

28 October 2016

**HELPLINE:** 1800 990 365  
+61 1800 990 365 from overseas  
[syd-unitholdermeeting@russellinvestments.com](mailto:syd-unitholdermeeting@russellinvestments.com)

Dear Unit Holder,

**Unit Holder meetings for the Russell Investments Funds managed by Russell Investment Management Ltd (“RIML”)**

Please be advised that unit holder meetings of each of the Funds set out below (“Russell Investments Funds”) will be held as follows:

**Time:** 2.30pm  
**Date:** 24 November 2016  
**Place:** Russell Investments  
Level 29, 135 King Street  
Sydney NSW 2000

Unit Holders in each Russell Investments Fund are being requested to consider the resolution: *That the constitution of the Russell Investments Fund be amended in the manner described in the Notice of Meetings and Explanatory Memorandum.* (“Resolution”).

Please refer to the enclosed Notice of Meetings and Explanatory Memorandum for further information on the meetings, the Resolution and how to vote.

**Voting**

You may exercise your right to vote either by attending the meetings in person or by lodging the enclosed Proxy Voting Form(s) by no later than 2.30pm on 22 November 2016. You may vote electronically at [investorcentre.linkmarketservices.com.au](http://investorcentre.linkmarketservices.com.au) or we have included a reply paid envelope if you received your notice in the post, should you wish to return your form by mail to Link Market Services Ltd.

**Results of the Meetings**

We will confirm the results of the meetings for each Russell Investments Fund by updating our website ([www.russellinvestments.com.au](http://www.russellinvestments.com.au)) on 25 November 2016. RIML anticipates that subject to unit holder approval at the meetings, it will issue a new PDS for each Russell Investments Fund on or around 29 November 2016 and that PDS will be available at [www.russellinvestments.com.au](http://www.russellinvestments.com.au).

### Further information

Should you require any further information or wish to speak to someone about the Notice of Meetings or the business of the meetings, please contact Link Market Services on 1800 990 365 or +61 1800 990 365 from overseas (during Sydney business hours), by email at [syd-unitholdermeeting@russellinvestments.com](mailto:syd-unitholdermeeting@russellinvestments.com) or please contact your Russell Investments Client Relationship Manager.

Yours sincerely,



Gary Jennings  
Company Secretary  
Russell Investment Management Ltd

### Russell Investments Funds

No.	FUND	ARSN
1.	RUSSELL AUSTRALIAN BOND FUND	092 806 169
2.	RUSSELL AUSTRALIAN SHARES FUND	092 807 728
3.	RUSSELL INTERNATIONAL SHARES FUND	092 808 261
4.	RUSSELL INTERNATIONAL BOND FUND-\$A HEDGED	092 806 954
5.	RUSSELL AUSTRALIAN CASH FUND	092 806 767
6.	RUSSELL INTERNATIONAL SHARES FUND-\$A HEDGED	092 805 939
7.	RUSSELL CONSERVATIVE FUND	094 799 578
8.	RUSSELL DIVERSIFIED 50 FUND	095 296 049
9.	RUSSELL BALANCED FUND	094 799 345
10.	RUSSELL GROWTH FUND	094 799 443
11.	RUSSELL AUSTRALIAN SHARES TRACKER FUND	125 507 226
12.	RUSSELL TAX EFFECTIVE GLOBAL SHARES FUND	138 704 597
13.	RUSSELL PORTFOLIO SERIES – CONSERVATIVE	099 584 639
14.	RUSSELL PORTFOLIO SERIES – BALANCED	099 585 243
15.	RUSSELL PORTFOLIO SERIES – GROWTH	099 585 467
16.	RUSSELL HIGH GROWTH FUND	111 170 122
17.	RUSSELL AUSTRALIAN CASH ENHANCED FUND	111 170 300
18.	RUSSELL INTERNATIONAL PROPERTY SECURITIES FUND – \$A HEDGED	111 169 987
19.	RUSSELL AUSTRALIAN OPPORTUNITIES FUND	108 895 469
20.	RUSSELL GLOBAL OPPORTUNITIES FUND	111 169 745
21.	RUSSELL GLOBAL OPPORTUNITIES FUND - \$NZ HEDGED	112 398 786
22.	RUSSELL EMERGING MARKETS FUND	122 656 884
23.	RUSSELL GLOBAL OPPORTUNITIES FUND - \$A HEDGED	133 924 526
24.	RUSSELL GLOBAL LISTED INFRASTRUCTURE FUND - \$A HEDGED	139 233 971
25.	RUSSELL MULTI-ASSET FACTOR EXPOSURE FUND	604 937 082
26.	RUSSELL GLOBAL BOND FUND	140 625 074
27.	RUSSELL AUSTRALIAN BOND INCOME FUND	146 413 185
28.	RUSSELL INVESTMENTS MULTI-ASSET GROWTH STRATEGY PLUS FUND	160 347 151
29.	RUSSELL INVESTMENTS MULTI-ASSET INCOME STRATEGY FUND	160 347 384
30.	RUSSELL AUSTRALIAN SHARES ENHANCED INCOME FUND	146 415 803
31.	RUSSELL AFTER-TAX AUSTRALIAN SHARES FUND (FOR SUPERANNUATION INVESTORS)	148 173 808
32.	RUSSELL INVESTMENTS MULTI-ASSET GROWTH STRATEGY FUND (RETAIL)	160 346 967
33.	RUSSELL INVESTMENTS MULTI-ASSET GROWTH STRATEGY FUND	163 276 864

# Notice of Meetings and Explanatory Memorandum

In relation to the Russell Investments Funds listed in Annexure 1, this Notice of Meetings and Explanatory Memorandum outlines the Resolution in respect of each Russell Investments Fund to be considered by Unit Holders of that Russell Investments Fund.

## ISSUED BY:

Russell Investment Management Ltd (ACN 068 338 974; AFSL 247185) (**RIML**) in its capacity as responsible entity of each of the Russell Investments Funds.

This Notice of Meetings and Explanatory Memorandum is dated 28 October 2016.

**IMPORTANT NOTICE:** This is an important document that requires your urgent attention. Please read the information in this Notice of Meetings and Explanatory Memorandum carefully. If after reading this Notice of Meetings and Explanatory Memorandum you are in any doubt as to the course of action you wish to take, you should consult your professional adviser as soon as possible.

Terms used in this Notice of Meetings and Explanatory Memorandum are defined in the Glossary in section 9.

The information contained in this Notice of Meetings and Explanatory Memorandum does not constitute a personal recommendation by RIML or any of its affiliates, officers, employees or agents to you in relation to any financial product or service. This Notice of Meetings and Explanatory Memorandum has been prepared without taking into account any person's particular investment objectives, financial situation or needs. You should assess whether the information contained in this Notice of Meetings and Explanatory Memorandum is appropriate with respect to your own circumstances before making a decision in relation to the Resolution. If you are unsure, you should seek your own professional advice.

## KEY INFORMATION AND DATES

<b>Time and date of Meetings:</b>	A meeting of each Russell Investments Fund will be held concurrently at 2:30pm on 24 November 2016.
<b>Place of Meetings:</b>	The Meetings will be held at Level 29, 135 King Street, Sydney 2000.
<b>Voting entitlements to be determined as at:</b>	<b>Who can vote:</b> 5.00pm on 23 November 2016. <b>Value of votes:</b> 5.00pm on 23 November 2016.
<b>Latest time for receipt of Proxy Forms:</b>	Proxy Forms must be returned to Link by no later than 2:30pm on 22 November 2016.

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*Annexure 1: Russell Investments Funds*

*Annexure 2: Summary of changes proposed to be made to the Constitutions*

# 1. General information

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## 1.1 What is this document?

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This is a Notice of Meetings and Explanatory Memorandum for each of the Russell Investments Funds listed in Annexure 1 (individually, a "**Russell Investments Fund**", together, the "**Russell Investments Funds**").

RIML's records indicate that you are a registered Unit Holder of one or more of the Russell Investments Funds.

RIML is required to give Unit Holders at least 21 days' notice of a meeting of Unit Holders for each Russell Investments Fund. This document is that notice.

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## 1.2 What is the purpose of the Meetings?

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The purpose of the Meetings is for Unit Holders of each Russell Investments Fund to vote on the Resolution for the Russell Investments Fund set out in the Notice of Meetings.

The Resolution in relation to each Russell Investments Fund relates to approving a number of amendments to the Constitution for that Russell Investments Fund (as applicable) as described in the Explanatory Memorandum.

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## 1.3 What documents have I received?

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In addition to this Notice of Meetings and Explanatory Memorandum, you have received a Proxy Form with voting instructions on the reverse.

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## 1.4 Unit holder enquires

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If you have any questions, or wish to obtain more information on any matter contained in this Notice of Meetings and Explanatory Memorandum, please contact Link Market Services by phone on **1800 990 365** or **+61 1800 990 365** if calling from overseas or by emailing RIML at [syd-unitholdermeeting@russellinvestments.com](mailto:syd-unitholdermeeting@russellinvestments.com).

## 2. Notice of Meetings and Resolution

Russell Investment Management Ltd ACN 068 338 974 in its capacity as responsible entity of each of the Russell Investments Funds listed in Annexure 1 hereby gives notice that a meeting of Unit Holders of each of the Russell Investments Funds will be held concurrently for the purpose of considering and, if thought appropriate, passing the following Special Resolution in respect of that particular Russell Investments Fund:

*"That the constitution of the Russell Investments Fund be amended in the manner described in this Notice of Meetings and Explanatory Memorandum." (**Resolution**)*

The Meetings will be held as follows:

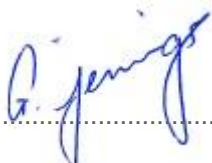
Place: Level 29, 135 King Street  
SYDNEY NSW 2000

Date: 24 November 2016

Time: 2:30pm

Pursuant to section 601GC(1)(a) of the Corporations Act as referred to in the Constitutions, the Resolution in relation to each Russell Investments Fund is required to be a Special Resolution. The Resolution for a Russell Investments Fund will be passed if at least 75% of the votes cast by Unit Holders of the relevant Russell Investments Fund entitled to vote on the Resolution and present at the meeting (either in person or by proxy) are cast in favour of the Resolution.

By order of the board of Russell Investment Management Ltd:



.....  
Gary Jennings  
Company Secretary

Russell Investment Management Ltd

## 3. Notes to the Notice of Meetings

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### 3.1 Defined terms

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Unless otherwise defined, capitalised terms in this Notice of Meetings have the same meaning as given in the Explanatory Memorandum to this Notice of Meetings.

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### 3.2 Concurrent Meetings

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The Meetings will be held concurrently on the basis that each meeting for the Russell Investments Funds will cover the same subject matter (i.e. the Resolution). RIML is satisfied that, provided opportunities for separate deliberation are not compromised, holding the Meetings concurrently will avoid unnecessary repetition and use of resources.

The Meetings will be carried out in the following manner:

- (a) The Meetings will be declared open (assuming the quorum for each meeting of Unit Holders for the relevant Russell Investments Fund is present as described in section 3.9 of this Explanatory Memorandum). The Chairperson (**Chair**) of the Meetings will outline the purpose of the Meetings, what will occur if the Resolution is passed and what will occur if the Resolution is not passed.
  - (b) The Chair will inform those Unit Holders present as to the number of proxy votes received for, against and abstaining from voting in relation to the Resolution for each Russell Investments Fund.
  - (c) Once all the Meetings have been given the opportunity for separate deliberation (if necessary) the Meetings will then be closed. The final outcome of the Resolution for each Russell Investments Fund will then be made available on the RIML website at [russellinvestments.com.au](http://russellinvestments.com.au) from 5.00pm on 25 November 2016.
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### 3.3 Attendance at the Meetings

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Rather than attending the Meetings, you may complete and return the Proxy Form although you may attend and vote at the relevant meeting if you wish.

If you wish to cast your vote in person in relation to a Russell Investments Fund of which you are a Unit Holder, you or, if you are a body corporate, your corporate representative, may attend the Meetings.

Any Unit Holders wishing to vote at the Meetings will need to register and complete a voting card to be used when the Chair opens voting for the relevant meeting.

### 3.4 Appointing a proxy

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A Unit Holder who is entitled to attend and cast a vote at a meeting of Unit Holders of a Russell Investments Fund may appoint 1 or 2 persons as the Unit Holder's proxy to attend and vote for that Unit Holder at the Meetings. A Unit Holder may only appoint 2 persons as the Unit Holder's proxy where they are entitled to cast 2 or more votes.

Where 2 persons are appointed as a Unit Holder's proxy, the appointment may specify the proportion or number of votes each proxy is appointed to exercise. If the appointment does not specify the proportion or number of the Unit Holder's votes each proxy may exercise, each proxy may exercise half of the votes.

A proxy does not need to be a Unit Holder of the relevant Russell Investments Fund. The Chair intends to vote all undirected proxies held by the Chair in favour of the Resolution for the relevant Russell Investments Fund to which the undirected proxy vote relates.

Details on how to complete the Proxy Form are included on the Proxy Form.

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### 3.5 Proxy Forms

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Unit Holders appointing a proxy must complete and sign the Proxy Form included with this Notice of Meetings and Explanatory Memorandum.

For an appointment of a proxy to be effective for the Meetings, the Proxy Form must be received by Link by no later than 2:30pm on 22 November 2016, by any of the following methods:

- > **Electronically:** If you wish to submit your proxy appointment and voting instructions electronically, visit the share registry website, [investorcentre.linkmarketservices.com.au](http://investorcentre.linkmarketservices.com.au) and log in using the 'Single Holding' function and selecting Russell Investment Management Ltd in the 'Issuer Name' field. You will need your Reference Number which is shown in the top right hand side of the Voting/Proxy Form, and then follow the prompts and instructions to vote.
  - > **In hard copy:** Please refer to section 7.2 of this Explanatory Memorandum for mailing and hand delivery details.
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### 3.6 Body Corporate Representatives

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To vote at the Meetings in person (rather than by proxy), a body corporate that is a Unit Holder must appoint a person to act as its representative. The appointment must set out what the representative is appointed to do and may set out restrictions on the representative's powers. If the appointment is to be by reference to a position held, the appointment must identify the position. The representative must bring to the Meetings evidence of their appointment, including any authority under which it is signed.

An Appointment of Body Corporate Representative form is available upon request by contacting Link on **1800 990 365** or **+61 1800 990 365** if calling from overseas; or may be downloaded from Link's website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

This is only required for body corporates who wish to attend the meeting in person rather than appointing a proxy.



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### 3.7 Before the Meetings

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Unit Holders or their body corporate representatives attending the Meetings should:

- (a) contact RIML by email at [syd-unitholdermeeting@russellinvestments.com](mailto:syd-unitholdermeeting@russellinvestments.com) and advise of their intended attendance; and
  - (b) arrive at the Meetings approximately 30 minutes before the Meetings commence in order to:
    - (i) have their unitholding in the relevant Russell Investments Fund(s) confirmed against the register of Unit Holders for the relevant Russell Investments Fund(s); and
    - (ii) have any power of attorney or appointment as a body corporate representative which has been brought to the meeting or provided to Link prior to proxy close verified.
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### 3.8 Chair

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RIML will appoint a Chair at or before the commencement of the Meetings.

The Chair will be responsible for the general conduct of the Meetings and for the procedures adopted by it. The Chair may adopt any procedures which in their opinion are necessary or desirable for the proper and orderly recording of votes at the Meetings.

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### 3.9 Quorum

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The quorum for the meeting of Unit Holders of each Russell Investments Fund is 2 Unit Holders together holding at least 10% by value of the units in issue for that Russell Investments Fund.

If a quorum for a meeting of a Russell Investments Fund is not present within 30 minutes after the time appointed for the meeting, the meeting for that Russell Investments Fund will be adjourned as the Chair directs and the remaining quorate Meetings for the other Russell Investments Funds will continue.

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### 3.10 Voting

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The Resolution, in relation to each Russell Investments Fund, will be decided by a poll.

On a poll, each Unit Holder of a Russell Investments Fund has 1 vote for each dollar of the value of the total interests they have in that Russell Investments Fund as at 5.00pm on 23 November 2016, being the close of business on the last business day before the Meetings.

The value of an interest is determined in accordance with section 253F of the Corporations Act. A Unit Holder does not have to exercise all of their votes in the same way, and does not have to cast all of their votes.

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### 3.11 Special Resolution – change of Constitution

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Pursuant to section 601GC(1)(a) of the Corporations Act as referred to in the Constitutions, the Resolution in relation to each Russell Investments Fund is required to be a Special Resolution.

Accordingly, the Resolution for a Russell Investments Fund will be passed if at least 75% of the votes cast by Unit Holders of the relevant Russell Investments Fund entitled to vote on the Resolution and present at the meeting (either in person or by proxy) are cast in favour of the Resolution.

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### 3.12 Jointly held units

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If an interest in a Russell Investments Fund is held jointly and more than 1 Unit Holder votes in respect of that interest, only the vote of the Unit Holder whose name appears first in the register of Unit Holders for that Russell Investments Fund counts.

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### 3.13 Recommendation

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The Directors of RIML unanimously recommend that Unit Holders of each Russell Investments Fund vote in favour of the Resolution for the reasons expressed in the Explanatory Memorandum.

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### 3.14 Voting by RIML and its associates

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RIML and its associates hold units in a number of the Russell Investments Funds in their capacity as trustee or responsible entity (including as responsible entity of another Russell Investments Fund).

RIML and its associates will vote in favour of the Resolution for each relevant Russell Investments Fund for which it holds units.

## 4. Explanatory Memorandum

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### 4.1 Summary

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RIML is the responsible entity of each of the Russell Investments Funds. RIML is proposing to make certain changes to the Constitution for each Russell Investments Fund as described in this Explanatory Memorandum. The changes are intended to modernise the Constitutions and improve the operation and administration of each Russell Investments Fund for the benefit of Unit Holders.

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### 4.2 Overview

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Many of the Constitutions were established a number of years ago which at the time were suitable for the market environment. RIML has recently undertaken a review of the Constitutions for the Russell Investments Funds and has identified a number of provisions that are either no longer appropriate or relevant for the Russell Investments Funds or which require updating to reflect developments in market practice and the law since the establishment of the Russell Investments Funds.

The key changes to the Constitutions proposed by RIML fall within the following broad categories:

- (a) changes to allow for the Russell Investments Funds to apply and operate under the AMIT Regime;
- (b) changes to the methodology used for determining income distributions across the various classes of units in each Russell Investments Fund; and
- (c) other ancillary changes including to address updates to legislation, to reflect the new naming conventions across the Russell Investments Funds and to clarify the interaction between the different classes of units in each Russell Investments Fund.

A summary of the main changes proposed to the Constitutions (subject to Unit Holder approval) is provided in Annexure 2 to this Explanatory Memorandum.

Unit Holders of a Russell Investments Fund may request a copy of the Constitution for that Russell Investments Fund showing the proposed changes. To obtain a copy of the Constitution showing the proposed changes please contact RIML by email at [syd-unitholdermeeting@russellinvestments.com](mailto:syd-unitholdermeeting@russellinvestments.com).

## 5. Discussion of key changes to the Constitutions

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### 5.1 No other material changes

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Other than as described in this Explanatory Memorandum (including as set out in Annexure 2), there are no other material changes proposed to be made to the Constitutions. Importantly, the changes to the Constitutions (subject to Unit Holder approval) will not change:

- (a) the voting rights of Unit Holders;
  - (b) the liability of a Unit Holder in its capacity as a Unit Holder of the relevant Russell Investments Fund;
  - (c) the liability of RIML to Unit Holders in relation to the proper performance of its duties as responsible entity of the relevant Russell Investments Fund. As noted in paragraph 5.2 below and Part A of the table in Annexure 2, the changes to the Constitutions (subject to Unit Holder approval) will clarify that the existing indemnity in favour of RIML under the Constitution will extend to include any tax or other liability or costs that RIML might incur under relevant tax legislation applicable to the AMIT Regime; and
  - (d) the fees currently payable to RIML which will remain as currently disclosed in the relevant product disclosure statement for the Russell Investments Fund.
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### 5.2 Proposed changes to apply the AMIT Regime

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Each Russell Investments Fund is eligible to be an attribution managed investment trust (**AMIT**) and apply the new tax system for managed investment trusts established under the *Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016* and additional supplemental legislation (**AMIT Regime**). Subject to Unit Holder approval, RIML is proposing to amend the Constitutions to allow the Russell Investments Funds to apply the AMIT Regime.

A key feature of the AMIT Regime is that Unit Holders are taxed on the taxable income that is allocated or 'attributed' to them. The AMIT Regime will require RIML to undertake such an allocation or attribution on a fair and reasonable basis. This differs to the current tax regime in which Unit Holders are subject to tax to the extent, proportionately, that each unit holder is 'presently entitled' to the income of a managed investment scheme according to trust law principles.

The proposed AMIT Regime changes to a Constitution will only apply from the time an election is made by RIML to adopt the AMIT Regime for the relevant Russell Investments Fund and will continue to take effect for so long as the Russell Investments Fund remains an AMIT.

RIML intends to make an election for each of the Russell Investments Funds to operate under the AMIT Regime from 1 July 2017. RIML considers that there may be the following potential benefits to Unit Holders from operating a Russell Investments Fund under the AMIT Regime:

- (a) certainty as to the tax status of a Russell Investments Fund and its entitlement to certain tax concessions, including a deemed 'fixed trust' status for tax purposes;
- (b) flexibility in attributing and determining, on a fair and reasonable basis, the amount and character of the taxable income of each Unit Holder in a Russell Investments Fund;

- (c) the ability to attribute taxable income to Unit Holders on a 'flow through' basis while retaining the character of the income for tax purposes in the hands of Unit Holders as if they had received that income directly;
- (d) the ability to quarantine and treat each different class of units within a Russell Investments Fund separately for tax purposes so as to ensure distribution entitlements Unit Holders receive properly reflect the units they hold;
- (e) flexibility for reconciling under-estimations or over-estimations of net income for a Russell Investments Fund ("unders" or "overs"), including through adjustments to Unit Holder entitlements to trust income in the year of discovery, rather than requiring amendments to Unit Holder tax returns previously lodged (as is currently the case); and
- (f) the ability to minimise the potential for double taxation for Unit Holders where there are disparities between the amounts distributed to Unit Holders and the taxable income of the Russell Investments Fund assessed to Unit Holders. This may be achieved under the AMIT Regime by allowing for cost base adjustments to be made where the amount distributed to a Unit Holder is greater or less than the taxable income assessed to that Unit Holder.

These changes proposed to the Constitutions (subject to Unit Holder approval) reflect what RIML reasonably considers is necessary for or incidental to the Russell Investments Funds being able to operate under the AMIT Regime.

A further change is proposed as set out in Part A of the table in Annexure 2 to clarify that the existing indemnities under the Constitutions in favour of RIML also extend to apply in relation to any tax or other liability or cost that RIML might incur under relevant tax laws applicable to the AMIT Regime in properly performing or exercising its powers, duties, rights or obligations in connection with the Russell Investments Fund or the Unit Holders or as a consequence of any act or omission of any Unit Holder.

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### 5.3 Proposed changes to the methodology for determining income distribution entitlements

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Subject to Unit Holder approval, RIML is proposing to amend each Constitution to reflect a change to the methodology for determining income distribution entitlements for Unit Holders.

(a) **What are the proposed changes to the methodology for determining income distribution entitlements?**

Unit Holder entitlements to income distributions from each Russell Investments Fund are currently determined in proportion to the total number of units held by a Unit Holder in the relevant Russell Investments Fund (**Current Methodology**). Subject to Unit Holder approval, it is proposed that each Constitution be changed to allow for a revised income distribution methodology (**Revised Methodology**) whereby the income distributions attributable to each class of units in a Russell Investments Fund will be determined in proportion to the net asset value of that class (taking into account the assets and liabilities properly attributable to the relevant class of units) when compared to the net asset value of the Russell Investments Fund as a whole. Unit Holder entitlements to the income distribution attributable to a class will then be determined based on the number of units held by the Unit Holder in the relevant class.

(b) **Why are these changes necessary?**

While the Current Methodology was market practice when the Russell Investments Funds were created, RIML believes the Revised Methodology is more in line with the income distribution methodology currently used for multi class funds such as the Russell Investments Funds and is fairer for Unit Holders of each Russell Investments Fund as a whole.

The change in income distribution methodology will also allow the Russell Investments Funds to utilise the greater flexibility afforded by the AMIT Regime to create additional classes of units, while maintaining a consistent distribution return (before fees and class expenses) between the different classes of each Russell Investments Fund.

**(c) How will these changes impact Unit Holders?**

If implemented, the Revised Methodology for determining income distribution entitlements for a Russell Investments Fund:

- (i) will not result in a change to a Unit Holders' total return for units (being distribution return plus growth return (ie increase in unit price) applicable to a unit);
- (ii) will result in the distribution return between the different classes of units within a Russell Investments Fund being the same, before fees and class expenses (which are different for each class of units in a Russell Investments Fund). This is not the case using the Current Methodology; and
- (iii) will in general, result in Unit Holders holding units in classes of units in a Russell Investments Fund with higher unit prices compared to other classes receiving a greater proportion of their total return as a distribution return than under the Current Methodology. These Unit Holders will receive a correspondingly smaller proportion of their total return as growth return (ie increase in unit price) than under the Current Methodology. Conversely, the Revised Methodology will typically result in Unit Holders holding units in classes of units in a Russell Investments Fund with lower unit prices compared to other classes receiving a smaller proportion of their total return as a distribution return and a correspondingly greater proportion of their total return as growth return (ie increase in unit price) than under the Current Methodology.

If you are unsure how you may be affected by these proposed changes to the methodology for determining income distribution entitlements, you should seek your own independent financial, tax or legal advice.

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## 5.4 Other proposed changes to the Constitutions

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Subject to Unit Holder approval, RIML is also proposing to make certain other changes to the Constitutions. A summary of the proposed changes to the Constitutions (where applicable) is provided in the table in Annexure 2.

The provisions of the Constitutions are not identical and some of the proposed changes to the Constitutions referred to below and set out in Part B of the table in Annexure 2 are not required for all Constitutions. A proposed amendment referred to below and set out in Part B of the table in Annexure 2 will not be made to a Constitution where RIML considers that it is not necessary in light of the existing terms of the Constitution or the relevant Constitution already includes a corresponding provision.

These other proposed changes as summarised in Part B of the table in Annexure 2 relate to the following:

- (a) **Classes of units:** Where applicable, these proposed changes clarify the application of certain definitions and provisions in the Constitution to each separate class of units in the relevant Russell Investments Fund. The proposed changes also clarify that RIML may issue units in different classes in its absolute discretion, with special rights or restrictions. RIML is of the view that these changes are beneficial to Unit Holders as they will (among other things) ensure the applicable Constitution provides the income, liabilities and expenses of the relevant Russell Investments Fund may be properly attributed to the particular class of units to which they relate.

- (b) **Redemptions:** Where applicable, these proposed changes will provide further flexibility for RIML to suspend redemptions or require the compulsory redemption of units in those circumstances set out in Part B of the table in Annexure 2. These proposed changes will restrict the rights of Unit Holders to withdraw a redemption request and redeem their units and will also remove certain restrictions on the durations of suspensions and extend the time for payment of redemptions received during a suspension period or received but not redeemed prior to that period.

RIML is of the view that these proposed changes are consistent with general market practice for registered managed investment schemes similar to the Russell Investments Funds and will allow RIML to better protect the assets and investments of the Russell Investments Fund for the benefit of Unit Holders as a whole.

- (c) **Termination and winding up:** Where applicable, RIML is of the view that these proposed changes are beneficial to Unit Holders as they will allow RIML to postpone the realisation of the assets of a Russell Investments Fund or a class of units where RIML is of the view that it is in the interests of Unit Holders to do so and to ensure maximum value may be achieved for assets on wind up of a Russell Investments Fund or class of units. The proposed changes will also provide that the net proceeds of realisation on winding up must be distributed pro rata to Unit Holders of the applicable class according to the number of units in the applicable class held on the date of the distribution.

These changes will also permit RIML to terminate a particular class of units in a Russell Investments Fund. RIML would only generally exercise these rights for example when the particular class of units in a Russell Investments Fund has reduced in size as a result of redemptions such that the class was no longer viable. RIML is of the view that these changes are consistent with general market practice for registered managed investment schemes similar to the Russell Investments Funds and are in the best interests of Unit Holders.

- (d) **Change to name:** Where applicable, it is proposed that the name of some of the Russell Investments Funds be changed to include the word "Investments" after the word "Russell" where identified in Annexure 1 of this Explanatory Memorandum. The changes will reflect the new naming conventions across the Russell Investments Funds. In addition, the reference to '\$A' will be removed from the name of certain currency hedged Russell Investments Funds, to allow for the creation of new classes in the future which may be hedged to a currency different to the Australian dollar.
- (e) **Administrative changes:** Where applicable, these changes will update the Constitutions and clarify certain operational and administrative aspects in relation to the Russell Investments Funds.

## 6. Recommendations

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### 6.1 Recommendation

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In the interests of the Unit Holders of each of the Russell Investments Funds, and for the reasons expressed above, the Directors of RIML recommend a vote in favour of the Resolution in relation to each Russell Investments Fund.

The directors of RIML recommend Unit Holders of each of the Russell Investments Funds read this Notice of Meetings and Explanatory Memorandum in full and, if in doubt, seek advice from their own independent financial, tax or legal adviser as to the effect of the Resolution before making any decision in relation to the Resolution.

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## 6.2 Consequences if the Resolution is passed for a Russell Investments Fund

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If the Resolution is passed in relation to a Russell Investments Fund, the Constitution for that Russell Investments Fund will be amended in the manner described in this Explanatory Memorandum and that Russell Investments Fund will operate under the amended Constitution from the Effective Date.

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## 6.3 Consequences if the Resolution is not passed for a Russell Investments Fund

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If the Resolution is not passed in relation to a Russell Investments Fund, the Constitution for that Russell Investments Fund will not be amended in the manner described in this Explanatory Memorandum and that Russell Investments Fund will continue to operate under the Constitution in its current form as at the date of the Meetings.

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## 6.4 Resolutions are not interdependent

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The Resolution for a Russell Investments Fund is not interdependent on the Resolution for any other Russell Investments Fund. If Unit Holders of a Russell Investments Fund pass the Resolution, the Constitution for that Russell Investments Fund will be amended in the manner set out in this Explanatory Memorandum regardless of whether Unit Holders of one or more of the other Russell Investments Funds do not pass the Resolution.

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# 7. What do I need to do?

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## 7.1 Step 1 – Read this Notice of Meetings and Explanatory Memorandum

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Read this Notice of Meetings and Explanatory Memorandum and decide how you will vote on the Resolution in respect of the Russell Investments Fund or Russell Investments Funds of which you are a Unit Holder. If you are in any doubt as to the course of action to be taken you should obtain your own professional advice without delay.

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## 7.2 Step 2 – Vote on the Resolution

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Vote by using the Proxy Form included with this Notice of Meetings and Explanatory Memorandum and directing whether you vote in favour, against or abstain from voting on the Resolution in relation to each Russell Investments Fund of which you are a Unit Holder, or attend the Meetings and vote in favour, against or abstain from voting on the Resolution in relation to each Russell Investments Fund of which you are a Unit Holder.

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To be effective Proxy Forms must be returned to Link by no later than 2:30pm on 22 November 2016 either:

> by mailing it to:

Salmat Limited  
c/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia

> by facsimile to:

Link Market Services Limited on +612 9287 0309;

> by hand delivery to:

Link Market Services Limited,  
Level 12, 680 George Street,  
Sydney NSW 2000,

or

Link Market Services  
1A Homebush Bay Drive  
Rhodes NSW 2138

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### 7.3 Unit Holder enquiries

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If you have any questions, or wish to obtain more information on any matter contained in this Notice of Meetings and Explanatory Memorandum, please contact Link Market Services by phone on 1800 990 365 or +61 1800 990 365 if calling from overseas or by emailing RIML at [syd-unitholdermeeting@russellinvestments.com](mailto:syd-unitholdermeeting@russellinvestments.com).

## 8. Further information

Other than as set out in this Notice of Meetings and Explanatory Memorandum, the Directors of RIML are not aware of any other information which is relevant to the consideration by Unit Holders in relation to the Resolution as it applies to each Russell Investments Fund.

## 9. Glossary

In this Notice of Meetings and Explanatory Memorandum:

**AMIT** and **AMIT Regime** has the meaning given in section 5.2 of the Explanatory Memorandum;

**ASIC** means the Australian Securities and Investment Commission;

**body corporate** includes a company;

**Constitution** means a constitution (as amended) for a Russell Investments Fund (as applicable) and "Constitutions" means collectively the constitutions (as amended) for all of the Russell Investments Funds;

**Corporations Act** means the Corporations Act 2001 (Cth);

**Effective Date** means in respect of a Russell Investments Fund, a date to be determined by RIML following the passing of the Resolution from which the proposed changes to the relevant Constitution will take effect;

**Explanatory Memorandum** means the Explanatory Memorandum set out in sections 4 to 9 (inclusive) and including Annexure 1 and Annexure 2 in this document;

**Link** means Link Market Services Limited;

**Meetings** means the meetings of Unit Holders of each Russell Investments Fund convened pursuant to the Notice of Meetings to be held concurrently;

**Notice of Meetings** means the Notice of Meetings set out in sections 2 and 3 (inclusive) in this document pursuant to which the Meetings have been called by RIML;

**Proxy Form** means the proxy form included with this Notice of Meetings and Explanatory Memorandum and in relation to the Resolution;

**Resolution** means the Special Resolution as described in the Notice of Meetings;

**Russell Investments Funds** mean the managed investment schemes listed in Annexure 1 (individually, a "**Russell Investments Fund**", together, the "**Russell Investments Funds**");

**RIML** means Russell Investment Management Ltd ACN 068 338 974 in its capacity as responsible entity of each Russell Investments Fund;

**Special Resolution** means a resolution that requires at least 75% of the votes cast by Unit Holders entitled to vote on the resolution and present at the meeting (either in person or by proxy) to be in favour of the resolution for the resolution to be passed; and

**Unit Holder** means in respect of a Russell Investments Fund, a registered holder of units in the relevant Russell Investments Fund.

## Annexure 1: Russell Investments Funds

NO.	CURRENT NAME	ARSN	PROPOSED NEW NAME
1.	RUSSELL AUSTRALIAN BOND FUND	092 806 169	RUSSELL INVESTMENTS AUSTRALIAN BOND FUND
2.	RUSSELL AUSTRALIAN SHARES FUND	092 807 728	RUSSELL INVESTMENTS AUSTRALIAN SHARES FUND
3.	RUSSELL INTERNATIONAL SHARES FUND	092 808 261	RUSSELL INVESTMENTS INTERNATIONAL SHARES FUND
4.	RUSSELL INTERNATIONAL BOND FUND-\$A HEDGED	092 806 954	RUSSELL INVESTMENTS INTERNATIONAL BOND FUND-\$A HEDGED
5.	RUSSELL AUSTRALIAN CASH FUND	092 806 767	RUSSELL INVESTMENTS AUSTRALIAN CASH FUND
6.	RUSSELL INTERNATIONAL SHARES FUND-\$A HEDGED	092 805 939	RUSSELL INVESTMENTS INTERNATIONAL SHARES FUND-\$A HEDGED
7.	RUSSELL CONSERVATIVE FUND	094 799 578	RUSSELL INVESTMENTS CONSERVATIVE FUND
8.	RUSSELL DIVERSIFIED 50 FUND	095 296 049	RUSSELL INVESTMENTS DIVERSIFIED 50 FUND
9.	RUSSELL BALANCED FUND	094 799 345	RUSSELL INVESTMENTS BALANCED FUND
10.	RUSSELL GROWTH FUND	094 799 443	RUSSELL INVESTMENTS GROWTH FUND
11.	RUSSELL AUSTRALIAN SHARES TRACKER FUND	125 507 226	RUSSELL INVESTMENTS AUSTRALIAN SHARES TRACKER FUND
12.	RUSSELL TAX EFFECTIVE GLOBAL SHARES FUND	138 704 597	RUSSELL INVESTMENTS TAX EFFECTIVE GLOBAL SHARES FUND
13.	RUSSELL PORTFOLIO SERIES – CONSERVATIVE	099 584 639	RUSSELL INVESTMENTS PORTFOLIO SERIES – CONSERVATIVE
14.	RUSSELL PORTFOLIO SERIES – BALANCED	099 585 243	RUSSELL INVESTMENTS PORTFOLIO SERIES – BALANCED
15.	RUSSELL PORTFOLIO SERIES – GROWTH	099 585 467	RUSSELL INVESTMENTS PORTFOLIO SERIES – GROWTH
16.	RUSSELL HIGH GROWTH FUND	111 170 122	RUSSELL INVESTMENTS HIGH GROWTH FUND
17.	RUSSELL AUSTRALIAN CASH ENHANCED FUND	111 170 300	RUSSELL INVESTMENTS AUSTRALIAN CASH ENHANCED FUND
18.	RUSSELL INTERNATIONAL PROPERTY SECURITIES FUND – \$A HEDGED	111 169 987	RUSSELL INVESTMENTS INTERNATIONAL PROPERTY SECURITIES FUND – HEDGED
19.	RUSSELL AUSTRALIAN OPPORTUNITIES FUND	108 895 469	RUSSELL INVESTMENTS AUSTRALIAN OPPORTUNITIES FUND

RUSSELL INVESTMENTS

NO.	CURRENT NAME	ARSN	PROPOSED NEW NAME
20.	RUSSELL GLOBAL OPPORTUNITIES FUND	111 169 745	RUSSELL INVESTMENTS GLOBAL OPPORTUNITIES FUND
21.	RUSSELL GLOBAL OPPORTUNITIES FUND - \$NZ HEDGED	112 398 786	RUSSELL INVESTMENTS GLOBAL OPPORTUNITIES FUND - \$NZ HEDGED
22.	RUSSELL EMERGING MARKETS FUND	122 656 884	RUSSELL INVESTMENTS EMERGING MARKETS FUND
23.	RUSSELL GLOBAL OPPORTUNITIES FUND - \$A HEDGED	133 924 526	RUSSELL INVESTMENTS GLOBAL OPPORTUNITIES FUND - \$A HEDGED
24.	RUSSELL GLOBAL LISTED INFRASTRUCTURE FUND - \$A HEDGED	139 233 971	RUSSELL INVESTMENTS GLOBAL LISTED INFRASTRUCTURE FUND - HEDGED
25.	RUSSELL MULTI-ASSET FACTOR EXPOSURE FUND	604 937 082	RUSSELL INVESTMENTS MULTI-ASSET FACTOR EXPOSURE FUND
26.	RUSSELL GLOBAL BOND FUND	140 625 074	RUSSELL INVESTMENTS GLOBAL BOND FUND
27.	RUSSELL AUSTRALIAN BOND INCOME FUND	146 413 185	RUSSELL INVESTMENTS AUSTRALIAN BOND INCOME FUND
28.	RUSSELL INVESTMENTS MULTI-ASSET GROWTH STRATEGY PLUS FUND	160 347 151	No change
29.	RUSSELL INVESTMENTS MULTI-ASSET INCOME STRATEGY FUND	160 347 384	No change
30.	RUSSELL AUSTRALIAN SHARES ENHANCED INCOME FUND	146 415 803	RUSSELL INVESTMENTS AUSTRALIAN SHARES ENHANCED INCOME FUND
31.	RUSSELL AFTER-TAX AUSTRALIAN SHARES FUND (FOR SUPERANNUATION INVESTORS)	148 173 808	RUSSELL INVESTMENTS AFTER-TAX AUSTRALIAN SHARES FUND (FOR SUPERANNUATION INVESTORS)
32.	RUSSELL INVESTMENTS MULTI-ASSET GROWTH STRATEGY FUND (RETAIL)	160 346 967	No change
33.	RUSSELL INVESTMENTS MULTI-ASSET GROWTH STRATEGY FUND	163 276 864	No change

## Annexure 2: Summary of changes proposed to be made to the Constitutions

The table below provides a summary of the material changes proposed to be made to the Constitutions for the Russell Investments Funds (where applicable) if the Resolution is approved by Special Resolution of the Unit Holders of the relevant Russell Investments Fund. The below summaries reflect the material changes only and do not include other non-material proposed changes to be made for interpretation, clarification to correct typographical errors or for cross referencing purposes.

The provisions of the Constitutions are not identical. It is proposed that, subject to Unit Holder approval, the changes referred to in Part A of the below table will be made to each Constitution.

Some of the proposed changes to the Constitutions referred to in paragraph 5.3 and set out in Part B of the below table are not required for all Constitutions. A proposed amendment referred to in paragraph 5.3 and set out in Part B of the below table will not be made to a Constitution where RIML considers that it is not necessary in light of the existing terms of the Constitution or the relevant Constitution already includes a corresponding provision.

It is proposed that changes be made to the Constitutions that are determined by RIML to be necessary or incidental to implement and facilitate each of the following matters (where applicable):

NO.	ITEM	SUMMARY
<b>Part A – Proposed amendments applicable to all Constitutions</b>		
1.	<b>AMIT Regime</b>	<p>For the applicable Russell Investments Fund to qualify and be operated as an AMIT, including to:</p> <ul style="list-style-type: none"> <li>allow for the responsible entity to determine in accordance with standing principles that a redemption amount comprises part income and part capital of the applicable Russell Investments Fund properly attributable to the relevant class of units;</li> <li>allow the responsible entity to determine standing principles for calculating and classifying the income of the Russell Investments Fund, but not change those standing principles in a way that is not fair and reasonable to existing Unit Holders;</li> <li>provide the responsible entity with the power to attribute income and capital of the Russell Investments Fund to Unit Holders on a fair and reasonable basis in accordance with the AMIT Regime, the Constitution and as disclosed in any current offer document for the Russell Investments Fund;</li> <li>determine the distribution entitlements of each separate class of units in the Russell Investments Fund in accordance with the method for determining distribution and income entitlements referred to in paragraph 2 below; and</li> <li>issue AMIT Member Annual Statements "AMMA Statements" to each Unit Holder.</li> </ul> <p>As part of operating as an AMIT, these changes also:</p> <ul style="list-style-type: none"> <li>set out the mechanisms for the responsible entity to make income and capital distributions from the Russell Investments Fund whilst the Russell Investments Fund operates as an AMIT, including ensuring all income properly attributable to a class of units is distributed on a proportionate basis to Unit Holders in that class at the end of a financial year unless the responsible entity has determined that income of that class is to be accumulated. Such distributions will be made as soon as practicable after the end of the relevant period, or for special distributions, within 2 months of the responsible entity determining the distribution entitlement.</li> </ul>

- enable the responsible entity to:
  - in its discretion, take any steps necessary to enable the Russell Investments Fund to qualify as an AMIT and for each class of units to qualify and continue to qualify as a separate AMIT;
  - make a choice for the Russell Investments Fund to be an AMIT and for each class of units to be a separate AMIT;
  - subject to its duties, determine to exercise or not to exercise any rights or powers granted to it under the AMIT Regime; and
  - in its discretion reconcile an "under" or "over" in accordance with the AMIT Regime and as disclosed in the most recent offer document for the Russell Investments Fund;
- clarify that the responsible entity is to be indemnified and is to be kept indemnified on a full indemnity basis and is entitled to pay or to be paid or reimbursed out of the assets under the existing rights of indemnity under the Constitution in respect of, or in connection with, any tax or other liability or cost which it may pay or incur pursuant to Divisions 275 or 276 of the Income Tax Assessment Act 1936 (as amended) or the Income Tax Assessment Act 1997 (as amended) or pursuant to Schedule 1 of the Taxation Administration Act 1953 (as amended) in properly performing or exercising any of its powers, duties, rights or obligations in connection with the applicable Russell Investments Fund or the Unit Holders or as a consequence of any act or omission of any Unit Holder;
- confirm that the rights of indemnity under the Constitution continue in favour of the responsible entity after it has ceased to be responsible entity of the applicable Russell Investments Fund;
- provide that Unit Holders agree to accept the responsible entity's calculations and attributions under the AMIT Regime, provided the responsible entity has properly performed its duties in determining those calculations and determining that attribution (as applicable); and
- confirm that the existing provisions in relation to the distribution of income and capital will only apply in respect of a financial year in which the Russell Investments Fund is not an AMIT.

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2. **Distribution and income entitlements**

- Provide for the responsible entity to determine that the income and capital in respect of the applicable Russell Investments Fund is properly attributable to each class of units based on the proportion that the net asset value of each class bears to the total net asset value of the Russell Investments Fund and may be distributed to Unit Holders of that class; and
  - reflect that income distributions attributable to each class of units in a Russell Investments Fund will be made in proportion to the net asset value of that class when compared to the net asset value of the Russell Investments Fund as a whole. Unit Holder entitlements to the distribution attributable to a class will then be determined based on the number of units held by the Unit Holder in the relevant class.
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NO.	ITEM	SUMMARY
<b>Part B – Proposed amendments not applicable to all Constitutions</b>		
1.	<b>Classes of units</b>	<p>Change certain definitions and provisions of a Constitution (including provisions dealing with the issue and redemption of units, minimum investment and holding amounts, minimum and maximum redemption amounts and distributions) to clarify that those definitions and those provisions are to also apply in respect of each class of units. Where applicable, these amendments clarify that the income, assets and liabilities of the applicable Russell Investments Fund are to be properly attributed to each class of units.</p> <p>It is also proposed that, where applicable, changes be made to a Constitution to clarify that:</p> <ul style="list-style-type: none"> <li>• <b>(creating of classes of units)</b> the responsible entity may issue units of different classes in its absolute discretion, with special rights or restrictions;</li> <li>• <b>(interests of classes of units)</b> where there is more than one class of units in issue, each unit in a class confers an equal undivided interest in the assets properly attributable to that class of units as a whole;</li> <li>• <b>(issue price)</b> the issue price for the initial issue of units in a class is \$1.00 per unit, unless the responsible entity determines that the issue price will be based on the applicable net asset value per unit for the relevant class;</li> <li>• <b>(different classes)</b> where different classes are created, the issue price and redemption price for those units and their income and capital rights will be adjusted to reflect fees, costs, expenses as well as assets and liabilities properly attributable to the relevant class;</li> <li>• <b>(expenses)</b> the responsible entity may determine that an expense, or a proportion of an expense, is to be attributed to a particular class of units and unless and until the responsible entity makes that determination, any expense is to be attributed to all units on an equal basis;</li> <li>• <b>(equal value)</b> at any time, all units in a class rank equally and are of equal value regardless of when the units were issued; and</li> <li>• <b>(class specific liabilities, income and expenses)</b> the responsible entity: <ul style="list-style-type: none"> <li>○ may in accordance with the Corporations Act determine that a part of the assets or a class specific liability (including accrued fees and costs) is properly attributable to a particular class of units;</li> <li>○ may in accordance with the Corporations Act attribute other liabilities of the Russell Investments Fund among the classes of units based on the proportion that the net asset value of the relevant class of units bears to the total net asset value of the applicable Russell Investments Fund; and</li> </ul> </li> <li>• must determine the proportion of net proceeds of realisation on winding up that is properly attributable to each class of units and distribute such proceeds to Unit Holders pro rata according to the number of units in the class that the Unit Holder holds.</li> </ul>
2.	<b>Redemptions</b>	<p>Reflect general market practice for registered managed investment schemes similar to the Russell Investments Funds in respect of the following:</p> <ul style="list-style-type: none"> <li>• <b>(obligation to redeem)</b> provide that a Unit Holder may not withdraw a redemption request unless the responsible entity agrees and that the responsible entity is not obliged to redeem units in a class where that class is being wound up;</li> </ul>

- **(suspension)** in addition to the existing suspension powers, allow the responsible entity to apply the existing suspension powers to a particular class of units and also extend the suspension powers to include where:
  - the responsible entity believes it is in the best interests of the Unit Holders in the applicable Russell Investments Fund or in the class; or
  - it is impractical to calculate the net asset value for any reason including restricted or suspended trading in the market for an asset of the applicable Russell Investments Fund or suspension or absence of a requirement to make payment or failure of a counterparty to make payment under a derivative;
- **(suspension period)** remove certain restrictions on the length of time a suspension on redemptions may last as well as extending the time for payment of redemption amounts to Unit Holders where a redemption request is received during a period of suspension or received but not effected prior to the commencement of a suspension;
- **(compulsory redemption)** provide that the responsible entity may, in its absolute discretion, redeem or repurchase any units held by a Unit Holder if:
  - holding those units contravenes any applicable law;
  - the Unit Holder is not or has ceased to be eligible to hold the units;
  - the Unit Holder does not provide information as and when requested by the responsible entity;
  - the responsible entity considers in its absolute discretion that the nature of the Unit Holder may prejudice the applicable Russell Investments Fund or a class of units or the way in which the applicable Russell Investments Fund or a class of units is administered or taxed;
  - the responsible entity considers that such compulsory redemption is in the best interests of Unit Holders as a whole or Unit Holders in a class; or
  - the responsible entity has determined to terminate that class of units in accordance with the Constitution; and
- **(while not liquid)** clarify that, subject to law, the powers of the responsible entity to compulsorily redeem units in a Russell Investments Fund also apply while the Russell Investments Fund is not liquid.

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3.	<b>Termination and Winding up</b>	<p>Reflect general market practice for registered investment managed schemes similar to the Russell Investments Funds in respect of the following:</p> <ul style="list-style-type: none"> <li>• provide that the responsible entity may also determine to terminate and wind up a particular class of units and require that the relevant assets properly attributable to that class be realised after discharging any liabilities and expenses in connection with the winding up of the applicable class;</li> <li>• provide that the net proceeds of realisation on winding up must be distributed pro rata to Unit Holders of the applicable class according to the number of units in the applicable class held on the date of the distribution; and</li> <li>• allow the responsible entity to postpone the realisation of any of the assets for the time that it thinks is desirable to do so in the interests of the Unit Holders or the interests of the Unit Holders in the applicable class. This proposed amendment will also confirm that the responsible entity will not be responsible for any loss or damage attributable to that postponement except in the case of the responsible entity's own fraud, negligence, breach of duty or breach of trust.</li> </ul>
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<p>4. <b>Change to name of Russell Investments Fund</b></p>	<p>Change the name of some of the Russell Investments Funds to include the word "Investments" after the word "Russell" where identified in Annexure 1 of this Explanatory Memorandum. In addition, the reference to '\$A' will be removed from the name of certain currency hedged Russell Investments Funds, to allow for the creation of new classes in the future which may be hedged to a currency different to the Australian dollar.</p>
<p>5. <b>Administrative changes</b></p>	<p>Modernise the Constitution to:</p> <ul style="list-style-type: none"> <li>• standardise the definition of 'Business Day' across the Funds;</li> <li>• provide that fractions of a unit may be issued and redeemed or created by consolidation or division, as determined by the responsible entity;</li> <li>• clarify the rights of reinvestment of income apply to the same class to which the distribution relates;</li> <li>• confirm that, while a Russell Investments Fund is not an AMIT, Unit Holders will be presently entitled to the distributable income of the Russell Investments Fund properly attributable to the relevant class of units they hold for that distribution period in proportion to the amounts which they receive in respect of that distribution period;</li> <li>• clarify the matters the responsible entity will have regard to when determining distributable income for the Russell Investments Fund or a class of units in the Russell Investments Fund while it is not an AMIT;</li> <li>• clarify that the Constitution may be amended by the responsible entity by deed without Unit Holder approval where such amendment is required to comply with the Corporations Act or any regulatory relief granted by ASIC from the requirements of the Corporations Act (or where any such requirement or ASIC relief ceases or changes). Unit Holders agree and acknowledge that any such amendment may be made and will not adversely affect their rights;</li> <li>• include an appropriate GST clause to allow for the fees and expenses of the responsible entity in relation to the Russell Investments Fund to be automatically adjusted to ensure that the responsible entity's fees net of the impact of the GST are not affected by any GST for which it is liable and to confirm that the responsible entity will be entitled to be paid any fee increase out of the assets of the Russell Investments Fund. The responsible entity is not permitted to do any act prohibited by the <i>Competition and Consumer Act 2010 (Cth)</i> or any other law;</li> <li>• clarify that notices or other communications may also be made to Unit Holders by email or, subject to law, by such other method determined by the responsible entity and notified to the Unit Holders which the responsible entity believes will enable the Unit Holder to access and take a copy of the notice. This amendment also provides that a communication sent to a Unit Holder:             <ul style="list-style-type: none"> <li>○ by post is taken to be received on the business day after it is posted; or</li> <li>○ by email, facsimile transmission or other electronic means is taken to be received an hour after it is sent if the sender has not received a notice of non-delivery;</li> </ul> </li> <li>• replace all references to "Corporations Law" with "Corporations Act" and update any outdated references to superseded or repealed legislation; and</li> <li>• correct minor typographical errors and update cross-references.</li> </ul>

## Russell Investments

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