

Russell Investment Company II p.l.c.
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Russell Investment Company II p.l.c, an investment company with variable capital and an umbrella fund with segregated liability between sub-funds established under the laws of Ireland (the "Company")

Russell Investments China Equity Fund (the "Fund")

16 March 2023

Dear Shareholder

We are writing to you as a Shareholder in the above mentioned Fund to notify you of certain changes that the directors of the Company (the "**Directors**") have resolved to make to the Fund as detailed further below.

Proposed Amendments

The Fund operates on the basis of a multi-manager appointment arrangement and heretofore a performance fee could be payable to each manager based on the performance of the respective portfolio that each manager was responsible for.

The European Securities and Markets Authority ("**ESMA**") published guidance on performance fees in November 2020 (the "**Guidance**") and subsequent to this guidance had issued from the Central Bank of Ireland (the "**Central Bank**") (incorporating the requirements of the Guidance, to the extent possible). Further clarity was provided by ESMA when a Q&A issued in July 2021 which confirmed the position that performance fees should be paid only where positive performance has been accrued during the performance reference period, referring to the performance of the Fund as a whole.

The Central Bank further confirmed that they required existing multi-manager UCITS to have transitioned their current performance fee models into compliance with the ESMA Q&A by 1 January 2023 and to have updated their prospectuses accordingly by that time. However, as the Company's year-end is 31 March and noting the requirement that a performance fee only crystallise once per calendar year, Russell engaged with the Central Bank to request if it would be possible to have the effective date of this change (per the updated Q&A) coincide with the financial year. This request was granted by the Central Bank.

The updates to the prospectus (the "**Proposed Amendments**") to comply with the applicable requirements include;

- the risk factor, "*Risks Associated with Performance Fees*" has been updated;

The section titled, "*Performance Fees – Russell Investments China Equity Fund*" has been amended to reflect;

- the performance fee shall be payable to the Principal Money Manager/Investment Manager;
- any such fee shall only be payable on the positive performance of the Fund in its entirety (and not just a portfolio thereof);
- that the MSCI China All Shares Index (USD) – Net Returns Index (the "**Performance Index**") is appropriate to the Fund and consistent with its investment policy;
- the removal of reference to the China Cap as this will no longer be applied.

A redline of the Proposed Amendments has been included at the Appendix attached hereto.

Please note that there will be no net increase in the fees to be paid by you as a result of the Proposed Amendments.

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Effective Date of the Proposed Amendments

It is expected that, subject to and in accordance with the requirements of the Central Bank and any other relevant competent authority, the changes will be effective from 31 March 2023 or such later date as the Directors may determine (the "**Effective Date**"). A revised Prospectus will be filed with the Central Bank reflecting the proposed amendments and will be available to investors free of charge upon request.

Please note that you do not need to respond to this letter and it is for notification purposes only. If you have any questions relating to this matter, you should contact your relationship manager or, alternatively, your investment consultant.

The updated Prospectus and Key Investor Information Documents of the Company will be available free of charge at the Company's registered office at 78 Sir John Rogerson's Quay, Dublin 2 and/or from each of the local representatives in the countries where the Company is registered, including Switzerland at Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva, Switzerland which acts as Swiss Representative (the Swiss paying agent is Banque Cantonale de Genève, 17, Quai de l'Île, 1204 Geneva, Switzerland), as well as from the German Information Agent, Russell Investments Limited Zweigniederlassung Frankfurt, OpernTurm, Bockenheimer Landstraße 2-4, 60306 Frankfurt am Main, Germany.

We thank you for your continuing support of the Company.

Yours faithfully

A handwritten signature in black ink, appearing to be a stylized name, possibly 'M. G.', written over a horizontal line.

Director
Russell Investment Company II p.l.c

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Appendix

To the extent that the relevant Fund is invested in Underlying Funds, the success of the relevant Fund shall depend upon the ability of the Underlying Funds to develop and implement investment strategies that achieve the relevant Funds' investment objective. Subjective decisions made by the Underlying Funds may cause the relevant Fund to incur losses or to miss profit opportunities on which it could otherwise have capitalised. In addition, the overall performance of the relevant Fund will be dependent not only on the investment performance of the Underlying Funds, but also on the ability of the Principal Money Manager (or its duly appointed delegates) to select and allocate the Funds' assets among such Underlying Funds effectively on an ongoing basis. There can be no assurance that the allocations made will prove as successful as other allocations that might otherwise have been made, or as adopting a static approach in which Underlying Funds are not changed.

Underlying Funds may be leveraged or unleveraged and may be established in unregulated jurisdictions that do not have an equivalent level of investor protection as that provided in Ireland by collective investment schemes authorised under Irish law and subject to Irish regulations and conditions. The use of leverage creates special risks and may significantly increase the investment risk of the Underlying Funds. Leverage creates an opportunity for greater yield and total return but, at the same time, will increase the Underlying Funds' exposure to capital risk and interest costs.

Risks associated with Performance Fees

Performance fees may be payable in relation to some Funds. ~~For those Funds for which the Principal Money Manager has appointed one or more Investment Managers and/or Money Managers (as described above in the section entitled "Management of the Funds") the investment management of the Fund will be carried out by the Principal Money Manager and/or one or a number of Investment Managers and/or Money Managers each managing separate portfolios of assets within the Fund. A performance fee is payable only on the performance of that part of the portfolio for which~~ It is possible that performance fees may be payable by the Company out of the assets of the relevant Fund to the Principal Money Manager, an Investment Manager and/or Money Manager is responsible. It is therefore possible that performance fees in respect of the performance achieved by one or more of those Investment Managers, Money Managers or the Principal Money Manager may be payable by the Fund to one or more of the Investment Managers or Money Managers or Principal Money Manager even though the overall Net Asset Value of the Fund, representing the aggregate performance of all the Investment Managers and Money Managers or Principal Money Manager, may not have increased i.e. the Fund has negative performance. For example, if the performance of the Performance Index is negative and the Fund is also in negative performance, but it has outperformed the Performance Index.

For the avoidance of doubt, a Performance Fee may not be paid by the Company to any Money Manager unless the Fund is overall in positive performance, including in circumstances where an individual Money Manager may have met or exceeded its specific individual performance target for the portion of the Fund allocated to them.

There is a risk that the accrual of performance fees in the Fund may not be entirely equitable between different Shareholders. It is possible that, for example, a Shareholder may benefit if he or she invests in a Fund and subsequently the Principal Money Manager or one of the Investment Managers or Money Managers outperforms the index, but the overall Fund performance is below the relevant index. In these circumstances a performance fee would not be accrued for that Principal Money Manager, Investment Manager and/or Money Manager until the Principal Money Manager, an Investment Manager and/or Money Manager makes up this underperformance and exceeds the relevant index. In these circumstances the Shareholder may benefit from a period of outperformance during which the Principal Money Manager, relevant Investment Manager or Money Managers do not earn a performance fee and hence the Fund does not accrue a performance fee in respect of the Principal Money Manager, Investment Manager and/or Money Manager.

Russell Investments China Equity Fund	Management Fee as a per cent. of NAV per Class	Aggregate of Administration, Depository Fees as a per cent. of NAV per Fund
Class A	Up to 1.00 per cent.	Up to 0.30 per cent.
Class B	Up to 1.50 per cent.	
Class C	Up to 2.00 per cent.	
Class D	Up to 1.50 per cent.	
Class E	Up to 1.60 per cent.	
Class X	Up to 1.00 per cent.	
Class V	Up to 1.00 per cent.	

Administrator, Depository fees

The Company shall pay the fees of the Administrator and the Depository and all of the reasonable out of pocket expenses properly incurred by them. All transactions fees payable to the Depository and the sub-custodians (which shall be charged at normal commercial rates) shall be paid by the Company.

The Company shall reimburse the Depository for reasonable fees paid to any sub-custodian.

The fees payable to the Administrator and the Depository may be subject to benchmarking conditions as agreed in writing from time to time, which may result in renegotiation of the fees payable to the Administrator and/or the Depository on the basis of normal commercial rates.

Performance Fees - Russell Investments China Equity Fund

~~The Russell Investments China Equity Fund is managed by the Principal Money Manager and one or more Money Managers as described above in the section entitled "Management of the Funds" such that the discretionary investment management of the Fund will be carried out by the Principal Money Manager and one or a number of Money Managers, each managing separate portfolios of assets within the Fund (a "Portfolio").~~

A Performance Fee shall be payable to the Principal Money Manager/Investment Manager only on the positive performance of the ~~Portfolio for which the Principal Money Manager or relevant Money Manager is responsible~~ Fund as against the MSCI China All Shares Index (USD) – Net Returns Index (the "Performance Index").

Performance Period:

A Performance Fee will be paid to the Principal Money Manager ~~or the relevant Money/Investment Manager, on an annual basis, on 31 March or on the date that the Principal Money Manager or Money Manager ceases to manage the Portfolio of the Fund for which it is responsible, whichever is the earlier~~ (the "Performance Period"). The Company shall pay the entire amount of any Performance Fees to the Principal Money Manager ~~or the relevant Money Managers appointed in respect of the Fund that are entitled to a Performance Fee. The Principal Money Manager may pay an Investment Adviser part or all of the Performance Fee received from the Company.~~ Investment Manager.

The Performance Fee will be calculated and accrued daily during the Performance Period.

Any Performance Fee shall normally be paid within 90 calendar days after the end of the relevant Performance Period.

Performance will be measured as the performance of the ~~Principal Money Manager or Money Manager's Portfolio above~~ Fund above the Performance Index. The Performance Index has been determined by the Principal Money Manager ~~or Money Manager's performance index (as set out below, hereinafter the "Performance Index") or the Performance Index plus a hurdle rate during a Performance Period, as relevant~~ to be appropriate to the Fund and consistent with its investment policy.

Example (A) Performance Fee Calculation (no China Cap):

Performance Fee Calculation:

Example – RIC II China Equity Fund, Class A US\$

Daily Performance Fee = Daily return of Money Manager – (Daily Return of Performance Index + hurdle) x Previous days NAV x Performance Fee Rate.

Daily Return of Money Manager compared to the previous day's value = 1.5%

Daily Return of the Performance Index compared to the previous day's value = 1.00%

The hurdle rate = 0%

The previous day's NAV = 10,000,000

Performance Fee Rate = 10%

Daily Performance Fee = (1.5% – 1.00%) x 10,000,000 x 10% = 5,000

Example (B) – Performance Fee Calculation (with the China Cap):

Performance Fee Calculation:

Daily Performance Fee = (Cap rate x Year to date average Portfolio) x (Number of days in period/days in a year) x Performance Fee Rate

Cap rate = 5.5%

Year to date average Portfolio = 9,500,000

Number of days in period = 22

Performance Fee Rate = 10%

(5.5% x 9,500,000) x (22/365) x 10% = 3,149.31

Note: Details regarding any unpaid amounts which are carried over into following years and which may be used to offset future negative performance of the Portfolio are available from the Principal Money Manager upon request.

Example (C) – Performance fee to be payable to the Principal Money Manager or a Money Manager despite negative performance for the overall Fund:

By way of illustration, a Money Manager ("Money Manager A") manages 20% of a Fund with an additional Money Manager ("Money Manager B") managing the other 80% of the Fund:

Money Manager A has outperformed its Performance Index:

Daily Return of Money Manager Class A US\$ compared to the previous days value day = 1.202.00%

Daily Returnreturn of the Performance Index compared to the previous days value = 0.901.10%

The hurdle rate = 0%

The previous days NAV of Class A US\$ = 10,000,000

Performance Fee Rate = 10%

Daily Performance Fee = (1.202.00% - 0.901.10%) x 10,000,000 x 10% = 3,0009,000

Money Manager B has underperformed compared to its Performance Index:

Daily Return of Money Manager B compared to the previous days value = 0.5%

Daily Return of the Performance Index compared to the previous days value = 1.00%

The hurdle rate = 0%

The previous days NAV = 40,000,000

Performance Fee Rate = 10%

Daily Performance Fee = (0.5% – 1.00%) x 40,000,000 x 10% = -20,000

Overall the Fund would be in negative performance against the Russell Investments China Equity Fund's index but would still be liable to pay Money Manager A a performance fee for their positive performance in relation to their Performance Index.

Example (D) Performance Fee Calculation (Performance Fee Rate of 15%):

Performance Fee Calculation:

~~Daily Performance Fee = Daily return of Money Manager – (Daily Return of Performance Index + hurdle) x Previous days NAV x Performance Fee Rate.~~

~~Daily Return of Money Manager compared to the previous days value = 1.5%~~

~~Daily Return of the Performance Index compared to the previous days value = 1.00%~~

~~The hurdle rate = 5% per annum (5/365 = 0.014 daily)~~

~~The previous days NAV = 10,000,000~~

~~Performance Fee Rate = 15%~~

~~Daily Performance Fee = (1.5% – (1.00% + 0.014%)) x 10,000,000 x 15% = 7,294.51~~

Any Performance Fee payable to the Principal Money Manager ~~and/or any Money Investment Manager~~ shall be paid by the relevant Fund to the Principal Money Manager ~~and/or relevant Money Investment~~ Manager. Any Performance Fee calculations will be verified by the Depositary and is not open to the possibility of manipulation. Excess Performance Fee shall be calculated net of all costs but could be calculated without deducting the performance fee itself, provided that in doing so it is in the investor's best interest (i.e. it would result in the investor paying less fees).

Past performance against the Performance Index can be found

= in respect of Share Classes for which KIIDs are produced, in the KIID for the relevant Share Class which is available at <https://microsite.fundassist.com/RussellEMFA/Home/RegulatorView>; and

= in respect of all other Share Classes at <https://russellinvestments.com/fund-centre/priips>

Sales Charge

A Sales Charge of up to 5 per cent. may be charged on initial subscriptions in the Class listed below. In addition, investors investing through a sub-distributor or other intermediary, such as a bank or independent financial adviser may pay additional fees to the intermediary. Such investors should contact the intermediary for information concerning what additional fees, if any, they will be charged.

Fund	Share Class
Russell Investments Emerging Market Debt Local Currency Fund	Class B Euro
Russell Investments Euro Fixed Income Fund	Class S
Russell Investments Pan European Equity Fund	Class A, Class F