

# Additional Information Booklet

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The information in this Additional Information Booklet forms part of the Product Disclosure Statements (each a 'PDS') in respect of each managed investment scheme listed below (together 'Funds' and each a 'Fund'):

- Russell Investments Ventura Conservative Fund - Class A dated 25 October 2023 (ARSN: 099 584 826; APIR: VEN0029AU)
- Russell Investments Ventura Diversified 50 Fund - Class A dated 25 October 2023 (ARSN: 099 585 092; APIR: VEN0028AU)
- Russell Investments Ventura Growth 70 Fund - Class A dated 25 October 2023 (ARSN: 099 584 988; APIR: VEN0027AU)
- Russell Investments Ventura Growth 90 Fund - Class A dated 25 October 2023 (ARSN: 136 685 759; APIR: VEN0032AU)
- Russell Investments Ventura High Growth 100 Fund - Class A dated 25 October 2023 (ARSN: 128 856 226; APIR: VEN0009AU)
- Russell Investments Ventura Conservative Fund - Wholesale Class dated 25 October 2023 (ARSN: 099 584 826; APIR: RIM0018AU)
- Russell Investments Ventura Diversified 50 Fund - Wholesale Class dated 25 October 2023 (ARSN: 099 585 092; APIR: RIM0019AU)
- Russell Investments Ventura Growth 70 Fund - Wholesale Class dated 25 October 2023 (ARSN: 099 584 988; APIR: RIM0020AU)

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## Important notes

This Additional Information Booklet is dated 29 August 2024 and is issued and produced by Russell Investment Management Ltd ABN 53 068 338 974, AFS Licence Number 247 185 (**Responsible Entity, we, us, our, RIM**). The information in this Additional Information Booklet provides additional information to, and forms part of, the PDS. You should consider all of this information before making a decision to invest in a Fund.

The information provided in this Additional Information Booklet is for general information only and does not take account of your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

This information in this Additional Information Booklet is current as at the issue date. Information that is not materially adverse may change from time to time. We will update this information by publishing changes on our website at <https://russellinvestments.com/au>. A paper copy of the PDS, the Additional Information Booklet and any updated information is available free of charge on request by contacting us using the details under the 'How to Contact Us' section set out below. For Indirect Investors investing through a platform, updated information may also be obtained from your platform operator.

Defined terms used in this Additional Information Booklet have the same meaning as used in the PDS unless otherwise defined in this Additional Information Booklet or the context indicates otherwise.

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# 1. About Russell Investment Management Ltd

The following additional information should be read in conjunction with section 1 of each PDS:

## Investment managers

We may appoint a number of different money managers (including other members of Russell Investments) (each an “investment manager”) to manage some or all of the assets of the Fund. We may also manage the Fund’s assets ourselves and/ or the Fund may invest in managed investment schemes managed by RIM, third party investment managers or other members of Russell Investments, established in Australia or in other jurisdictions (“underlying funds”).

Additional information on investment managers and underlying funds is set out on our website at <https://russellinvestments.com/au>.



You should read the important information about ‘the investment managers’ before making a decision - go to <https://russellinvestments.com/au> for more information in relation to the investment managers.

The material relating to the investment managers may change between the time when you read this Additional Information Booklet and the day when you acquire the product.

## Custodian and administrator

We have appointed State Street Australia Ltd (“State Street”) as the custodian and administrator of the Fund. In these capacities, State Street will provide custodial and certain administrative services to the Fund. State Street has not been involved in any way in the preparation of the PDS and is named only for information purposes. State Street has given, and as at the date hereof has not withdrawn, its written consent to be named as the custodian and administrator of the Fund. In addition to the above arrangements, the Responsible Entity may also hold some of the assets of the Fund, in accordance with its licence and the terms of the Constitution.

## Auditors

The Fund and the compliance plan for the Fund are required to be audited annually. We have engaged an independent auditor to perform each of these audits.

# 2. How the Fund works

The following additional information should be read in conjunction with section 2 of each PDS:

## Reporting on your investment

For investors accessing the Fund through a platform, please contact the operator for this information. Otherwise, refer to the information below.

<b>Confirmations</b>	We will send you a transaction statement each time you transact.
<b>Monthly reporting</b>	We will send you a monthly transaction statement.
<b>Annual reporting</b>	We will send you an annual tax statement (if the Fund is an Attribution Managed Investment Trust (AMIT), we’ll send you an AMIT Member Annual (AMMA) Statement). We will also provide or make available to you an annual report.
<b>Distributions</b>	We will send you a distribution statement each time a distribution is made.

## Investing through a platform

You can invest in units of the Fund through master trusts, wrap accounts, investor directed portfolio services and nominee or custody services. We call these services ‘platforms’ and refer to people who invest through them as ‘Indirect Investors’. We authorise the use of the PDS as a disclosure document for people who wish to access the Fund indirectly through these platforms.

To invest, Indirect Investors must complete the application forms provided by the platform operator. Indirect Investors will receive reports from their platform operator, not us.

If you are an Indirect Investor and you have a complaint about us or the Fund itself contact your platform operator who is required to take reasonable steps to facilitate dispute resolution between investors and financial product issuers, such as RIM. Alternatively, you can access our dispute resolution system via the contact details in the PDS.

To withdraw from a Fund, Indirect Investors need to contact their platform operator for instructions.

To invest or withdraw, the platform operator needs to follow the same steps as Wholesale Clients seeking to invest in or withdraw from the Fund.

Indirect Investors do not themselves become investors in the Fund. Instead it is generally the platform operator who invests on behalf of Indirect Investors and who has the rights of an investor in the Fund. Platform operators exercise those rights or not in accordance with their arrangements with the Indirect Investor.

Some provisions of the Fund's Constitution and the PDS are not relevant for Indirect Investors. For example, Indirect Investors cannot attend investor meetings or transfer units where they are not themselves direct investors in the Fund.

Any reference to 'you' in the PDS (including this Additional Information Booklet), unless otherwise indicated, should be construed by an Indirect Investor as a reference to the platform operator or any other person who is a Wholesale Client in the Fund.

The remainder of this section 2 in this Additional Information Booklet applies to existing direct Retail Clients and Wholesale Clients only.

## Target Market Determination

For some Funds, we are required to have a Target Market Determination which (where relevant) can be found at <https://russellinvestments.com/au/support/tmds>.

## Processing applications

Generally, applications for units are processed each business day. If we receive your additional investment instruction and application money by the 'cut off time' on a business day, we will generally process your application using the entry price for that business day. The 'cut off time' for processing an application using the entry price for a business day is 12:00 noon Sydney time.

If we receive your additional investment and application money after the 'cut off time', or on a day that is not a business day, we generally process your application using the entry price for the next business day after we receive it.

Generally, we will send you confirmation of your investment within 5 business days of us processing your application.

Please note that if you are investing by cheque, should your cheque be dishonoured you may be liable for all reasonable costs associated with processing your application.

Reinvestment of distributions occurs after a distribution has been declared and therefore the reinvestment may occur on a day that is not a business day if the distribution period ends on a day that is not a business day.

## Unit prices and valuation

We generally determine entry and exit prices each business day. The unit prices for each class of units in the Fund are calculated using the net asset value of that class, divided by the number of units in that class. The entry and exit prices are the unit prices of that class adjusted for any buy-sell spreads.

Assets of a Fund are valued in accordance with our securities valuation policy, usually at the current market value. Where the Fund has exposure to certain types of assets for which daily prices are unavailable (e.g. alternatives, private equity, or unlisted property/infrastructure), these assets may be valued less frequently when compared to other assets of the Fund.

You can contact us for a copy of our policies on exercising discretions when calculating unit prices, free of charge.

## Your account balance

Your account balance changes as investments are made and as investment returns are added. Fees, taxes, expenses, income and investment gains and losses will affect your account balance.

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

If the unit price increases relative to the original unit price at which you received your units, you have made an investment gain and your account balance rises accordingly. If the unit price decreases, you have made an investment loss and your account balance will fall.

## Making a withdrawal

To withdraw your money, you need to contact Russell Investments Fund Operations.

Generally, withdrawal requests are processed each business day. If we receive a withdrawal request by the 'cut off time' on a business day, we will generally process the request using the exit price for that business day. If we receive a request after the 'cut off time' or on a day that is not a business day, we will generally process the request using the exit price for the next business day after we receive it.

**The 'cut off time' is 12:00 noon Sydney time.**

Generally, withdrawal monies will be paid within 14 days of us processing a withdrawal request. We will send you a transaction statement with details of your withdrawal.

The Constitution allows us more time to process withdrawal requests and pay withdrawal monies than outlined above.

Please note while every endeavour is made to comply with the payment terms for withdrawals referred to above, under the Constitution of each Fund we do have up to 30 days to process your redemption request (unless withdrawals are suspended), and up to 30 days to pay the withdrawal monies after the date your withdrawal request is processed.

Subject to certain conditions, we may transfer assets of the Fund to the investor in satisfaction of that withdrawal request.

The withdrawal conditions described above assume that the Fund is 'liquid' for the purposes of the *Corporations Act 2001*. We are currently of the view that the Funds are 'liquid'. Under the *Corporations Act 2001*, if a Fund is not liquid, we may offer investors the opportunity to withdraw from the Fund on a periodic basis, but we are not obliged to do so. Where no such offer is made, investors have no right to withdraw from the Fund.

## Transferring units

All transfers must be made in the form that we require. We have the discretion to refuse to register any transfer of units in the Fund.

Contact Russell Investments Fund Operations for more information in relation to how you may transfer units in a Fund. A transfer may have tax implications. We recommend you seek legal and tax advice before requesting a transfer.

## 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.

## 4. Risks of managed investment schemes

The following additional information should be read in conjunction with section 4 of each PDS:

### Other risks to consider

Investors should be aware that there are risks associated with investing in a Fund. While section 4 of each PDS summarises the significant risks for each Fund, the following table identifies the relevant risks that apply to each of the Funds (those marked ●). Each of these risks is described below the table.

Risk	Interest rate risk	Derivatives risk	Liquidity risk	Counterparty and settlements risk	Currency risk	Performance fee risk	Emerging Markets risk	Short Selling risk	Leverage or borrowing risk	Alternative Strategies Risk	Credit Risk	Political risk	Hostilities, terrorist and pandemic risks	Market risk	Underlying funds' absence of regulatory oversight	Operational risk	ESG risk	Third party data risk
Russell Investments Ventura Conservative Fund	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Russell Investments Ventura Diversified 50 Fund	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Russell Investments Ventura Growth 70 Fund	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Russell Investments Ventura Growth 90 Fund	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Russell Investments Ventura High Growth 100 Fund	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

- **Interest rate risk:** the Fund may be sensitive to movements in domestic and international interest rates. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease, and vice versa.
- **Derivatives risk:** the Fund may be exposed to exchange-traded and over-the counter derivative instruments including but not limited to currency forwards and swaps, interest rate and total return swaps and futures and options. 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. In addition, there is a risk of an adverse movement relative to 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 - i.e. 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 derivative 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.
- **Liquidity risk:** the Fund may be exposed to assets including other managed investment schemes that have restricted or limited liquidity. In extreme circumstances, this may result in delays in processing withdrawal requests due to general market interruptions or inadequate market depth.

- **Counterparty and settlement risk:** the Fund may be exposed to counterparty and settlement risk. These risks are influenced by, amongst other things, market practices (e.g. settlement and custody practices), the creditworthiness of the parties a Fund is exposed to including derivative counterparties, and the level of government regulation in countries in which a Fund invests.
- **Currency risk:** the Funds that have exposure to foreign assets will be exposed to currency movements. Currency movements may affect the performance of these Funds. Some Funds may use currency hedging programs.  
For the Funds that are identified as fully hedged, although the benchmark is to be 100% currency hedged, some foreign currency exposures can remain which may affect the investment values of these Funds.
- **Performance fee risk:** performance fees may be charged by us or by an underlying investment manager or underlying fund. Performance fees are based on realised and unrealised gains. Therefore, a performance fee may be paid on unrealised gains that may never subsequently be realised. In addition, performance fees may provide an incentive to make investments that carry more risk than those made in the absence of a performance fee.
- **Emerging markets risk:** the Funds exposed to emerging market securities may be subject to higher levels of market volatility leading to higher general investment risk. Interest rate and currency risks may be greater due to higher levels of volatility in the economies of emerging markets. Furthermore, emerging market securities are often less liquid than the securities of developed markets. Counterparty and settlement risks are also increased.
- **Short selling risk:** the Fund may be exposed to short selling. This is where an asset is sold that the investor does not actually own, with the aim of gains being made if the asset's price falls, and can be bought back later at a lower price. Short selling involves a higher level of risk than normal investment in shares. This is because when the underlying fund invests in shares the maximum loss is generally limited to the amount invested. With short positions, there is theoretically no limit on the loss because the loss will continue to increase as the price of the share increases.
- **Leverage or borrowing risk:** the Fund may be exposed to leverage or borrowing strategies that can magnify both gains and losses on investment returns. Money borrowed will be subject to interest and other costs, which may or may not exceed the income received from the instruments purchased with borrowed funds. Leverage creates an opportunity for greater returns, but at the same time, may significantly increase the risk of your investment in a Fund.
- **Alternative strategies risk:** the Fund may have exposure to alternative investments. There are potentially increased risks inherent in alternative investments. These may include a higher exposure to counterparty and settlement risk, liquidity risk, short selling risk, and more leverage than traditional investment strategies.
- **Credit risk:** the Fund may be exposed to credit risk. Credit risk refers to the issuer of a debt instrument or banks holding cash deposits failing to meet an obligation to pay periodic interest, to repay the principal sum at maturity or to otherwise honour its obligations. Unrated or low grade debt securities are generally subject to greater risk of loss of principal and interest than higher rated securities.
- **Political risk:** the Fund's investments may be affected by uncertainties such as political developments, changes in law or government policies, and currency repatriation restrictions on foreign investment in some countries to which the Fund may be exposed.
- **Hostilities, terrorist and pandemic risks:** acts of terrorist violence, political unrest, armed regional and international hostilities and international responses to these hostilities, natural disasters, global health risks or pandemics or the threat of or perceived potential for these events could have a negative impact on the performance of the Fund. These events could adversely affect levels of business activity and precipitate sudden significant changes in regional and global economic conditions and cycles. These events also pose significant risks to people and physical facilities and operations around the world.  
A global pandemic may cause extreme volatility and limited liquidity in securities markets and such markets may be subject to governmental intervention. Certain Governments may impose restrictions on the manufacture of goods and the provision of services in addition to the free movement of persons. This may have a material impact on the activities of businesses, their profitability and their ability to generate positive cash flow. In these market conditions there is a much higher risk of credit defaults and bankruptcies. As a result, this may have a material impact on the performance of the Fund, result in greater market or liquidity risk, or cause difficulty valuing the Fund's assets or achieving the Fund's objective.  
There is a possibility with the severe decline in economic activity and restrictions imposed, of disruption of electricity, other public utilities or network services, as well as system failures at facilities or otherwise affecting businesses which could adversely affect the performance of the Fund. A global pandemic may result in employees of Russell Investments and certain of the other service providers to the Fund to be absent from work or work remotely for prolonged periods of time. The ability of the employees of Russell Investments and/or other service providers to the Fund to work effectively on a remote basis may adversely impact the day to day operations of the Fund.
- **Market risk:** the market price of the Fund's investments may fluctuate as a result of such factors as economic conditions, regulations, sentiment and geopolitical events as well as environmental, social and technological changes. These fluctuations may impact on the value of the investments in the Fund which will impact on the unit price of the Fund.
- **Underlying funds' absence of regulatory oversight:** the Fund may be exposed to managed investment schemes established in other jurisdictions that do not have an equivalent level of investor protection to that which is provided in Australia. Investment in such schemes may also adversely impact the transparency of a Fund.
- **Third party data risk:** while we have systems and controls in place to oversee and review information by third parties, there is a risk that errors or undisclosed changes from third parties may result in inadvertent exposure to otherwise excluded investments.

- **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, including service providers to supply data in relation to investment exclusions. There is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Adverse impacts may arise internally through human error, technology or infrastructure changes, or through external events, such as third-party failures or crisis events. Russell Investments has processes designed to manage these risks. Even then, errors may on occasion occur in operating the Fund. If an error occurs we will endeavour to rectify it. Similarly if you identify an error, please let us know and we will endeavour to rectify it.
- **ESG risk:** there is the risk of loss resulting from ESG considerations, including from limiting the Fund's universe of potential investments. Russell Investments also relies on data sourced from independent vendors (including Sustainalytics) in order to determine companies that meet its exclusion criteria for the Fund. The independent vendors used by Russell Investments do not assess all companies in the investible universe of the Fund at all times (whether due to a lack of available company data, corporate actions or otherwise). Investors may have differing views, opinions and understanding of the meaning of sustainability and ESG-related terminology used in this PDS, to us.

## 5. How we invest your money

The following additional information should be read in conjunction with section 5 of each PDS.

### Investment Management

The Fund is a feeder fund that gains exposure by investing in an underlying fund described in the Fund PDS. The underlying fund, in turn, gains exposure to desired asset classes/strategies by investing in further underlying funds offered either by Russell Investments or by third parties.

As well as appointing investment managers to manage the assets of the Fund, we, or other members of Russell Investments, may directly manage a portion of the assets of the Fund or of an underlying fund in which the Fund is invested.

The Fund provides exposure to a mix of investments through allocations to selected asset classes, within pre-determined ranges as set out in the PDS.

### Strategic Asset Allocation

The Strategic Asset Allocation (SAA) is the starting point for all asset allocation decisions.

We may adjust a Fund's SAA (within the ranges specified in the PDS) at any time without notice to you.

We may also adjust the actual exposure to a particular asset class within the ranges specified in the PDS.

### Asset Classes

The Funds may be exposed to a variety of asset classes including, but are not limited, to the following:

Asset Class	Types of investments
Australian Shares	Australian listed and unlisted equity-type securities, listed investment companies and investment trusts, Australian equity-type derivatives and managed investment schemes that provide exposure to any of the aforementioned.
International Shares	International listed and unlisted equity-type securities, listed investment companies and investment trusts, international equity-type derivatives, private equity and managed investment schemes that provide exposure to any of the aforementioned.
Property	Australian and international unlisted property funds and property related securities, and hybrid property-type vehicles.
Fixed Interest	Debt securities issued by supranationals, Australian and international governments, quasi-governments, government agencies and corporates, structured credit securities including mortgage and asset-backed securities, corporate floating rate notes, fixed interest type derivatives and managed investment schemes that provide exposure to any of the aforementioned.
Cash	Cash deposits and money market securities (including but not limited to bank bills and certificates of deposit), interest rate swap contracts and managed investment schemes that provide exposure to any of the aforementioned.
Alternatives	Alternatives may include non-traditional asset sectors (e.g. high yield debt, emerging markets debt, commodities and infrastructure) and strategies (e.g. hedge funds, long-short equities, absolute return multi-asset strategies and volatility management strategies) and managed investment schemes that provide exposure to any of the aforementioned.



The Funds generally gain exposure to these asset classes by investing in a range of sector funds but may also invest in other underlying funds. These underlying funds may be offered and managed by RIM, another member of Russell Investments or by a third party investment manager appointed by Russell Investments.

## Exposure management

Investment managers of the underlying funds (including members of Russell Investments) may also use derivatives and/or exchange traded funds to manage the asset allocations of the Funds. This allows for more efficient rebalancing and repositioning across and within asset classes than if these Funds were to buy or sell the underlying securities.

## Leverage

The Funds may, through their underlying funds' exposure to alternative investments, be indirectly exposed to gearing and leverage.

## Derivatives

Derivatives such as futures, options, swaps and forward contracts may be used by the underlying funds from time to time to: achieve a desired investment position without buying or selling the underlying asset; implement investment strategies; as a hedging mechanism to protect against changes in the market value of existing investments; or to manage actual or anticipated risk.

In particular, these underlying funds may use futures contracts to equitise cash holdings. Those underlying funds that have foreign currency exposures may use derivatives to manage currency exposures.

The underlying funds that invest in fixed income securities may use a range of derivatives to manage interest rate, currency, duration and credit risk. Derivatives may also be used to create net short positions in the assets of some of the underlying funds.

## Currency management

Some of the underlying funds may use currency hedging as part of their investment strategy. Currency hedging is an investment strategy that aims to reduce currency risk, thereby protecting or potentially improving returns. However, it may also reduce potential gain from investments. Derivatives including, but not limited to, forward foreign exchange contracts and swaps may be used to reduce the impact of currency fluctuations. Currency hedging may be implemented by us (including other members of Russell Investments) or by an investment manager appointed by us.

Assets within the Fund that have an exposure to foreign currencies may be unhedged and/or partially or fully hedged. We may actively manage the unhedged/hedged currency exposure of the Fund. Active currency management has the potential to add further value but can also expose the Fund to greater risk.

## Changing investment managers and/or underlying funds

We may change investment managers (including where Russell Investments directly manages a portion of the assets of the Fund) and/or underlying funds of the Funds from time to time without notice.

Updated information may be found by searching the Fund product profile on our website at <https://russellinvestments.com/au/disclosures>. You can contact us if you would like a paper copy of this information free of charge.

## Borrowings

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

## ESG considerations

We do not take into account labour standards or environmental, social and governance (ESG) considerations in the selection, retention or realisation of the investments in the underlying fund. Please refer to the underlying fund PDS for a summary of how the underlying fund takes into account labour standards or ESG considerations when investing.

## Standard Risk Measure

We have adopted the Standard Risk Measure (SRM) approach to describe the Fund's risk level. The SRM measures the likelihood of a product experiencing a loss based on its expected return and risk profile. This is commonly expressed as the expected number of negative annual return over a 20 year period. We have categorised the Funds into the following risk levels based on their SRM results. The SRM is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than an investor may require to meet their objectives.

Investors should ensure they are comfortable with the risks and potential losses associated with their choice of investment as described in the PDS.

<b>Low</b>	Expected to have up to 1 negative annual return over a 20 year period (SRM 1 to 2)
<b>Medium</b>	Expected to have between 1 to 4 negative annual returns over a 20 year period (SRM 3 to 5)
<b>High</b>	Expected to have between 4 to 6 negative annual returns over a 20 year period (SRM 6)
<b>Very high</b>	Expected to have 6 or more negative annual returns over a 20 year period (SRM 7)



## 6. Fees and costs

The following additional information should be read in conjunction with section 6 of each PDS:

### Additional explanation of fees and costs

#### Management fees and costs

Management fees and costs include:

- a management fee;
- indirect costs (including management fees and costs of underlying funds); and
- expense recoveries.

These amounts are payable out of Fund assets or the assets of underlying funds in which a Fund may invest and are reflected in the unit price.

Management fees and costs do not include transaction costs and other costs that an investor would incur if the investor invested directly in the underlying assets. More information on transaction costs is set out below under the heading "Transaction Costs".

#### Management Fee

RIM charges a management fee which consists of an investment management fee for managing and operating the relevant Fund and a Responsible Entity fee. The management fee is calculated and accrued daily and is generally payable to us monthly from the assets of the relevant Fund. The amount of this fee can be negotiated.

#### Indirect Costs

Indirect costs are any amounts the Responsible Entity knows or reasonably ought to know, or where this is not the case, reasonably estimates have or will reduce, whether directly or indirectly, a Fund's returns or the amount or value of the income of, or assets attributable to that Fund or an underlying fund in which that Fund invests other than the management fee and expense recoveries.

In particular, indirect costs include, but are not limited to:

- management fees and costs (comprising management fees, indirect costs and expense recoveries of the underlying funds); and
- a reasonable estimate of the costs (if any) of investing in over-the-counter (OTC) derivatives used for investment exposure purposes (both at the Fund level or in the underlying funds).

Transaction costs of all OTC derivatives are set out below under the heading "Transaction costs".

Unless otherwise stated in the relevant Fund's PDS, the indirect costs component of the management fees and costs figure set out in the fees and costs summary in each Fund's PDS is calculated on the basis of the actual amount incurred by that Fund for the previous financial year and RIM's reasonable estimate of such costs where information was not available as at the date of the relevant PDS and this Additional Information Booklet or where RIM was unable to determine the exact amount.

Indirect costs are reflected in the unit price of the Fund as and when incurred. Indirect costs are not an additional fee paid to RIM. Indirect costs may vary from year to year, including to the extent that they rely on estimates. This amount is not an indication or guarantee of the amount that may be charged in the future.

#### Expense recoveries (including taxes)

##### *Normal operating expenses*

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

Unless otherwise stated in the relevant Fund's PDS, the expense recoveries component of the management fees and costs figure set out in the fees and costs summary of each Fund's PDS includes the estimated normal operating expense recoveries of that Fund, which is the actual amount incurred by that Fund for the previous financial year and RIM's reasonable estimates of such normal operating expenses where information was not available as at the date of the relevant PDS and this Additional Information Booklet or where RIM was unable to determine the exact amount.

##### *Abnormal expense recoveries*

RIM may also recover abnormal expenses (such as litigation, the cost of investor meetings or other costs if incurred in the future). Such abnormal expenses may be recovered from the assets of a Fund as an additional expense where permitted under the constitution.

Abnormal expenses are not generally incurred during the day-to-day operation of a Fund and are not necessarily incurred in any given year. In circumstances where such events do occur, we may decide not to recover these from a Fund.

The management fees and costs figure disclosed in the fees and costs summary of each Fund's PDS includes the estimated abnormal expense recoveries of that Fund, which is the actual amount incurred by that Fund for the previous financial year and RIM's reasonable estimates of such abnormal expenses where information was not available as at the date of the relevant PDS and this Additional Information Booklet or where RIM was unable to determine the exact amount.

Abnormal expenses may vary from year to year including to the extent that they rely on estimates. This amount is not an indication or guarantee of the amount that may be charged in the future.

## Performance fees

Performance fees may be charged by the underlying funds or the investment managers in certain Funds if they meet specific investment performance targets. Performance fees provide an incentive for investment managers and underlying funds to achieve superior performance.

Investment managers (including those of underlying managers or funds) may earn a performance fee irrespective of a Fund's overall performance (see example below). Generally, a performance fee is only payable to the extent that a return in excess of the relevant hurdle rate or benchmark has been achieved and past underperformance by the investment manager or that of the underlying manager or fund (whichever is relevant) has been recovered.

Please note that past performance is not a reliable indicator of future performance and it is impossible to accurately forecast the performance fees that will be payable.

Performance fees are based on realised and unrealised gains. Therefore, a performance fee may be paid on unrealised gains that may never subsequently be realised. Performance fees are accrued daily.

### Funds that charge a performance fee

RIM does not charge a performance fee at the Fund level.

### Performance fees charged by underlying funds or underlying managers

RIM may cause a Fund to invest in an underlying fund or underlying manager which charges a performance fee. Such fees, if charged, would reduce the value of the Fund's investment.

RIM's reasonable estimate of the performance fees charged by an underlying manager or underlying funds that a Fund invests in are based on:

1. the average fee incurred for the previous five financial years; or
2. if the underlying manager or fund was not in operation for the past five financial years, the average fee incurred for all of the financial years in which the underlying manager or fund was in operation; or
3. if the underlying manager or fund was first offered in the current financial year, RIM's reasonable estimate of the fee for the current financial year adjusted to reflect a 12-month period.

For Funds that invest in an underlying fund or manager which charges a performance fee, the estimated performance fees charged by underlying fund or manager for each Fund are as follows:

Fund	Performance fee charged for the previous financial year at the Fund level (% p.a.)	Performance fee incurred for the previous financial year by underlying funds or managers (% p.a.)	Average performance fee for the previous 5 financial years (by underlying funds or managers) (% p.a.)
Russell Investments Ventura Conservative Fund	Nil	0.02	0.01
Russell Investments Ventura Diversified 50 Fund	Nil	0.02	0.01
Russell Investments Ventura Growth 70 Fund	Nil	0.03	0.02
Russell Investments Ventura Growth 90 Fund	Nil	0.03	0.02
Russell investments Ventura High Growth 100 Fund	Nil	0.03	0.03

## Different fees

We may negotiate different fees with investors who are Wholesale Clients, at our discretion, subject to the Corporations Act and any relevant ASIC policies. 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. This is generally because they invest large amounts of money in the Fund. We cannot enter into individual fee arrangements with Retail Clients. Investors are able to contact us using the contact details set out in the 'How to Contact Us' section of this Additional Information Booklet.

## Transaction costs

In managing the investments of a Fund, transaction costs such as brokerage, settlement costs, clearing costs, government taxes and charges, buy-sell spreads of underlying funds and bid/offer spreads may be incurred. Transaction costs of over-the-counter (OTC) derivatives may also be incurred by the Fund or an underlying fund.

These costs may be incurred by investing directly in the underlying securities but may also include costs incurred by an underlying fund that would be transaction costs if they had been incurred by the Fund. Such costs arise whenever the Fund buys or sells assets to invest applications, fund withdrawals or to generally manage the Funds in accordance with its investment objective.

Where these costs arise as a result of applications and withdrawals, these costs will generally be covered by the inclusion of a buy/sell spread in the purchase or withdrawal price. Please refer to the 'Buy/sell' spread section below for further details.

Transaction costs are paid out of the Fund's assets as and when incurred and they are an additional cost of investing to the investor where they have not already been recovered by the buy/sell spread and are not a fee paid to RIM.

The amount of transaction costs will vary from year to year depending on the type, size and frequency of transactions. This means that estimated and/or historical costs may not be an accurate indicator of the transaction costs an investor may pay in the future.

The estimated transaction costs disclosed in the fees and costs summary in the PDS are shown net of any amount recovered by the buy/sell spread charged by RIM and are calculated using the Fund's actual transaction costs incurred for the previous financial year and RIM's reasonable estimate of such costs where information was not available as at the date of the PDS and this Additional Information Booklet or where RIM was unable to determine the exact amount.

The information in the table below sets out for each Fund, the estimated total gross transaction costs, the amount that will be recouped through the buy/sell spread, and the net transaction costs after buy/sell spread recoveries (or an estimate if the amount is not known for each Fund), presented as a percentage of each Fund's net assets. The resulting estimated net transaction costs are borne by all investors in each Fund and are reflected in the unit price.

Fund	Estimated total gross transaction costs (% p.a.) <sup>1,2</sup>	Estimated costs recouped through buy/sell spread (% p.a.)	Estimated net transaction costs (% p.a.) <sup>3</sup>
Russell Investments Ventura Conservative Fund	0.11	0.04	0.07
Russell Investments Ventura Diversified 50 Fund	0.12	0.04	0.08
Russell Investments Ventura Growth 70 Fund	0.13	0.03	0.10
Russell Investments Growth 90 Fund	0.13	0.03	0.09
Russell Investments High Growth 100 Fund	0.14	0.03	0.11

1. This amount includes net transaction costs incurred in any underlying funds, where applicable.
2. This amount reflects the total gross transaction costs incurred for the relevant Fund for the previous financial year including RIM's reasonable estimate of such costs where information was not available as at the date of the PDS and this Additional Information Booklet or where RIM was unable to determine the exact amount.
3. This is the estimated percentage by which the Fund's investment return has been reduced by transaction costs. Numbers may not equal the transaction costs minus the costs recouped due to rounding.



You should read the important information about the current buy/sell spread before making a decision - go to <https://russellinvestments.com/au/disclosures>.

The material relating to buy/sell spreads may change between the time when you read this Additional Information Booklet and the day when you acquire the product.

Each Fund's estimated and/or historical transaction costs may not be an accurate indicator of the actual transaction costs you may incur in the future.

## Buy/sell spread

The buy/sell spread covers our estimate of the transaction costs (such as brokerage and settlement costs) of a Fund buying or selling underlying assets when you invest or withdraw from the Fund.

The difference between the unit price and the entry price is called the 'buy spread'. The difference between the unit price and the exit price is called the 'sell spread'. The buy/sell spread covers our estimate of the transaction costs (such as brokerage and settlement costs) of buying or selling underlying assets when you invest or withdraw from the Fund. The buy/sell spread is an additional cost to you and will impact the return on your investment. The buy/sell spread is retained by the Fund, not by us or the investment managers. We reserve the right to change the buy/sell spread for the Fund at any time. For updated information visit <https://russellinvestments.com/au/disclosures>.

An estimate of the buy/sell spread applicable to applications and redemptions from each Fund is set out in the fees and costs summary in the PDS of each Fund. In estimating the buy-sell spread, RIM has assumed that the applications or withdrawals are made during normal market conditions, as in times of stressed or dislocated market conditions (which are not possible for RIM to predict) the buy/sell spread may increase significantly and it is not possible to reasonably estimate the buy/sell spread that may be applied in such situations.

Where there is a significant aggregate application or aggregate withdrawal from a Fund (i.e. by one or more investors), the market costs of buying or selling securities may be significantly higher than the stated buy/sell spread. RIM retains discretion to allocate full market costs associated with a large transaction to the transacting investor(s) to ensure non-transacting investors are not significantly adversely affected.

The tables below provide a hypothetical example of how the cost of the buy/sell spread can affect a \$10,000 application for units that is subsequently withdrawn from a hypothetical fund. For simplicity, the daily unit price for the fund is assumed to be constant at \$1.00 per unit.

Assume the fund currently has a buy spread of 0.27% and a sell spread of 0.25%. This means that the "entry price" of a unit would be 0.27% higher than the daily unit price (i.e. \$1.0027 per unit), and the "exit price" would be 0.25% lower than the daily unit price (i.e. \$0.9975 per unit).

On a \$10,000 application at the entry price of \$1.0027 per unit, an investor would receive 9,973 units. These units would be worth \$9,973 at the daily unit price of \$1.00 per unit.

Application amount	Entry price (daily unit price plus buy spread)	No of units issued
\$10,000	\$1.0027 per unit ( $\$1 + (\$1 \times 0.0027)$ )	9,973

On a withdrawal of these 9,973 units at the exit price of \$0.9975 per unit the investor would receive approximately \$9,948.

No of units redeemed	Exit Price (daily unit price less sell spread)	Withdrawal amount
9,973	\$0.9975 per unit ( $\$1 - (\$1 \times 0.0025)$ )	\$9,948

The example shows that the total cost of the 0.27% buy spread and 0.25% sell spread for a \$10,000 application is approximately \$52 as the investor only receives \$9,948 on withdrawal.

**Please note this example is provided for illustrative purposes only. The actual cost to you of the buy/sell spread depends on the amount you invest or withdraw and the current buy/sell spread of the Fund you have chosen.**



You should read the important information about the current buy/sell spread before making a decision - go to <https://russellinvestments.com/au/disclosures>.

The material relating to buy/sell spreads may change between the time when you read this Additional Information Booklet and the day when you acquire the product.

## Commissions and other benefits received

Subject to the Corporations Act and relevant law, we, or members of RIM, may receive commissions and other benefits (e.g. research) from brokers in respect of trades for the Fund. These benefits may flow to the Fund and to other funds managed by us. We instruct the investment managers of the Funds to trade only with brokers who will provide best execution, regardless of whether these trades are placed with brokers related to us or not.

## Related party payments

Members and affiliates of RIM may receive fees on normal commercial terms for providing services to the Fund. In particular, Russell Investments Implementation Services LLC (RIIS), a related party of the Responsible Entity based in Seattle, USA provides implementation and execution services for the Funds on an arm's length basis. RIIS receives brokerage of up to 0.2% of the value of a trade for providing these services to the Funds. RIIS may also receive a management fee where it is appointed as an investment manager which is paid out of the Responsible Entity's management fee so it does not represent an additional cost to you.

RIM engages an external company to provide comparative cost and best execution analysis on a regular basis, so as to ensure that the RIIS brokerage services are provided on an arm's length basis.

As all of the abovementioned related party transactions occur on an arm's length basis, member approval is not required. We do not see any risks associated with these related party transactions other than normal arm's length business risks. The Responsible Entity has policies and procedures that govern related party transactions. Specifically the compliance plan for the Fund contains a section covering related party transactions and the Responsible Entity also has a conflicts policy that is relevant to such transactions.

## Records of alternative forms of remuneration that is not conflicted remuneration

Subject to the Corporations Act and relevant law, occasionally, we may provide benefits of small value to Australian financial services licensees and/or their representatives who recommend a Fund to Retail Clients such as professional development, sponsorship and entertainment for financial advisers and dealer groups, where the law permits. The cost of any alternative

remuneration will be paid out of our management fee, so it does not represent any additional cost to you. We maintain records of these benefits as required by the Corporations Regulations 2001 (Cth). These records will be provided to you on request within one month and we may charge a reasonable cost for obtaining and giving the particulars to you.

## Taxation of the Fund

To the extent permissible, the Responsible Entity will claim on behalf of the Funds a proportion of this GST as a reduced input tax credit. For more information about tax, refer to section 7 of each Fund's PDS and section 7 of this Additional Information Booklet.

## Payment to platforms

To the extent permitted by law, we may make payments to platform operators that distribute Units in a Fund. Any such payments will be paid out of our management fee, so it does not represent an additional cost to you.

## Updated information

The indirect costs, expense recoveries, performance fees and transaction costs as described in this Additional Information Booklet are based on the knowledge or reasonable estimates of the Responsible Entity. These estimates may be based on a number of factors including previous financial year information and information provided by investment managers and/or underlying funds.

These fees and costs are subject to change from time to time. Updated information that is not materially adverse to investors will be updated online at <https://russellinvestments.com/au> or you may obtain a paper copy of any updated information from us free of charge on request.

## 7. How managed investment schemes are taxed

**The following additional information should be read in conjunction with section 7 of each PDS:**

The following summary of Australian taxation matters is a general guide in relation to the Australian taxation implications applicable to the Funds for Australian resident unit holders who hold their units in the Funds on capital account and are not considered to be carrying on a business of investing, trading in investments or investing for the purpose of profit making by sale. It is intended as an outline of some of the Australian tax issues which may affect an investment in the Funds and should not be relied upon as a complete statement of all the potential tax considerations which may arise upon investing in the Funds.

The summary is based on the Australian tax laws as at the date of the PDS. The Australian tax laws are subject to continual change, and as the tax treatment applicable to unitholders may differ, it is recommended that all unitholders seek their own professional advice on the taxation implications before investing in the Funds.

Non-residents should seek specific advice from their tax advisers on the Australian tax implications of investing in the Funds.

## Tax position of the Funds

The Funds are Australian resident unit trusts for Australian tax purposes. The tax position of a Fund and unit holders will depend on whether the Fund qualifies as a Managed Investment Trust (MIT) and in turn, an Attribution Managed Investment Trust (AMIT) for the income year, as described below.

### Income tax

Each Fund may qualify as a MIT for a given year of income. In turn, a MIT may further qualify and elect to be treated as an AMIT. Regardless of the classification, it is intended that the Funds be treated as 'flow through' for income tax purposes, where for each year of income, the unit holders of a Fund are taxed on the taxable income of that Fund and not the Responsible Entity.

If a Fund incurs a tax loss for an income year, the Fund cannot pass that loss to unit holders. Instead, the Fund may carry the loss forward to offset taxable income of subsequent income years, subject to the Fund meeting certain conditions.

### Capital gains

In the first year that a Fund qualifies as a MIT, an irrevocable election may be made to treat eligible assets (such as company shares and units in unit trusts but excluding derivatives and foreign exchange contracts) on capital account (after capital losses have been recouped). If the election is not made, gains/(losses) from the disposal of eligible investments should be treated as revenue gains or losses.

With exceptions, all the Funds have made the capital account election. The MIT capital account election will continue to apply to the Funds under the AMIT regime.

Where the Fund is also an AMIT, it may attribute trust components (including capital gains or income, arising on the sale of securities to meet a significant redemption), on a fair and reasonable basis to the redeeming unit holder, as permitted by the AMIT regime. Furthermore, for a given income year:

- (a) where cash distributed by an AMIT is greater than the trust components attributed, the cost base of units may be reduced and reductions in excess of the cost base may result in an immediate capital gain; and conversely
- (b) where cash distributed is less than the trust components attributed by an AMIT, the cost base of the units may increase.

For a Fund that is not an AMIT, only (a) above applies and not (b). This could mean that unitholders are taxed twice on any undistributed taxable income. For this reason, when a Fund is not an AMIT the Responsible Entity would seek to distribute cash (or reinvest a distribution) at least equal to the proportionate share of the taxable income of the Fund allocated to the unitholder on a present entitlement basis.

Refer to 'Tax position of Australian unit holders' below for more information.

The former Australian Government announced a proposed amendment to the law to remove the CGT discount at the trust level. Unit holders would not then be required to gross up discount capital gains from a Fund, before applying any applicable discount to the gross gain from that Fund. This proposed amendment is currently awaiting confirmation from the current Government as to whether it will proceed. If it proceeds, it is expected to apply to income years commencing on or after three months after the date of Royal Assent of enabling legislation.

### **Non-AMIT status of the Funds**

If a Fund does not qualify or ceases to qualify as a MIT, and thereby as an AMIT, for a given income year, the tax position of each Fund and unit holders may change for that year. In income years where a Fund does not meet the requirements to be a MIT, the characterisation of such eligible investments (on revenue or capital account) will be determined based on the application of ordinary tax principles.

If a Fund meets the eligibility requirements in a subsequent year, it may revert to being treated as a MIT or an AMIT as the case may be. In these circumstances the Responsible Entity shall make the necessary transition adjustments as required under tax laws.

Even where a Fund does not qualify as an AMIT for a year of income, flow through tax treatment is intended to remain available, however certain features pertaining to MITs and AMITs will not apply (see below).

## **Tax position of Australian unit holders**

### **Distributions – Fund is an AMIT**

Australian unit holders should not be taxed on the cash distributions they receive from the Fund but on the amount of income and capital gains of the Fund which has been attributed to them on a fair and reasonable basis. The tax character of income (e.g., dividends, capital gains - discounted or otherwise) will flow through the Fund to the unit holder.

Unit holders may also be attributed franking credits attached to dividend income and foreign income tax offsets (FITOs) for certain taxes paid on foreign income. Unit holders should seek their own tax advice on the additional criteria which has to be met (including the franking credit 45-day holding period rule and their FITO cap) to claim these credits and offsets against their tax liability. For an Australian resident individual or complying superannuation entity, where available franking credits exceed their tax liability for that year, a tax refund may arise. For a company this may give rise to tax losses.

If a unit holder receives distributions of cash in excess of trust components attributed to them, they should reduce the cost base of their units. Where the cost base of a unit holder's units be reduced below zero, the negative amount should be included in the calculation of the net capital gain or loss for the income year.

Conversely, if a unit holder receives distributions of cash less than trust components attributed to them, they should increase the cost base of their units.

Unit holders will be provided with an Attribution Managed Investment Trust Member Annual (AMMA) statement each year setting out the amounts to which they have been attributed and any adjustments to be made to the cost base of their units.

### **Distributions – Fund is not an AMIT**

For each income year, Australian unit holders will be taxed on their share of the taxable net income (including realised capital gains) of the Fund in proportion to the share of the distributable income of the Fund to which they are 'presently entitled' to.

The share of taxable net income may comprise various components, including dividends, capital gains, tax credits and offsets, such as franking credits attached to dividend income and offsets for certain tax paid on foreign income (both of which are subject to the Fund and/or unit holder meeting certain eligibility criteria). Cash distributions in excess of taxable components will reduce the unit holders' cost base of their units and reductions in excess of the cost base may result in an immediate capital gain.

If a Fund does not qualify as a MIT (and thereby as an AMIT) a few consequences arise including:

1. unit holders may not receive the benefit of the capital gains discount concession on distributions of realised gains for that year;
2. the Fund may not be able to claim certain carried forward losses from prior years; and
3. if a unit holder is taxed on amounts which they have not received in cash, they are not entitled to increase the cost base of their units and consequently, could be taxed twice on the same amount of income.

Unit holders will be provided with an Annual Tax Statement each year setting out the amounts to include in their own tax return and details of certain tax components which may require an adjustment to be made to the cost base of their units.

### **Disposal of units**

Unit holders may realise a taxable capital gain or capital loss if they redeem, switch, transfer or otherwise dispose of their units in a Fund. Resident individuals, trust or complying superannuation entities, that have held units for at least 12 months prior to the disposal or redemption of those units, may be entitled to discounted capital gains treatment. If the Fund attributes a discount capital gain to a unit holder, the unit holder must first multiply the discount capital gain by 2 to determine the nominal capital



gain. Individual, trust and complying superannuation fund unit holders may then 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. The capital gains discount is 50% for a resident individual or trust, and 33 1/3rd % for a unit holder that is a complying superannuation entity. No discount is available to corporate unit holders.

The CGT discount concession may be denied in certain circumstances where a unit holder (together with associates) holds 10% or more of the issued units of the Fund, the Fund has less than 300 beneficiaries and other requirements are met. Investors who together with associates are likely to hold more than 10% of the units in the Fund should seek advice on this issue.

Capital losses may only be offset against capital gains that the unit holder makes in the same income year and any excess capital losses may be offset against capital gains derived in subsequent income years, subject to certain loss integrity rules. Capital losses must be offset against the nominal capital gain before applying the discount concession. In calculating the capital gain or loss on the disposal of units, cost base adjustments (see above) may be required.

## **Tax position of non-resident unit holders**

For non-resident unit holders, deductions of Australian tax will be made from distributions (or in the case where a Fund is an AMIT, attributions of taxable income components) comprising certain Australian-sourced income and capital gains. The amounts withheld will depend on the type of income and the country of residence of the unit holder.

Based on the Fund's expected investment portfolio, non-resident unit holders holding their units on capital account should not generally be subject to Australian capital gains tax on the disposal of units in a Fund unless the units were capital assets held by the unit holder in carrying on a business through a permanent establishment in Australia.

We recommend that non-resident and temporary resident unit holders consult their tax adviser before investing so that they can consider their circumstances, the provisions of any relevant Double Taxation Agreement and /or Exchange of Information Agreement between Australia and their country of residence.

### **Disposal of Units by Non-Resident unit holders**

Based on the Fund's investment profile, generally non-resident unit holders holding their units on capital account should not be subject to Australian income tax on the disposal of units in the Fund unless certain circumstances occur including for example: (1) the units were capital assets held by the unit holder in carrying on a business through a permanent establishment in Australia; (2) the units were held on capital account and the Fund held a direct or indirect interest in Australian real property; or (3) the units on revenue account and the disposal of units is considered Australian sourced and treaty protection is not available. We recommend that non-resident unit holders seek independent tax advice in relation to the tax consequences of the disposal of their units.

## **Foreign income**

The Funds may derive income from sources outside Australia. The attributed or distributed income amount of the gross foreign income will be treated as foreign income of the unit holder. The unit holder may be entitled to a foreign income tax offset for foreign tax paid by the Funds in respect of the foreign income received by the Funds.

## **Controlled Foreign Company (CFC) & Foreign Hybrid Rules**

The CFC rules may apply to certain interests in foreign companies where controlling interests are held by one or more Australian residents (including one or more of the Funds), in certain circumstances.

Under the CFC rules, the net (taxable) income of a Fund may include the Fund's share of a CFC's attributable income (generally passive income) for a year on an accruals basis, even though the income has not been distributed by the CFC. Further, if a CFC or an investment in a limited partnership is a 'foreign hybrid' under Australian tax law, the foreign hybrid partnership rules may alternatively apply to include a share of partnership tax income in the taxable income of a Fund. A holding of at least 10% is generally required to be an "attributable taxpayer" under the CFC rules, or to qualify certain investments in foreign entities as a foreign hybrid. However, it is generally expected that the Fund's interests in foreign companies and limited partnerships will not be CFC interests or foreign hybrids. If applicable, the Responsible Entity will monitor the concentration of Australian (or Australian associated) ownership of any foreign companies and limited partnerships to determine if any income attribution under the CFC rules or foreign hybrid rules is required.

## **Taxation of Financial Arrangements (TOFA) regime**

The TOFA rules may apply to certain "financial arrangements" held by the Funds. In broad terms, in calculating the net (taxable) income of the Funds, 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 Funds will assist the Responsible Entity with compliance with the TOFA rules, as required by the tax legislation.

## **Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS)**

US tax laws require Foreign Financial Institutions (FFIs) to comply with various obligations to ensure that FATCA withholding tax at the rate of 30% is not deducted from certain US sourced income. Australia has also implemented the Organisation for Economic Cooperation and Development's (OECD) approach for the automatic exchange of information (the Common Reporting Standard or "CRS") by "financial institutions" (as defined for CRS purposes) on non-resident account holders or unit holders. The CRS is also known as "global FATCA".



Generally speaking, the Funds will fall within the definition of an FFI for FATCA purposes and the definition of a “financial institution” for CRS purposes. Accordingly, the Responsible Entity may be required to request unit holders to provide additional information, and report annually to the ATO on non-resident reportable accounts, to comply with its compliance obligations under the FATCA and CRS rules.

## **Tax reform**

The comments noted above are based on the taxation legislation and administrative practice as at the issue date of the 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 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.

These reforms may impact on the tax position of the Funds and their unit holders. Accordingly, it will be necessary to closely monitor the progress of these reforms, and it is strongly recommended that unit holders seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Funds.

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

It is not compulsory for an Australian unit holder to quote their TFN or ABN. If an Australian unit holder is making this investment in the course of a business or enterprise carried on by the unit holder, the unit holder may quote an ABN instead of a TFN. Failure by a unit holder 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 unit holder. The unit holder may be able to claim a credit in the unit holders’ tax return for any TFN/ABN tax withheld. By quoting their TFN or ABN, the unit holder authorises the Responsible Entity to apply it in respect of all the unit holder’s investments with the Responsible Entity. If the unit holder does not want to quote their TFN or ABN for some investments, the Responsible Entity should be advised.

## **Goods and Services Tax (GST)**

The Funds are registered for GST. The issue or withdrawal of units in the Funds and where applicable the receipt of any distributions is not subject to GST.

The Funds may be required to pay GST included in management and other fees, charges, costs, and expenses incurred by the Fund. However, to the extent permissible, the Responsible Entity will claim on behalf of the Funds a proportion of this GST as a reduced input tax credit.

Unless otherwise stated, fees and charges quoted in the PDS (including this Additional Information Booklet) are inclusive of GST and consider any available reduced input tax credits.

To the extent that a Fund is investing in international securities, the Fund may be entitled to yet undetermined additional input tax credit on the fees, charges or costs incurred. If the Responsible Entity is unable to claim input tax credits on and/or reduced input tax credits on behalf of a Fund, the Responsible Entity retains the ability to recover the entire GST component of all fees and charges.

Unitholders should seek professional advice with respect to the GST consequences arising from their unit holding.

## **8. How to apply**

**The following additional information should be read in conjunction with section 8 of each PDS:**

### **Investor identification and verification**

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 legislation, we are required to establish and enforce appropriate risk control programs with accompanying ID Procedures. The procedures require investors to provide satisfactory proof of identity which must be verified before an application for 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.

As noted in section 7 'How managed investment schemes are taxed', the Responsible Entity may be required to request unitholders to provide additional information in order to comply with FATCA and CRS compliance obligations.

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.

If you invest in the Fund through a platform, you will need to comply with your platform operator's investor identification and verification procedures.

## 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 stop 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 any 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 continuing to invest in the Fund, you agree to us collecting, holding and using personal information about you in the way set out in our Privacy Policy; and 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 Investments 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 <https://russellinvestments.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  
GPO Box 3279  
SYDNEY NSW 2001  
Email: [aus-compliance@russellinvestments.com](mailto:aus-compliance@russellinvestments.com)  
Phone: 02 9229 5111

## Note for Indirect Investors

When you invest in the Fund through a platform, we will not collect or hold personal information about you. You should contact your platform operator for details on how they manage your personal information.

## 9. Other Information

### Our legal relationship with investors

The Fund's Constitution provides the framework for the operation of the Fund, and together with the PDS and the *Corporations Act 2001*, sets out our relationship with investors. A copy of the Fund's Constitution is available free of charge on request.

However, remember that when you invest through a platform you do not become an investor in the Fund.

Some of the provisions in the Fund's Constitution are discussed elsewhere in the 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 and transfers
- calling, attending and voting at investor meetings
- when we are not liable to investors
- changing the Constitution
- when we can terminate the Fund or retire as Responsible Entity, and what happens if we do (if we terminate the Fund, investors 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* and the Fund's Constitution. An investor's liability is limited by the Fund's Constitution to the value of their units, however this position has not yet been fully tested in Australian courts.

We may change the terms of the PDS, but will notify investors of any material changes.

## Compliance Plan and Compliance Committee

The Fund has a compliance plan which describes the measures that we undertake 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*.

## Reporting on your investments

For Indirect Investors accessing the Fund through a platform, please contact your provider for information on reports you will receive.

The below is a summary of the statements you will be provided when you invest in the Fund. For more information on the Fund's reporting, contact Russell Investments Fund Operations.

### Confirmations

You will receive a transaction statement each time you invest in or redeem from the Fund.

### Distributions

You will receive a distribution statement each time a distribution is made.

### Monthly reports

You will receive a transaction statement at the end of each month with details of any transactions you made over the month.

### Annual investment statements and exit statements

If you are a Retail Client, you will receive an annual investment statement setting out information in relation to your investment, including details of the return on your investment in the Fund and any transactions affecting your investment in the Fund. If you are a Retail Client, you will receive an exit statement within 6 months of exiting the Fund.

### Tax statement

We will provide you with an annual tax statement (AMMA Statement if the Fund is an AMIT) in relation to your investments in the Fund.

## 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 in which you are invested unless you have elected not to receive them. The Annual Report is published on the website at <https://russellinvestments.com/au/disclosures>.

## Disclosing entity

If the Fund has 100 or more investors it will be a disclosing entity for the purposes of the *Corporations Act 2001* and will be subject to regular reporting and disclosure requirements. Copies of documents lodged with the Australian Securities and Investments Commission (ASIC) in relation to the Fund may be obtained from ASIC. Where the Fund is a disclosing entity we will comply with our continuous disclosure obligations under the law by publishing material information about the Fund at <https://russellinvestments.com/au/disclosures> on our website, in accordance with ASIC's good practice guidance for website disclosure. For a Fund that is a disclosing entity, you can also obtain the annual and half year financial reports which were most recently lodged with ASIC and other information from our website. We encourage you to regularly check our website for new information that may be relevant to your investment.

## What you need to remember

The PDS and this Additional Information Booklet contain 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 talk to a financial adviser 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.

## Terms used in the PDS and this Additional Information Booklet

**'Client Account Manual'** refers to the documentation that is required to be completed in setting up or maintaining an account to invest in the Funds.

**'business day'** means a day other than a Saturday, Sunday, public holiday or day on which banks are generally closed for business in Sydney.

**'Retail Client'** has the meaning given under section 761G of the *Corporations Act 2001*.

**'Russell Investments'** is a global financial services organisation with headquarters in Seattle, USA.

**'Russell Investments Ventura Funds' or 'Funds'** collectively refers to the Russell Investments Ventura Conservative Fund, Russell Investments Ventura Diversified 50 Fund, Russell Investments Ventura Growth 70 Fund, Russell Investments Ventura Growth 90 Fund and Russell Investments Ventura High Growth 100 Fund.

**'underlying funds'** means a managed investment scheme in which the Fund holds units or shares or has exposure to. The underlying funds may be domiciled in Australia or in another jurisdiction and may be managed by RIM, other members of Russell Investments or by a third party investment manager.

**'unit'** refers to the units of the Fund.

**'Wholesale Client'** has the meaning given under section 761G of the *Corporations Act 2001*.

### How to Contact Us

If you would like a paper copy of this document, or any other relevant information, please contact us by using the details below.

If you are accessing the Fund through a platform you should first contact the operator of the platform.

**For wholesale investors:**

Russell Investments Fund Operations

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Tel: +612 9229 5204 (outside Australia)

Fax: 1300 768 040 (in Australia)

Fax: +612 9229 5116 (outside Australia)

E-mail: [syd-fundoperations@russellinvestments.com](mailto:syd-fundoperations@russellinvestments.com)

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