund may enter transactions in OTC markets that expose it to the credit of its counterparties and their ability to satisfy the terms of such contracts. Where the Funds enter into credit default swaps and other swap arrangements and derivative techniques, they will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Funds could experience delays in liquidating the position and may incur significant losses. There is also a possibility that ongoing derivative transactions will be terminated unexpectedly as a result of events outside the control of the Company, for instance, bankruptcy, supervening illegality or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated.

Funds will be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in derivative instruments. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in

its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures the Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result.

Collateral or margin may be passed by the Fund to a counterparty or broker in respect of OTC FDI transactions. Assets deposited as collateral or margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy. Alternatively, possession of posted collateral may be maintained within the Depositary's custodial network pursuant to a collateral control arrangement and subject to a security interest in favour of the counterparty whereby, in the event of a default, the collateral is transferred into the possession of the counterparty. Although only the amount of margin required to meet the relevant outstanding obligations should be transferred to the counterparty in the event of a default, there is a risk that this arrangement could result in a default in a single transaction bringing all the assets that are the subject of the collateral control arrangement into the possession of the counterparty and there could be operational challenges in recovering the portion of the assets that belong to the Fund and this scenario could result in losses for the Fund.

Since many FDIs have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain FDIs have the potential for unlimited loss regardless of the size of the initial investment. If there is a default by the other party to any such transaction, there will be contractual remedies; however, exercising such contractual rights may involve delays or costs which could result in the value of the total assets of the related portfolio being less than if the transaction had not been entered. The swap market has grown substantially in recent years with a large number of banks and investment banking firms acting both as principals and as agents utilising standardised swap documentation. As a result, the swap market has become liquid but there can be no assurance that a liquid secondary market will exist at any specified time for any particular swap. Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, the Company's use of derivative techniques may not always be an effective means of, and sometimes could be counter-productive to, the Company's investment objective. An adverse price movement in a derivative position may require cash payments of variation margin by the Company that might in turn require, if there is insufficient cash available in the portfolio, the sale of the Company's investments under disadvantageous conditions. Also, there are legal risks involved in using FDIs which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly.

#### ***Efficient portfolio management risk***

The Directors and/or their duly appointed delegates may employ techniques and instruments relating to Transferable Securities, money market instruments and/or other financial instruments in which they invest for efficient portfolio management purposes. Many of the risks attendant in utilising derivatives, as disclosed in the section entitled "Risks associated with Financial Derivative Instruments" above and "Securities Financing Transactions Risk" below, will be equally relevant when employing such efficient portfolio management techniques. In particular, attention is drawn to credit, counterparty risks and collateral risks outlined in the section entitled "Risks associated with Financial Derivative Instruments" above. Investors should also be aware that from time to time, a Fund may engage with repurchase/reverse repurchase agreement counterparties and/or securities lending agents that are related parties to the Depositary or other service providers of the Company. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the Company.

Please refer to section entitled "Conflicts of Interest" below for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the Company's semi-annual and annual reports.

#### ***OTC Counterparty Rating Downgrade Risk***

OTC derivative instruments are non-exchange traded and specifically tailored to the needs of an individual investor. The counterparty for these arrangements will be the specific firm involved in the transaction rather than an exchange, and accordingly the bankruptcy or default of a counterparty with which the Company, in respect of a Fund, trades OTC derivative instruments could result in substantial losses to the Fund. The Funds will enter into OTC transactions only with those counterparties believed to be sufficiently creditworthy. In addition, pursuant to Irish regulatory requirements, the Fund will be required to refrain from entering into transactions which involve collateral arrangements with OTC counterparties who do not meet minimum credit

rating criteria set by the Central Bank. If an OTC counterparty engaged in respect of a Fund, is subject to a credit rating downgrade, this could potentially have significant implications for the relevant Fund both from a commercial perspective and a regulatory perspective. A rating downgrade below the minimum regulatory levels set by the Central Bank could require the relevant Fund to refrain from entering into transactions with such counterparty. The Directors and/or their duly appointed delegates shall endeavour to monitor the rating of all OTC counterparties currently engaged in respect of a Fund, on an ongoing basis to ensure such minimum credit ratings are maintained and that necessary steps are taken in the event of any counterparty being subject to a credit rating downgrade. However, it is possible that such counterparties could be subject to a credit rating downgrade in circumstances where this is not notified to the relevant Fund or identified by the Directors and/or their duly appointed delegates in which case the relevant Fund may be in technical breach of the regulatory requirements regarding eligible OTC counterparties. This regulatory risk is in addition to the commercial risk associated with continuing to engage (and possibly have exposure to) an OTC counterparty with a lower credit rating. In addition, if the Fund is required to take steps to exit positions with an OTC counterparty subject to a credit rating downgrade, due to regulatory requirements or otherwise, this may result in positions being terminated on unfavourable terms or in unfavourable market conditions with the consequence of the relevant Fund suffering substantial losses. Regardless of the measures the Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the relevant Fund will not sustain losses on the transactions as a result.

### ***Securities Financing Transactions Risk***

Securities Financing Transactions create several risks for the Company and its investors, including counterparty risk if the counterparty to a Securities Financing Transaction defaults on its obligation to return assets equivalent to the ones provided to it by the relevant Fund and liquidity risk if the Fund is unable to liquidate collateral provided to it to cover a counterparty default.

#### ***Repurchase Agreements***

A Fund may enter into repurchase arrangements. Accordingly, the Fund will bear a risk of loss in the event that the other party to the transaction defaults on its obligation and the Fund is delayed or prevented from exercising its rights to dispose of the underlying securities. The Fund will, in particular, be subject to the risk of a possible decline in the value of the underlying securities during the period in which the Fund seeks to assert its right to them, the risk of incurring expenses associated with asserting those rights and the risk of losing all or a part of the income from the agreement.

#### ***Securities lending Risk***

A Fund may lend its portfolio securities to broker-dealers and banks in order to generate additional income for that Fund. In the event of bankruptcy or other default of a borrower of portfolio securities a Fund could experience both delays in liquidating the loan collateral or recovering the loaned securities and losses. Such losses might include (a) possible declines in the value of the collateral or in the value of the securities loaned during the period which the Fund seeks to enforce its rights thereto, (b) possible diminished levels of income and lack of access to income during this period, and (c) expenses of enforcing its rights. In accordance with the provisions set out in the section of the Prospectus entitled "Collateral Policy", acceptable collateral may include, but is not limited to, cash, sovereign debt, equities, certificates of deposit and gilts.

In accordance with the requirements of the Central Bank, the Directors and/or their duly appointed delegates will seek to employ a number of controls in order to manage the risk associated with its securities lending programme. In particular, loans must be collateralised at a minimum of 100% of the market value of the loans – higher collateral amounts may be required depending on the type of collateral received and other loan characteristics. The Company's lending agents have also agreed to cover any collateral shortfalls in circumstances where a borrower defaults. The Directors and/or their duly appointed delegates will also monitor the creditworthiness of the borrowers. Although not a principal investment strategy, there are no limits specified in the Regulations in relation to the total amount of assets that a Fund may commit to securities lending activities.

As stated above, the Principal Money Manager shall not solely or mechanistically rely on credit ratings in determining the credit quality of a borrower.

#### ***Collateral Risk:***

Collateral or margin may be passed by the Fund to a counterparty or broker in respect of OTC FDI transactions or Securities Financing Transactions. Assets deposited as collateral or margin with brokers may not be held in

segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy. Where collateral is posted to a counterparty or broker by way of title transfer, the collateral may be re-used by such counterparty or broker for their own purpose, thus exposing the Fund to additional risk.

Risks related to a counterparty's right of re-use of any collateral include that, upon the exercise of such right of re-use, such assets will no longer belong to the relevant Fund and the Fund will only have a contractual claim for the return of equivalent assets. In the event of the insolvency of a counterparty the Fund shall rank as an unsecured creditor and may not recover its assets from the counterparty. More broadly, assets subject to a right of re-use by a counterparty may form part of a complex chain of transactions over which the Fund or its delegates will not have any visibility or control.

### ***Impact of EU Securitisation Rules***

The Securitisation Regulation became applicable with effect from 1 January 2019 and introduced due diligence, transparency and risk retention requirements for UCITS with respect to investment in securitisation positions. It is anticipated that, subject to exemptions and transitional provisions, certain instruments held by a Fund may constitute Securitisation Positions within the scope of the Securitisation Regulation. In such cases, the Fund will be characterised as an "institutional investor" for the purposes of the Securitisation Regulation resulting in it being directly subject to obligations outlined in the Securitisation Regulation regarding the relevant Securitisation Positions it holds or proposes to hold. This includes a range of specific due diligence measures that must be considered by the Fund both in advance of holding and whilst holding a Securitisation Position. In particular, the Fund will be required to verify that the originator, sponsor or original lender of the Securitisation Position that it proposes to hold complies with the requirement to retain on an ongoing basis a material net economic interest which must not be less than 5% in the relevant securitisation in accordance with the Securitisation Regulation (the "**Risk Retention Requirement**") before investing in the Securitisation Position. The Fund is required to monitor compliance with the Risk Retention Requirement on an ongoing basis. Where a Fund is exposed to a Securitisation Position that no longer meets the Risk Retention Requirements, the Directors and/or their duly appointed delegates shall, acting in the best interests of Shareholders in the relevant Fund, take corrective action where appropriate. The Risk Retention Requirements must be complied with by the Fund irrespective of where an originator/sponsor/original lender is established. The Securitisation Regulation imposes obligations directly on originators/sponsors/original lenders of Securitisation Positions established in the EU which includes a direct obligation to comply with the Risk Retention Requirement. This aligns with the pre-investment verification obligation applicable to a Fund as an institutional investor meaning that instruments issued in the EU should be compliant with the Risk Retention Requirement. In relation to securitisations where the originators/sponsors/original lenders are established outside of the EU, there is no direct obligation on non-EU originators/sponsors/original lenders to comply with the Securitisation Regulation. As such, non-EU originators/sponsors/original lenders may choose not to comply with the mandatory Risk Retention Requirements which would prevent a Fund from acquiring any securitisation issued by such originators/sponsors/original lenders. This may result in a narrower universe of instruments in which a Fund can invest.

Legal, tax and regulatory changes in respect of securitisations could occur during the term of a Fund that may adversely affect the Fund. The regulatory environment for securitisation is evolving, and there is a possibility that changes in the taxation or regulation of securitisations will adversely affect the value of Shares, including by adversely affecting the value of investments held by a Fund and the ability of the Fund to pursue their investment objectives and in particular various types of asset backed securities and other debt instruments may be impacted.

### ***Risks associated with Futures and Options***

The Funds may from time to time use both exchange-traded and over the counter futures and options as part of its investment policy or for hedging purposes. These instruments are highly volatile, involve certain special risks and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a futures position permit a high degree of leverage. As a result, a relatively small movement in the price of a futures contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in un-quantifiable further loss exceeding any margin deposited. Further, when used for hedging purposes there may be an imperfect correlation between these instruments and the investments or market sectors being hedged. Transactions in OTC derivatives may involve additional risk as there is no exchange or market on which to close out an open position. It may be impossible to liquidate an existing position, to assess or value a position or to assess the exposure to risk.

### ***Reinvestment of cash collateral risk***

As a Fund may reinvest cash collateral received, subject to the conditions and within the limits laid down by the Central Bank, a Fund reinvesting cash collateral will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security or the relevant counterparty on its obligations under the relevant contract. Many of the risks set out above will apply equally to the reinvestment of collateral, including but not limited to, the risks outlined in the sections entitled "Counterparty and Settlement Risks", "Risks associated with investment in other collective investment schemes", "Fixed Income Risk" and "Eurozone Crisis".

### ***Risks associated with investment in other collective investment schemes***

Each Fund may invest in one or more collective investment schemes including schemes managed by the Manager and/or affiliates of the Manager (each an Underlying Fund). As a shareholder of an Underlying Fund, a Fund would bear, along with other shareholders, its *pro rata* portion of the expenses of the Underlying Fund, including management and/or other fees. These fees would be in addition to the management fees and other expenses which a Fund bears directly in connection with its own operations.

#### ***The Markets and Instruments Traded by the Underlying Funds May Be Illiquid***

At various times, the markets for securities purchased or sold by the Underlying Funds may be "thin" or illiquid, making purchases or sales at desired prices or in desired quantities difficult or impossible. This may make it impossible at times for the Underlying Funds to liquidate positions, honour requests for repurchase, or make repurchase payments.

#### ***Insolvency Risk***

The default or insolvency or other business failure of any issuer of securities held by an Underlying Fund or of any counterparty of an Underlying Fund could have an adverse effect on the relevant Fund's performance and its ability to achieve its investment objectives.

#### ***Risks of Global Investing***

The Underlying Funds may invest in various securities markets throughout the world. As a result, the Funds will be subject to risks relating to the possible imposition of withholding taxes on income received from or gains with respect to such securities. In addition, certain of these markets involve certain factors not typically associated with investing in established securities markets, including risks relating to: (i) differences between markets, including potential price volatility in and relative liquidity of some foreign securities markets; (ii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; and (iii) certain economic and political risks, including potential exchange control regulations and potential restrictions on foreign investment and repatriation of capital.

Underlying funds may have different settlement cycles than that of the Funds. Thus, there may be mismatch between the two settlement cycles causing the Funds to use borrowing on a temporary basis to meet such obligations. This may result in charges being incurred by the relevant Fund. Any such borrowing will comply with the Central Bank Rules. Further, each underlying fund may not be valued at the same time or on the same day as the relevant Fund and accordingly the net asset value of such underlying fund used in the calculation of the Net Asset Value of the relevant Fund will be the latest available net asset value of such underlying fund (further details on the calculation of the Net Asset Value are set out in the section 'Determination of the Net Asset Value').

To the extent that the relevant Fund is invested in Underlying Funds, the success of the relevant Fund shall depend upon the ability of the Underlying Funds to develop and implement investment strategies that achieve the relevant Funds' investment objective. Subjective decisions made by the Underlying Funds may cause the relevant Fund to incur losses or to miss profit opportunities on which it could otherwise have capitalised. In addition, the overall performance of the relevant Fund will be dependent not only on the investment performance of the Underlying Funds, but also on the ability of the Principal Money Manager (or its duly appointed delegates) to select and allocate the Funds' assets among such Underlying Funds effectively on an ongoing basis. There can be no assurance that the allocations made will prove as successful as other allocations that might otherwise have been made, or as adopting a static approach in which Underlying Funds are not changed.

Underlying Funds may be leveraged or unleveraged and may be established in unregulated jurisdictions that do not have an equivalent level of investor protection as that provided in Ireland by collective investment schemes authorised under Irish law and subject to Irish regulations and conditions. The use of leverage creates special risks and may significantly increase the investment risk of the Underlying Funds. Leverage creates an opportunity for greater yield and total return but, at the same time, will increase the Underlying Funds' exposure to capital risk and interest costs.

### ***Risks associated with Performance Fees***

Performance fees may be payable in relation to some Funds. It is possible that performance fees may be payable by the Company out of the assets of the relevant Fund to the Principal Money Manager, Investment Manager and/or Money Manager even though the overall Net Asset Value of the Fund may not have increased i.e. the Fund has negative performance. For example, if the performance of the Performance Index is negative and the Fund is also in negative performance, but it has outperformed the Performance Index.

For the avoidance of doubt, a Performance Fee may not be paid by the Company to any Money Manager unless the Fund is overall in positive performance, including in circumstances where an individual Money Manager may have met or exceeded its specific individual performance target for the portion of the Fund allocated to them.

There is a risk that the accrual of performance fees in the Fund may not be entirely equitable between different Shareholders. It is possible that, for example, a Shareholder may benefit if he or she invests in a Fund and subsequently the Principal Money Manager or one of the Investment Managers or Money Managers outperforms the index, but the overall Fund performance is below the relevant index. In these circumstances a performance fee would not be accrued for that Principal Money Manager, Investment Manager and/or Money Manager until the Principal Money Manager, an Investment Manager and/or Money Manager makes up this underperformance and exceeds the relevant index. In these circumstances the Shareholder may benefit from a period of outperformance during which the Principal Money Manager, relevant Investment Manager or Money Managers do not earn a performance fee and hence the Fund does not accrue a performance fee in respect of the Principal Money Manager, Investment Manager and/or Money Manager.

It should be noted that a performance fee is based on net realised and net unrealised gains and losses as at the end of each calculation period. As such, performance fees may be paid on unrealised gains which may subsequently never be realised.

### ***Fixed Income Risk***

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which respond primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities and it may be harder to buy and sell such securities at an optimum time. The volume of transactions effected in certain international bond markets may be appreciably below that of the world's largest markets, such as the United States. Accordingly, a Fund's investment in such markets may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity. Investment grade securities may be subject to the risk of being downgraded to a rating that is below investment grade. Shareholders should note that where investment grade securities are downgraded to a rating that is below investment grade after acquisition, there is no specific requirement to sell such securities. In the event of such downgrading, the Principal Money Manager or its duly appointed delegates will promptly re-assess the credit quality of such instruments to determine the action to be taken (i.e. hold, reduce or buy).

Many fixed income securities especially those issued at high interest rates provide that the issuer may repay them early. Issuers often exercise this right when interest rates decline. Accordingly, holders of securities that are pre-paid may not benefit fully from the increase in value that other fixed income securities experience when rates decline. Furthermore, in such a scenario a Fund may re-invest the proceeds of the pay-off at the then current yields, which will be lower than those paid by the security that was paid off. Pre-payments may cause losses on securities purchased at a premium, and unscheduled pre-payments, which will be made at par value, will cause a Fund to experience loss equal to any unamortized premium.

An investment in sovereign debt securities, including, but not limited to, those issued by sovereign / government bodies of countries in the Eurozone, may be subject to credit and / or default risks. Particularly

high (or increasing) levels of government fiscal deficit and / or high levels of government debts, amongst other factors, may adversely affect the credit rating of such sovereign debt securities and may lead to market concerns of higher default risk. In the unlikely event of downgrading or default, the value of such securities may be adversely affected resulting in the loss of some or all of the sums invested in such securities.

### ***Sovereign Debt Risk***

Investments in sovereign debt securities (including certain Fixed Income Securities and Instruments) involve certain risks. The governmental authority that controls the repayment of the debt may be unwilling or unable to repay the principal and/or interest when due in accordance with the terms of such securities due to a range of factors that may include: the extent of its foreign reserves; the availability of sufficient foreign exchange on the date a payment is due; the relative size of the debt service burden to the economy as a whole; or the government debtor's policy towards the International Monetary Fund and the political constraints to which a government debtor may be subject. If an issuer of sovereign debt defaults on payments of principal and/or interest, a Fund may have limited legal recourse against the issuer and/or guarantor. In certain cases, remedies must be pursued in the courts of the defaulting party itself, and the Fund's ability to obtain recourse may be limited. Historically, certain issuers of the government debt securities in which a Fund may invest have experienced substantial difficulties in meeting their external or local market debt obligations, resulting in defaults on certain obligations and the restructuring of certain indebtedness. Such restructuring arrangements have included obtaining additional credit to finance outstanding obligations and the reduction and rescheduling of payments of interest and principal through the negotiation of new or amended credit agreements.

### ***Effect of Untradeable Securities on Redemptions Risk***

In settling redemptions, the Company shall always have regard to the best interests of all Shareholders. Where a Fund holds any Untradeable Securities, the Company shall endeavour to settle all redemptions fully in cash. However, where a Fund holds Untradeable Securities, the Company may, in its discretion:

- (a) satisfy such pro rata portion of the redemption request in cash as the Company believes is consistent with the best interests of all Shareholders in the relevant Fund; and
- (b) retain such pro rata portion of the Untradeable Securities in the name of the Fund for the benefit of (and at the risk of) the relevant Shareholder. The Principal Money Manager (or its duly appointed delegates) shall instruct its agent to sell the Untradeable Securities as and when they become tradable and pay out the USD cash equivalent of the sale proceeds (less the costs of sale plus net dividends received).

This will result in additional delays to the payment of that portion of a Shareholder's redemption proceeds.

### ***Emerging Market Risk***

Certain of the Funds may invest in issuers or companies located in Emerging Market countries. Russell Investments World Equity Fund may invest a portion of their assets in Emerging Markets. Russell Investments Emerging Market Debt Local Currency Fund will predominantly invest in Emerging Market Fixed Income Securities and Instruments and certain FDIs. Russell Investments China Equity Fund will predominantly invest in Emerging Market Equities and Instruments and certain FDIs.

The risks involved in Emerging Market investment are likely to exceed the risks of investment in more mature markets. Funds that have a significant exposure to Emerging Markets may only be suitable for well-informed investors. The fundamental risks associated with these markets are summarised below:

#### ***Accounting Standards:***

In Emerging Markets there is an absence of uniform accounting, auditing and financial reporting standards and practices.

#### ***Business Risk:***

In some Emerging Markets, for example Russia, crime and corruption, including extortion and fraud, pose a risk to businesses. Property and employees of underlying investments may become targets of theft, violence and/or extortion.

#### ***Country Risk:***

The value of the Fund's assets may be affected by political, legal, economic and fiscal uncertainties. Existing laws and regulations may not be consistently applied.

#### *Currency Risk:*

The currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible.

#### *Disclosure:*

Less complete and reliable fiscal and other information may be available to investors.

#### *Political:*

Some Emerging Market governments exercise substantial influence over the private economic sector and the political and social uncertainties that exist can be significant. In adverse social and political circumstances, governments have been involved in policies of expropriation, confiscatory taxation, nationalisation, intervention in the securities market and trade settlement, and imposition of foreign investment restrictions and exchange controls. Government actions in the future could have a significant effect on economic conditions in such countries, which could affect private sector companies and the value of securities in a Fund's portfolio.

#### *Tax:*

The taxation system in some countries in Emerging Markets is subject to varying interpretations, frequent changes and inconsistent enforcement at the federal, regional and local levels. Tax laws and practices in Eastern Europe are at an initial stage of development and are not as clearly established as in developed nations. In addition to withholding taxes on investment income, some Emerging Markets may impose different capital gains taxes on foreign investors and can even limit foreign ownership of securities.

#### *Economic:*

Another risk common to many such countries is that the economy is heavily export oriented and, accordingly, is dependent upon international trade. The existence of overburdened infrastructures and obsolete financial systems also presents risks in certain countries.

#### *Regulatory:*

Some Emerging Markets may have a lower level of regulation, enforcement of regulations and monitoring of investors' activities than more developed markets.

#### *Legal:*

Risks associated with many Emerging Market legal systems (for example the Russian and Chinese legal system) include (i) the untested nature of the independence of the judiciary and its immunity from economic, political or nationalistic influences; (ii) inconsistencies among laws, Presidential decrees and Government and ministerial orders and resolutions; (iii) the lack of judicial and administrative guidance on interpreting applicable laws; (iv) a high degree of discretion on the part of government authorities; (v) conflicting local, regional and federal laws and regulations; (vi) the relative inexperience of judges and courts in interpreting new legal norms; and (vii) the unpredictability of enforcement of foreign judgments and foreign arbitration awards. There is no guarantee that further judicial reform aimed at balancing the rights of private and governmental authorities in courts and reducing grounds for re-litigation of decided cases will be implemented and succeed in building a reliable and independent judicial system. Whilst fundamental reforms relating to securities investments and regulations have been initiated in recent years there may still be certain ambiguities in interpretation and inconsistencies in their application. Monitoring and enforcement of applicable regulations remains uncertain.

#### *Market:*

The securities markets of developing countries are not as large as the more established securities markets and have considerably less trading volume, which can result in a lack of liquidity and high price volatility. There may potentially be a high concentration of market capitalisation and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries. These factors can adversely affect the timing and pricing of a Fund's acquisition or disposal of securities.

Investing in the securities of issuers operating in those Emerging Markets considered to be frontier emerging markets carries a high degree of risk and special considerations not typically associated with investing in more traditional developed markets. In addition, the risks associated with investing in the securities of issuers operating in Emerging Market countries are magnified when investing in such frontier emerging market countries. These types of investments could be affected by factors not usually associated with investments in



more traditional developed markets, including risks associated with expropriation and/or nationalisation, political or social instability, pervasiveness of corruption and crime, armed conflict, the impact on the economy of civil war, religious or ethnic unrest and the withdrawal or non-renewal of any licence enabling a Fund to trade in securities of a particular country, confiscatory taxation, restrictions on transfers of assets, lack of uniform accounting, auditing and financial reporting standards, less publicly available financial and other information, diplomatic development which could affect investment in those countries and potential difficulties in enforcing contractual obligations. These risks and special considerations make investments in securities in such frontier emerging market countries highly speculative in nature and, accordingly, an investment in a Fund's shares must be viewed as highly speculative in nature and may not be suitable for an investor who is not able to afford the loss of their entire investment. To the extent that a Fund invests a significant percentage of its assets in a single frontier emerging market country, a Fund will be subject to heightened risk associated with investing in frontier emerging market countries and additional risks associated with that particular country.

#### *Settlement:*

Practices in relation to settlement of securities transactions in Emerging Markets involve higher risks than those in established markets, in part because the Company will need to use counterparties which are less well capitalised. In addition, custody and registration of assets in some countries may be unreliable. Delays in settlement could result in investment opportunities being missed if a Fund is unable to acquire or dispose of a security. The Depositary is responsible for the proper selection and supervision of its correspondent banks in all relevant markets in accordance with Irish law and regulation. In certain Emerging Markets, registrars are not subject to effective government supervision nor are they always independent from issuers. Investors should therefore be aware that the Funds concerned could suffer loss arising from potential registration problems.

Emerging Market risks are especially significant to the Russell Investments Emerging Market Debt Local Currency Fund which predominantly focus their investments on Emerging Markets.

#### *Central and Eastern Europe:*

Certain markets in Central and Eastern Europe present specific risks in relation to the settlement and safekeeping of securities. These risks result from the fact that physical securities may not exist in certain countries; as a consequence, the ownership of securities is evidenced only on the issuer's register of shareholders. Each issuer is responsible for the appointment of its own registrar. In the case of Russia, this results in a broad geographic distribution of several thousand registrars across Russia. Russia's Federal Commission for Securities and Capital Markets (the "**Commission**") has defined the responsibilities for registrar activities, including what constitutes evidence of ownership and transfer procedures. However, difficulties in enforcing the Commission's regulations mean that the potential for loss or error still remains and there is no guarantee that the registrars will act according to the applicable laws and regulations. Widely accepted industry practices are still in the process of being established. When registration occurs, the registrar produces an extract of the register of shareholders as at that particular point in time. Ownership of shares is evidenced by the records of the registrar, but not by the possession of an extract of the register of shareholders. The extract is only evidence that registration has taken place. It is not negotiable and has no intrinsic value. In addition, a registrar will typically not accept an extract as evidence of ownership of shares and is not obligated to notify the Depositary, or its local agents in Russia, if or when it amends the register of shareholders. As a consequence of this Russian securities are not on physical deposit with the Depositary or its local agents in Russia. Therefore, neither the Depositary nor its local agents in Russia can be considered as performing a physical safekeeping or custody function in the traditional sense. The registrars are neither agents of, nor responsible to, the Depositary or its local agents in Russia. Investments in securities listed or traded in Russia will only be made in equity and/or fixed income securities that are listed or traded on level 1 or level 2 of the RTS stock exchange or MICEX.

The political, legal and operational risks of investing in Russia issuers may be particularly pronounced. Certain Russian issuers may also not meet internationally accepted standards of corporate governance. These circumstances may reduce the value of the assets that are acquired or may prevent full or partial access by a Fund to these assets to its detriment.

To the extent that a Fund invests directly in the Russian markets, increased risks are incurred particularly with regard to settlement of transactions and custody of the assets. In Russia the legal claim to securities is asserted by means of entry in a register. Maintenance of this register may, however, diverge significantly from internationally accepted standards. The Fund may lose its entry in the register, in whole or in part, particularly through negligence, lack of care or even fraud. It is also not possible to guarantee at present that the register is maintained independently, with the necessary competence, aptitude and integrity, and in particular without

the underlying corporations exerting an influence; registrars are not subject to any result in loss of rights. Moreover, the possibility cannot be excluded that, when investing directly in Russian markets, claims to title of the relevant assets by third parties may already exist, or that acquisition of such assets may be subject to restrictions about which the purchaser has not been informed.

### ***Investing through Stock Connect***

If a Fund is permitted by its investment policy to invest on a regulated market in China, there are various means of the Fund creating exposure, including using American depositary receipts and H shares (which are shares of a company incorporated in the Chinese mainland that are listed on the Hong Kong Stock Exchange). A Fund may also invest in certain eligible securities ("**Stock Connect Securities**") that are listed and traded on the Shanghai Stock Exchange ("**SSE**") through the Hong Kong – Shanghai Stock Connect program or the Shenzhen Stock Exchange ("**SZSE**") through the Hong Kong - Shenzhen Stock Connect program ("**Stock Connect**"). The Stock Exchange of Hong Kong Limited ("**SEHK**"), SSE, Hong Kong Securities Clearing Company Limited ("**HKSCC**") and China Securities Depository and Clearing Corporation Limited ("**China Clear**") originally developed Stock Connect as a securities trading and clearing program to establish mutual market access between SEHK and SSE. The Program was subsequently extended to establish mutual market access between SEHK and SZSE. Unlike other means of foreign investment in Chinese securities, investors in Stock Connect Securities are not subject to individual investment quotas or licensing requirements. Additionally, no lock-up periods or restrictions apply to the repatriation of principal and profits.

However, a number of restrictions apply to Stock Connect trading that could affect a Fund's investments and returns. For example, the home market's laws and rules apply to investors in the Stock Connect program. This means that investors in Stock Connect Securities are generally subject to PRC securities regulations, disclosure requirements of the China A Shares market, and SSE or SZSE listing and trading rules as appropriate, among other restrictions. Any changes in laws, regulations, rules and policies of the China A Shares market may affect the trading of a Fund. Further, an investor may not dispose of its Stock Connect Securities which were purchased through the Stock Connect by any means other than through Stock Connect, in accordance with applicable rules. Although individual investment quotas do not apply, Stock Connect participants are subject to daily investment quotas, which could restrict or preclude a Fund's ability to invest in Stock Connect Securities. A purchase order that has been submitted but not yet executed may be rejected although a purchase order that has been submitted and accepted will be processed regardless of the daily investment quotas being used up; sell orders are not affected by daily investment quotas. Trading China A Shares through the Stock Connect program is subject to risks relating to applicable trading, clearance and settlement procedures in the PRC.

Not all China A Shares can be traded through Stock Connect. Currently, the scope of Stock Connect includes all constituent stocks of the SSE 180 Index, the SSE 380 Index, the SZSE Component Index, the SZSE Small/Mid Cap Innovation Index (with market capitalization of RMB 6 billion or above) as well as all China A Shares dual-listed on either the SSE or SZSE and the SEHK, except for listed shares which are not traded in RMB and/or which are under 'risk alert' or under delisting arrangements. Investors should note that a security may be recalled from the scope of Stock Connect as set out below. This may adversely affect a Fund's ability to meet its investment objective, e.g. when it wishes to purchase a security which is recalled from the scope of Stock Connect. It is expected that the list of eligible securities will be subject to review and may change.

Under the current mainland China rules, where a Fund holds or controls 5% or more of the shares of a company listed on either the SSE or SZSE, the Fund must disclose its interest within three working days and will (i) be unable to trade the shares of that company during that time and (ii) be subject to restrictions on the retention of any profits made from the disposal of those shares within six (6) months of their purchase. The Fund will also be required to make this disclosure within three working days every time a change in its shareholding reaches 5%. From the day the disclosure obligation arises to three working days after the disclosure is made, the Fund may not trade the shares of that company.

Foreign shareholding restrictions are also applicable to China A Shares. Overseas investors holding China A Shares via Stock Connect or QFI are subject to the following restrictions (i) shares held by a single foreign investor (such as a Fund) investing in a listed company must not exceed 10% of the total issued shares of such listed company; and (ii) total A Shares held by all foreign investors (i.e. Hong Kong and overseas investors) who make investments in a listed company must not exceed 30% of the total issued shares of such listed company. If the aggregate foreign shareholding exceeds the 30% restriction, the foreign investors would be required to unwind their positions on the excessive shareholding according to a last-in-first-out basis within five trading days. When foreign investors carry out strategic investments in listed companies in accordance

with the rules, the shareholding of the strategic investments is not capped by the aforementioned percentages. Stricter restrictions on shareholding by foreign investors separately imposed by applicable law, regulation or any other regulatory rule in the PRC, if any, shall prevail.

Each of the SEHK, SSE and SZSE reserves the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension is effected, a Fund's ability to access the PRC market (and hence its ability to pursue its investment strategy) will be adversely affected.

Trading in securities through the Stock Connect may be subject to clearing and settlement risk. In the unlikely event that ChinaClear defaults on its obligation to deliver securities / make payment, a Fund may suffer delays in recovering its losses or may not be able to fully recover its losses. Please refer to the risks headed "Risk of HKSCC default" for greater detail.

#### ***The recalling of eligible stocks and trading restrictions***

A stock may be recalled from the scope of eligible stocks for trading via Stock Connect for various reasons, and in such event the stock can only be sold but is restricted from being bought. This may affect the investment portfolio or strategies of the Principal Money Manager (or its duly appointed delegates).

Under Stock Connect, the Fund will only be allowed to sell China A Shares but restricted from further buying if: (i) the China A Share subsequently ceases to be a constituent stock of the relevant indices; (ii) the China A Share is subsequently listed as "risk alert"; (iii) the corresponding H share of the China A Share subsequently ceases to be traded on SEHK; and/or (iv) in respect of SZSE shares only, such shares, based on any subsequent periodic review, are determined to have a market capitalisation of less than RMB 6 billion. Investors should also note that daily price fluctuation limits (+10%/-10%) apply to China A Shares and may result in the suspension of trading on that day.

#### ***Risk of HKSCC default***

A failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of Stock Connect Securities and/or monies in connection with them and a Fund and its investors may suffer losses as a result. Neither a Fund nor the Manager shall be responsible or liable for any such losses.

Because HKSCC is only a nominee holder and not the beneficial owner of Stock Connect Shares, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong, investors should note that Stock Connect Shares will not be regarded as part of the general assets of HKSCC available for distribution to creditors even under mainland China law.

#### ***Ownership of Stock Connect Shares***

HKSCC is the "nominee holder" of the Stock Connect Securities acquired by Hong Kong and overseas investors through the Stock Connect. Foreign Investors like a Fund investing through the Stock Connect holding the Stock Connect Shares through HKSCC are the beneficial owners of the assets and are therefore eligible to exercise their rights through the nominee. Stock Connect Shares are uncertificated and are held by HKSCC for its account holders. Physical deposit and withdrawal of Stock Connect Shares are not available currently for a Fund. Hong Kong and overseas investors such as a Fund can only hold Stock Connect Securities through their brokers/custodians. Their ownership of such is reflected in their brokers/custodians' own records such as client statements.

According to existing mainland China practices, a Fund as a beneficial owner of China A Shares traded via Stock Connect cannot appoint proxies to attend shareholders' meetings on its behalf.

#### ***Risks Associated with Small and Medium Enterprise board, ChiNext market and/or the Science and Technology Innovation Board***

A Fund may invest in the Small and Medium Enterprise ("**SME**") board, the ChiNext market and/or the Science and Technology Innovation Board ("**STAR Board**") which is accessible to all managers who use Stock Connect. Stock Connect does not provide full access to STAR Board but only access to certain large capitalisation companies of STAR Board. Investments in the SME board, ChiNext market and/or STAR Board may involve a higher level of risk than investments made on other markets and investors should note the following additional risks:

### **Higher fluctuation on stock prices and liquidity risk**

Listed companies on the SME board, ChiNext market and/or STAR Board are usually of emerging nature with smaller operating scale. In particular, listed companies on ChiNext market and STAR Board are subject to wider price fluctuation limits, and due to higher entry thresholds for investors may have limited liquidity, compared to other boards. Hence, they are subject to higher fluctuation in stock prices and liquidity risks and have higher risks and turnover ratios than companies listed on the main board.

### **Over-valuation risk**

Stocks listed on the SME board, ChiNext market and/or STAR Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

### **Differences in regulations**

The rules and regulations regarding companies listed on ChiNext market and STAR Board are less stringent in terms of profitability and share capital than those in the main board and SME board.

### **Delisting risk**

It may be more common and faster for companies listed on the SME board, ChiNext market and/or STAR Board to delist. In particular, ChiNext market and STAR Board have stricter criteria for delisting compared to other boards. This may have an adverse impact on a Fund if the companies that it invests in are delisted.

### **Concentration risk**

STAR Board is a newly established board and may have a limited number of listed companies during the initial stage. Investments in STAR Board may be concentrated in a small number of stocks and subject the Fund to higher concentration risk.

The above may not cover all risks related to Stock Connect and any above mentioned laws, rules and regulations are subject to change.

Because Stock Connect is in its early stages, additional developments are likely. It is unclear whether or how such developments may affect a Fund's investments or returns. Additionally, the application and interpretation of the laws and regulations of Hong Kong and the PRC are uncertain, as are the rules, policies and guidelines published or applied by relevant regulators and exchanges in respect of the Stock Connect program. These may have a negative impact on a Fund's investments and returns.

### **Specific Risks for Funds investing in China**

#### **QFI Risks**

Where provided for in the investment policy of a Fund, the Fund may invest through the QFI status of RIML.

#### **Risks Regarding QFI Status**

Investors should note that the QFI status of RIML could be suspended or revoked, which may have an adverse effect on the Fund's performance as the Fund may be required to dispose of its securities holdings.

Investors should also note that there is no assurance that redemption requests can be processed in a timely manner due to adverse changes in relevant laws or regulations. Such restrictions may result in a rejection of applications or a suspension of dealings of the Fund. In extreme circumstances, a Fund may incur significant losses due to limited investment capabilities, or may not be able to fully implement or pursue their investment objectives or strategies, due to QFI investment restrictions, illiquidity of the Chinese domestic securities market, and/or delay or disruption in execution of trades or in settlement of trades.

#### **Risks Regarding Application of QFI Rules**

The QFI rules enable offshore Renminbi (in case of an RQFII) and/or foreign currencies which can be traded on the China Foreign Exchange Trade System (in case of a QFII) to be remitted into and repatriated out of the PRC. The application of the QFI rules may depend on the interpretation given by the relevant Chinese authorities. Any changes to the relevant rules may have an adverse impact on investors' investment in the relevant Fund. Such changes may have retrospective effect on a Fund and may adversely affect the Fund.

### Risks Regarding Repatriation and Liquidity Risks

Certain restrictions imposed by the Chinese government on QFIs may have an adverse effect on the Fund's liquidity and performance. People's Bank of China ("**PBOC**") and SAFE regulate and monitor the repatriation of funds out of the PRC by the QFI holders. Repatriations conducted by QFI holders are currently not subject to any lock-up periods, prior approval or other repatriation restrictions, although authenticity and compliance reviews will be conducted, and monthly reports on remittances and repatriations will be submitted to SAFE by the QFI Custodian. There is no assurance, however, that PRC rules and regulations will not change or that lock-up periods or repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits may impact on a Fund's ability to meet redemption requests. Furthermore, as the QFI Custodian's review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the QFI Custodian in case of non-compliance with the QFI regulations. In such case, it is expected that redemption proceeds will be paid to the redeeming Shareholders as soon as practicable after completion of the repatriation of funds concerned. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the control of a Fund or RIML.

### Risk Pertaining to QFI Custody

Where a Fund invests in A Shares and/or other Permitted Securities through the QFI status of RIML, such securities will be maintained by a QFI Custodian to be appointed pursuant to PRC regulations through securities accounts with the CSDCC and such other relevant depositories in such name as may be permitted or required in accordance with PRC law. Cash shall be maintained in a cash account with the QFI Custodian.

It is anticipated that the QFI Custodian, once appointed, will make arrangements to properly safe-keep the assets of the relevant Fund including maintaining records that clearly show that the Fund assets are recorded in the name of such Fund and segregated from the other assets of the QFI Custodian. Under QFI regulations, any securities acquired by the relevant Fund through the QFI status of RIML should be maintained by the QFI Custodian and should be registered in the joint names of RIML (as the QFI licence holder) and the relevant Fund and for the sole benefit and use of the relevant Fund. However, such securities may be vulnerable to a claim by a liquidator of RIML and may not be as well protected as if they were registered solely in the name of the relevant Fund. In particular, there is a risk that creditors of RIML may incorrectly assume that the relevant Fund's assets belong to RIML and such creditors may seek to gain control of the relevant Fund's assets to meet RIML's liabilities owed to such creditors.

Investors should note that cash deposited in the cash accounts of the relevant Fund with the QFI Custodian may not be segregated but will be a debt owing from the QFI Custodian to the relevant Fund as a depositor. Such cash may be co-mingled with cash that belongs to other clients or creditors of the QFI Custodian. In the event of bankruptcy or liquidation of the QFI Custodian, the relevant Fund may not have any proprietary rights to the cash deposited in such cash accounts, and the relevant Fund may become an unsecured creditor, ranking *pari passu* with all other unsecured creditors, of the QFI Custodian. The relevant Fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Fund will suffer. The relevant Fund may lose the total amount deposited with the QFI Custodian and suffer a loss.

### PRC Securities Brokers and Best Execution and QFI Regimes

A Fund may have difficulty in obtaining best execution of transactions in A Shares or other Permitted Securities. A Fund will use PRC brokers appointed by the Manager, the Principal Money Manager, an Investment Manager or Money Manager, as the case may be, to execute transactions in the PRC markets for the account of the relevant Fund. Investors should note that it is possible that, in circumstances where only a single PRC broker will be appointed where it is considered appropriate to do so by the Manager, the Principal Money Manager, an Investment Manager or a Money Manager, the Fund may not necessarily pay the lowest commission or spread available. If a PRC broker offers the Fund standards of execution which the Manager, the Principal Money Manager, the Investment Manager or the Money Manager reasonably believes to be amongst best practice in the PRC marketplace, the Manager, the Principal Money Manager, the Investment Manager or the Money Manager may determine that they should consistently execute transactions with that PRC broker (including where it is an affiliate) notwithstanding that they may not be executed at the best price and shall have no liability to account to the relevant Fund in respect of the difference between the price at which the Fund executes transactions and any other price that may have been available in the market at that relevant time.

There is a risk that a Fund may suffer losses, whether direct or consequential, from the default or bankruptcy of the PRC broker or disqualification of the same from acting as a broker. This may adversely affect the Fund in the execution of any transaction or in the transfer of any funds or securities.

#### Clearing Reserve Fund under QFI regimes

The PRC Sub-Custodian or the QFI Custodian is required to deposit a minimum clearing reserve fund, the percentage amount to be determined from time to time by the CSRC Shanghai and Shenzhen branches.

### **PRC-Specific Risks**

#### *PRC Governmental, Economic and Related Considerations*

The PRC economy has been a planned economy since 1949. One, five and ten-year state plans are adopted by the PRC government in connection with the development of the economy. Although state-owned enterprises still account for a substantial portion of the PRC's industrial output, the state, in general, is reducing the level of direct control which it exercises over the economy through state plans and other measures, and there is an increasing degree of liberalisation in areas such as allocation of resources, production, pricing and management and a gradual shift in emphasis to a "socialist market economy".

During the past 15 years, the PRC government has been reforming the economic systems of the PRC, and these reforms are expected to continue. Many of the reforms are unprecedented or experimental and are expected to be refined or changed. Other political, economic and social factors could also lead to further readjustments to the reform measures. The operations and financial results of a Fund investing in the PRC could be adversely affected by adjustments in the PRC's state plans, political, economic and social conditions, changes in the policies of the PRC government such as changes in laws and regulations (or the interpretation thereof), measures which may be introduced to control inflation, changes in the rate or method of taxation, imposition of additional restrictions on currency conversion and the imposition of additional import restrictions. Furthermore, a portion of the economic activity in the PRC is export-driven and, therefore, is affected by developments in the economies of the PRC's principal trading partners.

The PRC economy has experienced significant growth in the past years, but such growth has been uneven both geographically and among the various sectors of the economy. The PRC government has implemented various measures from time to time to control inflation and to regulate economic expansion with a view to preventing overheating of the economy.

The transformation from a centrally planned, socialist economy to a more market-orientated economy has also resulted in many economic and social disruptions and distortions. Moreover, there can be no assurance that the economic and political initiatives necessary to achieve and sustain such a transformation will continue or, if such initiatives continue and are sustained, that they will be successful.

In the past the PRC government has applied nationalisation, expropriation, confiscatory levels of taxation and currency blockage. There can be no assurance that this will not re-occur and any re-occurrence could adversely affect the interests of a Fund.

#### *Risks associated with CIBM*

The China Interbank Bond Market ("**CIBM**") is the over-the-counter market for bonds issued and traded in the PRC via the Foreign Access Regime (as defined below). Pursuant to the "Announcement (2016) No 3" issued by the People's Bank of China ("**PBOC**") on 24 February 2016, foreign institutional investors can invest in the CIBM (the "**Foreign Access Regime**") subject to other rules and regulations as promulgated by the Mainland Chinese authorities such as the PBOC and the State Administration of Foreign Exchange (SAFE). Such rules and regulations may be amended from time to time and may have a retrospective effect. Under this scheme, foreign institutional investors (such as the Company) can trade in the CIBM directly through onshore settlement agents (i.e. banks) in the PRC who will be responsible for making the relevant filings and account opening with the relevant authorities. There is no quota limitation applied under the scheme.

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. A Fund investing in such market is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

To the extent that a Fund transacts in the CIBM, the Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction

with the Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value. For investments via the Foreign Access Regime, the relevant filings, registration with PBOC and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, the Fund is subject to the risks of default or errors on the part of such third parties.

Investing in the CIBM via Foreign Access Regime is also subject to regulatory risks. The relevant rules and regulations on these regimes are subject to change which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend account opening or trading on the CIBM, a Fund's ability to invest in the CIBM will be adversely affected. In such event, the Fund's ability to achieve its investment objective will be negatively affected.

Investing in the CIBM via Foreign Access Regime is also subject to tax risks. Any changes in tax law, future clarifications thereof, and/or subsequent retroactive enforcement by the tax authorities of income and other tax categories may increase tax liabilities on the Fund and result in a material loss to the Fund. The Company may, in its discretion from time to time make a provision for potential tax liabilities relating to the Fund, if in its opinion such provision is warranted, or as further clarified by the mainland China tax authorities in notifications.

#### *Risks relating to Credit Ratings*

A Fund may invest in securities the credit ratings of which are assigned by the Chinese local credit rating agencies. However, the rating criteria and methodology used by such agencies may be different from those adopted by most of the established international credit rating agencies. Therefore, such rating system may not provide an equivalent standard for comparison with securities rated by international credit rating agencies.

If assessments based on Chinese local credit ratings do not reflect the credit quality of and the risks inherent in a security, investors may suffer losses, possibly greater than originally envisaged.

#### *Credit Rating Downgrading Risk*

An issuer of RMB denominated debt instruments may experience an adverse change in its financial condition which may in turn result in a decrease in its credit rating. The adverse change in financial condition or decrease in credit rating of an issuer may result in increased volatility in, and adverse impact on, the price of the relevant RMB denominated debt instruments and negatively affect liquidity, making any such debt instruments more difficult to sell.

#### *Corporate Disclosure, Accounting and Regulatory Standards*

PRC's disclosure and regulatory standards are in many respects less stringent than standards in certain OECD countries. There may be less publicly available information about PRC companies than is regularly published by or about companies from OECD countries. Such information as is available may be less reliable than that published by or about companies in OECD countries. PRC companies are subject to accounting standards and requirements that differ in significant respects from those applicable to companies established or listed in OECD countries. This, if combined with a weak regulatory environment, could result in lower standards of corporate governance and less protection of minority shareholder rights of the companies in which a Fund will invest.

The lower level of disclosure, transparency and reliability of certain material information may impact on the value of investments made by a Fund and may lead the Manager or other service providers of a Fund to an inaccurate conclusion about the value of the investments of the Fund.

#### *Business Conditions and General Economy*

The profitability of the issuers of the A Shares could be adversely affected by the worsening of general economic conditions globally or in certain individual markets. Factors such as interest rates, inflation, investor sentiment, the availability and cost of credit, the liquidity of the global financial markets and the level and volatility of equity prices could significantly affect the activity level of customers. For example: (a) an economic downturn or significantly higher interest rates could adversely affect the credit quality of the on-balance sheet assets; and (b) a market downturn or worsening of the economy could reduce the income of such issuers.

#### *Securities Markets*

The PRC securities markets, including the SSE and the SZSE, are undergoing a period of growth and change which may lead to difficulties in the settlement and recording of transactions and interpreting and applying the relevant regulations. In addition, the regulation of, and enforcement activity in, the PRC securities markets

may not be equivalent to markets in OECD countries. There may not be equivalent regulation and monitoring of the PRC securities market and activities by investors, brokers and other participants to that in certain OECD markets.

It is common for securities on PRC Stock Exchanges to suspend from trading or otherwise become an Untradeable Security as a result of routine corporate activity for a period of time. Where this occurs the affected securities may be fair value priced by the Manager or its agent. In addition, in the case of a redemption, there may be additional delays in receiving cash proceeds in respect of any Untradeable Securities as at the relevant Dealing Day.

The Company may, at its discretion and to the extent practicable and permitted by applicable laws and regulations, retain such pro rata portion of a Fund's Untradeable Securities in the name of the Fund for the benefit of (and at the risk of) a redeeming Shareholder and arrange for its agent to sell the Untradeable Securities as and when it is able to do so as further described in the section headed "Effect of Untradeable Securities on redemptions" above. As a result there will be additional delays in the payment of such redemption proceeds.

#### *Volatility*

The PRC stock market is still at its early stage of development and is still largely dominated by retail investors. Institutional investors contribute only a small percentage of the overall market turnover and investments. The A Share market is still very speculative where investors tend to trade frequently and have very short-term views. These factors have led to substantial price volatility in the PRC stock market and no assurance can be given that such volatility will not occur in the future. The above factors could negatively affect a Fund's NAV, the ability to redeem Shares and the price at which the Shares may be redeemed.

Investment in a Fund involves a degree of risk due to the investment policy of the Fund to invest heavily in A Shares. A Shares pose special risks due to their inherent price volatility vis-à-vis other more developed markets. Sources of such price volatility may include: (i) more active retail participation, (ii) on-going tradable and non-tradable share issues and (iii) potentially greater social, economic, regulatory and political uncertainties.

#### *RMB Currency Risk*

Renminbi is not a freely convertible currency and it is subject to foreign exchange control policies of and repatriation restrictions imposed by the PRC central government. If such policies or restrictions change in the future, the position of a Fund or its investors may be adversely affected.

Conversion between RMB and U.S. Dollar is subject to policy restrictions and promulgations relating to RMB and relevant regulatory requirements. Relevant policies may have impact on the ability of a Fund to convert between RMB and U.S. Dollar in respect of its onshore and offshore investments, applicable exchange rate and cost of conversion. There is no assurance that conversion will not become more difficult or impossible, or that the RMB will not be subject to devaluation, revaluation or shortages in its availability. While there is expectation for RMB to appreciate in current market environment, the appreciation of RMB may be accelerated that may become more costly to the Fund to acquire RMB denominated assets from any non-RMB funds raised. There is also no guarantee that RMB will not depreciate. The Fund will be subject to bid/offer spread on currency conversion and transaction costs. Such foreign exchange risk and costs of conversation may result in capital loss to the Fund and its investors.

#### *Foreign Exchange Risk*

A Fund may invest primarily in securities denominated in RMB but its subscriptions, redemptions and determination of Net Asset Value may be made in U.S. Dollars. Accordingly, a change in value of RMB against U.S. Dollars will result in a corresponding change in the U.S. Dollar Net Asset Value of the Fund, where relevant. For the purposes of investment through QFI, U.S. Dollars are exchangeable into RMB at prevailing market rates. To the extent that a Fund does not invest, or delays its investment into RMB denominated securities through the QFI status of RIML, it will be exposed to fluctuations in the RMB exchange rate. A Fund may but is not obliged to seek to hedge currency risks but as the foreign exchange of RMB is regulated, such hedging is likely to be an imperfect hedge in that it could involve hedging a currency that has historically been correlated to RMB and may be expensive. There can be no assurance that any hedging, particularly such imperfect hedging, will be successful and indeed could actually be counterproductive. Equally failure to hedge foreign currency risks may result in a Fund bearing the burden of exchange rate fluctuations. While Asian currencies are historically non-volatile relative to the U.S. Dollar and are generally on a pegged / managed



float against the U.S. Dollar, certain economic and political events in each of the Asian economies, including changes in foreign exchange policies and current account positions, could cause greater exchange rate volatility. Given the A Share investment is denominated in RMB a Fund may also be subject to exchange risk if it is issued in non RMB currency. Furthermore, some currency exchange costs may be incurred when a Fund changes investments in one currency to another.

#### ***PRC Tax Risks***

The tax law and regulations of the PRC are constantly changing, and they may be changed with retrospective effect. The interpretation and applicability of the tax law and regulations by tax authorities are not as consistent and transparent as those of more developed nations, and may vary from region to region. Although the PRC has recently issued tax circulars to clarify how capital gains realised by QFIs and through Stock Connect should be taxed, there are still various detailed implementation issues not clarified or clarified without any published guidance. Given the uncertainty surrounding a Fund's potential PRC tax liabilities or reimbursement obligations, the NAV on any Dealing Day may not accurately reflect such liabilities. In addition investors should be aware that under-accrual or over-accrual for PRC tax liabilities may impact on the performance of the Fund during the period of such under-accrual or over-accrual and following any subsequent adjustments to the NAV. Redemption proceeds or distributions may be paid to Shareholders without taking full account of tax that may be suffered by a Fund, which tax will subsequently be borne by the Fund and affect the NAV of the Fund and the remaining Shares in that Fund. In light of the uncertainty as to how gains or income that may be derived from investment in China will be taxed, the Company reserves the right to provide for withholding tax on such gains or income and withhold tax for the account of the Company. Accordingly, the NAV and profitability of the Fund may be affected.

#### ***Connected Party Risk***

A Fund may invest in A Shares utilising the QFI status of RIML. Although the Principal Money Manager, an Investment Manager and RIML are all affiliates of Russell Investments, each of such entities will operate independently in assuming their respective duties and obligations in relation to the Funds and are subject to the supervision of their relevant industry regulators. All transactions and dealings between such entities in relation to the Funds will be dealt with on arm's length basis and in accordance with the provisions set in the Prospectus under the heading "Conflicts of Interest" as well as the relevant regulatory codes applicable to such entities. In the unlikely event that conflicts of interest arise, the Manager in conjunction with the Depositary will seek to ensure that the Funds are managed in the best interests of Shareholders and the Shareholders are treated fairly.

More generally, the liquidity and price of certain assets held by the Funds may continue to be directly or indirectly affected by the Eurozone crisis and this may have a negative impact upon the performance of the Funds.

#### ***No Secondary Market***

It is not anticipated that there will be an active secondary market for the Shares, and it is not expected that such a market will develop. Subject to certain conditions outlined herein, including when repurchases or the registration of transfers of Shares are suspended, Shareholders will, however, be able to realise their investment in a Fund by repurchasing their Shares or by a transfer to an investor who an eligible transferee.

#### ***Credit Ratings Risk***

The ratings of fixed-income securities by Moody's and Standard & Poor's are a generally accepted barometer of credit risk. They are, however, subject to certain limitations from an investor's standpoint. The rating on an issuer or a security is heavily weighted by past performance and does not necessarily reflect probable future conditions. There is frequently a lag between the time the rating is assigned and the time it is updated. In addition, there may be varying degrees of difference in credit risk of securities within each rating category. In the event of a down-grading of the credit rating of a security or an issuer relating to a security, the value of a Fund investing in such security may be adversely affected.

There is no assurance that the ratings of each rating agency will continue to be calculated and published on the basis described in this Prospectus or that they will not be amended significantly. The past performance of a rating agency in rating an investment is not necessarily a guide to future performance.

### ***Facilities Agent / Paying Agent Risk***

Shareholders who choose or are obliged under local regulations to pay or receive subscription or repurchase monies or dividends via an intermediate entity rather than directly to the Company or the relevant Fund (e.g. a Paying Agent or facilities agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Company or the relevant Fund and (b) repurchase monies payable by such intermediate entity to the relevant Shareholder.

### ***Depositary Risk***

If a Fund invests in assets that are financial instruments that may be held in custody ("**Custody Assets**"), the Depositary is required to perform full safekeeping functions and will be liable for any loss of such assets held in custody unless it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. In the event of such a loss (and the absence of proof of the loss being caused by such an external event), the Depositary is required to return identical assets to those lost or a corresponding amount to the Fund without undue delay. If a Fund invests in assets that are not financial instruments that may be held in custody ("**Non-Custody Assets**"), the Depositary is only required to verify the Fund's ownership of such assets and to maintain a record of those assets which the Depositary is satisfied that the Fund holds ownership of. In the event of any loss of such assets, the Depositary will only be liable to the extent the loss has occurred due to its negligent or intentional failure to properly fulfil its obligations pursuant to the Depositary Agreement. As it is likely that the Funds may each invest in both Custody Assets and Non-Custody Assets, it should be noted that the safekeeping functions of the Depositary in relation to the respective categories of assets and the corresponding standard of liability of the Depositary applicable to such functions differs significantly.

The Funds enjoy a strong level of protection in terms of Depositary liability for the safekeeping of Custody Assets. However, the level of protection for Non-Custody Assets is significantly lower. Accordingly, the greater the proportion of a Fund invested in categories of Non-Custody Assets, the greater the risk that any loss of such assets that may occur may not be recoverable. While it will be determined on a case-by-case whether a specific investment by the Fund is a Custody Asset or a Non-Custody Asset, generally it should be noted that derivatives traded by a Fund over-the-counter will be Non-Custody Assets. There may also be other asset types that a Fund invests in from time to time that would be treated similarly. Given the framework of Depositary liability under UCITS V, these Non-Custody Assets, from a safekeeping perspective, expose the Fund to a greater degree of risk than Custody Assets, such as publicly traded equities and bonds.

### ***Operational Risks (including Cyber Security and Data Security)***

An investment in a Fund, like any fund, can involve operational risks arising from factors such as processing errors, human errors, inadequate or failed internal or external processes, failure in systems and technology, changes in personnel, infiltration by unauthorised persons and errors caused by service providers such as the Manager or the Administrator. While the Funds seek to minimise such events through controls and oversight, there may still be failures that could cause losses to a Fund.

As part of its management services, the Manager (and its delegates) may process, store and/or transmit electronic information, including information relating to the transactions of the Funds and personally identifiable information of the Shareholders. Similarly, service providers of the Manager and of the Company, especially the Administrator, may process, store and transmit such information. The Manager (and its delegates), Administrator and Depositary (and their respective groups) each maintain information technology systems which each service provider believes are reasonably designed to protect such information and prevent data loss and security breaches. However, like any other system, these systems cannot provide absolute security.

The techniques used to obtain unauthorised access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Manager (and its delegates) may be susceptible to compromise, leading to a breach of the Manager's (and its delegates') network. The Manager's (and its delegates) systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by the Manager (and its delegates) to the Shareholders may also be susceptible to compromise.

The service providers of the Manager and the Company are subject to the same electronic information security threats as the Manager. If the Manager or the service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Company

and personally identifiable information of the Shareholders may be lost or improperly accessed, used or disclosed.

Notwithstanding the existence of policies and procedures designed to detect and prevent such breaches and ensure the security, integrity and confidentiality of such information as well as the existence of business continuity and disaster recovery measures designed to mitigate any such breach or disruption at the level of the Company and its delegates, the loss or improper access, use or disclosure of proprietary information may cause the Manager or a Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the relevant Fund and the Shareholders' investments therein.

It should be noted that Shareholders in the Company will be afforded all appropriate safeguards and rights in accordance with the Data Protection Legislation.

### **Information and Data from Third Parties**

The Manager and Principal Money Manager (and its duly appointed delegates) are each dependent upon information and data from third parties (which may include providers for research, reports, screenings, ratings and/or analysis such as index providers and consultants) and such information or data may be incomplete, inaccurate or inconsistent. In particular, there are limitations to the availability and the quality of sustainability related data.

### **Sustainable Finance Regulation**

The EU has created a financial policy framework of regulatory measures aimed at mobilising finance for sustainable growth and channelling private investment to the transition to a climate-neutral economy (the "**EU Sustainable Finance Action Plan**"). Pursuant to the EU Sustainable Finance Action Plan, the EU is introducing new sustainable finance regulations, including SFDR, as well as making sustainability related updates to existing regulation ("**Sustainable Finance Regulations**"). The Sustainable Finance Regulations are being introduced on a phased basis and some elements, such as regulatory technical standards, have been subject to implementation delays.

The Company seeks to comply with all legal obligations applicable to it but there may be challenges in meeting the new obligations created by the Sustainable Finance Regulations. The Company may be required to incur costs to comply with the Sustainable Finance Regulations both as part of the initial implementation process and on an ongoing basis as new regulatory obligations are introduced. Political developments or changes in government policies throughout the implementation process could result in further costs for the Company.

### **Taxation**

Potential investors' attention is drawn to the taxation risks associated with investing in the Company as to which see the section entitled "Taxation."

### **Withholding Tax Risk**

The income and gains of each Fund from its securities and assets may suffer withholding tax which may not be reclaimable in the countries where such income and gain arise.

### **FATCA**

The United States and Ireland have entered into an intergovernmental agreement to implement FATCA (the "**IGA**"). Under the IGA, an entity classified as a Foreign Financial Institution (an "**FFI**") that is treated as resident in Ireland is expected to provide the Irish tax authorities with certain information in respect of its "account" holders (i.e. Shareholders). The IGA further provides for the automatic reporting and exchange of information between the Irish tax authorities and the IRS in relation to accounts held in Irish FFIs by U.S. persons, and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents. Provided the Company complies with the requirements of the IGA and the Irish legislation, it should not be subject to FATCA withholding on any payments it receives and may not be required to withhold on payments which it makes.

Although the Company will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. In order to satisfy its FATCA obligations, the Company will require certain information from investors in respect of their FATCA status. If the Company becomes subject to a withholding tax as a result of the FATCA regime, the value of the Shares held by all Shareholders may be materially affected.

All prospective investors / shareholders should consult with their own tax advisors regarding the possible FATCA implications of an investment in the Company.

### **CRS**

Ireland has provided for the implementation of CRS through section 891F of the TCA and the enactment of the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the "**CRS Regulations**").

The CRS, which has applied in Ireland since 1 January 2016, is a global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations.

The Company is a reporting financial institution for CRS purposes and will be required to comply with the Irish CRS obligations. In order to satisfy its CRS obligations, the Company will require its investors to provide certain information in respect of their tax residence and may, in some cases, require information in relation to the tax residence of the beneficial owners of the investor. The Company, or a person appointed by the Company, will report the information required to Irish Revenue by 30 June in the year following the year of assessment for which a return is due. Irish Revenue will share the appropriate information with the relevant tax authorities in participating jurisdictions.

All prospective investors / shareholders should consult with their own tax advisors regarding the possible CRS implications of an investment in the Company.

### **Subscriptions/Redemptions Account**

The Company operates a Subscriptions/Redemptions Account for all of the Funds. Please refer to section entitled "Use of a Subscription/Redemptions Account" above for further details on the risks applicable to any such Subscriptions/Redemptions Account.

### **Status of Redeeming Investors**

Shareholders will be removed from the share register upon the repurchase proceeds being paid. Insofar as investors remain as Shareholders until such time as the relevant Net Asset Value has been calculated and the register updated, investors will be treated as creditors for the repurchase proceeds, rather than Shareholders from the relevant Dealing Day, and will rank accordingly in the priority of the relevant Fund's creditors. Furthermore, during this period, investors will have no rights as Shareholders under the Articles of Association, except the right to receive their repurchase proceeds and any dividend which has been declared in respect of their Shares prior to the relevant Dealing Day, and in particular, will not have the right to receive notice of, attend or vote at any class or general meetings.

### **Risk Factors Not Exhaustive**

The investment risks set out in this Prospectus do not purport to be exhaustive and potential investors should be aware that an investment in the Company or any Fund may be exposed to risks of an exceptional nature from time to time.

## SCHEDULE VII

### Sub-Custodian List

The Depositary has delegated those safekeeping duties set out in Article 22(5)(a) UCITS V to State Street Bank and Trust Company with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA, whom it has appointed as its global sub-custodian.

At the date of this Prospectus State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network as listed below.

MARKET	SUB CUSTODIAN
<b>Albania</b>	Raiffeisen Bank sh.a.
<b>Argentina</b>	Citibank N.A.
<b>Australia</b>	Hongkong and Shanghai Banking Corporation Ltd.
<b>Austria</b>	UniCredit Bank Austria AG
<b>Bahrain</b>	First Abu Dhabi Bank
<b>Bangladesh</b>	Standard Chartered Bank
<b>Belgium</b>	BNP Paribas S.A. (operating through the Paris office with support from its Brussels branch)
<b>Benin</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Bermuda</b>	HSBC Bank Bermuda Limited
<b>Federation of Bosnia and Herzegovina</b>	UniCredit Bank d.d
<b>Botswana</b>	Standard Chartered Bank Botswana Limited
<b>Brazil</b>	Citibank, N.A.
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch UniCredit Bulbank AD
<b>Burkina Faso</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Canada</b>	State Street Trust Company Canada
<b>Chile</b>	Banco de Chile
<b>People's Republic of China</b>	HSBC Bank (China) Company Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
	China Construction Bank Corporation (for A-share market only)
	Standard Chartered Bank (Hong Kong) Limited (for Hong Kong – Shanghai Stock Connect market and Hong Kong Shenzhen Stock Connect only)
<b>Colombia</b>	Cititrust Colombia S.A. Sociedad Fiduciaria
<b>Costa Rica</b>	Banco BCT
<b>Croatia</b>	Privredna banka Zagreb dd Zagrebacka banka d.d
<b>Cyprus</b>	BNP Paribas S.A., Athens (operating remotely to service the Cyprus market)
<b>Czech Republic</b>	Československá Obchodní Banka A.S. (CSOB) UniCredit Bank Czech Republic and Slovakia, a.s.
<b>Denmark</b>	Skandinaviska Enskilda Banken AB (SEB)
<b>Egypt</b>	Citibank N.A., Egypt
<b>Estonia</b>	AS SEB Pank
<b>Finland</b>	Skandinaviska Enskilda Banken AB (Publ) (SEB)
<b>France</b>	BNP Paribas S.A.
<b>Republic of Georgia</b>	JSC Bank of Georgia
<b>Germany</b>	State Street Bank International GmbH Deutsche Bank AG,
<b>Ghana</b>	Standard Chartered Bank Ghana PLC
<b>Greece</b>	BNP Paribas S.A.
<b>Guinea-Bissau</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast

<b>MARKET</b>	<b>SUB CUSTODIAN</b>
<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Hungary</b>	Citibank Europe plc, Hungarian Branch UniCredit Bank Hungary Zrt
<b>Iceland</b>	Landsbankinn hf.
<b>India</b>	Deutsche Bank AG Citibank, N.A. The Hongkong and Shanghai Banking Corporation Limited
<b>Indonesia</b>	Deutsche Bank AG Standard Chartered Bank, Indonesia Branch
<b>Israel</b>	Bank Hapoalim B.M.
<b>Italy</b>	Intesa Sanpaolo S.p.A.
<b>Ivory Coast</b>	Standard Chartered Bank Côte d'Ivoire S.A.
<b>Japan</b>	Mizuho Bank, Limited The Hongkong and Shanghai Banking Corporation Limited
<b>Jordan</b>	Standard Chartered Bank, Dubai
<b>Kazakhstan</b>	JSC Citibank Kazakhstan
<b>Kenya</b>	Standard Chartered Bank Kenya Limited
<b>Republic of Korea</b>	Deutsche Bank AG Hongkong and Shanghai Banking Corporation Limited
<b>Kuwait</b>	First Abu Dhabi Bank
<b>Latvia</b>	AS SEB Banka
<b>Lithuania</b>	SEB Bankas
<b>Malawi</b>	Standard Bank PLC
<b>Malaysia</b>	Standard Chartered Bank Malaysia
<b>Mali</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Mauritius</b>	Hongkong and Shanghai Banking Corp. Ltd.
<b>Mexico</b>	Banco Nacional de México S.A.
<b>Morocco</b>	Citibank Maghreb
<b>Namibia</b>	Standard Bank Namibia
<b>Netherlands</b>	BNP Paribas S.A.
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Ltd.
<b>Niger</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Nigeria</b>	Stanbic IBTC Bank Plc.
<b>Norway</b>	Skandinaviska Enskilda Banken
<b>Oman</b>	First Abu Dhabi Bank
<b>Pakistan</b>	Deutsche Bank A.G. Citibank N.A., Karachi
<b>Panama</b>	Citibank, N.A.
<b>Peru</b>	Citibank del Perú, S.A.
<b>Philippines</b>	Standard Chartered Bank, Philippines Branch
<b>Poland</b>	Bank Handlowy w Warszawie S.A.
<b>Portugal</b>	Citibank Europe Plc
<b>Puerto Rico</b>	Citibank N.A.
<b>Qatar</b>	HSBC Bank Middle East Limited
<b>Romania</b>	Citibank Europe plc, Dublin – Romania Branch
<b>Russia</b>	AO Citibank
<b>Saudi Arabia</b>	FAB Capital
<b>Senegal</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Serbia</b>	UniCredit Bank Serbia JSC
<b>Singapore</b>	Citibank, N.A.
<b>Slovak Republic</b>	UniCredit Bank Czech Republic and Slovakia, a.s.
<b>Slovenia</b>	UniCredit Banka Slovenija d.d.
<b>South Africa</b>	FirstRand Bank Limited Standard Chartered Bank Johannesburg Branch
<b>Spain</b>	Citibank Europe Plc

<b>MARKET</b>	<b>SUB CUSTODIAN</b>
<b>Sri Lanka</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Republic of Srpska</b>	UniCredit Bank d.d
<b>Sweden</b>	Skandinaviska Enskilda Banken
<b>Switzerland</b>	UBS Switzerland AG
<b>Taiwan - R.O.C.</b>	Standard Chartered Bank (Taiwan) Limited
<b>Tanzania</b>	Standard Chartered Bank Tanzania Limited
<b>Thailand</b>	Standard Chartered Bank (Thai) Public Company Limited
<b>Togo</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Tunisia</b>	Union Internationale de Banques (UIB)
<b>Turkey</b>	Citibank, A.Ş.
<b>Uganda</b>	Standard Chartered Bank Uganda Limited
<b>Ukraine</b>	JSC Citibank
<b>United Arab Emirates</b>	First Abu Dhabi Bank PJSC
<b>United Kingdom</b>	State Street Bank and Trust Company
<b>Uruguay</b>	Banco Itaú Uruguay S.A.
<b>Venezuela</b>	Citibank, N.A.
<b>Vietnam</b>	Hongkong & Shanghai Banking Corp. Ltd
<b>Zambia</b>	Standard Chartered Bank Zambia Plc
<b>Zimbabwe</b>	Stanbic Bank Zimbabwe Limited

**SCHEDULE VIII**  
**SFDR Annexes**

1.	Russell Investments Pan European Equity Fund	128
2.	Russell Investments World Equity Fund	136



**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



**Product name:** Russell Investments Pan European Equity Fund  
**Legal entity identifier:** FPJYVIWOFHWF4NJK72

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?



**Yes**



**No**



It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**

### What environmental and/or social characteristics are promoted by this financial product?

The Russell Investments Pan European Equity Fund (the “**Fund**”) promotes a reduction in Carbon Emissions (as defined below).

The Fund is actively managed with reference to the MSCI Europe Index (EUR) - Net Returns (the “**Index**”). The Index is a broad market index and is not used by the Fund to attain the environmental characteristics promoted by the Fund.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

Characteristic	Indicator
Reduction in Carbon Emissions	<p><b>Aggregate Carbon Footprint of the Fund portfolio at least 20% lower than the Index.</b></p> <p>“Carbon Footprint” means Carbon Emissions in metric tons of carbon dioxide equivalent (CO2-e), divided by company revenue (USD).</p> <p>“Carbon Emissions” means:</p> <ul style="list-style-type: none"> <li>▪ Scope 1 (direct emissions): activities owned or controlled by an organisation that releases carbon emissions straight into the atmosphere; and</li> <li>▪ Scope 2 (energy consumption): carbon emissions being released into the atmosphere associated with consumption of purchased electricity, heat, steam and cooling. These are a consequence of a company’s activity but which occur at sources the company does not own or control.</li> </ul>

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

N/A

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

N/A

How have the indicators for adverse impacts on sustainability factors been taken into account?

N/A

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- ☐ Yes
- ☒ No

**What investment strategy does this financial product follow?**

In addition to the definitions set out elsewhere in this document, the following definitions shall apply:

"Decarbonisation Overlay Strategy" means the proprietary quantitative overlay strategy used by the Principal Money Manager in order to identify those securities that will allow the Fund to reduce its carbon exposure compared to the Index.

"Prohibited Coal Companies" means companies which derive more than 10% of their revenue from coal power generation or thermal coal production except for companies which either: (i) derive at least 10% of their power generation from renewable energy sources; or (ii) have made a public commitment to divest from their coal related activities or reach zero emissions by 2050, in each case, provided in each case that any such companies derive less than 25% of their revenue from coal power generation or thermal coal production.

Decarbonisation Overlay Strategy

Following the selection of the equity securities, in line with the investment objective and policy of the Fund, the Principal Money Manager will apply a binding Decarbonisation Overlay Strategy to adjust the portfolio of the Fund so that it will always have no less than a 20% lower aggregate Carbon Footprint compared to the Index.

The Decarbonisation Overlay Strategy uses quantitative data relating to Carbon Footprint and also involves an assessment of the involvement in the extraction of coal of each constituent of the Index to enable the Principal Money Manager to evaluate the carbon exposure of a particular constituent of the Index. Using the Decarbonisation Overlay Strategy, the Principal Money Manager will seek to reduce the Fund's exposure to companies which engage in carbon-intensive activities or which have a significant Carbon Footprint. The

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

Decarbonisation Overlay Strategy uses a systematic optimisation strategy to: (i) exclude all Prohibited Coal Companies (which are prohibited from being held by the Fund); (ii) evaluate the carbon exposure of investee companies; and (iii) adjust the holdings of the Fund to reduce its aggregate carbon exposure relative to the Index.

The carbon exposure of an investee company (referred to in (ii) above) is evaluated using third-party Carbon Footprint data as well as data relating to the involvement of such company in the extraction of coal. Based on this evaluation, the Decarbonisation Overlay Strategy adjusts the holdings of the Fund to reduce its aggregate carbon exposure relative to the Index.

Non-financial analysis will be undertaken on at least 90% of the equity and equity related securities. This means that when the Principal Money Manager is evaluating the performance of the Fund's non-financial indicator (ie, Carbon Footprint), at least 90% of these securities will be subject to analysis and measurement. It may not be possible to analyse and measure the performance of certain assets, as data (or sufficiently high quality data) may not be available.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Fund has a binding environmental target which is measured using the objective sustainability indicator (described above). The binding elements of the investment strategy used to achieve this target are set out below:

The Decarbonisation Overlay Strategy is binding and significantly integrated into the analysis undertaken by the Principal Money Manager when making investment decisions in respect of the Fund. The requirement to exclude all Prohibited Coal Companies from investment is binding on the Fund.

Investors should note that the application of the Decarbonisation Overlay Strategy will not necessarily result in a 20% reduction in the aggregate Carbon Footprint of the Fund's portfolio as against the aggregate Carbon Footprint of the Fund's portfolio prior to the application of the Decarbonisation Overlay Strategy (for these purposes, the latter will be referred to as the "Investable Universe"). The reason for this is that the 20% carbon reduction target is made in reference to the aggregate Carbon Footprint of the Index and not the Fund's Investable Universe. The application of the Decarbonisation Overlay Strategy will nevertheless always result in a reduction in the aggregate Carbon Footprint of the Fund as compared to Investable Universe.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

An exclusion screen is applied to the Fund, however, there is no commitment to a minimum rate to reduce the scope of investments prior to the application of the investment strategy.

● ***What is the policy to assess good governance practices of the investee companies?***

The Fund will invest in corporations which follow good governance practices by international standards.

The Principal Money Manager utilises the services of a highly reputable third party data provider to identify corporations which are aligned to the United Nations Global Compact Principles ("UNGC Principles") and are therefore deemed by the Principal Money Manager as having good governance practices. This identification process includes a holistic assessment of core metrics for measuring good governance, including company responsibility, company management and the severity of impacts on stakeholders and/or the environment. The Principal Money Manager's default position, as regards the

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

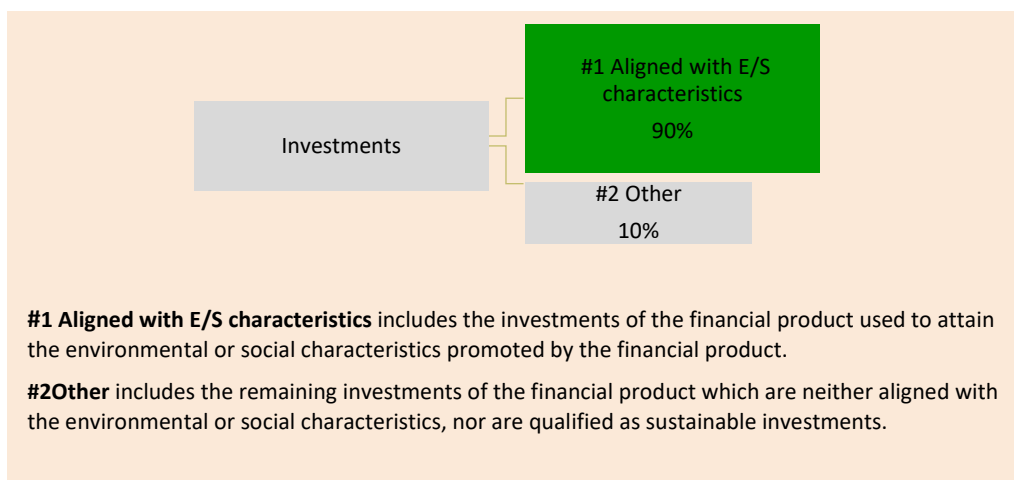
selection of investments, is that the Fund will not invest in corporations that are identified as breaching any of the UNGC Principles.

In cases where a corporation is deemed to have breached a UNGC Principle, the Principal Money Manager may elect to initiate an engagement and review process in respect of the relevant corporation's governance practices. Under this process, the Principal Money Manager will engage with the relevant corporation to understand why a breach of the UNGC Principles has been identified and to promote improvements in the governance practices within the corporation, if deemed necessary. Following this engagement process the Principal Money Manager may make a determination that the relevant corporation exhibits good governance practices, despite the initial assessment of the corporation, and can therefore form part of the portfolio of the Fund.

If a corporation held by the Fund is identified as having breached a UNGC Principle following the initial assessment described above, the Fund may continue to hold shares of the corporation, provided that the engagement and review process has been initiated and only until such time as it has been completed. If the relevant corporation refuses to actively engage with the Principal Money Manager or if at the end of the review period the corporation has not demonstrated sufficient good governance practices, the Principal Money Manager (or its delegate) will divest of its holdings in the corporation. The Principal Money Manager has in place a robust governance process around decisions that are made following each engagement and review process outlined above, with each determination being overseen and managed by the Principal Money Manager's Global Exclusions Committee.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

**Asset allocation** describes the share of investments in specific assets.



## What is the asset allocation planned for this financial product?

It is expected that at all times at least 90% of the Fund's assets will be invested in equities or equity related securities, all of which will be subject to the binding elements of the Fund's investment strategy used to attain the environmental characteristics promoted by the Fund.

The remainder of the Fund's assets and their purposes are detailed below, and further in the Prospectus.

The Fund does not commit to investing in sustainable investments or investments aligned with the Taxonomy Regulation.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Fund does not use derivatives for the purpose of attaining the environmental or social characteristics it promotes.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

- Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?



Yes:



In fossil gas

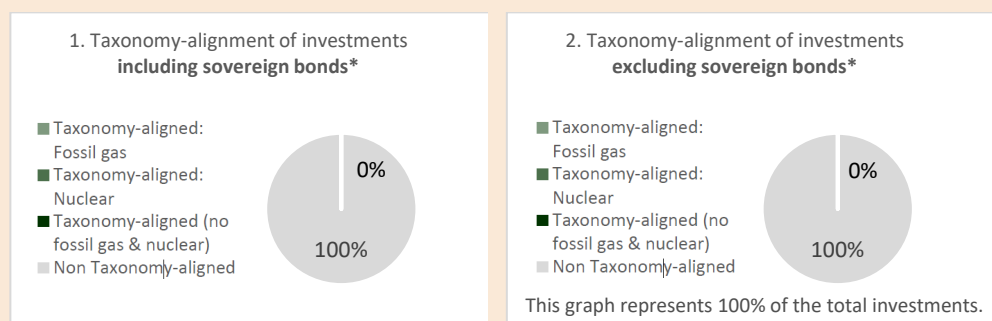


In nuclear energy



No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- What is the minimum share of investments in transitional and enabling activities?

N/A

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

N/A



**What is the minimum share of socially sustainable investments?**

N/A



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

This portion of the Fund’s investments may include:

Currency hedging transactions may be used to hedge against exchange rate risk. Spot foreign exchange transactions will be carried out to meet its investment requirements.

Futures contracts will be used to hedge against market risk or gain exposure to an underlying market.

Forward contracts will be used to hedge or gain exposure to an increase in the value of an asset, currency, commodity or deposit.

Options will be used to hedge or achieve exposure to a particular market instead of using a physical security.

Swaps (including swaptions) will be used to achieve profit as well as to hedge existing long positions.

Forward foreign exchange transactions will be used to reduce the risk of adverse market changes in exchange rates or to increase exposure to foreign currencies or to shift exposure to foreign currency fluctuations from one country to another.

Caps and floors will be used to hedge against interest rate movements exceeding given minimum or maximum levels.

Credit derivatives will be used to isolate and transfer the exposure to or transfer the credit risk associated with a reference asset or index of reference assets.

No minimum environmental or social safeguards will be in place in relation to such holdings.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

N/A

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

N/A

- *How does the designated index differ from a relevant broad market index?*

N/A

- *Where can the methodology used for the calculation of the designated index be found?*

N/A

Where can I find more product specific information online?

More product-specific information can be found on the website:  
<https://russellinvestments.com/emea/important-information>.



**Reference benchmarks** are indices to measure whether the financial product attains the environmental or social characteristics that they promote.



**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Russell Investments World Equity Fund  
**Legal entity identifier:** HLQBEG4MPYCWQ29U6634

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?



Yes



No



It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**

### What environmental and/or social characteristics are promoted by this financial product?



The Russell Investments World Equity Fund (the “**Fund**”) promotes a reduction in Carbon Emissions (as defined below).

The Fund is actively managed with reference to the MSCI World Index (USD) - Net Returns (the “**Index**”). The Index is a broad market index and is not used by the Fund to attain the environmental characteristics promoted by the Fund.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

Characteristic	Indicator
Reduction in Carbon Emissions	<p><b>Aggregate Carbon Footprint of the Fund portfolio at least 20% lower than the Index.</b></p> <p>“Carbon Footprint” means Carbon Emissions in metric tons of carbon dioxide equivalent (CO2-e), divided by company revenue (USD).</p> <p>“Carbon Emissions” means:</p> <ul style="list-style-type: none"><li>▪ Scope 1 (direct emissions): activities owned or controlled by an organisation that releases carbon emissions straight into the atmosphere; and</li><li>▪ Scope 2 (energy consumption): carbon emissions being released into the atmosphere associated with consumption of purchased electricity, heat, steam and cooling. These are a consequence of a company’s activity but which occur at sources the company does not own or control.</li></ul>

**What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

N/A

**How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

N/A

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

N/A



*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

N/A

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

**Principal adverse impacts** are the significant negative impacts or investment decisions on sustainability factors relating to environmental and employee matters, respect human rights, corruption and bribery matters.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes

No

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

## What investment strategy does this financial product follow?

In addition to the definitions set out elsewhere in this document, the following definitions shall apply:

*“Decarbonisation Overlay Strategy”* means the proprietary quantitative overlay strategy used by the Principal Money Manager in order to identify those securities that will allow the Fund to reduce its carbon exposure compared to the Index.

*“Prohibited Coal Companies”* means companies which derive more than 10% of their revenue from coal power generation or thermal coal production except for companies which either: (i) derive at least 10% of their power generation from renewable energy sources; or (ii) have made a public commitment to divest from their coal related activities or reach zero emissions by 2050, in each case, provided in each case that any such companies derive less than 25% of their revenue from coal power generation or thermal coal production.

### Decarbonisation Overlay Strategy

Following the selection of the equity securities, in line with the investment objective and policy of the Fund, the Principal Money Manager will apply a binding Decarbonisation Overlay Strategy to adjust the portfolio of the Fund so that it will always have no less than a 20% lower aggregate Carbon Footprint compared to the Index.

The Decarbonisation Overlay Strategy uses quantitative data relating to Carbon Footprint and also involves an assessment of the involvement in the extraction of coal of each constituent of the Index to enable the Principal Money Manager to evaluate the carbon exposure of a particular constituent of the Index. Using the Decarbonisation Overlay Strategy, the Principal Money Manager will seek to reduce the Fund’s exposure to companies which engage in carbon-intensive activities or which have a significant Carbon Footprint. The Decarbonisation Overlay Strategy uses a systematic optimisation strategy to: (i) exclude all Prohibited Coal Companies (which are prohibited from being held by the Fund); (ii) evaluate the carbon exposure of investee companies; and (iii) adjust the holdings of the Fund to reduce its aggregate carbon exposure relative to the Index.

The carbon exposure of an investee company (referred to in (ii) above) is evaluated using third-party Carbon Footprint data as well as data relating to the involvement of such company in the extraction of coal. Based on this evaluation, the Decarbonisation Overlay Strategy adjusts the holdings of the Fund to reduce its aggregate carbon exposure relative to the Index.

Non-financial analysis will be undertaken on at least 90% of the equity and equity related securities. This means that when the Principal Money Manager is evaluating the performance of the Fund’s non-financial indicator (ie, Carbon Footprint), at least 90% of these securities will be subject to analysis and measurement. It may not be possible to analyse and measure the performance of certain assets, as data (or sufficiently high quality data) may not be available.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Fund has a binding environmental target which is measured using the objective sustainability indicator (described above). The binding elements of the investment strategy used to achieve this target are set out below:

The Decarbonisation Overlay Strategy is binding and significantly integrated into the analysis undertaken by the Principal Money Manager when making investment decisions in respect of the Fund. The requirement to exclude all Prohibited Coal Companies from investment is binding on the Fund.

Investors should note that the application of the Decarbonisation Overlay Strategy will not necessarily result in a 20% reduction in the aggregate Carbon Footprint of the Fund's portfolio as against the aggregate Carbon Footprint of the Fund's portfolio prior to the application of the Decarbonisation Overlay Strategy (for these purposes, the latter will be referred to as the "Investable Universe"). The reason for this is that the 20% carbon reduction target is made in reference to the aggregate Carbon Footprint of the Index and not the Fund's Investable Universe. The application of the Decarbonisation Overlay Strategy will nevertheless always result in a reduction in the aggregate Carbon Footprint of the Fund as compared to Investable Universe.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

An exclusion screen is applied to the Fund, however, there is no commitment to a minimum rate to reduce the scope of investments prior to the application of the investment strategy.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***What is the policy to assess good governance practices of the investee companies?***

The Fund will invest in corporations which follow good governance practices by international standards.

The Principal Money Manager utilises the services of a highly reputable third party data provider to identify corporations which are aligned to the United Nations Global Compact Principles ("UNGC Principles") and are therefore deemed by the Principal Money Manager as having good governance practices. This identification process includes a holistic assessment of core metrics for measuring good governance, including company responsibility, company management and the severity of impacts on stakeholders and/or the environment. The Principal Money Manager's default position, as regards the selection of investments, is that the Fund will not invest in corporations that are identified as breaching any of the UNGC Principles.

In cases where a corporation is deemed to have breached a UNGC Principle, the Principal Money Manager may elect to initiate an engagement and review process in respect of the relevant corporation's governance practices. Under this process, the Principal Money Manager will engage with the relevant corporation to understand why a breach of the UNGC Principles has been identified and to promote improvements in the governance practices within the corporation, if deemed necessary. Following this engagement process the Principal Money Manager may make a determination that the relevant corporation exhibits good governance practices, despite the initial assessment of the corporation, and can therefore form part of the portfolio of the Fund.

If a corporation held by the Fund is identified as having breached a UNGC Principle following the initial assessment described above, the Fund may continue to hold shares of the corporation, provided that the engagement and review process has been initiated and only until such time as it has been completed. If the relevant corporation refuses to actively engage with the Principal Money Manager or if at the end of the review period the corporation has not demonstrated sufficient good governance practices, the Principal Money Manager (or its delegate) will divest of its holdings in the corporation.

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The Principal Money Manager has in place a robust governance process around decisions that are made following each engagement and review process outlined above, with each determination being overseen and managed by the Principal Money Manager's Global Exclusions Committee.



**What is the asset allocation planned for this financial product?**

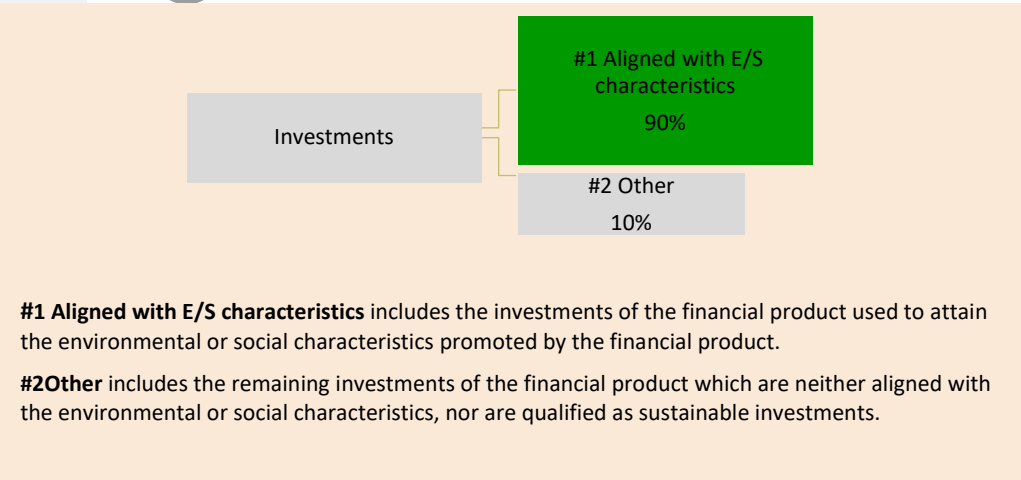
It is expected that at all times at least 90% of the Fund's assets will be invested in equities or equity related securities, all of which will be subject to the binding elements of the Fund's investment strategy used to attain the environmental characteristics promoted by the Fund.

The remainder of the Fund's assets and their purposes are detailed below, and further in the Prospectus.

The Fund does not commit to investing in sustainable investments or investments aligned with the Taxonomy Regulation.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

The Fund does not use derivatives for the purpose of attaining the environmental or social characteristics it promotes.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

0%

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>2</sup>?



Yes:



In fossil gas



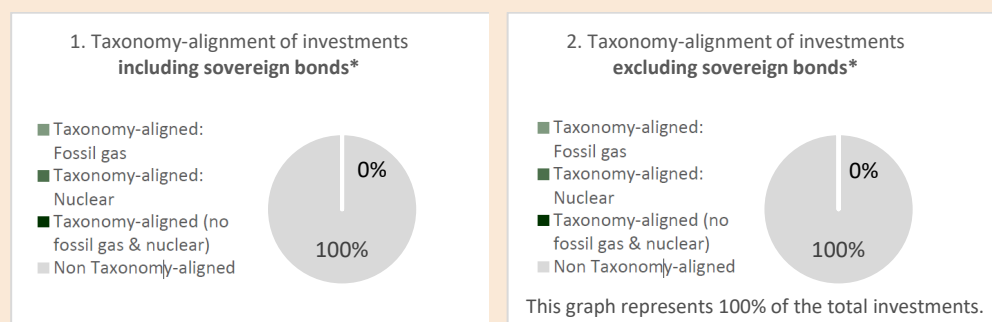
In nuclear energy



No

What is the

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

minimum share of investments in transitional and enabling activities?

N/A

<sup>2</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

N/A

**What is the minimum share of socially sustainable investments?**

N/A

**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

This portion of the Fund’s investments may include:

For efficient portfolio management purposes, the Russell Investments World Equity Fund may engage in currency hedging transactions to hedge against exchange rate risk.

Russell Investments World Equity Fund will carry out spot foreign exchange transactions.

Futures contracts will be used to hedge against market risk or gain exposure to an underlying market.

Forward contracts will be used to hedge or gain exposure to an increase in the value of an asset, currency, commodity or deposit.

Options will be used to hedge or achieve exposure to a particular market instead of using a physical security.

Swaps (including swaptions) will be used to achieve profit as well as to hedge existing long positions.

Forward foreign exchange transactions will be used to reduce the risk of adverse market changes in exchange rates or to increase exposure to foreign currencies or to shift exposure to foreign currency fluctuations from one country to another.

Caps and floors will be used to hedge against interest rate movements exceeding given minimum or maximum levels.

Credit derivatives will be used to isolate and transfer the exposure to or transfer the credit risk associated with a reference asset or index of reference assets.

Investments in convertibles may not exceed 25% of the Russell Investments World Equity Fund’s net assets.

Investments in warrants may not exceed 5% of the Russell Investments World Equity Fund’s net assets and warrants may be purchased only if it is reasonably foreseeable that the right to subscribe conferred by the warrants could be exercised without contravening the Regulations.

No minimum environmental or social safeguards will be in place in relation to such holdings.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No.

**Reference benchmarks** are indices to measure whether the financial product attains the environmental or social characteristics that they promote.

*How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

N/A

*How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

N/A

*How does the designated index differ from a relevant broad market index?*

N/A

*Where can the methodology used for the calculation of the designated index be found?*

N/A

#### Where can I find more product specific information online?



More product-specific information can be found on the website:  
<https://russellinvestments.com/emea/important-information>.



## **RUSSELL INVESTMENT COMPANY II PLC**

an umbrella fund with segregated liability between sub-funds

### **Additional Information for Investors in Germany dated 12 June 2024**

This information is for investors in Germany who are intending to invest in Russell Investment Company II plc (the “Company”).

**Information contained herein is selective, containing specific information in relation to the Company. This document forms part of and should be read in conjunction with the Prospectus for the Company dated 7 June 2024 as may be amended from time to time (the 'Prospectus').**

1. The Bundesanstalt für Finanzdienstleistungsaufsicht (Federal Financial Supervisory Authority) has been notified pursuant to Section 310 German Investment Code of the Company's intention to distribute Shares of the Funds in the Federal Republic of Germany.
2. Russell Investments Limited Zweigniederlassung Frankfurt am Main, OpernTurm, Bockenheimer Landstraße 2-4, 60306 Frankfurt am Main, Germany, has taken over the function as Information Agent in the Federal Republic of Germany (the “German Information Agent”).
3. Exchange and redemption requests for Shares can be submitted to the respective German Shareholder's custody account holding bank (die jeweilige depotführende Stelle). Redemption proceeds, distributions or other payments to the Shareholders, if any, will be made via the respective German Shareholder's account holding bank (die jeweilige kontoführende Stelle). In addition, exchange and redemption requests for Shares can be submitted to the administrator State Street Fund Services (Ireland) Limited, 78 Sir John Rogerson's Quay, Dublin 2, Ireland. Upon the Shareholders' request, redemption proceeds, distributions or other payments to the Shareholders, if any, may also be made via the administrator.
4. The currently applicable Prospectus for Germany, the currently applicable Key Information Documents, the Memorandum and Articles of Association of the Company, the most recently published audited annual accounts and half-yearly accounts may be inspected at and are available free of charge from the German Information Agent in paper form or electronic format.

A paper copy of the Company's remuneration policy may be obtained free of charge on request from the German Information Agent.

Notifications to Shareholders, if any, are available free of charge from the German Information Agent and are communicated via Shareholder letter. Information on how Shareholders may exercise their rights arising from their investment in the Funds is available from the Manager

5. The Net Asset Value per Share of the below Funds of the Company and the purchase and redemption prices are available free of charge from the German Information Agent on every bank business day in Frankfurt am Main. Moreover, issue and redemption prices are published daily on the electronic platform of "fundinfo AG" ([www.fundinfo.com](http://www.fundinfo.com)). For the following Funds of the Company a notification pursuant to Sec. 310 German Investment Code has been conducted:

<b>Name of the Fund</b>	<b>Share Class</b>
Russell Investments Emerging Market Debt Local Currency Fund	Class I Euro, Class I USD
Russell Investments Emerging Markets Extended Opportunities Fund	Class A
Russell Investments Euro Fixed Income Fund	Class B, Class F
Russell Investments Pan European Equity Fund	Class A, Class B
Russell Investments U.S. Quant Fund	Class C
Russell Investments World Equity Fund	Class B, Class C, Class EH-T, Class M
Russell Investments China Equity Fund	Class A, Class V

6. In addition to a communication via Shareholder letter, Shareholders will be informed, in German, via a publication on <https://russellinvestments.com/de/important-information?tab=shareholder-notices> about the following changes:

- the suspension of redemption of a Fund's Shares;
  - the termination of the management of a Fund or the liquidation thereof;
  - changes being made to the Memorandum and Articles of Association or the Prospectus which are not in compliance with the existing investment principles or changes which affect material investor rights or which relate to fees and cost refunds that may be withdrawn from a Fund;
  - the merger of a Fund; and, where applicable,
  - the conversion of a Fund into a feeder fund and a change of a master..
7. For questions on the tax impact of an investment in the Company please contact your tax advisor.
8. **The following sub-funds of the Company are not registered for marketing in Germany in accordance with Section 310 of the German Investment Code (KAGB):**

**Russell Investments U.K. Equity Plus Fund\***

**Russell Investments Global Defensive Equity Fund\***

**Russell Investments U.S. Growth Fund\***

**Russell Investments U.S. Value Fund\***

**Russell Investments Global Bond**

**(Euro Hedged) Fund\***

**Shares of the above mentioned sub-funds are not allowed to be marketed in Germany.**

**\* These sub-funds are closed and are no longer available for investment.**