



EXCHANGE TRADED FUND

Russell Australian Responsible Investment ETF

PRODUCT DISCLOSURE STATEMENT
ARSN 603 169 384

16 MARCH 2015

Important Information

Eligibility

The offer in this product disclosure statement (PDS) is only available to stockbrokers acting as principal. That is, persons who have been authorised as trading participants under the ASX Operating Rules (Authorised Participants) and, where required, have entered into a relevant Authorised Participant Agreement.

The minimum investment for Units in the Fund is 75,000 Units.

Investors who are not Authorised Participants looking to acquire Units in the Fund cannot invest through this PDS but may do so through the Australian Securities Exchange (ASX). Please consult your stockbroker or financial adviser. Investors who are not Authorised Participants may use this PDS for informational purposes only and may obtain further information in relation to the Fund by contacting the registrar (refer to page 28 for details of how to contact the registrar).

This PDS can only be used by persons receiving it (electronically or in hard copy) in Australia and does not constitute an offer or recommendation of securities in any jurisdiction, or to any person to whom it would be unlawful to make such an offer.

Please read this PDS to find out more about the features, costs and benefits, as well as the risks involved in investing in the Fund. It is important that you read this PDS before making any decision to invest in the Fund. An investor in the Fund could lose all or a substantial part of its investment in the Fund. In particular, the performance of the Fund will depend on the performance and market value of the assets held by the Fund as a result of tracking the index.

About this PDS

This PDS describes the main features of the Fund. This PDS is dated 16 March 2015 and is issued by Russell Investment Management Ltd ABN 53 068 338 974, AFS Licence Number 247 185, the responsible entity of the Fund. We are a member of Russell Investments.

A copy of this PDS has been lodged with the Australian Securities & Investments Commission (ASIC). As at the date of this PDS, the Units are yet to be quoted and an application for quotation has been made to the ASX. Russell will only accept applications to create Units once the exposure period has expired. The exposure period expires 7 days after lodgement of the PDS with ASIC. Neither

ASIC nor the ASX take any responsibility for the contents of this PDS.

In preparing this PDS, we did not take into account your particular investment objectives, financial situation or needs. As investors' needs and aspirations differ, you should consider whether investing in the Fund is appropriate for you in light of your particular needs, objectives and financial circumstances. You may also wish to obtain independent advice.

The information in this PDS is up to date at the time of preparation. However, some information and terms (see below) can change from time to time and you can obtain updated information as set out below. If a change is considered materially adverse we will issue a supplementary or replacement PDS.

For updated or other information about the Fund, please visit our website: www.russell.com.au/etfs. We will also send you a copy of the updated information free of charge upon request.

The offer or invitation to subscribe for Units in the Fund under this PDS is subject to the terms and conditions described in this PDS. We reserve the right to accept or decline applications in full or in part and reserve the right to change these terms and conditions. Notice would be provided before or as soon as practicable after the change occurs.

Russell has sufficient working capital to enable it to operate the Fund as outlined in this PDS.

How to contact us

You can contact or find us as follows:
Russell Investment Management Ltd
Level 29, 135 King Street,
Sydney NSW 2000, Australia

or

GPO Box 3279
Sydney NSW 2001, Australia
www.russell.com.au

For Authorised Participants

Contact: Fund Operations

Tel: 1300 728 208 (in Australia)
Tel: +61 2 9229 5368 (outside Australia)
Fax: 1300 768 040 (in Australia)
Fax: +612 9229 5116 (outside Australia)
E-mail: syd-ops@russell.com

For other investors

Contact: Computershare Investor Services Pty Limited

Yarra Falls
452 Johnston Street
Abbotsford Vic 3067
Tel: 1800 RSL ETF (1800 775 383)
www.computershare.com.au

Russell Australian Responsible Investment ETF

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Key Features

About the Fund	
Fund Name	Russell Australian Responsible Investment ETF
ASX Code	RARI
Type of investment	The Fund is classified as an exchange traded fund (ETF) which is a registered managed investment scheme. This means investors have the opportunity to buy or sell a diversified portfolio of assets in a single transaction. The portfolio is based upon an index. ETFs have a number of benefits, including diversification, transparency and taxation efficiency.
Quotation	As at the date of this PDS, an application has been made to the ASX for Units in the Fund to be quoted for trading on the AQUA market of the ASX. Once admitted to trading status, Units in the Fund may be traded like any other quoted security. For full details on the AQUA Rules, please see the 'AQUA Rules' on page 9.
Responsible Entity	Russell Investment Management Ltd ABN 53 068 338 974, AFS Licence Number 247 185.
Fees	
Entry/Contribution Fee	Nil
Withdrawal Fee	Nil
Switching Fee	Nil
Transaction Fee	\$1,500 to create or redeem Units in the Fund, which is paid by an Authorised Participant on creation and on redemption.
Management Costs	0.45% p.a. For full details of all fees and charges, please see the 'Fees and Costs' on page 20.
Transacting	
Creation Unit	The offer in this PDS is only available to Authorised Participants. Units can only be acquired in multiples of 75,000 under this PDS. Every 75,000 Units represents one Creation Unit. The minimum investment under this PDS is one Creation Unit.
Creating	An Authorised Participant may make an application to create Units by completing the Application for Creation/Redemption Form and transferring to the Fund a specified parcel of quoted securities (the Creation Basket) via CHESS together with a cash amount (if applicable). There are no cooling-off rights available. For full details of how to apply to create Units in the Fund, please see 'Creating and Redeeming' on page 23. You may purchase Units on the ASX. The purchase of Units on the ASX is not governed by the terms of this PDS and therefore the minimum investment requirement does not apply to Units purchased on the ASX.
Redemption Unit	Units in the Fund can only be redeemed by an Authorised Participant who is an Australian Resident. Units can only be redeemed in multiples of 75,000 under this PDS. Every 75,000 Units represents one Redemption Unit. The minimum redemption under this PDS is one Redemption Unit.
Redeeming	An Authorised Participant can make an application to redeem Units by completing the Application for Creation/Redemption Form and transferring to the Fund a Redemption Unit via CHESS, in exchange for which we will transfer a specified parcel of quoted securities (the Redemption Basket) together with a cash amount (if applicable). For full details of how to redeem from the Fund, please see the 'Creating and Redeeming' on page 23. You may sell your Units on the ASX. The sale of Units on the ASX is not governed by this PDS and therefore the minimum redemption requirement does not apply to Units sold on the ASX.

Transacting (continued)	
Distributions	<p>Distributions are calculated semi-annually or at such other time as determined by us.</p> <p>You can request to reinvest distributions as additional Units in the Fund or have them paid to your bank account.</p> <p>Information in relation to distributions will be disclosed to the ASX via the ASX Market Announcements Platform.</p> <p>The Fund has a mechanism in place to ensure that the Fund's income is not diluted by the creation of additional Units in the Fund. You can find more information about this feature on page 25.</p>
Reporting on Your Investment	
Annual Reporting	We'll send you an annual investment statement if you are a retail investor, and an annual tax statement. We will also provide or make available to you an annual report.
Distributions	A distribution statement will be sent to you each time a distribution is made.
Website	<p>The following information can be obtained from our website at www.russell.com.au/etfs:</p> <ul style="list-style-type: none"> › the Fund's daily NAV; › the Fund's daily NAV per Unit; › the underlying investments held by the Fund; › details of the daily creation and redemption baskets; › copies of announcements made to the ASX via the ASX Market Announcements Platform (including continuous disclosure notices and distribution information); › copies of the latest PDS; and › copies of Annual Reports and financial statements.
iNAV	An indicative intra-day NAV (iNAV) will be calculated and made available by the ASX on each Business Day.
Key risks	
Risks	<p>There are a number of risks associated with investing in the Fund.</p> <p>You should consider carefully the risks that may affect the financial performance of your investment in the Fund.</p> <p>For full details on risks, please see the 'The Risks of Investing' on page 13.</p>

Your Guide to the ETF

Russell Australian Responsible Investment ETF	
Investment objective	To aim to provide a total return before costs and tax, in line with the Russell Australia ESG High Dividend Index over the long term.
Investment strategy	<p>The Fund seeks to track the performance of the Russell Australia ESG High Dividend Index (the Index) by investing predominantly in Australian shares and trusts listed on the ASX. The Index is weighted to companies that demonstrate positive environmental, social and governance characteristics after negatively screening for companies that have significant involvement in a range of activities deemed inconsistent with widely recognised responsible investment considerations. The Index is also weighted to improve expected future income (including franking credits).</p> <p>Derivatives may also be used to a limited extent to obtain or reduce exposure to such securities.</p> <p>We will not significantly change the Fund’s investment strategy as described in this PDS unless the change has been approved by a resolution of Unitholders passed by at least 75% of the votes cast (referred to as a “special resolution”).</p>
Index	<p>Russell Australia ESG High Dividend Index.</p> <p>The Russell Australia ESG High Dividend Index is an equity index provided by Frank Russell Company (the Index Provider). The Index uses a selective methodology to identify and weight Australian companies based on a demonstrated commitment to responsibility in the following categories: Environmental, Social and Governance (ESG) and high quality dividend income. It is designed to provide investors with exposure to Australian equities which have demonstrated consistent commitment to environmental and social responsibility and higher governance standards.</p> <p>Index Construction Overview</p> <p>Eligible Securities</p> <p>The Index starts with the members of the Russell Global Australia All Cap Index (a sub-index of the Russell Global Index) as the parent index. Since the Index is constructed for domestic use, foreign ownership limits are not applied.</p> <p>Exclusions</p> <p>The first step in constructing the Index is to exclude securities that are not listed on the ASX from the parent index. In addition, companies that are considered by a Responsible Investment Committee to be inconsistent with certain ESG objectives are also excluded from the Index. Such activities may include, but are not limited to, a material involvement in:</p> <ul style="list-style-type: none"> › the manufacture and distribution of tobacco, alcohol, gambling, pornography and armaments; › the production or combustion of more carbon-intensive fossil fuels. <p>Companies which lag industry peers in approaching ESG risk such as involvement in activities causing environmental damage, violation human rights and businesses with questionable third-party transactions, and have a poor record of managing such ESG risk, may also be excluded.</p> <p>For more information on the Responsible Investment Committee’s guidelines for determining the list of exclusions from the Index, please refer to the Russell Australia ESG High Dividend Index Construction and Methodology, which is available on our website at www.russell.com.au/etfs. The list of exclusions will also be made available on our website.</p> <p>Scoring</p> <p>The next step to building the Index utilises ESG scores and yield scores as inputs to determining index weights. Each security is assigned an:</p> <ul style="list-style-type: none"> › ESG score. A third party service provider provides a composite ESG score for securities using a robust set of multiple indicators. Securities without a current (no older than 6 months) composite ESG score are not eligible for the Index. › Composite Yield Score. A Composite Yield Score (“CYS”) is calculated for each security using multiple factors. The methodology targets not only companies that pay high dividends but also companies that pay high “quality” dividends. The CYS model weighs the following five factors: <ul style="list-style-type: none"> › 3-year Average Forecast Dividend, › 5-year Average Trailing Dividend, › 3-year Forecast Dividend Growth, › 3-year trailing dividend growth, and › 5-year standard deviation of annual Earnings per Share.

Russell Australian Responsible Investment ETF (continued)**Weighting****Step 1:**

Using the ESG score, each security's score is translated into active weights using a non-linear algorithm. Securities that have a score greater than the pre-determined breakpoint are over-weighted and securities that have a score lower than the breakpoint are under-weighted relative to the respective benchmark.

Step 2:

For each security that has a portfolio weight greater than 0 in step 1 above, the CYS is determined. The portfolio weights derived from step 1 are then used to calculate an active weight based on the CYS. Securities that have a score greater than the breakpoint are over-weighted and securities that have a score lower than the breakpoint are under-weighted relative to the respective benchmark.

The Index trims any security with a portfolio weight of less than 0.05% and the top securities by weight are included in the final universe which is expected to comprise up to 100 securities. The weights of the remaining securities are then rescaled to sum to 1.

The Index is reconstituted semi-annually using the data as of the last business day in February and August. The rebalanced Index is implemented on the first business day in April and October.

The list of exclusions as determined by the Responsible Investment Committee is reviewed semi-annually prior to rebalance dates in February and August.

For more information on how the Index is constructed, including how securities are scored and weighted, please refer to the Russell Australia ESG High Dividend Index Construction and Methodology which is available on our website at www.russell.com.au/etfs.

Russell will not substitute the Russell Australia ESG High Dividend Index for another index if to do so would significantly change the Fund's investment strategy as described in this PDS, unless the change of investment strategy has been approved by a resolution of Unitholders passed by at least 75% of the votes cast (referred to as a "special resolution").

End of day Index values will be published daily via third party data vendors.

Russell Investment Management Ltd, a subsidiary of Frank Russell Company ("FRC"), is the Fund sponsor and responsible entity. The Fund is not sponsored, endorsed, sold or promoted by FRC and FRC makes no representation or warranty, express or implied, to the Fund's Unitholders or any member of the public regarding the advisability of investing in securities generally or in the Fund particularly or the ability of the Russell Australia ESG High Dividend Index to track general stock market performance or a segment of the same. FRC's publication of the Russell Australia ESG High Dividend Index in no way suggests or implies an opinion by FRC as to the advisability of investment in any or all of the securities upon which the Russell Australia ESG High Dividend Index is based.

FRC is not responsible for and has not reviewed the Fund nor any associated literature or publications and FRC makes no representation or warranty express or implied as to their accuracy or completeness, or otherwise. FRC reserves the right, at any time and without notice, to alter, amend, terminate or in any way change the Russell Australia ESG High Dividend Index. FRC has no obligation or liability in connection with the administration, marketing or trading of the Fund. FRC does not guarantee the accuracy and/or the completeness of the Russell Australia ESG High Dividend Index or any data included therein and FRC shall have no liability for any errors, omissions, or interruptions therein. FRC makes no warranty, express or implied, as to results to be obtained by any person or entity from the use of the Russell Australia ESG High Dividend Index or any data included therein.

Benefits of using ETFs

What are ETFs?

ETFs are quoted managed funds providing you with the opportunity to buy a diversified portfolio of assets in a single transaction.

What are the benefits of ETFs in general?

- › **Diversification**
ETFs provide you with the ability to diversify your portfolio through holding a single security.
- › **Liquidity and transparency**
As a traded security, the ETF enables you to enter and exit your investment on the ASX during trading hours. In addition, the assets held by the ETF are disclosed daily, enabling you to have full transparency to your holdings.
- › **Taxation advantages**
An ETF may provide you with additional income through distributions and franking credits. The turnover of an ETF's underlying portfolio is relatively low, helping reduce transaction costs and the level of capital gains realised. For full details on taxation, please see 'Tax' on page 16.
- › **Lower cost**
Since ETFs are typically able to achieve lower operating costs, the management fees are generally lower compared to other forms of managed funds. However, brokerage or adviser fees may still apply when buying or selling an ETF.

What are the benefits specific to this Fund?

- › **Targeted exposure**
The Fund will predominantly invest in Australian listed shares and trusts. It is an outcome-focused ETF, which aims to provide investors with a simple, transparent and flexible means of accessing an ESG enhanced, responsible investment portfolio of Australian listed companies. To meet the needs of Australian investors, the Fund also seeks to improve expected future income (including franking credits) after meeting its desired responsible investment objectives.

AQUA Rules

An application has been made to the ASX for the Units in the Fund to be quoted for trading under the AQUA Rules. The AQUA Rules have been designed to offer greater flexibility and are specifically designed for managed funds, ETFs and structured products.

The following table highlights the main differences between the AQUA Rules and the ASX Listing Rules:

ASX Listing Rules	ASX AQUA Rules
Control	
<p>A person:</p> <ul style="list-style-type: none"> › controls the value of its own securities and the business it runs, › the value of those securities is directly influenced by the equity issuer's performance and conduct. <p>e.g. the management and board generally control the fate of the business and, therefore, have direct influence over the share price.</p>	<p>A person:</p> <ul style="list-style-type: none"> › does not control the value of the assets underlying its products, but › offers products that give investors exposure to the underlying assets – such as shares, indices, currencies or commodities. <p>The value (price) of products quoted under the AQUA Rules is dependent upon the performance of the underlying assets rather than the financial performance of the issuer itself.</p> <p>e.g. A managed fund issuer does not control the value of the shares it invests in.</p>
Continuous Disclosure	
<p>Products under the ASX Listing Rules are subject to the continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the Corporations Act 2001.</p>	<p>Issuers of products quoted under the AQUA Rules are not subject to the continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the Corporations Act 2001 but must disclose information about:</p> <ul style="list-style-type: none"> › the net tangible assets (NTA) or the NAV of the funds; › dividends, distributions and other disbursements; and › any other information that is required to be disclosed to ASIC under section 675 of the Corporations Act 2001 must be disclosed to ASX via the ASX Market Announcements Platform at the same time it is disclosed to ASIC.
Periodic Disclosure	
<p>Products under the ASX Listing Rules are required to disclose half yearly and annual financial information or annual reports under Chapter 4 of the ASX Listing Rules.</p>	<p>Products under the AQUA Rules are not required to disclose half yearly and annual financial information or annual reports.</p> <p>However, because the Fund is a registered managed investment scheme, we are still required to prepare financial reports under Chapter 2M of the Corporations Act 2001.</p>
Corporate Control	
<p>Requirements in the Corporations Act 2001 and the ASX Listing Rules in relation to matters such as takeover bids, share buy-backs, change of capital, new issuers, restricted securities, disclosure of directors' interests and substantial shareholdings apply to companies and schemes.</p>	<p>Certain requirements in the Corporations Act 2001 and the ASX Listing Rules in relation to matters such as takeover bids, buy-backs, change of capital, new issuers, restricted securities, disclosure of directors' interests and substantial shareholdings that apply to companies and listed schemes do not apply to products quoted under the AQUA Rules.</p> <p>Issuers of products quoted under the AQUA Rules are subject to general requirement to provide the ASX with any information concerning itself that may lead to the establishment of a false market or materially affect the price of its products.</p> <p>Section 601FM of the Corporations Act continues to apply in relation to the removal of a responsible entity of a registered managed investment scheme by an extraordinary resolution of members.</p>

Related Party Transactions	
Chapter 10 of the ASX Listing Rules, which relates to transactions between an entity and persons in a position to influence the entity, specifies controls over related party transactions.	Chapter 10 of the ASX Listing Rules does not apply to AQUA products. However, because the Fund is a registered managed investment scheme, we are still required to comply with the related party requirements in Part 5C.7 and Chapter 2E of the Corporations Act relating to related party transactions.
Auditor Rotation	
There are specific requirements in relation to auditor rotation under Part 2M.4 Division 5 of the Corporations Act 2001.	Issuers of products under the AQUA Rules are not subject to the requirements under Part 2M.4 Division 5 of the Corporations Act 2001. Responsible entities of registered managed investment schemes will continue to be required to undertake an independent audit of its compliance with each scheme's compliance plan in accordance with section 601HG of the Corporations Act and the auditor must not be the auditor of the scheme's financial statements (although they may be employed the same firm).
Disclosure	
Entities admitted under the ASX Listing Rules are subject to the requirements of the Corporations Act 2001 in relation to the issue of a PDS.	Products quoted under the AQUA Rules will also be subject to these requirements of the Corporations Act 2001.

Source: ASX Rules Framework

How the Fund Invests

Investment Management

We will perform the investment management for the Fund. We may be assisted in this role by a related company, Russell Implementation Services Inc.

Derivatives

The Fund may use equity and equity index futures contracts to equitise cash holdings in order to achieve a desired investment position without buying or selling the underlying asset. Futures usage will generally be limited to a maximum of 5% of the Fund's value at any time. Derivatives will not be used speculatively or to leverage the Fund.

Borrowings

It is not our intention to borrow money in relation to the Fund, other than to meet short-term liquidity requirements.

The Fund will only borrow where we believe it is in the best interests of the Unitholders. The Fund may borrow securities to implement an investment strategy. With the exception of borrowed securities, the Fund currently has no material borrowings or other liabilities.

Securities lending

The Fund does not currently participate in a securities lending program, but may do so in the future. In this instance, the Fund's assets may be loaned to a borrower. In exchange, the Fund will receive collateral equal to at least 100% of the value of the assets loaned. We may place restrictions on which assets of the Fund are available to be loaned. Acceptable collateral may include but is not limited to cash, cash equivalents, shares and government bonds.

Any income (net of fees paid for administering securities lending) that the Fund generates from the securities lending program will be used to offset the Fund's custody expenses. This may result in reduced expense recoveries for the Fund. There are additional risks involved with securities lending. See page 15 for details.

Environmental, Social and Ethical Considerations and Labour Standards

As a signatory of the United Nations' Principles for Responsible Investment (UNPRI) since 2009, Russell Investments has voluntarily committed to the six principles¹.

The Fund is designed to track the performance of the Index. The Index takes into account environmental, social and governance (ESG) considerations (which may include labour standards) in its selection process and eligibility criteria, set out in 'Your Guide to the ETF' on page 6, and includes:

- › **Negative or exclusionary screening:** The Index seeks to exclude investments in companies that are inconsistent with widely recognised responsible investment considerations as represented in Australia including companies involved in the manufacture and distribution of alcohol, tobacco, gambling, pornography and armaments, as well as those involved in the production or combustion of more carbon-intensive fossil fuels. The Index also seeks to exclude companies that lag industry peers in approaching ESG risk, including those that have a poor record of managing such ESG risk.
- › **Positive screening:** The Index is weighted towards companies that exhibit positive ESG characteristics.

The Index is reconstituted semi-annually in order to review and determine company eligibility, per the Index methodology as set out in the Russell Australia ESG High Dividend Index Construction and Methodology which is available on our website at www.russell.com.au/etfs. If a company is removed from the Index, the Fund's investment in that company will generally be sold as soon as practicable.

Proxy voting: Russell Investments operates a comprehensive Proxy Voting Policy to ensure that we discharge the ownership responsibilities that clients have delegated to us in a way that is consistent, responsible and effective.

¹ "The six principles." UNPRI. <http://www.unpri.org/about-pri/the-six-principles/>

The Risks of Investing

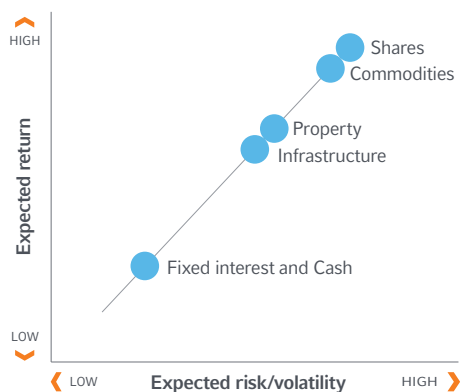
General risks

All investing involves risk. It's the trade-off for the return that investors seek. Assets with higher expected long term return generally carry a higher level of short term risk. For example, shares and commodities have relatively higher risk, and higher expected return, than fixed interest and cash.

As with most investing, it is not guaranteed that you will make money. The value of your investment can go up or down with the value of the underlying assets.

Short-term fluctuations in the value of investments are common, particularly with respect to shares and commodities. Different types of investments perform differently at different times and carry varying forms of risk.

The relative risk of an investment depends on the assets it holds. The risk/return graph below indicates the relative position of each major asset class.



Source: Russell Investments

Risks may result in loss of income, loss of principal invested and possible delays in repayment.

You could receive back less than you invested and there is no guarantee that you will receive any income.

Managed investment scheme laws may change in the future and this may affect your investment. Also remember that past returns are not a reliable indicator of future returns.

The value of an investment in the Fund and the return on such investment will be influenced by many factors (including factors outside our control), such as market and economic conditions, government policy, political climate, interest rates, currency movements, inflation and the investment managers not performing to expectation.

In relation to the Fund, the significant risks you should be aware of are:

Market risk: The performance of the Fund will depend on the performance and market value of the assets held as a result of tracking the index. If the assets held by the Fund reduce in value, so will the value of the Fund.

Investments in securities and other financial instruments and products that are subject to market forces, risk the permanent loss of capital as a result of adverse market developments, which can be unpredictable.

Derivatives risk: The Fund may be directly exposed to exchange-traded futures. Derivatives usually derive their value from the value of a physical asset, interest rate, exchange rate or market index. They can be used to manage certain risks in investment portfolios; however, they can also expose a portfolio to additional risks.

A risk, though not unique to derivatives, includes the possibility that the position is difficult or costly to reverse or that there is an adverse movement in the asset, interest rate, exchange rate or index underlying the derivative, as derivatives do not always perfectly or even highly correlate or track the value of the assets, rates or indices they are designed to track.

A derivative contract may involve leverage. That is, it provides exposure to a potential gain or loss from a change in the level of the market price of a security, currency or basket index in a notional amount that exceeds the amount of cash or assets required to establish or maintain the derivatives contract. Consequently, an adverse change in the relevant price level can result in a loss of

capital that is more exaggerated than would have resulted from an investment that did not involve the use of leverage. Accordingly, derivative instruments can be highly volatile and expose investors to a high risk of loss.

Settlement risk: The Fund may be exposed to settlement risk as the Fund is reliant on the operation of CHESS. The operation of CHESS means that the issue of Units can proceed independently of the transfer of the creation basket and residual cash payment. That is, the Units could be transferred to the applicant despite the fact the applicant has not complied with its obligation to deliver the creation basket and/or the residual cash payment. If an Authorised Participant fails to comply with its settlement obligations, this may adversely impact upon the Fund. The risk is partly mitigated as participants in CHESS are subject to rules of participation, which include sanctions if there is a failure to meet their obligations.

Trading risk: The Fund is quoted under the AQUA Rules on the ASX and there is a risk that the ASX may under certain circumstances suspend trading or even remove the Fund from quotation on the ASX. The underlying assets held by the Fund may also be suspended or delisted.

Under these circumstances, we may take measures, such as suspending the creation and redemption process or we may potentially terminate the Fund.

To mitigate the risk in relation to the Fund, we will use our best endeavours to meet all ASX requirements to ensure the Units in the Fund remain quoted, including putting in place compliance and monitoring procedures. However, there is no guarantee that these requirements will always be met.

Although the Units in the Fund are quoted on the ASX, there can be no assurance that there will be a liquid market.

There is the risk that the issue price and redemption price applicable to a Unit may

differ from the trading price of a Unit on the ASX. The trading price is dependent upon a number of factors, including demand for the Units in the Fund. The risk is mitigated as the application and redemption mechanism is designed to minimise the likelihood that the Units will trade on the ASX at a significantly different price to the issue price or redemption price.

Market making risk: Under the AQUA Rules, Russell has certain market making obligations in respect of the Fund. In order to facilitate an orderly and liquid market in the Fund, we will appoint market maker(s) to provide alternate liquidity. Whilst we monitor our market maker(s)' ability to maintain continuous liquidity to the market, there is no guarantee that these requirements will always be met, particularly if there is a failure by a market maker.

Tracking risk: It will not be always possible for the Fund to accurately track the Index and the actual underlying portfolio may differ to the Index. In addition, the Fund may hold cash from time to time. While we may manage the risk through the use of instruments such as futures, there may be instances when the Fund holds a larger than normal cash balance, until such a time that we are able to invest that cash in line with the Index.

Index risk: Frank Russell Company ('FRC') is the provider of the Russell Australia ESG High Dividend Index. FRC reserves the right, at any time and without notice, to alter, amend, terminate or change the Russell Australia ESG High Dividend Index and such may impact upon our ability to manage the Fund in accordance with its stated investment strategy. In the event that the Fund or any Unitholder suffers a loss due to any error, omission, or interruption arising in relation to the Russell Australia ESG High Dividend Index, FRC will not compensate the Fund or any Unitholder for such loss.

Distributions risk: There is no assurance that the Fund will pay a distribution. The Fund is reliant on the receipt of dividends and distributions from the Fund's assets. There is no assurance that these assets will declare dividends or make distributions.

Securities lending risk: In the event that the Fund engages in securities lending (see page 11) there is a risk that the borrower may become insolvent or otherwise become unable to meet, or refuse to honour, its obligations to return the loaned assets. In this event, the Fund could experience delays in recovering assets and may incur a capital loss. Where the Fund invests any collateral it receives as part of the securities lending program, such investments are also subject to the general investment risks outlined above.

Political risk: The Fund's investments may be affected by uncertainties such as political developments or changes in government policies.

Change in law: There may be a change in law affecting the Fund (including taxation) at any time which may affect your investment in the Fund.

Fund risk: As the Fund is a managed investment scheme, there are a number of risks. These include the Fund may terminate under the terms of the constitution, the terms, fees and charges could change, or we could retire or be replaced as responsible entity of the Fund.

Operational risk: The Fund is subject to a number of operational risks; in particular, the Fund relies on a number of service providers to operate the Fund. The failure of a service provider to deliver such services may adversely impact on the operation and performance of the Fund.

Russell Investments risk: Several members of Russell Investments provide services to the Fund. As discussed at page 27, these related parties are appointed subject to arm's length commercial terms. However, a change in the circumstances of Russell Investments (such as the sale of an entity) could have an adverse impact on the operation or performance of the Fund.

To manage your risks, you should obtain professional investment advice that is tailored to your investment objectives, financial situation and particular needs. A proper risk assessment should take into account your age, your investment timeframe, your risk tolerance and the other investments that you hold.

Tax

The Australian tax commentary below is provided for Unitholders who are resident Australian taxpayers. The commentary assumes that Unitholders will be either stockbrokers, who will acquire or dispose of Units by application or redemption, or other investors, who will acquire or dispose of Units by buying or selling on the ASX AQUA market. In the case of stockbrokers, it is assumed that they act as a principal ie, are authorised as trading participants under the ASX Operating Rules and, where required, have entered into an Authorised Participant Agreement.

It is assumed that stockbrokers hold their Units in the Fund as trading stock as part of a securities trading business, and that other Unitholders hold their Units on capital account.

The tax laws are subject to continual change and as the circumstances of Unitholders vary, the taxation consequences of investing in the Fund may differ between Unitholders. It is recommended that Unitholders seek taxation advice specific to their own particular circumstances, from a suitably qualified tax adviser. Similarly, non-residents should seek their own advice.

Taxation of the Fund

The Fund will distribute all of its distributable income to Unitholders in respect of each income year. On the basis that the Unitholders of the Fund will be presently entitled to all of the distributable income of the Fund, pursuant to existing income tax legislation the Responsible Entity should not be subject to Australian income tax on the net income of the Fund.

Taxation of Australian resident investors

General

On the basis that Unitholders will be presently entitled to all of the distributable income of the Fund, Unitholders will be assessable on the net income of the Fund in proportion to their entitlement to the distributable income of the Fund.

The net income of the Fund will retain its character in the hands of Unitholders and may include amounts of dividend income, interest income, other income or revenue gains, and capital gains. The distributable income of the Fund may also include non-taxable amounts (discussed below).

Unitholders will be subject to tax at their applicable tax rate (or marginal tax rate for individual investors) on their share of the net income of the Fund in the year in which the entitlement arises, irrespective of whether the income is received or reinvested in the following income year.

Unitholders may be entitled to franking credits which arise from franked dividends received in respect of the Fund's investment in Australian shares. Subject to various eligibility criteria, including the 45 day holding period rule, Unitholders can use the franking credits to reduce the tax liability on their share of the net income of the Fund or their other assessable income. The franking credits may give rise to a refund of tax for a given year, for an Australian resident individual or complying superannuation entity, where the sum of available franking credits exceeds the tax liability for that year, and in certain cases may generate tax losses for corporate entities.

Capital gains distributed by the Fund

Subject to satisfying the eligibility criteria to be a Managed Investment Trust (MIT), it is intended that the Fund will make the MIT capital gains tax (CGT) election, and hold its eligible assets (including equities, and units in other trusts, but excluding derivatives and foreign exchange contracts) on capital account.

A Unitholder's share of the net income of the Fund may include a share of the net capital gain made by the Fund. In general, it is intended that realised capital gains (if any) arising from in-specie transfers of assets immediately prior to a redemption of Units will be allocated to the redeeming Unitholder (discussed below). Other capital gains will generally be distributed to Unitholders entitled to the final distribution on 30 June each year.

If a Unitholder's share of the net income of the Fund includes an amount that consists of a discount capital gain made by the Fund, the Unitholder must first multiply the discount gain by 2 to determine the nominal capital gain. Individual, trustee and complying superannuation fund Unitholders may claim the relevant discount capital gains concession applicable to them against the nominal gain in determining the net capital gain included in their assessable income. No discount is available to corporate Unitholders. Unitholders may also be able to offset other capital losses against the nominal capital gain amount. Capital losses must be offset against gross discount capital gains before any discount concession is available.

Non-taxable amounts

A distribution received by a Unitholder may include amounts which are not taxable. The two main types of non-taxable amounts are 'CGT concession amounts' (the non-taxable portion of any discount capital gains distributed by the Fund) and 'tax deferred amounts' (typically relating to capital allowance deductions in underlying property trusts, and distributions of corpus by a trust).

CGT concession amounts do not reduce the capital gains cost base of a Unitholder's Units. By contrast, tax deferred amounts reduce the capital gains cost base of a Unitholder's Units, and may increase the gain or reduce the loss subsequently realised on disposal of the Units. Where the total tax deferred amounts received by a Unitholder have exceeded the cost base of their Units, the excess is treated as a capital gain to the Unitholder.

For Unitholders who are stockbrokers, the abovementioned tax consequences for CGT concession and tax deferred amounts are unlikely to arise. This is because distributions received by such Unitholders will typically be taxable in full as ordinary income (note the Australian Taxation Office's treatment of such amounts as income in limited circumstances – refer Taxation Ruling IT 2512 and ATO Interpretive Decision ATO ID 2011/58).

Creation and redemption of Units by Authorised Participants (stockbrokers)

As the precise taxation implications will depend on each stockbroker's specific circumstances, it is recommended that stockbrokers seek their own independent professional taxation advice concerning the consequences of investing in the Fund. The comments below are general in nature only.

In-specie applications

The consideration for the creation of Units will be made by an in-specie transfer of a specified basket of equity securities (the Index Parcel). The transfer will represent a disposal of the securities by the stockbroker for an amount equal to the market value of the Units received, plus any negative, or minus any positive, Purchase Cash Component.

On the assumption that such Unitholders would hold the securities as trading stock in the course of their securities trading business, any profit would be assessable as ordinary income and any loss would be deductible. Specifically, the proceeds received on disposal of the Index Parcel (ie the value of the Units received plus or minus the Purchase Cash Component) should be treated as assessable income and a deduction will effectively be allowed for the cost (or opening tax value) of the securities contributed.

The Units acquired should be treated as trading stock acquired for a cost equal to the value of the securities contributed plus any positive, or minus any negative Purchase Cash Component plus the Transaction Fee.

In-specie redemptions

In respect of a redemption of Units, the total proceeds received (or the 'Withdrawal Amount') may include a distribution of Income (a 'Withdrawal Income Entitlement'). The balance of the Withdrawal Amount is the 'Redemption Price'.

The Withdrawal Income Entitlement (if any) may, depending on the circumstances, include a distribution of realised capital gains and a

share of other realised income of the Fund up to the date of the redemption (to the extent not previously distributed in respect of that year). The income distribution will be satisfied by the in specie transfer of securities at market value, equal to the amount of the income distribution. The Unitholder will acquire the securities at market value. The allocation of tax components in respect of the income distribution will be advised to the Unitholder after 30 June, in the annual tax statement, once the final tax calculations for the Fund for that year have been completed. (For completeness, whilst these components may include a distribution of discounted capital gains of the Fund, the CGT discount concession would not be available as noted above).

In calculating the Unitholder's profit or loss on disposal of the Units for tax purposes, the proceeds on disposal of the Units should be the Redemption Price. On the assumption that the Units are held as trading stock, the assessable profit or deductible loss on disposal of the Units should be equal to the Redemption Price less the cost (or opening tax value) of the Units. Specifically, the Redemption Price component of the Withdrawal Amount should be brought into account as assessable income on the disposal of the Units, and a deduction should be available for the cost (or opening tax value) of the Units. The Transaction Fee paid in respect of the redemption should also be allowable as a deduction.

An alternative view may exist whereby the full Withdrawal Amount could be construed as the disposal proceeds instead of the Redemption Price. In this instance double taxation could arise as the Withdrawal Income Entitlement could still be assessable both as a distribution of income and as part of the disposal proceeds. However, it is considered that this result will not arise in the case of Units held and redeemed as trading stock, as a result of certain provisions in the tax legislation against the same amount being taxed twice, as well as a general judicial principle against double taxation.

Acquisition and disposal of units on the ASX AQUA market

For a Unitholder holding Units on capital account, the amount paid for the shares acquired on the ASX AQUA market (plus incidental acquisition costs) will be included in the capital gains cost base of the Units. The sale of Units on the ASX AQUA market, will give rise to a CGT event which may result a capital gain or loss to the Unitholder. The discount concession may be available to individuals, trustees and complying superannuation entities where the units have been held for at least 12 months. Capital losses must be offset against gross discount capital gains before any CGT discount is applied.

In exceptional circumstances (e.g. where Units are suspended from Quotation for more than 5 consecutive trading days), Units of a non Authorised Participant may be redeemed in limited cases. In this event, Unitholders should seek professional taxation advice regarding the taxation implications of the redemption.

Taxation of Financial Arrangements (TOFA) regime

The TOFA rules may apply to certain "financial arrangements" held by the Fund. In broad terms, in calculating the net (taxable) income of the Fund, returns on certain financial arrangements may be recognised on an accruals basis rather than a realisation basis, and on revenue account. The administrator of the Fund will assist the Responsible Entity with compliance with the TOFA rules, as required by the tax legislation.

Foreign Account Tax Compliance Act (FATCA)

Australia entered into a Model 1 Inter-Governmental Agreement (IGA) on 28 April 2014 and enabling legislation received Royal Assent on 30 June 2014.

Under a Model 1 IGA, FATCA compliance obligations are imposed on Australian Reporting Financial Institutions (FIs) and generally require specific:

- › FATCA registration;
- › New Customer due diligence;
- › Pre-Existing Customer due diligence;
- › Annual FATCA reporting.

The Responsible Entity of the Fund has registered with the IRS and is responsible for ensuring that the Fund meets all FATCA compliance obligations within the applicable regulatory timeframes set out in the Australian IGA and enabling legislation.

OECD Common Reporting Standard (CRS)

The OECD CRS for the automatic exchange of information is a single global standard for the collection and reporting of information by Financial Institutions (as defined for CRS purposes) on non-residents. The Australian Government has announced its intention to implement the CRS in a staged process from 1 January 2017. The Responsible Entity of the Fund will continue to monitor developments in this regard.

Review of the taxation system

The comments noted above are based on the taxation legislation and administrative practice as at the issue date of this PDS, together with changes to the taxation legislation as announced by the Government. However, it should be noted that the Australian tax system is in a continuing state of reform, and based on the Government's reform agenda, reform is likely to escalate rather than diminish. Any reform of a tax system creates a degree of uncertainty, whether it be uncertainty as to the full extent of announced reforms, or uncertainty as to the meaning of new law that is enacted pending interpretation through the judicial process.

Current reforms in progress include the proposed new regime for Attribution Managed Investment Trusts (AMITs), various

announced but unenacted measures, which the Government confirmed would proceed in its announcements on 6 November 2013 and 14 December 2013, a deregulation review in relation to the TOFA regime, and announcements in the 13 May 2014 Federal Budget which may have tax implications. These reforms may impact on the tax position of the Fund and its Unitholders. Accordingly, it will be necessary to closely monitor the progress of these reforms, and it is strongly recommended that investors seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Fund.

Tax File Numbers (TFN) and Australian Business Numbers (ABN)

It is not compulsory for an Australian Unitholder to quote their TFN or ABN. If an Australian Unitholder is making this investment in the course of a business or enterprise carried on by the investor, the Unitholder may quote an ABN instead of a TFN. Failure by an Unitholder to quote an ABN or TFN or claim an exemption may cause the Responsible Entity to withhold tax at the top marginal rate plus the Medicare Levy on gross payments including distributions of income to the Unitholder. The Unitholder may be able to claim a credit in the Unitholder's tax return for any TFN/ABN tax withheld. By quoting their TFN or ABN, the Unitholder authorises the Responsible Entity to apply it in respect of all the Unitholder's investments with the Responsible Entity. If the Unitholder does not want to quote their TFN or ABN for some investments, the Responsible Entity should be advised.

Fees and Costs

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to pay lower contribution fees and management costs where applicable. Ask the fund or your financial planner.

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.moneysmart.gov.au) has a managed investment fee calculator to help you calculate the effect of fees and costs on account balances.

Fees and other costs

The table below shows the fees and other costs that you may be charged from the Fund. These fees and costs may be deducted from your account balance, from the returns on your investment or from the Fund as a whole.

For information on taxes, see page 16.

You should read all of the information about fees and costs, as it is important to understand their impact on your investment in the Fund

Type of Fee or Cost	Amount	How and When Paid
Fees when you move money in or out of the Fund		
Establishment fee: The fee to set up your investment	Nil	Not applicable
Contribution fee: The fee on each amount contributed to your investment	Nil	Not applicable
Withdrawal fee: The fee on each amount you take out of your investment	Nil	Not applicable
Termination fee: The fee to close your investment	Nil	Not applicable
Management Costs		
The fees and costs for managing your investment*	0.45% p.a.	The management costs are estimated and are paid directly from the assets of the Fund and reflected in the daily Unit price. The estimated management costs are quoted on a GST inclusive basis and are payable monthly or as otherwise incurred by the Fund.
Service Fees		
Switching fee: The fee charged for changing investment options	Nil	There are currently no fees for changing investment options. However, the constitution provides for a switching fee of up to 1% p.a. that could be charged in the future.
Transaction Fee		
Transaction fee: The fee charged for every creation/redemption of Units**	\$1,500 to create and redeem Units in the Fund.	Payable by the Authorised Participant only at the time of creation and at the time of redemption.

* You may be entitled to management cost rebates which may reduce the fees and costs of your investment. Please see page 22 under 'Different fees'.

** Please see 'Transaction fees for Authorised Participants' on page 22 under section 'Additional Explanation of Fees and Costs'.

Additional Explanation of Fees and Costs

The following information has been provided to help you understand the Fees and Costs section.

Example of annual fees and charges

This table gives an example of how the fees and costs in the Fund can affect your investment over a 1 year period. You should use this table to compare this product with other investment products.

Example: Russell Australian Responsible Investment ETF (Balance of \$50,000 with total contributions of \$5,000 during the year)		
Contribution Fee	Nil	For every \$5,000 you put in, you will be charged \$0.
PLUS Management Costs*	0.45% p.a.	And, for every \$50,000 you have in the Fund you will be charged \$225 each year.
EQUALS Cost of Fund	Nil	If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during a year and your balance was \$50,000, you would be charged fees of \$225**. What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser.

* You may be entitled to management cost rebates which may reduce the fees and costs of your investment. Please see 'Different fees' below.

** Note: the Cost of Fund does not take into account any Management Costs that may be payable on the \$5,000 contributions during that year.

Management Costs

Management Costs include:

- › the management fee; and
- › estimated expense recoveries.

Management fee

We receive a management fee for managing your investments in the Fund. Although the constitution of the Fund allows us to receive a management fee of up to 4% p.a of the Fund's NAV, we currently receive a lower management fee. The management fee that we receive forms part of the management costs, which are currently 0.45% p.a.

Expense recoveries (including taxes)

All expenses relating to the proper performance of our duties are recoverable from the Fund, including but not limited to custody, administration, registry, GST (less any reduced input tax credits), responsible entity, legal, reporting and audit expenses.

The actual expense recoveries are not known until the end of the financial year. The estimated expense recoveries for the Fund are included in the Management Costs and are based on the latest available figures as at the date of this PDS. The actual expense recoveries may vary.

Amounts disclosed are inclusive of GST.

Changes in fees and costs

We do not have any current intention to change the fees and costs but we have the right to change the fees and costs described in this PDS at any time, without your consent. Any increase in the Fund's fees and costs will be communicated to you at least thirty days before it occurs.

Different fees

We may negotiate different fees with investors who are 'wholesale clients' under the Corporations Act 2001. Accordingly, we may waive or rebate some of our fees (or issue Units in the Fund) to these 'wholesale clients' so that they pay reduced fees but are ultimately at our discretion, subject to the Corporations Act 2001 and ASIC policy. This is generally because they invest large amounts of money in the Fund. We cannot enter into individual fee arrangements with other investors. Please contact us if you require further details on negotiating fees.

Commissions and other benefits received

We, or members of Russell Investments, may receive commissions and other benefits (e.g. research) from brokers effecting trades for the Fund. These benefits may flow to the Fund and to other funds managed by us. We trade only with brokers who will provide best execution, regardless of whether these trades are placed with brokers related to us or not.

Transaction fee for Authorised Participants

The transaction fee is payable with every creation/redemption of Units. This fee represents the custody and administration costs associated with the in specie nature of the transaction and is payable to the Fund.

The same transaction fee is applied to all creations and redemptions and is a separate flat dollar fee regardless of the size of the transaction.

The transaction fee is payable by the Authorised Participant on creation and on redemption. In the case of a creation for Units the transaction fee is payable in addition to the issue price and in the case of a redemption of Units the transaction fee will be deducted from the redemption proceeds.

The transaction fee is GST inclusive.

Stockbroker fees for all other investors

All other investors other than Authorised Participants will incur customary brokerage fees and commissions associated with buying and selling Units on the ASX. This fee should be discussed with a stockbroker prior to investing.

Transaction costs

Transaction costs are the costs incurred when buying and selling the underlying securities of the Fund and include things such as brokerage and settlement. Transaction costs will be paid out of the assets of the Fund.

Related party payments

Members and affiliates of Russell Investments may receive fees on normal commercial terms for providing services to the Fund. In particular Russell Implementation Services Inc. will receive fees and other amounts for assisting us with the investment management services in relation to the Fund. Frank Russell Company may also receive fees and other amounts in return for granting us a licence to use the Index.

Alternative Remuneration Register

Occasionally, we may provide alternative forms of remuneration to Australian Financial Services Licensees and/or their representatives who recommend our funds to investors. The cost of any alternative remuneration will be paid out of our management fee, so it does not represent any additional cost to you.

As a member of the Financial Services Council, we are required to maintain an Alternative Remuneration Register. This register lists each occasion on which we give or receive a material amount of alternative remuneration. Our Alternative Remuneration Register is a public register and will be made available to you on request.

Creating and Redeeming

Creations and redemptions

Applications for creations and redemptions from the Fund must be made by an Authorised Participant. In addition, redemptions from the Fund can only be made by Authorised Participants who are Australian Residents.

Authorised Participants must enter into an Authorised Participant Agreement with Russell and will be required to comply with any additional requirements set out in that agreement. For a copy, please contact Russell Fund Operations.

To create or redeem Units in the Fund, Authorised Participants must complete the Application for Creation/Redemption Form attached to this PDS and send it to the Administrator by the 'cut off time'. Please refer to the Creation and Redemption Procedures in the Authorised Participant Agreement for further instructions about sending an Application for Creation//Redemption Form to the Administrator.

Please note that we may, without giving any reason, refuse or accept all or part of an application for creation of Units in our sole discretion.

Other investors looking to acquire or sell Units in the Fund may purchase or sell Units on the ASX.

Minimum creation and redemption

Except in respect of a reinvestment, the minimum number of Units required for any creation or redemption of Units must be whole multiples of 75,000 Units, where each 75,000 Units represents one creation or redemption unit.

Creations

An Authorised Participant must apply to create a whole multiple of a Creation Unit by transferring to the Fund a Creation Basket through CHESS with a cash amount (if applicable) representing any residual cash amount and any cash amount in lieu of any non-standard Creation Basket, in return for which we will issue the Authorised Participant with a Creation Unit. The transfer of the Creation Unit from us to the Authorised Participant is through CHESS.

Under the constitution of the Fund, an Authorised Participant agrees to indemnify us for any liability arising out of a failure to pay for a Unit. For example, if there is a failure to transfer all or part of the Creation Basket.

Units issued pursuant to an Application for Creation/Redemption Form will be quoted under the AQUA Rules on the ASX with effect from the settlement of the issue of the relevant Units through CHESS. On a monthly basis we will announce to the ASX via the ASX Market Announcements Platform the Fund's total Units on issue. We will not be required to hold application moneys prior to the issue of the Units, as the settlement of Units in the Fund occurs via CHESS.

Redemptions

An Authorised Participant may only redeem a whole multiple of a Redemption Unit by transferring a Redemption Unit to us for cancellation and receiving in return from the Fund a Redemption Basket through CHESS with a cash amount (if applicable) representing any residual cash amount and any cash amount in lieu of any non-standard Redemption Basket. The transfer of the Redemption Unit from the Authorised Participant occurs via CHESS.

In certain circumstances we may be required or permitted by the Fund's constitution or by law to deduct or withhold amounts relating to tax and other amounts from the redemption proceeds that would otherwise be payable to a Unitholder. These amounts (if any) will be deducted from the cash amount that would otherwise be payable to the relevant Unitholder in respect of the redemption.

Basket of securities

Prior to the opening of trade for each Business Day, the relevant Creation and Redemption Basket of securities is determined by us. This basket generally corresponds to the composition of the Index but may differ. The transfer of the Redemption or Creation Basket to and from an Authorised Participant is through CHESS.

The Fund's NAV and NAV per Unit together with the Fund's underlying holdings and

Creation and Redemption Baskets will be published daily on our website at www.russell.com.au/etfs and this information may also be provided directly to Authorised Participants once it has been published on our website.

Residual cash amount

The residual cash amount is a balancing amount to cover the difference between the value of the Creation or Redemption Basket of securities and the aggregate of the NAV per Unit to ensure there is no impact on existing Unitholders from creations or redemptions.

The residual cash amount is calculated at the close of every Business Day.

Processing creations and redemptions

Generally, applications for creations and redemptions are processed each Business Day. If the Administrator receives your completed Application for Creation/Redemption Form by the 'cut off time' on a Business Day, the Administrator will generally process your creation or redemption (as the case may be) using the issue or redemption price calculated as at the close of trading on that Business Day.

The 'cut off time' is 4.00pm on each Business Day (except in the case of non-standard baskets where it is 2:00pm on each Business Day).

If your completed Application for Creation/Redemption Form is received after the 'cut off time', or on a non-Business Day, the Administrator will generally process your creation or redemption (as the case may be) using the issue price or redemption price calculated at the close of trading on the next Business Day after it has been received.

Settlement in respect of applications for creations and redemptions generally occurs through CHESS on T+3 which is in line with the relevant ASX rules. Further terms are available in the Authorised Participant Agreement.

Issue price and redemption price

The issue price and redemption price is determined as at the close of trading for each Business Day.

The issue price and redemption price is calculated as the NAV of the Fund, divided by the number of Units of the Fund on issue (Fund's NAV per Unit).

Details of the daily NAV of the Fund and the Fund's NAV per Unit are available on Russell's website at www.russell.com.au/etfs.

The redemption amount paid to a Unitholder on the redemption of Units from the Fund may include an entitlement to the distributable income of the Fund.

Assets are valued in accordance with our securities valuation policy, usually at the current market value.

You can contact us for a copy of our policies on exercising discretions when calculating Unit prices, including details of any discretions we may exercise in various circumstances, free of charge.

Non-standard baskets

The Authorised Participant is responsible for notifying us regarding non-standard baskets. Non-standard baskets include a Creation or Redemption Basket which has a restricted security component and which requires the Authorised Participant or the Fund (as the case may be) to deliver additional cash in lieu of restricted securities.

The Authorised Participant will notify both the Administrator and us (simultaneously) of any non-standard baskets as soon as possible but in any event by 2:00 pm Sydney time. We must approve any non-standard baskets before any CHESS instruction can occur. Please refer to the Creation and Redemption Procedures in the Authorised Participant Agreement for further details of how to provide notification of non-standard baskets.

Your account balance

Your account balance changes as investments are made and as investment returns are added. Fees and taxes, as well as investment losses, reduce your account balance.

The Fund's NAV fluctuates in line with the market value of assets held in the Fund. Generally, if market values are going up, the Fund's NAV rises and if market values are declining, the Fund's NAV falls.

If the Fund's NAV increases relative to the original NAV at which you received your Units, you have made an investment gain and your account balance rises accordingly. If the Fund's NAV decreases, you've made an investment loss and your account balance will fall.

Suspension of creations and redemptions

We may suspend applications for creations or redemptions in certain circumstances. This will generally occur around the end of a distribution period when we are calculating and paying the distributable income for the relevant period or where there are factors, as determined by us, which prevent the accurate calculation of Unit prices. However, we may suspend applications for creations or redemptions in other circumstances. We will advise you when such an event occurs.

Applications for creations or redemptions received by us during a period of suspension are deemed to be received on the first Business Day after cessation of the suspension.

'Liquid' for the purposes of the Corporations Act 2001

The redemption conditions described above assume that the Fund remains 'liquid' for the purposes of the Corporations Act 2001. If the Fund is 'liquid', we must redeem Units within 21 days of the date on which a redemption request is accepted by us or such longer period as permitted in the Fund's constitution. We are currently of the view that the Fund is 'liquid'.

Under the Corporations Act 2001, if the Fund is 'illiquid', we may offer Unitholders the opportunity to redeem from the Fund on a periodic basis, but we are not obliged to do so. Where no such offer is made, Unitholders have no right to redeem from the Fund.

Transferring Units

Subject to the constitution of the Fund and ASX requirements, a Unit is usually transferable through the ASX. A Unit may also be transferred by any other method of transfer which is required or permitted by the Corporations Act 2001 and ASX.

Fund income – when and how?

Any income of the Fund is usually distributed semi-annually within 30 days after the end of June and December each year.

Your share of income will depend on how many Units you hold at the end of the distribution period. Importantly, the Fund has a mechanism in place to ensure the Fund's yield is not distorted by applications for creations/redemptions in the Fund. A daily income yield is calculated by the Administrator and used to apportion any Application for Creation or Redemption between capital and income accounts so as to maintain the requisite income yield.

Fund income can be paid directly to your nominated Australian bank account or you can choose to participate in the Distribution Reinvestment Plan (DRP). Details of the DRP are provided below.

Please note that, whilst generally the Fund will distribute income as specified above, there is no guarantee that income will be available for each distribution period.

Information in relation to distributions by the Fund will be disclosed to the ASX via the ASX Market Announcements Platform.

Distribution Reinvestment Plan

A DRP is available to eligible Unitholders so that distributions are automatically reinvested so you get back additional Units.

Partial reinvestment is available. If no election is made, distributions will be automatically paid in cash.

Unitholders can participate in the DRP by registering directly with Russell's share registrar at www.computershare.com.au/easyupdate/RARI or contacting them on 1800 RSL ETF (1800 775 383).

Participation is subject to terms outlined in the DRP rules available on www.russell.com.au/etfs.

Additional Information

Our legal relationship with Unitholders

In our role as responsible entity, we are responsible for the operation of the Fund. The Fund's constitution provides the framework for the operation of the Fund, and together with this PDS and the Corporations Act 2001, sets out our relationship with Unitholders. A copy of the Fund's constitution is available free of charge on request. We may amend the constitution only after a special resolution of Unitholders or if we believe the amendment is not adverse to Unitholders' rights.

Some of the provisions in the Fund's constitution are discussed elsewhere in this PDS. Others relate to:

- › how we must calculate Unit prices;
- › our powers – which are very broad – and how and when we exercise them;
- › our ability to refuse applications;
- › calling, attending and voting at Unitholder meetings;
- › when we are not liable to Unitholders;
- › when we may retire as responsible entity; and
- › when we can terminate the Fund and what happens if we do (if we terminate the Fund, Unitholders share the net proceeds from us selling the underlying assets).

We are not liable for any loss unless we fail to comply with our duties under the Corporations Act 2001. A Unitholder's liability is limited by the constitution to the value of their Units but the courts are yet to determine the effectiveness of provisions like this.

Redemptions by investors other than Authorised Participants

Investors who are not Authorised Participants looking to dispose Units in the Fund may only do so through the ASX via their stockbroker or financial adviser. However, if Units in the Fund are suspended from quotation for more than five consecutive days, the Fund's Constitution contains a provision that allows investors who are not Authorised Participants to redeem their Units in the Fund directly for cash, except where:

- (i) the Fund has been terminated;
- (ii) the Fund is not liquid;

- (iii) the Responsible Entity has suspended applications for redemptions as it determines in certain circumstances, or for any reason, where it considers that to do so is in the best interest of Unitholders.

The Responsible Entity

The responsible entity of the Fund is Russell Investment Management Ltd, as part of Russell Investments. Russell Investments is a global asset manager and one of only a few firms that offers actively managed multi-asset portfolios and services that include advice, investments and implementation.

Working with institutional investors, financial advisers and individuals, Russell Investments' core capabilities extend across capital market insights, manager research, portfolio construction, portfolio implementation and indexes.

Russell Investments has more than \$275 billion in assets under management (as of 30 September 2014) and works with 2,500 institutional clients and independent distribution partners and millions of individual investors globally. As a consultant to some of the largest pools of capital in the world, Russell Investments has \$2.7 trillion in assets under advisement (as of 30 June 2014). Russell Investments is a trade name and registered trademark of Frank Russell Company, a Washington USA corporation, which operates through subsidiaries worldwide.

Under the Corporations Act 2001 the responsible entity may be changed with a resolution passed by at least 50% of the total votes that may be cast by Unitholders entitled to vote on the resolution.

Unit classes

The Fund may offer different classes of units. Identical rights attach to all units within a class. However, the rights and obligations attaching to different classes of units may vary and are set out in the constitution and the relevant offer document. As at the date of this PDS, there is only one class of units that have the features described in this PDS.

Compliance plan and compliance committee

The Fund has a compliance plan which describes the means that we take to ensure compliance with the Corporations Act 2001 and the Fund's constitution. A Compliance Committee with a majority of independent members has been established by us to oversee compliance with the Fund's constitution and the Corporations Act 2001.

Market maker

Under the AQUA Rules, we have certain obligations in respect of the Fund to facilitate an orderly and liquid market in the Fund. We may appoint a market maker to maintain continuous liquidity in the market by acting as a buyer and seller of Units on the secondary market. A market maker will create and redeem Units as required in order to satisfy supply and demand for Units by investors.

We understand the importance of the role of the market maker and seek to appoint market makers that: have experience in making markets in ETFs and other types of listed securities in both Australia and overseas; that are ASX participants and have agreements with the ASX to act as a market maker; and that have the necessary skill and expertise to perform a market making function.

We have selected Deutsche Securities Australia Ltd. ("DSAL") to act as the lead market maker for the Fund. DSAL has experience in making markets globally.

DSAL does not sponsor or endorse the Fund in any way and does not give any representation, warranty, guarantee, assurance or undertaking express or implied as to any matter in connection with the Fund (including, but not limited to, the performance of the market making function described in this PDS or the expected or projected success, profitability, return, performance, results or benefit of any investment or participation in the Fund). DSAL has had no involvement in the preparation of any part of this PDS (including, but not limited to, the role of the market maker and the market making function described in this PDS). DSAL has not authorised or caused the issue of, and

expressly disclaims and takes no responsibility for, any part of this PDS.

Subject to the AQUA Rules, we may replace a market maker appointed in respect of the Fund or appoint additional market makers.

Related party contracts

We have entered into a number of arrangements with related body corporates of Russell Investments. In particular, the Index is provided by Frank Russell Company, and Russell Implementation Services Inc. will provide us with assistance in our role as the investment manager.

We have appointed the related parties on an arm's length commercial basis. We have also made these appointments after considering the requirements of our conflicts of interest policy and our obligation to manage conflicts of interest under the Corporations Act 2001.

Index Provider

We have appointed Frank Russell Company as the index provider to Fund. Russell Investments' global indexes offer a transparent way to accurately measure distinct segments of the global market.

Please refer to page 6 for a full description of the Index.

The responsible entity of the Fund may substitute the Index for another. However, the responsible entity will not do this if to do so would significantly change the Fund's investment strategy as described in this PDS, unless the change of investment strategy has been approved by a resolution of Unitholders and passed by at least 75% of the votes cast.

If the Index is changed, we will make an announcement to the ASX and take such steps as required by law.

Frank Russell Company has given and, as at the date of this PDS, has not withdrawn its consent to be named as the index provider to the Fund in this PDS in the form and context in which it is named.

Custodian and administrator

We have appointed State Street Australia Limited as the custodian and administrator of the Fund. The custodian and administrator will provide custodial and certain administrative services to the Fund. The custodian and administrator has not been involved in any way in the preparation of this PDS and is named only for information purposes. State Street Australia Limited has given and, as at the date of this PDS, has not withdrawn its consent to named as the custodian and administrator of the Fund in this PDS in the form and context in which it is named.

Registrar

We have appointed Computershare Investor Services Pty Limited to maintain Unitholder records such as quantity of securities held, tax file number and details of participation in the DRP. The registrar can be contacted at:

Computershare Investor Services Pty Limited

Yarra Falls
452 Johnston Street
Abbotsford Vic 3067
Ph: 1800 RSL ETF (1800 775 383)
Website: www.computershare.com.au

Computershare Investor Services Pty Limited has given and, as at the date hereof, has not withdrawn its written consent to be named as the Registrar in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of this PDS other than being named as the Registrar for the Fund. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this PDS.

Auditors

The Fund and the compliance plan for the Fund are required to be audited annually. We have appointed PricewaterhouseCoopers as auditor of the Fund and of the compliance plan. PricewaterhouseCoopers has given and, as at the date of this PDS, has not withdrawn its consent to be named as the auditor of the Fund in this PDS in the form and context in which it is named.

Annual Report

Under the Corporations Act 2001 we are required to provide or make available to you a copy of the annual financial report, the annual directors' report and the auditor's report on the annual financial report (Annual Report) for the Fund unless you have elected not to receive them. The Annual Report is published on the website at www.russell.com.au/etfs.

Annual investment statements and exit statements

If you are a retail investor, you will receive an annual investment statement setting out information in relation to your investment over the annual reporting period (1 July to 30 June), including details of the return on your investment in the Fund (if applicable) and any transactions affecting your investment in the Fund. If you are a retail investor, you will receive an exit statement within 6 months of exiting the Fund. The first reporting period where these statements were required to be provided for ETFs was 1 July 2013 to 30 June 2014.

Interest

In circumstances where the Fund holds cash after the receipt of application monies any interest earned on these amounts will be retained for the benefit of all the members of the Fund. In addition, the Fund may hold cash pending the payment of redemption proceeds and any interest earned on these amounts will be retained for the benefit of all members of the Fund. The registrar may also hold cash immediately pending the payment of a distribution. Any interest earned on such will be retained by the registrar to offset expenses incurred in relation to the Fund.

Investor identification and verification

In making an application for creation of Units under this PDS applicants must provide and we must verify specified proofs of identity before processing an application. Refer to the Client ID Form for further details of the information and identification that is required, which can be obtained by contacting Russell Fund Operations.

The protection of your investments is an important matter. We have investor

identification and verification procedures (ID Procedures) in place to manage risks associated with fraud and unauthorised transactions. At times these procedures may cause inconvenience or delay to you. Please remember that the procedures are applied to safeguard your investments.

In addition, under Anti-Money Laundering and Counter Terrorism Financing (AML/CTF) legislation, we are required to establish and enforce appropriate risk control programs with accompanying ID Procedures and transaction monitoring procedures. The procedures require applicants to provide satisfactory proof of identity which must be verified before an application for creation of Units can be accepted. The ID Procedures may also require us, from time to time, to re-verify that information or request additional identification or related information from you, before we can process a requested transaction on your behalf.

We do not accept any liability for any loss you may incur (whether by delay in acceptance of an application, transaction processing or otherwise), arising from the application of our ID Procedures.

Complaints

We have procedures in place for dealing with complaints promptly and in any case within 45 days of receiving a complaint. If you have any complaints, please contact us:

The Complaints Manager

Russell Investment Management Ltd
GPO Box 3279
SYDNEY NSW 2001, Australia
Email: disputeresolution@russell.com
Fax number: 1300 768 040 (in Australia)
+612 9229 5116 (outside Australia)
Phone number: (02) 9229 5111 (in Australia)
+612 9229 5111 (outside Australia)

We are also a member of the Financial Ombudsman Service Limited ('FOS'). If you have any complaints you may write to FOS at:

GPO Box 3
Melbourne VIC 3001 Australia
Phone: 1300 78 08 08 (in Australia)
Fax: (03) 9613 6399
Email: info@fos.org.au
Website: www.fos.org.au

Your privacy

The way that we collect, use, disclose, keep secure and give people access to their personal information is regulated by the Privacy Act 1988. Our Privacy Policy states how we manage personal information and includes details about:

- › how we use personal information (for example, we may share it with related companies and external service providers, or use it to tell you about other products and services that we offer – but you can elect to step receiving such information at any time);
- › how we store and maintain personal information;
- › how you can access or correct your personal information; and
- › how you can make a complaint to us about a breach of the Privacy Act 1988.

You do not need to give us any of the personal information requested in the Application Form or any other document or communication relating to the products or services that we supply to you. However, without this information, we may not be able to process your application or provide you with an appropriate level of service.

By completing the Application for Creation/Redemption Form accompanying the PDS, you agree to us collecting, holding and using personal information about you, in the way set out in our Privacy Policy, to process your application, and administer and manage the products and services we provide to you. This includes monitoring, auditing and evaluating the products and services, modelling data, data testing, communicating with you and dealing with any complaints or enquiries.

You also agree to us disclosing your personal information to other Russell companies as well as our external service providers, which provide services in connection with our products and services.

We may also disclose your personal information:

- › if, acting in good faith, we believe that the law requires or permits us to do so;
- › if you consent; or

- › to any party proposing to acquire an interest in our business.

For full details on how we manage personal information, a copy of our Privacy Policy can be obtained on our website at www.russell.com.au or by contacting us.

If you wish to update or request access to your information or if you have any queries regarding our Privacy Policy, please contact us at:

The Privacy Officer
Russell Investments
Level 29, 135 King Street
SYDNEY NSW 2000
Email: aus-compliance@russell.com
Phone: 02 9229 5111

What you need to remember

This PDS contains general information only. It has not been prepared having regard to your investment objectives, financial situation or specific needs. Before making a decision to invest in the Fund, you need to consider whether the Fund is appropriate to your objectives, financial situation and needs. We encourage you to obtain financial advice before making an investment decision.

As with most investing, it is not guaranteed that you will make money from investing in the Fund. The value of your investment can go up or down and you could get back less than you invested. Please note that neither we nor any other member of Russell Investments guarantees the repayment of your capital or the performance of the Fund. We recommend that you satisfy yourself with respect to the risks associated with an investment in the Fund. Please refer to page 13 for a more detailed description of those risks.

Updated information

Information in this PDS is subject to change. Where information in this PDS changes which is not materially adverse to a Unitholder, we may update this information by publishing the changes on our website: www.russell.com.au/etfs. You can contact us if you would like a paper copy of this information, free of charge. We may also be required to issue a supplementary PDS as a result of certain

changes. Certain other changes will be deemed to be incorporated into this PDS by reference.

Electronic or paper copies of this PDS can be obtained free of charge from us.

As responsible entity of the Fund, we are subject to continuous disclosure obligations that require us to make material information available. We will comply with our continuous disclosure obligations under the law by publishing material information about the Fund on our website in accordance with ASIC's good practice guidance for website disclosure. You can obtain a copy of the Fund's continuous disclosure information by visiting our website www.russell.com.au/etfs. We encourage you to regularly check our website for new information that may be relevant to your investment. A paper copy of this information will also be given to you, on request, without charge.

ASIC Relief

Exemption – Unequal treatment in withdrawal from an AQUA exchange traded fund

ASIC has granted Class Order relief (CO 13/721) under section 601QA of the Corporations Act 2001 from the equal treatment requirement in section 601FC(1)(d), to the extent necessary to permit Russell to not treat Unitholders equally to the extent that it restricts redemptions from the Fund to Authorised Participants. For the purposes of this relief, except in exceptional circumstances, only Authorised Participants may redeem from the Fund, but other Unitholders may sell their Units on the AQUA market. However, if the Units are suspended from trading on the AQUA market for more than 5 consecutive Trading Days, Unitholders will have the right to redeem from the Fund and receive payment for their interests in money within a reasonable time of request unless any of the following apply:

- › the Fund is wound up;
- › the Fund is not liquid as defined in subsection 601KA(4) of the Corporations Act 2001; or
- › we suspend redemptions in accordance with the Fund's constitution.

In the event that such a redemption occurs, any Transaction Fee per Unit payable by Unitholders who are not Authorised Participants will not be greater than the Transaction Fee per Unit that would generally be payable by an Authorised Participant receiving redemption proceeds in cash when withdrawing the minimum parcel of Units.

Exemption – Unequal treatment in provision of information to Authorised Participants

ASIC has granted Class Order relief (CO 13/721) under section 601QA of the Corporations Act 2001 from the equal treatment requirement in section 601FC(1)(d), to the extent necessary to permit Russell to not treat Unitholders equally to the extent that it restricts Russell from providing information to Authorised Participants before other Unitholders about:

- › the index the Fund aims to track as its investment strategy; and
- › scheme property specifying:
 - i. the number and class of securities and any other property required to acquire a Unit in the Fund by Authorised Participants on the Trading Day that first ends after the information is provided; and
 - ii. the number and class of securities and any other property transferred on redemption from a Unit in the Fund by Authorised Participants on the Trading Day that first ends after the information is provided.

Russell will provide information about the Russell Australia ESG High Dividend Index and the number and identity of securities and any other property required to acquire/redeem a Creation/Redemption Unit in the Fund to Authorised Participants before other Unitholders. Russell will disclose this information on our website www.russell.com.au/etfs before the commencement of the Trading Day after the day on which such disclosure is made to Authorised Participants. Russell will take reasonable steps to ensure that the indicative NAV per Unit is publicly available and updated every 15 minutes during each Trading Day.

Declaration - Relevant Interest in Fund Assets

ASIC has granted Class Order relief (CO 13/721) under section 655A(1) and 673(1) of the Corporations Act 2001 by modifying section 609 of the Corporations Act 2001 to ensure that the ability to lodge a redemption request under the redemption facility offered by the Fund does not by itself give Authorised Participants a relevant interest in the securities held by the Fund. The instrument clarifies that those relevant interests do not need to be taken into account by Authorised Participants in relation to their obligations under the takeover and substantial holder notices regimes in the Corporations Act 2001. Once an Authorised Participant makes a redemption request this relief will cease to apply in respect of any securities that an Authorised Participant would receive if Russell transferred the securities to the Authorised Participant in accordance with the redemption request

The relief will apply in respect of the Fund as:

- (a) the Fund's investment strategy aim to make investments that are expected to result in the value of a Unit in the Fund changing in proportion to the value of the Russell Australia ESG High Dividend Index, ignoring the effect of fees and other costs (including taxes) in relation to the Fund; and
- (b) implementation of this investment strategy would not be likely to lead to the Fund's scheme property including securities in a class of securities that (i) would represent more than 10% by value of scheme property; and (ii) were, or would result in, securities in a listed company, an unlisted company with more than 50 members, a listed body that is formed or incorporated in Australia or a listed scheme

Exemption - Ongoing Disclosure

ASIC has granted Class Order relief (CO 13/721) under section 1020F(1)(a) of the Corporations Act 2001 from the ongoing disclosure requirements in section 1017B on the condition that Russell complies with the continuous disclosure requirements in section 675 of the Corporations Act 2001 as if the Fund were an unlisted disclosing entity. Russell will comply with the continuous disclosure

requirements of the Corporations Act 2001 as if the Fund were an unlisted disclosing entity

Class Order Relief - Periodic Statements

ASIC has granted relief under Class Order 13/1200 which exempts Russell from certain periodic statement requirements. In particular, we are not required to include in periodic statements purchase or sale price information or return on investment information where Russell is unable to determine such information and the periodic statement explains why this information is not included and describes how it can be obtained or calculated. In addition, Class Order 13/1200 requires us to report in the periodic statement whether the Fund has met its investment objective over the last one year and five year periods.

Terms used in this PDS

'Administrator' refers to State Street Australia Limited.

'Application for Creation//Redemption Form' refers to the application for creation/redemption form attached to this PDS.

'AQUA Rules' refers to the ASX Operating Rules that apply to AQUA Products.

'ASIC' refers to the Australian Securities and Investments Commission.

'ASX' refers to the Australian Securities Exchange Ltd.

'Australian Resident' means a person who is an Australian resident in accordance with criteria determined by us.

'Authorised Participant' refers to persons who have been authorised as trading participants under the ASX Operating Rules and, where required, have entered into a relevant Authorised Participant Agreement.

'Authorised Participant Agreement' refers to an agreement between us and an Authorised Participant governing the application for creation and redemption of Units in the Fund.

'Business Day' has the same meaning as in the ASX Operating Rules.

'CHESS' refers to Clearing House Electronic Sub-register System.

'Creation/Redemption Basket' means a portfolio of securities determined by us.

'Creation/Redemption Unit' means 75,000 Units.

'ETF' refers to an exchange traded fund.

'Index' refers to the Russell Australia ESG High Dividend Index

'Fund' refers to the Russell Australian Responsible Investment ETF ARSN 603 169 384

'NAV' refers to the net asset value of the Fund.

'PDS' means this product disclosure statement as amended or supplemented from time to time.

Responsible Investment Committee refers to the committee responsible for determining the list of securities that are ineligible for inclusion in the Russell Australia ESG High Dividend Index.

'Russell Investments' refers to the group of companies that are subsidiaries of Frank Russell Company, a Washington, a USA corporation. 'Russell Investments' is a registered trademark of Frank Russell Company.

'Trading Days' means a day determined by ASX to be a Trading Day and notified to Market Participants, as defined in the ASX Operating Rules.

'Unit' refers to units in the Fund as described in this PDS.

'Unitholder' refers to a person holding Units in the Fund.

'we', 'our', 'us' or 'Russell' means Russell Investment Management Ltd ABN 53 068 338 974, AFS Licence Number 247 185, the responsible entity of the Fund.

Application for Creation/Redemption Form

Russell Australian Responsible Investment ETF

Please complete the relevant sections in BLOCK LETTERS.

Investor details

Investor Name/s: (For joint applicants, include both names)

Investor Address:

Postcode: Contact Number: (In case we need to contact you about your application)

Note: You need to firstly contact Russell Fund Operations for instructions on how to invest and to obtain a copy of the Client ID Form. You will also need to complete the forms required by Russell for client identification and verification procedures (this includes proof of investor ID requirements). This form is issued with the Product Disclosure Statement for the Russell Australian Responsible Investment ETF dated 16 March 2015 (PDS).

Please refer to the Creation and Redemption Procedure in the Authorised Participant Agreement for fax details to use when sending the Application for Creation/Redemption Form.

Number of creation/redemption units applied/redeemed

The Investor applies to Russell Investment Management Ltd. ABN 53 068 338 974, AFS Licence Number 247 185 as responsible entity for the Russell Australian Responsible Investment ETF for the issue/redemption of the number of Creation/Redemption Units specified (whole multiples of 75,000 Units only).

ETF	ASX code	Number of Creation Units	Number of Redemption Units
Russell Australian Responsible Investment ETF ARSN 603 169 384	RARI	<input type="text"/>	<input type="text"/>

Non-standard baskets

The Authorised Participant is responsible for notifying us regarding "non-standard-baskets". Non-standard baskets include a Creation or Redemption Basket which has a restricted security component and which requires the Authorised Participant or the Fund (as the case may be) to deliver additional cash in lieu of restricted securities. For further information on notification of non-standard baskets please refer to the Creation and Redemption Procedures which form part of the Authorised Participant Agreement.

Security name	Sedol	Quantity

Declaration

I/We:

- » confirm that I/we have received the PDS (in electronic or hard copy version) and I/we are completing the form attached to that PDS;
- » confirm that I/we have read the PDS to which this form relates, including the 'The Risks of Investing' section;
- » acknowledge that all information provided on this form is true and correct;
- » acknowledge that I/we have obtained independent advice;
- » agree to be bound by the terms and conditions of PDS and the Fund's constitution, as amended from time to time;
- » acknowledge that the repayment of investment capital and the payment of any income is not guaranteed;
- » consent to the use of my/our personal information in accordance with the 'Your privacy' section of the PDS;
- » in respect of an application, agree to execute an Authorised Participant Agreement;
- » in respect of an application, confirm that I/we are authorised as trading participants under the Australian Securities Exchange (ASX) Market Rules and are acting as principal;
- » acknowledge that I/we are an Australian Resident for tax purposes as defined in the constitution as at the date of this form;
- » acknowledge that the law prohibits a person from giving another person this form (either electronically or otherwise) without also giving them a copy of the PDS. Paper copies of the PDS are available fee of charge;
- » confirm that I/we have notified State Street Australia Limited and Russell of any non-standard baskets by completing the section above on the Application for Creation/Redemption Form under the section 'Non-standard baskets'.

This form must be signed by the applicant. If signed under power of attorney, the attorney verifies that no notice of revocation of power has been received. A certified copy of the power of attorney must be forwarded with the form. Corporate applications must be signed in accordance with the corporation's constitution and the Corporations Act 2001.

Signature of Authorised Signing Officer

Date (dd/mm/yyyy)

Printed Name

Signature of Authorised Signing Officer

Date (dd/mm/yyyy)

Printed Name

