

24 February 2023

RUSSELL INVESTMENTS AUSTRALIAN SHARES FUND – CLASS C

Notice to Investors: Updated fees and costs disclosure

This notice is issued by Russell Investment Management Limited (ABN 53 068 338 974, AFS License 247 185), as the Responsible Entity (RE) of the Russell Investments Australian Shares Fund – Class C (the Fund).

The RE wishes to update the Fund's fees and costs information disclosed in Section 6 of the Fund's Product Disclosure Statement (PDS) dated 11 October 2022. Due to the decrease of the Fund size, we have estimated an increase in the Fund's *expense recoveries* rate disclosed in the PDS, effective from December 2022. The new estimated *expense recoveries* rate has resulted in an overall increase in the estimated *Management fees and costs* and *Cost of Fund*, as detailed in the table below.

| | Fees and costs disclosed in PDS dated 11 October 2022 | Updated Fees and costs from December 2022 |
|--|---|---|
| Expense recoveries | 0.05% p.a. | 0.10% p.a. |
| Management fees and costs | 0.84% p.a. | 0.89% p.a. |
| Management fees and costs for every \$50,000 | \$420 | \$445 |
| Cost of Fund for every \$50,000 | \$445 | \$470 |

As a result of the new estimated *expense recoveries*, we have replaced Section 6 of the Fund's PDS entitled 'Fees and costs' including the *Fees and costs summary* table and *Example of annual fees and costs* table, with a new Section 6 of the Fund's PDS, as set out in the **Appendix** to this notice. This notice should be read together with the Fund's PDS and remains in effect until the current PDS is replaced or another notice is issued whichever occurs first.

As the update to Fund's fees and costs are not considered materially adverse, we have issued this notice in accordance with ASIC Instrument 2016/1055 and made it available on our website at russellinvestments.com/au/disclosures.

What happens now?

There is nothing for you to do.

The increase of Fund cost is reflected in the Fund's Net Asset Value and unit price.

Please email syd-fundoperations@russellinvestments.com, if you have any questions relating to the above.

Thank you for your investment and your support of Russell Investments.

Yours sincerely



Leo Feldman

Head of Key Accounts and Platforms, Australia
Russell Investments

Appendix

6. Fees and costs

DID YOU KNOW?

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

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

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

You may be able to negotiate to pay lower fees. Ask the Fund or your financial adviser.

TO FIND OUT MORE

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

This section shows fees and other costs you may be charged. This information can be used to compare costs between different simple managed investment schemes. These fees and costs can be paid directly from your account or deducted from your investment returns. Taxes are set out in another part of this document. If you are an Indirect Investor investing via a platform, any additional fees that you may be charged by the platform operator should be set out in their offer document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Fees and costs summary

Russell Investments Australian Shares Fund - Class C

| TYPE OF FEE OR COST ¹ | AMOUNT | HOW AND WHEN PAID |
|--|---|--|
| Ongoing annual fees and costs³ | | |
| <i>Management fees and costs</i> The fees and costs for managing your investment | Estimated to be 0.89% p.a. of the net asset value (NAV) of the Fund comprised of: 1 A management fee of 0.75% p.a. of the NAV of the Fund ² ; 2 Estimated indirect costs of 0.04% p.a. of the NAV of the Fund; and 3 Estimated expense recoveries of 0.10% p.a. of the NAV of the Fund. | 1 The management fee is calculated and accrued daily in the unit price and paid monthly in arrears. The management fee for a month is paid on or after the first day of the following month. This fee is payable from the assets of the Fund. The amount of this fee can be negotiated. 2 Indirect costs are paid out of the Fund's assets or an underlying fund's assets as and when incurred. 3 Expense recoveries are paid out of the Fund's assets as and when incurred. |
| <i>Performance fees</i> Amounts deducted from your investment in relation to the performance of the product | Nil | Not applicable |
| <i>Transaction costs</i> The costs incurred by the scheme when buying or selling assets | Estimated to be 0.05% p.a. of the NAV of the Fund ⁴ | Transaction costs generally arise when the value of the assets of the Fund are affected by the day-to-day trading of the Fund and are paid out of the assets of the Fund as and when incurred. |
| Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)³ | | |
| <i>Establishment fee</i> The fee to open your investment | Nil | Not applicable |
| <i>Contribution fee</i> The fee on each amount contributed to your investment | Nil | Not applicable |
| <i>Buy-sell spread</i> An amount deducted from your investment representing costs incurred in transactions by the scheme | Estimated to be 0.17% of the application amount on application and 0.17% of the withdrawal amount on withdrawal ⁵ | Buy/sell spreads apply to the Fund. As at the date of this PDS, a buy spread of 0.17% is charged on each application and a sell spread of 0.17% is charged on each withdrawal. The buy/sell spread is reflected in the buy price and sell price respectively for units in the Fund and is not separately charged to the investor. |
| <i>Withdrawal fee</i> The fee on each amount you take out of your investment | Nil | Not applicable |
| <i>Exit fee</i> The fee to close your investment | Nil | Not applicable |
| <i>Switching fee</i> | Nil | Not applicable |

The fee for changing investment options

- 1 See 'Additional explanation of fees and costs' below and in the Additional Information Booklet, which forms part of this PDS, for further details on fees and costs that may be payable. Unless otherwise stated, the fees and costs shown are inclusive of GST and net of any applicable input tax credits and reduced input tax credits, and are shown without any other adjustment in relation to any tax deduction available to RIM.
- 2 The amount of the management fee may be negotiated if you are a wholesale client pursuant to the Corporations Act. For further information refer to 'Different fees' in the 'Additional explanation of fees and costs' section in the Additional Information Booklet.
- 3 All estimates of fees and costs in this section are based on information available as at the date of this PDS. All fees reflect RIM's reasonable estimates of the typical fees for the current financial year. Costs generally reflect the actual amount incurred for previous financial year and may include RIM's reasonable estimates where information was not available as at the date of this PDS or where RIM was unable to determine the exact amount. The estimated Expense recoveries figure reflects an estimate that has applied to the Fund since December 2022 based on current information, and is not a reflection of the costs incurred for the financial year ending 30 June 2022. These costs can vary from period to period, and the actual costs incurred in future periods may differ from the numbers shown here. Please refer to the 'Additional explanation of fees and costs' section below and in the Additional Information Booklet for more information on fees and costs that may be payable. Management fees and costs may not equal the management fee plus indirect costs plus expense recoveries due to rounding.
- 4 The transaction costs disclosed in this section are shown net of any recovery received by the Fund from the buy/sell spread charged to transacting Unitholders. Please refer to the 'Additional explanation of fees and costs' section in the Additional Information Booklet for further details.
- 5 In estimating the buy/sell spread, RIM has assumed that the applications or withdrawals are made during normal market conditions. 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. RIM may vary the buy/sell spreads from time to time, including increasing these costs without notice when it is necessary to protect the interests of existing investors and if permitted by law. The updated information will be disclosed on our website. Please refer to the 'Additional explanation of fees and costs' section in the Additional Information Booklet for further details.

Example of annual fees and costs for the Russell Investments Australian Shares Fund - Class C

This table gives an example of how the ongoing annual fees and costs in the Russell Investments Australian Shares Fund - Class C can affect your investment over a 1 year period. You should use this table to compare this product with other products offered by managed investment schemes.

| Example: Russell Investments Australian Shares Fund Balance of \$50,000 with total contributions of \$5,000' during the year - Class C | | |
|---|-----------------------------------|--|
| Contribution Fee | Nil | For every \$5,000 you put in, you will be charged \$0. |
| PLUS Management fees and costs ^{3,4} | 0.89% p.a. of the NAV of the Fund | And, for every \$50,000 you have in the Fund, you will be charged or have deducted from your investment \$445 each year. |
| PLUS Performance fees | 0.00% p.a. of the NAV of the Fund | And, you will be charged or have deducted from your investment \$0 in performance fees each year. |
| PLUS Transaction costs | 0.05% p.a. of the NAV of the Fund | And, you will be charged or have deducted from your investment \$25 in transaction costs. |
| EQUALS Cost of Fund | | If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, then for that year you will be charged fees and costs of \$470 ^{2,3} . |
| What it costs you will depend on the investment option you choose and the fees you negotiate. | | |

- 1 The additional management fees and costs will be on a pro-rata basis and will vary depending on when you have made the additional investment during the year. This example is prescribed by the Corporations Act, assumes that the \$50,000 is invested for the entire year, the value of the investment is constant over the year and that the additional \$5,000 is invested on the last day of the year (and therefore, the management fees and costs are calculated using an investment balance of \$50,000 only). Please note this is an example only. In practice your actual investment balance will vary daily, and hence the actual management costs charged, will also vary daily.
- 2 Additional fees may apply. A buy/sell spread may also apply to investments into and withdrawals from the Fund, which is not taken into account in this example. Please refer to section 6 of the 'Additional Information Booklet' under 'Fees and costs' for more information.
- 3 All estimates of fees and costs in this section are based on information available as at the date of this PDS. All fees reflect RIM's reasonable estimates of the typical fees for the current financial year. Costs generally reflect the actual amount incurred for previous financial year and may include RIM's reasonable estimates where information was not available as at the date of this PDS or where RIM was unable to determine the exact amount. The estimated Expense recoveries figure reflects an estimate that has applied to the Fund since December 2022 based on current information and is not a reflection of the costs incurred for the financial year ending 30 June 2022. Please refer to the 'Additional explanation of fees and costs' section below and in the Additional Information Booklet for more information on fees and costs that may be payable.
- 4 The amount of the management fee may be negotiated if you are a wholesale client pursuant to the Corporations Act. For further information refer to 'Different fees' in the 'Additional explanation of fees and costs' section in the Additional Information Booklet.

Warning: If you consult a financial adviser, additional fees may be paid by you. You should refer to the statement of advice provided by your financial adviser in which details of the fees are set out.



You should read the important information about 'Fees and costs' before making a decision - go to section 6 of the Additional Information Booklet available at <https://russellinvestments.com/au/RFC/fees>

The material relating to 'Fees and costs' may change between the time you read this PDS and the day you acquire the product.

Additional explanation of fees and costs

Fee changes

We have the right to change the fees described in this PDS at any time, without your consent, except if required by the Corporations Act. Any increase in the Fund's fees will be communicated to you at least 30 days before it occurs when legally required to do so. All estimates of fees and costs in this section 6 are based on information available as at the date of this PDS. You should refer to the Fund's website <https://russellinvestments.com/au> from time to time for any updates which are not materially adverse to investors.

Adviser Service Fees

WARNING: If you consult a financial adviser, you may have to pay additional fees to the adviser. Your financial adviser may agree adviser service fees with you. If you invested in the Fund through the Russell Private Investment Series and if agreed between you and your adviser in accordance with the law, we will facilitate the payment of an adviser service fee by withdrawing some of your units in the Fund and paying the proceeds to your financial adviser. Please contact your financial adviser for information on any applicable adviser remuneration or adviser service fees.

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