

Conflicts Management Framework - Summary

Total Risk Management Pty Ltd (TRM) maintains a conflicts management framework, in accordance with Prudential Standard SPS 521, to enable the TRM Board to identify and take all reasonably practicable actions to avoid, or prudently manage, all potential and actual conflicts in TRM's business operations. TRM's conflicts management framework documentation includes:

- The Conflicts Management Policy;
- TRM's Register of Relevant Duties and Register of Relevant Interests;
- TRM's Conflicts Register; and
- TRM's Gifts Register.

The purpose of Conflicts Management Policy is to document how TRM approaches the identification and avoidance or management of conflicts of duty and interest. In so doing, TRM recognises that it must comply with the covenant in section 52(2)(d) of SIS that provides that where there is a conflict between the duties of TRM to beneficiaries, or the interests of beneficiaries, and the duties of TRM to any other person or the interests of TRM or any associate of TRM, TRM is to:

- give priority to the duties to and interests of the beneficiaries, over the duties to and interests of other persons;
- ensure that the duties to the beneficiaries are met despite the conflict;
- ensure that the interests of the beneficiaries are not adversely affected by the conflict; and
- comply with the Prudential Standard SPS 521 in relation to conflicts.

1 Review of the Conflicts Management Framework

The TRM Board will review the conflicts management framework on an annual basis.

2 What is a Conflict?

SPS 521 provides that for the purposes of the Standard, a reference to a "conflict" is a reference to a conflict:

- between the duties owed by TRM or a responsible person¹ to beneficiaries and the duties owed by TRM or that responsible person to any other person;
- between the interests of beneficiaries and the duties owed by TRM or a responsible person to any other person;
- between an interest of TRM, an associate of TRM², a responsible person or a TRM employee (if any) and TRM's duties to beneficiaries; and

¹ As defined in Prudential Standard SPS 520.

² 'Associate' is broadly defined and, from the perspective of TRM as trustee of the RIMT, will include directors and secretaries of TRM, related bodies corporate of TRM (eg. Russell Investments entity that is a parent company of TRM), directors and secretaries of related bodies corporate of TRM (eg. Russell Investments Employee Benefits Pty Ltd, Russell Investment Group Pty Ltd, Russell Investments Financial Solutions Pty Ltd and Russell Investment Management Ltd), and any person with whom TRM as trustee of the RIMT proposes to (or does) act in concert with (eg. Russell Investments entity).

- between an interest of TRM, an associate of TRM, a responsible person or a TRM employee (if any) and the interests of beneficiaries.

2.1 Identification of Conflicts

The first step involved in managing (or avoiding) conflicts of interest and conflicts of duty is identification of actual or potential conflicts. This is also required on an ongoing basis.

2.2 What is a Relevant Duty or Relevant Interest?

A relevant duty or relevant interest is one that might reasonably be considered to have the potential to have a significant impact on the capacity of TRM, the associate of TRM or the responsible person to act in a manner that is consistent with the best interests of beneficiaries.

2.3 TRM's Relevant Duties and Relevant Interests Register

TRM has a Relevant Duties and Relevant Interests Register (Register). Each responsible person's, each director's and each TRM associate's material relevant interests or relevant duties are recorded in the Register. The purpose of this Register is mainly to facilitate the identification and assessment of conflicts so as to enable TRM to give priority to the duties to and interests of beneficiaries, over the duties to and interests of other persons; to ensure that the duties to the beneficiaries are met despite the conflict; and to ensure that the interests of the beneficiaries are not adversely affected by the conflict.

2.4 The Conflicts Register

The Conflicts Register documents how the material relevant duties and interests have been managed (e.g. disclosure, controlled and avoided).

2.5 The Gifts Register

TRM has a Gifts Register. All gifts/benefits received by responsible persons, directors or TRM associates from TRM service providers, any associated company of the service provider, a proposed service provider or a principal employer-sponsor of a fund or sub-fund must be recorded in the Gift Register and all that are of the value of \$200 or more are to be recorded on the Relevant Duties and Relevant Interests Register.

3 Whistle blowing

TRM has a separate Whistleblowing Policy. TRM encourages the reporting of any instances of suspected unethical, illegal, fraudulent or undesirable conduct involving TRM, its responsible persons or directors. An anonymous Ethics Hotline is available to employees.

4 Record Keeping

TRM will keep, for at least ten years, records of:

- conflicts identified and action taken; and
- the Gifts Register, Conflicts Register and TRM's Register of Relevant Duties and Relevant Interests, (including electronic copies published via the Fund's website).