

# Conflicts of Interest Policy Summary

**Version 1**

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This material is only intended for the use of clients or potential clients  
of Russell Investments

# EMEA CONFLICTS OF INTEREST POLICY SUMMARY

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## In-Scope

Russell Investments' EMEA Group Companies ("Russell Investments") are required to comply with certain obligations set out in European Directives and Regulations, including certain jurisdictional regulations relating to the identification, escalation and management of conflicts of interest. This document provides a summary of Russell Investments' Conflicts of Interest policy which details the organisational and administrative arrangements relating to the management of potential or actual conflicts of interest when providing investment and ancillary services to clients.

In this summary, Russell Investments includes:

- Russell Investments Limited (and its European branch offices)
- Russell Investments Implementation Services Limited
- Russell Investments Ireland Limited (and its European branch offices)
- Russell Investments France

## Regulatory and Legal Requirements

The main European Directives and Regulations which impact Russell Investments' conflict of interest organisational and administrative arrangements include:

- Directive 2014/65/EU ("MiFID II")
- European Commission Delegated Regulation 25 April 2016
- UK Financial Conduct Authority Handbook
- Central Bank of Ireland Statutory Instruments, Prospectus Requirements and UCITS Notices
- French Autorité Marchés Financiers Règlement général

## Application and Wider Policy Framework

Russell Investments' Conflicts of Interest policy applies to all EMEA associates and forms part of a wider framework of policies. Other policies which supplement the Conflicts of Interest policy and assist in the management of potential or actual conflicts of interest include:

- Global Code of Conduct
- Global Remuneration Policy
- Global Anti-Bribery Policy
- Gifts and Entertainment policy
- Personal Account Dealing Policy
- Inducements Policy
- Best Execution Policy
- Market Abuse Policy, and
- Treating Customers Fairly Policy

## How do Conflicts of Interest arise?

Potential and actual conflicts of interest can arise between Russell Investments and a client (or group of clients), or between one client and another client (or a group of clients), or between two (or more) Russell Investments associates or between a Russell Investments' vendor and a client. Such conflicts of interest are inherent in any business and it is not the aim of Russell Investments to avoid them but rather to take all reasonable steps to identify, escalate, record and manage them to the extent reasonably possible. In some situations, even where Russell Investments has taken all reasonable steps to identify and manage a conflict of interest, this will not be enough to address the issue and, where a conflict cannot be managed with reasonable confidence that risk of damage to the interests of the client will be prevented, the conflict will be disclosed to the client.

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Under the Russell Investments Conflicts of Interest policy, Russell Investments takes all reasonable steps to identify, escalate, record and manage situations where Russell Investments:

- (1) is likely to make a financial gain, or avoid a financial loss, at the expense of the client
- (2) has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome
- (3) has a financial or other incentive to favour the interests of another client or group of clients over the interests of the client
- (4) carries on the same business as the client
- (5) receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service

## Responsibility for identifying and managing Conflicts of Interest

### The Board

The Board of each Russell Investments EMEA Group Company is ultimately responsible for overseeing the implementation of arrangements to ensure that Russell Investments is compliant with the regulatory and legal requirements pertaining to conflicts of interest. Such oversight includes:

- ensuring that the Russell Investments EMEA Conflicts of Interest policy is regularly reviewed and approved
- regular review of the conflicts of interest maps on which the specific conflicts of interest affecting each Russell Investments EMEA Group Company are recorded
- responsibility for reviewing new conflicts of interest that may arise from time to time, and for reviewing any disclosures of conflicts of interest to clients where

Russell Investments cannot be managed with reasonable confidence that risk of damage to the interests of the client will be prevented

### The Conflicts of Interest Working Group

To assist the Board of each Russell Investments EMEA Group Company in discharging its responsibilities, an EMEA Conflict of Interest Working Group has been established. Members of the Conflict of Interest Working Group comprise associates from business line management and support functions such as Legal, Compliance, Risk and Operations. The Conflict of Interest Working Group will consider and discuss all potential and actual conflicts of interest arising in relation to Russell Investments' business activities and assess the management of those conflicts of interest. If management of a conflict of interest is not possible, with reasonable confidence that the risk of damage to a client's interests will be prevented, the Conflicts of Interest Working Group will discuss the client disclosures that will be necessary as a result.

### All EMEA Associates

All Russell Investments' EMEA associates are responsible for identifying potential or actual conflicts of interest during their day to day work but also to ensure appropriate escalation and reasonable management. This includes but is not limited to:

- identifying their involvement in the conflict of interest or the involvement of others
- escalating the situation to their manager in the first instance and arranging for the actual or potential conflict of interest to be managed through usual organisational and administrative arrangements
- where usual organisational and administrative arrangements are deemed insufficient to effectively manage the potential or actual conflict of interest, the matter is escalated to EMEA Compliance and/ or a member of the EMEA Conflict of Interest Working Group
- Matters escalated to EMEA Compliance or the EMEA Conflict of Interest Working Group will be reviewed to determine the robustness of organisational and administrative arrangements and ensure

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these arrangements are implemented. Where it is considered that the implementation of such arrangements cannot manage, with reasonable confidence that risk of damage to the interests of the client will be prevented, the EMEA Conflicts of Interest Working Group will determine the type and extent of the disclosure to the client. See Disclosure and Record Keeping below

## Disclosure & Record Keeping

Russell Investments shall only use disclosure of a conflict of interest as a measure of last resort if, the management of a conflict of interest, including effective organisational and administrative arrangements are not sufficient, with reasonable confidence that the risk of damage to a client's interests will be prevented. A disclosure will be made in a durable medium, meaning that it will be addressed personally to the client, it will enable the client to store the information for an adequate period of time for future reference and allow the unchanged reproduction of the information stored

A disclosure will clearly set-out:

- 1) that whilst Russell Investments has introduced organisational and administrative arrangements to manage the risk of damage to a client's interests, such arrangements are not sufficient to ensure, with reasonable confidence, that the risk of damage to a client's interests will be prevented
- 2) a specific description of the conflict of interest

- 3) the risks to the client that arise as a result of the conflict of interest

- 4) the steps undertaken to mitigate the risks

A disclosure will contain adequate detail to enable the client to make an informed decision with respect to the services and whether the client wishes to proceed with any new, or continue with any existing, service provided by Russell Investments.

The Conflict of Interest Working Group will manage the creation of an individual disclosure, its release to a client and keep the disclosure under review during the lifetime of the disclosure.

Conflicts of interest are documented in a Conflicts of Interest Map maintained for each Russell Investments EMEA Group Company. Each Conflicts of Interest Map identifies circumstances which constitute or may give rise to a conflict of interest and the organisational and administrative controls in place to manage each conflict of interest. Such controls may comprise but are not limited to:

- segregation of duties
- policies, procedures and systems to control the exchange of information (information barriers)
- creation of remuneration policies that remove direct conflicts of interest
- pre-determined individual approval limits over which escalation and approval is required

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