

# Supplementary Product Disclosure Statement

## Russell Investments Sustainable Global Opportunities Complex ETF

Issued by Russell Investment Management Ltd. ABN 53 068 338 974, AFS Licence Number 247185

ARSN: 666 379 700 – 14 February 2025

## About this Supplementary Product Disclosure Statement

This Supplementary Product Disclosure Statement (SPDS) dated 14 February 2025 updates the Product Disclosure Statement (PDS) dated 4 April 2024 for the Russell Investments Sustainable Global Opportunities Complex ETF (Fund). This SPDS must be read in conjunction with the PDS for the Fund. All changes disclosed below will take effect from the date of issue of this SPDS.

A copy of this SPDS has been lodged with the Australian Securities and Investments Commission (ASIC) and the Australian Securities Exchange (ASX). Neither ASIC nor the ASX take any responsibility for the contents of this SPDS.

Unless otherwise specified, terms used in this SPDS have the same meaning as in the PDS.

This SPDS sets out the following changes:

**1. On page 11 of the PDS, replace the first paragraph under the heading 'Methodology – Net Zero Investment Framework' in its entirety with the paragraph set out below.**

The Fund utilises the Net Zero Investment Framework as its primary target setting framework for carbon equivalent emissions reductions. It is one of the most implemented net zero methodologies for investors across all financial institutions within the Glasgow Financial Alliance for Net Zero (GFANZ).

**2. On page 12 of the PDS, replace the second paragraph under the heading 'Regular Monitoring and Reporting Against Targets' in its entirety with the paragraph set out below.**

The Net Zero Investment Framework includes guidance on how to assess the strength and maturity of a company's net zero target and performance against 6 core criteria – ambition, targets, emission performance, disclosure, decarbonisation strategy and capital allocation alignment. Russell Investments uses data from climate-focused organisations such as Transition Pathway Initiative (TPI) and the Science-Based Targets initiative (SBTi) to undertake this analysis. Using this data Russell Investments classifies each company in the Fund's portfolio on a quarterly basis into the following categories (listed worst to best):

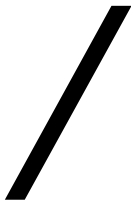
- (i) not aligned to Net Zero;
- (ii) committed to Net Zero alignment;
- (iii) aligning to Net Zero;
- (iv) aligned with a Net Zero pathway; and
- (v) Net Zero.

**3. On page 14 of the PDS, replace *Table 1: Exclude companies with exposure to the following activities and applicable materiality thresholds* in its entirety with Table 1 set out below.**

The changes to Table 1 include:

- For **Industry/Activity**:
  - Tobacco products - manufacturing: we have lowered the exposure limits from 10% to 0% for the manufacture of tobacco products. The rationale and explanatory note has been updated, with nicotine alternatives and the manufacture of tobacco products by subsidiaries also excluded.
  - Controversial weapons: we have expanded the definition to include depleted uranium, biological and chemical weapons, and white phosphorus in addition to the activities previously described (i.e. anti-personnel mines, cluster munitions, and nuclear weapons).

<b>Table 1: Exclude companies with exposure to the following activities and applicable materiality thresholds</b>		
<b>Industry/Activity</b>	<b>Exposure Limits (percentage of total Revenue)</b>	<b>Rationale and explanatory notes</b>
Adult entertainment	10%	The production of adult entertainment, and/or owns/operates adult entertainment establishments.
	10%	The distribution of adult entertainment materials.
Arctic Oil & Gas	2%	Revenue from oil and gas exploration in Arctic regions.
Gambling	10%	The company owns and/or operates a gambling establishment.
	10%	The company manufactures specialised equipment used exclusively for gambling.
	10%	The company provides supporting products/services to gambling operations
Oil sands	2%	The company extracts oil sands.
Palm oil	10%	The company is involved in the production and/or distribution of palm oil.
Shale energy	2%	The company is involved in shale energy exploration and/or production.



**Table 1: Exclude companies with exposure to the following activities and applicable materiality thresholds**

Industry/Activity	Exposure Limits (percentage of total Revenue)	Rationale and explanatory notes
Thermal Coal	10%	The company is involved in coal power generation or mining thermal coal (i.e. thermal coal extraction).
Tobacco products	0%	The company derives revenue from the manufacture of tobacco products or nicotine alternatives (including through subsidiaries).
	10%	The company supplies tobacco-related products/services.
	10%	The company derives revenues from the distribution and/or retail sale of tobacco products.
Controversial weapons (meaning anti-personnel mines, cluster munitions, depleted uranium, biological and chemical weapons, white phosphorus and nuclear weapons)	Directly: 0% Indirectly: 20%	The company is involved in the production of the core weapon system, or components/services of the core weapon system that are considered tailor made and essential for the lethal use of the controversial weapon.

## New Application for Creation/Redemption Form

Please note that the attached Application for Creation/Redemption Form dated 14 February 2025 replaces the Application for Creation/Redemption Form attached to the PDS dated 4 April 2024.

You will need to complete the Application for Creation/Redemption Form attached to this SPDS to make an initial investment in the Fund from 14 February 2025 onwards.



# Application for Creation/Redemption Form

## Russell Investments Sustainable Global Opportunities Complex ETF

Please complete the relevant sections in BLOCK LETTERS.

### Investor details

Investor Name/s:	<input type="text"/>		
Investor Address:	<input type="text"/>		
Postcode:	<input type="text"/>	Contact Number:	<input type="text"/>

Note: You need to firstly contact Russell Investments Fund Operations for instructions on how to invest and to obtain a copy of the Client ID Form. You will also need to complete the forms required by RIM for client identification and verification procedures (this includes proof of investor ID requirements). This form is issued with the Supplementary Product Disclosure Statement (SPDS) for the Russell Investments Sustainable Global Opportunities Complex ETF dated 14 February 2025.

Please refer to the Creation and Redemption Procedures for details to use when sending the Application for Creation/Redemption Form.

### Number of Creation/Redemption Units applied/redeemed

The Investor applies to Russell Investment Management Ltd. ABN 53 068 338 974, AFS Licence Number 247185 as responsible entity for the Russell Investments Sustainable Global Opportunities Complex ETF for the issue/redemption of the number of Creation/Redemption Units specified (whole multiples of 15,000 Units only).

ETF	ASX CODE	NUMBER OF CREATION UNITS	NUMBER OF REDEMPTION UNITS
Russell Investments Sustainable Global Opportunities Complex ETF ARSN 666 379 700	RGOS		

### Declaration

I/We:

- confirm that I/we have received the PDS and SPDS (in electronic or hard copy version) and I/we are completing the form attached to the SPDS;
- confirm that I/we have read the PDS and SPDS to which this form relates, including the 'The Risks of Investing' section;
- acknowledge that all information provided on this form is true and correct;
- acknowledge that I/we have obtained independent advice;
- agree to be bound by the terms and conditions of PDS and SPDS and the Fund's constitution, as amended from time to time;
- acknowledge that the repayment of investment capital and the payment of any income is not guaranteed;
- consent to the use of my/our personal information in accordance with the 'Your privacy' section of the PDS;
- in respect of an application, agree to execute an Authorised Participant Agreement;
- in respect to an application, confirm that I/we are authorised as trading participants under the Australian Securities Exchange (ASX) Operating Rules and are acting as principal;



- acknowledge that the law prohibits a person from giving another person this form (either electronically or otherwise) without also giving them a copy of the PDS and SPDS. Paper copies of the PDS and SPDS are available free of charge; and
- confirm that I/we accept all documentation and notices relating to the Fund in electronic form.

This form must be signed by the applicant. If signed under power of attorney, the attorney verifies that no notice of revocation of power has been received. A certified copy of the power of attorney must be forwarded with the form. Corporate applications must be signed in accordance with the corporation's constitution and the Corporations Act 2001.

Signature of Authorised Signing Officer

Date (dd/mm/yyyy)

Printed Name

Signature of Authorised Signing Officer

Date (dd/mm/yyyy)

Printed Name

# Product Disclosure Statement



## Russell Investments Sustainable Global Opportunities Complex ETF

ARSN: 666 379 700 – 4 April 2024

### Contents

1. Key Features .....	3
2. Your guide to the fund .....	6
3. Benefits of using ETFs.....	7
4. AQUA rules.....	8
5. How the Fund invests .....	9
6. The Risks of investing.....	16
7. Tax.....	17
8. Fees and costs .....	21
9. Additional Explanation of Fees and Costs .....	24
10. Creating and Redeeming.....	26
11. Additional Information .....	28

Application/Redemption Form

### Important information

#### Eligibility

The offer in this product disclosure statement (PDS) is only available to stockbrokers acting as principal. That is, persons who have been authorised as trading participants under the ASX Operating Rules (Authorised Participants) and, where required, have entered into a relevant Authorised Participant Agreement.

The minimum investment for Units in the Fund made by an Authorised Participant in response to the offer in this PDS, is 15,000 Units.

Investors who are not Authorised Participants looking to acquire Units in the Fund cannot invest through this PDS but may do so through the Australian Securities Exchange (ASX). Please consult your stockbroker or financial adviser. Investors who are not Authorised Participants may use this PDS for information purposes only and may obtain further information in relation to the Fund by contacting the registrar (refer to page 29 for details of how to contact the registrar).

This PDS can only be used by persons receiving it (electronically or in hard copy) in Australia and does not constitute an offer or recommendation of securities in any jurisdiction, or to any person to whom it would be unlawful to make such an offer.

Please read this PDS to find out more about the features, costs and benefits, as well as the risks involved in investing in the Fund. It is important that you read this PDS before making any decision to invest in the Fund. An investor in the Fund could lose all or a substantial part of its investment in the Fund. In particular, the performance of the Fund will depend on the performance and market value of the assets held by the Fund.

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## About this PDS

This PDS describes the main features of the Fund. This PDS is dated 4 April 2024 and is issued by Russell Investment Management Ltd. ABN 53 068 338 974, AFS Licence Number 247 185, (RIM) the responsible entity of the Fund. We are a member of Russell Investments.

A copy of this PDS has been lodged with the Australian Securities & Investments Commission (ASIC) and the ASX. Neither ASIC nor the ASX take any responsibility for the contents of this PDS.

In preparing this PDS, we did not take into account your particular investment objectives, financial situation or needs. As investors' needs and aspirations differ, you should consider whether investing in the Fund is appropriate for you in light of your particular needs, objectives and financial circumstances. You may also wish to obtain independent advice.

**The information in this PDS is up to date at the time of preparation. Information that is not materially adverse may change from time to time. We will update this information by publishing changes on our website, [https:// russellinvestments.com/au](https://russellinvestments.com/au). A paper copy of the PDS and any updated information is available free of charge on request by contacting us using the details under the "How to contact Us" set out below.**

**Unless otherwise defined in this document, capitalised terms have the meaning given to them in the 'Terms used in the PDS' section on page 33.**

The offer or invitation to subscribe for Units in the Fund under this PDS is subject to the terms and conditions described in this PDS. We reserve the right to accept or decline applications in full or in part and reserve the right to change these terms and conditions. Notice would be provided before or as soon as practicable after the change occurs.

No applications for Units in the Fund will be accepted until the exposure period for the PDS has expired. The exposure period for the PDS expires seven days after lodgment of this PDS with ASIC, subject to possible extension by ASIC for a further period of up to seven days.

RIM has sufficient working capital to enable it to operate the Fund as outlined in this PDS.

## How to Contact Us

You can contact or find us as follows:  
Russell Investment Management Ltd.

GPO Box 3279  
Sydney NSW 2001, Australia  
[russellinvestments.com.au](https://russellinvestments.com.au)

## For Authorised Participants

Contact: Fund Operations  
Tel: 1300 728 208 (in Australia)  
Tel: +61 2 9229 5579 (outside Australia)  
Fax: 1300 768 040 (in Australia)  
Fax: +61 2 9229 5116 (outside Australia)  
E-mail: [Syd-fundoperations@russellinvestments.com](mailto:Syd-fundoperations@russellinvestments.com)

## For other investors

Contact: Computershare Investor Services Pty Limited  
Yarra Falls  
452 Johnston Street  
Abbotsford Vic 3067  
Tel: 1800 RSL ETF (1800 775 383)  
[www.computershare.com.au](https://www.computershare.com.au)

## 1. Key features

ABOUT THE FUND	
<b>Fund Name</b>	Russell Investments Sustainable Global Opportunities Complex ETF
<b>ASX Code</b>	RGOS
<b>Type of investment</b>	The Fund is a class of Units in the registered managed investment scheme, the Russell Investments Sustainable Global Opportunities Fund ARSN No. 666 379 700. An application has been made to the ASX for Units in the Fund to be quoted for trading on the AQUA market. This means investors have the opportunity to buy or sell a diversified portfolio of assets in a single transaction.
<b>Quotation</b>	As at the time of lodgment of this PDS with ASIC, the Units in the Fund are yet to be quoted on the ASX. An application has been made to the ASX for Units in the Fund issued pursuant to this PDS to be quoted for trading on the AQUA market of the ASX under the AQUA Rules. Once the Units in the Fund have been quoted, the Units in the Fund may be traded like any other quoted security. For more details on the AQUA Rules, please see 'AQUA Rules' on page 8.
<b>Responsibility Entity and Investment Manager</b>	Russell Investment Management Ltd. ABN 53 068 338 974, AFS Licence Number 247185.
FEES	
<b>Entry Fee</b>	Nil
<b>Contribution Fee</b>	Nil
<b>Withdrawal Fee</b>	Nil
<b>Switching Fee</b>	Nil
<b>Transaction costs</b>	Estimated to be 0.04% p.a. of the NAV of the Fund.
<b>Buy – Sell Spread</b>	Nil if you are buying or selling on an exchange or: Buy: 0.18% of the application amount (if you are an Authorised Participant) Sell: 0.13% of the withdrawal amount (if you are an Authorised Participant)
<b>Management Fees and Costs</b>	0.95% p.a. of the NAV of the Fund comprising: <ul style="list-style-type: none"><li>• Management fee - 0.95% p.a. of the NAV of the Fund</li><li>• Indirect costs - 0.00% p.a. of the NAV of the Fund</li><li>• Expense recoveries - 0.00% p.a. of the NAV of the Fund</li></ul> For more details on fees and costs, please see 'Fees and Costs' on page 21.



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## HOW TO TRANSACT

<b>Creation unit</b>	<p>The offer in this PDS is only available to Authorised Participants. Units can only be acquired in multiples of 15,000 under this PDS.</p> <p>Every 15,000 Units represents one Creation Unit. The minimum investment under this PDS is one Creation Unit.</p>
<b>Creating</b>	<p>An Authorised Participant may make an application to create Units by completing the Application for Creation/Redemption Form and transferring cash (Australian dollars) to the Fund.</p> <p>There are no cooling-off rights available.</p> <p>For further details of how to apply to create Units in the Fund, please see 'Creating and Redeeming' on page 26.</p> <p>You may purchase Units on the ASX. The purchase of Units on the ASX is not governed by the terms of this PDS. The minimum investment requirement does not apply to Units purchased on the ASX.</p>
<b>Redemption unit</b>	<p>Units in the Fund can only be redeemed by an Authorised Participant. Units can only be redeemed in multiples of 15,000 under this PDS.</p> <p>Every 15,000 Units represents one Redemption Unit. The minimum redemption under this PDS is one Redemption Unit.</p> <p>An Authorised Participant can apply to redeem Units by completing the Application for Creation/Redemption Form and transferring to the Fund a Redemption Unit via CHESS, in exchange for which we will transfer cash in Australian dollars.</p> <p>For further details of how to redeem from the Fund, please see 'Creating and Redeeming' on page 26.</p> <p>You may sell your Units on the ASX. The sale of Units on the ASX is not governed by this PDS. The minimum redemption requirement does not apply to Units sold on the ASX.</p>
<b>Distributions</b>	<p>Distributions are calculated quarterly or at such other time as determined by us.</p> <p>You can request to reinvest your distributions as additional Units in the Fund or have the distributions paid as cash (Australian dollars) into your nominated bank account.</p> <p>Information in relation to distributions will be disclosed to the ASX via the ASX Market Announcements Platform.</p>

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## REPORTING ON YOUR INVESTMENT

<b>Distributions</b>	<p>A distribution statement will be sent to you each time a distribution is made.</p>
<b>Website</b>	<p>The following information can be obtained from our website at <a href="http://russellinvestments.com.au/etfs">russellinvestments.com.au/etfs</a>:</p> <ul style="list-style-type: none"><li>• the Fund's daily NAV;</li><li>• the Fund's daily NAV per Unit;</li><li>• the Fund's interim NAV;</li><li>• the daily underlying investments held by the Fund;</li><li>• monthly derivatives disclosure;</li><li>• copies of announcements made to the ASX via the ASX Market Announcements Platform (including continuous disclosure notices and distribution information);</li><li>• copies of the latest PDS (and any supplementary PDSs); and</li><li>• copies of annual reports and financial statements.</li></ul>

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## KEY RISKS

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**Risks** There are a number of risks associated with investing in the Fund. You should consider carefully the risks that may affect the financial performance of your investment in the Fund. Some of the key risks of the Fund include:

**Market risk:** The market price of the Fund's investments may fluctuate as a result of factors such 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.

**ESG investment risk:** There is the risk of loss resulting from incorporating ESG considerations into the investment strategy, 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 company securities 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.

**Settlement risk:** The Fund may be exposed to settlement risk as the Fund is reliant on the operation of CHES.

**Trading risk:** As at the time of lodgement of this PDS with ASIC, the Units in the Fund are yet to be quoted on the ASX. An application has been made to the ASX for Units in the Fund issued pursuant to this PDS to be quoted for trading on the AQUA market of the ASX under the AQUA Rules. Once the Fund has been quoted for trading under the AQUA Rules on the ASX, there is a risk that the ASX may under certain circumstances suspend trading or even remove the Fund from quotation on the ASX. The underlying assets held by the Fund may also be suspended or delisted.

**Market making risk:** Under the AQUA Rules, RIM has certain market making obligations in respect of the Fund. In order to facilitate an orderly and liquid market in the Fund, we have appointed market maker(s) to provide alternate liquidity. Whilst we monitor our market maker(s)' ability to maintain continuous liquidity to the market, there is no guarantee that these requirements will always be met, particularly if there is a failure by a market maker.

**Currency risk:** The Fund is exposed to foreign assets and therefore exposed to currency risk. Currency movements may affect the performance of the Fund.

**Counterparty and settlement risk:** the Fund is 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 the Fund is exposed to and the level of government regulation in countries in which the Fund invests.

**Derivatives risk:** The Fund may be directly exposed to exchange-traded futures. 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 or that there is an adverse movement in 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. That is, 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 derivatives 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.

**Emerging markets risk:** the Fund is exposed to emerging market securities, which 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.

**Third Party Data Risk:** while we have systems and controls in place to oversee and review information provided by third parties, there is a risk that errors or undisclosed changes from third parties may result in inadvertent exposure to otherwise excluded investments.

For further details on risks, please see the 'The Risks of Investing' on page 16.

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## 2. Your guide to the fund

### RUSSELL INVESTMENTS SUSTAINABLE GLOBAL OPPORTUNITIES COMPLEX ETF

**Investment objective** The Fund aims to outperform the Fund's benchmark, before costs and tax, over the long term by providing exposure to a diversified portfolio of predominantly international shares.

**Investment strategy** The Fund is an actively managed fund that invests predominantly in a broad range of international shares and equity-related securities (as defined in section 5 – How the Fund Invests) that are listed on stock exchanges in developed and emerging international markets. At least 80% of the Fund's NAV will be invested in shares and equity-related securities selected by Russell Investments based on advice received from investment managers pursuing a Sustainable Strategy.

The Fund is managed in line with the climate objectives set out in the 2015 Paris Agreement adopted under the United Nations Framework Convention on Climate Change. The Fund has targets in relation to:

- Carbon emissions reduction
- Net zero alignment and net zero engagement

As described in more detail on page 11, Russell Investments utilises the Paris-Aligned Investment Initiative's Net Zero Investment Framework (the "Net Zero Investment Framework") as its primary target setting framework for measuring net zero alignment.

In addition, the Fund also has a process to exclude companies Russell Investments does not consider are sustainable in particular:

- companies which do not comply with good governance practices by international standards, being companies which have an exposure to the following activities above applicable materiality thresholds: controversial weapons; and companies with a significant involvement with oil sands, arctic oil and gas, shale energy, thermal coal, palm oil, gambling, adult entertainment and tobacco; and
- companies which do not comply with good governance practices by international standards, being the United Nations Global Compact Principles;

**(Excluded Securities).**

Up to 10% of the NAV of the Fund may be held in cash.

Derivatives are used to implement the investment strategy of the Fund and to manage risk. The Fund uses Equity Index Futures to gain a material exposure to international shares in the desired country, region and/or equity markets. The Fund's notional exposure to Equity Index Futures may exceed 10% the NAV of the Fund. As such, the Fund is considered a "complex" ETF. See section 5 – How derivatives are used, for more detail on how we use derivatives and the maximum notional exposure limits that apply to derivatives. Where the Fund invests in derivatives, including Equity Index Futures, the exclusions and net zero targets described above do not apply. For more information see page 10.

We may change the investment strategy for the Fund at any time at our discretion.

For additional details on the Fund's environmental, social and governance (**ESG**) considerations and how they are assessed, including:

- the processes and criteria we use to assess Sustainable Strategies, see page 11;
- the Net Zero Investment Framework and the Fund's targets for carbon emissions reduction, net zero alignment and net zero engagement, see page 11; and
- the screens we use when determining whether a security is an Excluded Security, see pages 14.

**Benchmark** MSCI ACWI – Net.

**Suitability** Suitable for investors seeking overseas share-like returns, who have a long investment horizon and are willing to accept some currency and emerging markets risks. Investors must also be willing to accept the possibility of negative returns over the short to medium term.

**Minimum investment timeframe** 7 years

**Risk level** High

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## 3. Benefits of using ETFs

### What are ETFs?

ETFs are quoted managed funds providing you with the opportunity to buy a diversified portfolio of assets in a single transaction.

### What are the benefits of an ETF?

#### Diversification

ETFs provide you with the ability to diversify your portfolio through holding a single security.

#### Liquidity

As a traded security, an ETF enables you to enter and exit your investment on the ASX during trading hours.

### What are the benefits specific to this ETF

#### Access a sustainable portfolio

A global shares ETF with a focus on Sustainable Strategies, applying net zero targets and has processes in place to exclude companies which Russell Investments does not consider are sustainable.

**For detailed information on ESG considerations for the Fund** (including the processes and criteria we use to assess Sustainable Strategies, the Net Zero Investment Framework and the Fund's targets for carbon emissions reduction, net zero alignment and net zero engagement, and the screens we use when determining whether a security is an Excluded Security including applicable materiality thresholds and limitations on exclusions) **refer to the section titled 'ESG considerations' on page 10.**

#### Multi-strategy

Capture the active insight of multiple ESG managers all in a single ETF. Each utilises a specialist Sustainable Strategy, ensuring quality investment ideas are included in the portfolio.

#### 'Best of breed' manager research

Russell Investments' dedicated research team monitor the portfolio and continually assess the managers' suitability.

#### Transparency

The assets held by the Fund are disclosed daily, enabling you to have full transparency to your holdings.

## 4. AQUA rules

As at the time of lodgement of this PDS with ASIC, the Units in the Fund are yet to be quoted on the ASX. An application has been made to the ASX for Units to be admitted to trading status on the AQUA market ASX under the AQUA Rules. The AQUA Rules form part of the ASX Operating Rules. The AQUA Rules have been designed to offer greater flexibility and are specifically designed for managed funds, ETFs and structured products. Units in the Fund are not listed on the ASX under the ASX Listing Rules.

As most investors are more familiar with the ASX Listing Rules, it is important to note the main differences between the AQUA Rules and the ASX Listing Rules which are set out below:

ASX LISTING RULES	ASX AQUA RULES
<b>Control</b>	
<b>Entities listed under the ASX Listing Rules:</b> <ul style="list-style-type: none"> <li>controls the value of its own securities and the business it runs;</li> <li>the value of those securities is directly influenced by the equity issuer's performance and conduct. e.g. the management and board generally control the fate of the business and, therefore, have direct influence over the share price.</li> </ul>	<b>Issuers of products quoted under the AQUA Rules:</b> <ul style="list-style-type: none"> <li>does not control the value of the assets underlying its products; but</li> <li>offers products that give investors exposure to the underlying assets – such as shares, indices, currencies or commodities.</li> </ul> <p>The value (price) of products quoted under the AQUA Rules is dependent upon the performance of the underlying assets rather than the financial performance of the issuer itself. e.g. An ETF issuer does not control the value of the shares it invests in.</p>
<b>Continuous Disclosure</b>	
<p>Products under the ASX Listing Rules are subject to the continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the Corporations Act 2001.</p>	<p>Issuers of products quoted under the AQUA Rules are not subject to the continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the Corporations Act 2001 but must disclose information about:</p> <ul style="list-style-type: none"> <li>the net tangible assets (NTA) or the NAV of the Fund;</li> <li>dividends, distributions and other disbursements; and</li> <li>any other information that is required to be disclosed to ASIC under section 675 of the Corporations Act 2001 must be disclosed to ASX via the ASX Market Announcements Platform at the same time it is disclosed to ASIC.</li> </ul> <p>The AQUA Rules require an issuer of a product quoted under the AQUA Rules to provide the ASX with information that the non-disclosure of which may lead to the establishment of a false market in its products or would materially affect the price of its products.</p>
<b>Corporate Control</b>	
<p>Requirements in the Corporations Act 2001 and the ASX Listing Rules in relation to matters such as takeover bids, share buy-backs, change of capital, new issuers, restricted securities, disclosure of directors' interests and substantial shareholdings apply to listed companies and schemes.</p>	<p>Certain requirements in the Corporations Act 2001 and the ASX Listing Rules in relation to matters such as takeover bids, buy-backs, change of capital, new issuers, restricted securities, disclosure of directors' interests and substantial shareholdings that apply to companies and listed schemes do not apply to products quoted under the AQUA Rules.</p> <p>Section 601FM of the Corporations Act 2001 continues to apply in relation to the removal of a responsible entity of a registered managed investment scheme by an extraordinary resolution of members.</p> <p>An extraordinary resolution is a resolution passed by a majority of the total votes that may be cast by members entitled to vote on the resolution.</p>

ASX LISTING RULES	ASX AQUA RULES
<b>Related party transactions</b>	
Chapter 10 of the ASX Listing Rules, which relates to transactions between an entity and persons in a position to influence the entity, specifies controls over related party transactions.	Chapter 10 of the ASX Listing Rules does not apply to AQUA products. However, because the Fund is a registered managed investment scheme, we are still required to comply with the related party requirements in Part 5C.7 and Chapter 2E of the Corporations Act 2001 relating to related party transactions.
<b>Auditor Rotation</b>	
There are specific requirements in relation to auditor rotation under Part 2M.4 Division 5 of the Corporations Act 2001.	Issuers of products quoted under the AQUA Rules are not subject to the requirements under Part 2M.4 Division 5 of the Corporations Act 2001. Responsible entities of registered managed investment schemes will continue to be required to undertake an independent audit of its compliance with its scheme's compliance plan in accordance with section 601HG of the Corporations Act.
<b>Disclosure</b>	
Entities admitted under the ASX Listing Rules are subject to the requirements of the Corporations Act 2001 in relation to the issue of a PDS.	Products quoted under the AQUA Rules will also be subject to the requirements of the Corporations Act 2001.
<b>Periodic Disclosure</b>	
Issuers must disclose their half-yearly and annual financial information or their annual report to the ASX under Chapter 4 of the ASX Listing Rules.	AQUA product issuers are not required to disclose their half-yearly and annual financial information or annual report to the ASX. The Responsible Entity is required to lodge with ASIC and disclose to the ASX the Fund's financial reports (as required under Chapter 2M of the Corporations Act 2001).

Source: ASX Rules Framework

## 5. How the Fund invests

### Investment Management

We will perform the primary investment management for the Fund, however we may appoint one or more different money managers (including other members of Russell Investments) (each an "investment manager") to manage or advise the selection of some or all of the assets of the Fund. We may be assisted in this role by Russell Investments Implementation Services, LLC (a related company).

Each investment manager may have a different investment philosophy and/or investment style as regards the selection of securities. These investment styles may consider factors such as "quality", "growth" and "value". "Quality" companies include those that have good profitability ratios (including, return on assets, return-on-equity and return on invested capital profitability ratios), strong balance sheets (indicated by low debt-to-equity ratio and low leverage) and high free cash flow yields. "Growth" companies include those that have good potential future earnings growth and revenue growth. "Value" companies include those that show good value relative to the market and their peers (where the following financial ratios are common indicators: low price multiples per unit of earnings, book value, sales and cash

flow). Utilizing investment managers in this way allows the Fund to benefit from a diversity of investment approaches across multiple investment managers, each with a high rating under Russell Investments' proprietary investment manager evaluation framework.

### Sustainable Strategies

In selecting the investment managers, Russell Investments will assess the extent to which and effectiveness with which Russell Investments considers that investment manager integrates ESG characteristics or objectives its processes.

The investment managers for this Fund are selected from a universe of ESG specialist investment managers identified through Russell Investments' proprietary research.

Examples of the types of ESG characteristics and objectives of the investment managers may include but are not limited to: strategies which focus on companies with environmentally friendly business models, or that operate in industries with low levels of pollution; or strategies which focus on investing in solutions to climate change, social or environmental challenges; or which focus on improving companies' environmental, social or governance practices by engaging directly with the company to improve its business practices.

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All investment managers selected for this Fund:

- have a clear focus on sustainability issues including climate transition; but each investment manager may have a different approach to sustainability;
- have a process to exclude Excluded Securities; and
- contribute to the Fund's net zero targets.

For more details of the Fund's ESG Considerations see page 10 below.

**Additional information on the kinds of sustainable strategies we identify can be found at <https://russellinvestments.com/au/funds/exchange-traded-funds/RGOS>.**

## Equity-Related Securities

In addition to shares which includes ordinary shares, common stock and preference shares, the Fund may invest in 'equity-related securities' including warrants, American deposit receipts, Global depositary receipts, rights issues and REITs (being real estate investment trusts).

## How derivatives are used

Derivatives may be used to implement the investment strategy of the Fund and to manage risk.

The Fund may use over the counter (OTC) and exchange traded derivatives in order to achieve a desired investment position without buying or selling the underlying assets, and for risk management purposes.

The Fund will use FX forwards to manage or hedge currency exposure(s) of the Fund.

The Fund may invest in exchange traded warrants issued in respect of the shares of listed companies. Warrants may be issued during corporate actions (e.g. mergers, acquisitions or restructures) and generally provide exposure to, and/or rights to acquire the shares in the company, at a certain price.

The Fund's multi-manager structure may result in the Fund being overweight with securities of companies within the Fund's benchmark in certain regions with a greater concentration of companies that meet our ESG considerations, for example Europe, and underweight with securities of companies within the Fund's benchmark in other regions with less concentration of companies that meet our ESG considerations, for example emerging markets. Russell Investments will manage this benchmark risk using derivatives, in particular Equity Index Futures to increase or reduce exposure to international shares in particular regional, country and/or equity markets and to control and manage such exposures relative to the Fund's benchmark.

The Fund will also use Equity Index Futures to obtain market exposure for the Fund's cash balances (this is known as 'equitisation') and otherwise manage tracking

error to the Fund's benchmark. The Fund's notional exposure to derivatives may exceed 10% or more of the NAV of the Fund. As such the Fund is considered a 'complex' ETF.

The use of Equity Index Futures and FX forwards in the Fund will be limited as follows:

- exposure of the Fund to long futures positions will not exceed a maximum notional value of 20% of the NAV of Fund;
- exposure of the Fund to short futures positions will not exceed a maximum notional value of 20% of the NAV of the Fund.

Where the Fund invests in derivatives, including Equity Index Futures, the exclusions and net zero targets do not apply to those derivatives. Equity Index Futures provide exposure to a broad index (for example the S&P 500) which is not screened for Excluded Securities and which does not have a net zero target.

As a result, the Fund may be indirectly exposed to companies that would otherwise be excluded.

However, the Fund is managed so that at least 80% of NAV will be exposed to the shares and equity-related securities selected by Russell Investments based on advice provided by investment managers with Sustainable Strategies. There is a process for all shares and equity-related securities held directly by the Fund to be screened for Excluded Securities.

Derivatives will not be used to leverage the Fund.

## Borrowings

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

## ESG Considerations

The Fund is an actively managed fund which invests predominantly in a broad range of international shares listed on stock exchanges in developed and emerging international markets.

This section explains what ESG considerations means for the Fund and how it will incorporate the ESG considerations into its investment decisions and processes.

We will adopt and apply our own criteria for ESG considerations (and for any terminology used to describe them), which may differ from the view or opinion of an individual investor.

ESG means environmental, social and governance and in the context of an investment includes:

- environmental factors like effects on the natural environment and natural systems;
- social factors like the rights, well-being, and interests of people and communities; and



- governance factors the framework in which companies make decisions, set objectives and are held accountable.

The Fund's ESG considerations are as follows:

### 1. Appointment of investment managers from the 'sustainable universe'

All investment managers in this Fund have been selected from our investment universe of managers we consider have ESG capabilities in global shares. Only strategies which we have assessed as having a sustainable objective are included in the investment universe. Our analysts use a framework to assess eligibility for the universe which considers if the strategy has an explicit sustainable intention, if the investment process effectively and consistently integrates ESG and responsible investing practices and/or if a sustainable or ESG outcome is evidenced through product characteristics.

Examples of these factors include:

- i.* **Sustainable intention:** A sustainable or ESG strategy will typically have an explicit sustainable objective, such as investing in companies which offer low ESG risk (i.e low chance of negatively affecting ESG factors), produce sustainable goods or services (for example, renewable energy technology) or align to certain sustainable development goals (for example, the UN Sustainable Development Goals). Strategies in this Fund will also commit to net-zero alignment in an effort to limit global warming (see below).
- ii.* **Integrated process:** A sustainable investment process is evidenced by consistent and effective integration of ESG and responsible investing practices at the product level. Strategies will demonstrate meaningful commitment to accessing ESG data and resources and consistently leverage these in the investment process. Investment decision making will reflect appropriate use of ESG data inputs and emphasise sustainable frameworks or themes. Furthermore, strategies with strong integrated processes will use active ownership and stewardship in respect of their investments, as a tool to support investment and sustainable objectives.
- iii.* **Sustainable outcome:** A sustainable outcome may include low ESG risk (where we consider the investments are unlikely to have a significant negative effect on relevant ESG factors), revenue alignment to sustainable goals (including, for example, the UN sustainable development goals), or low carbon emissions. An example of where managers show a sustainable outcome is where strategies in this Fund have adopted net zero objectives outlined below, including providing evidence of their allocation to companies pursuing net zero policies while promoting real-world emission reductions through stewardship.

All investment managers in this Fund have been assessed by Russell Investments as having high standards across at least two of the three criteria.

### 2. Sustainable Strategies

Each investment manager may pursue a different Sustainable Strategy. Examples of Sustainable Strategies may include investing in:

- companies in non-harmful industries which we consider may benefit from a transition to a more sustainable global economy; or;
- companies that provide solutions to social and environmental challenges, such as financial inclusion, clean technology, or disaster recovery and which may benefit from long term changes in demographics, technology, the environment and governance; or
- companies with high ESG credentials and exemplary corporate stewardship.

Other Sustainable Strategies may:

- invest in companies with lower but improving ESG credentials focusing on engagement with these 'improvers'; or
- avoid companies with poor business practices whilst emphasizing stewardship and ESG integration.

All Sustainable Strategies:

- have a process to exclude Excluded Securities; and
- contribute to the Fund's net zero targets.

### 3. Net Zero Targets

#### Methodology – Net Zero Investment Framework

The Fund utilises the Net Zero Investment Framework as its primary target setting framework for carbon equivalent emissions reductions. It is one of the most implemented net zero methodologies for investors across all financial institutions within the Glasgow Financial Alliance for Net Zero (GFANZ). Russell Investments is a signatory to the Net Zero Asset Managers Initiative which is one of the eight sector-specific alliances that make up the GFANZ.

The Net Zero Investment Framework recommends setting interim objectives / targets which will then act as reference points to monitor the effectiveness of the transition strategy. These targets should be set in line with science-based pathways that are consistent with achieving Net Zero global emissions by 2050, or sooner. The main driver for achieving portfolio emissions reduction targets should be the increasing alignment of assets within the portfolio with Net Zero pathways.



'Net Zero' means a company has carbon equivalent emissions intensity performance consistent with the achievement of global net zero emissions by 2050.

The Fund has the following Net Zero targets:

**i. Carbon Emissions:**

**2030 Target.**

By 2030, the Fund aims to achieve a weighted average carbon dioxide equivalent emissions reduction of 50% (scope 1 and 2 emissions) versus the Baseline Emissions.

'Baseline Emissions' means the weighted average carbon dioxide equivalent emissions of the MSCI All Country World Index as at 31 December 2019.

This target will be reviewed and updated (as relevant) after 5-years.

**ii. Net Zero Alignment:**

**2040 Target.**

By 2040, 100% of the Fund's investments in shares and equity-related securities will be: (i) Net Zero; or (ii) aligned with a Net Zero pathway.

**Interim Target (2028).**

By 2028, at least 40% of the Fund's investments in shares and equity related securities will be: (i) Net Zero; (ii) aligned with a Net Zero pathway; or (iii) aligning to Net Zero.

This interim target will be reviewed and updated (as relevant) after 3-years and updated thereafter every 5-years.

**iii. Engagement on Net Zero Alignment:**

**2030 Target.**

By 2030, at least 90% of Financed Emissions in Material Sectors within the Fund portfolio will be (i) Net Zero; (ii) aligned with a Net Zero pathway; (iii) or the subject of direct or collective engagement and stewardship actions by Russell Investments and/or in the investment advisers, such as proxy voting or selective divestment.

**Current Target.**

At least 70% of Financed Emissions in Material Sectors within the Fund portfolio will be (i) Net Zero; (ii) aligned with a Net Zero pathway; or (iii) the subject of direct or collective engagement and stewardship actions by Russell Investments and/or the investment advisers, such as proxy voting or selective divestment.

'Financed Emissions' means the carbon equivalent emissions (scope 1 and 2) financed by loans and investments by a company, calculated as specified by the Partnership for Carbon Accounting Financials.

'Material Sectors' mean those sectors in NACE codes A-H and J-L, which are Agriculture, forestry and fishing, Mining and quarrying, Manufacturing, Electricity, gas, steam and air

conditioning supply, Water supply; sewerage; waste management and remediation activities, Construction, Wholesale and retail trade; repair of motor vehicles and motorcycles, Transporting and storage, Information and communication, Financial and insurance activities, Real estate activities.

'NACE codes' refers to the statistical classification of economic activities in Europe.

**Regular Monitoring and Reporting Against Targets**

On a quarterly basis Russell Investments monitors and reports on the Fund's progress against these targets.

The Net Zero Investment Framework includes guidance on how to assess the strength and maturity of a company's net zero target and performance against 6 core criteria – ambition, targets, emission performance, disclosure, decarbonisation strategy and capital allocation alignment. Russell Investments uses data from climate-focused organisations such as Climate Action 100+, Transition Pathway Initiative (TPI), and the Science-Based Targets initiative (SBTi) to undertake this analysis. Using this data Russell Investments classifies each company in the Fund's portfolio on a quarterly basis into the following categories (listed worst to best):

- (i) not aligned to Net Zero;
- (ii) committed to Net Zero alignment;
- (iii) aligning to Net Zero;
- (iv) aligned with a Net Zero pathway; and
- (v) Net Zero.

If Russell Investments has insufficient data to make this determination about a company, it will be classified as not aligned to net zero.

**4. Approach to stewardship/active ownership/engagement**

*Active ownership* is an important part of our investment responsibilities and decision-making process.

We have a dedicated active ownership team who enable our *proxy voting* policies, procedures, guidelines and voting decisions.

As part of our *stewardship activities*, we aim to engage with companies on overall business strategy, capital allocation, and environmental, social and governance practices while encouraging appropriate levels of risk mitigation. Our aim is to promote changes by encouraging good practices on material issues that may protect and enhance long-term sustainable value creation.

We pursue a multi-channel approach to stewardship, meaning that that Russell Investments may engage with companies directly, engage through and with our investment managers as partners, and join

collaborative engagement efforts with third-party market participants.

The investment managers will also execute their own stewardship programs in alignment with their stated sustainability and investment objectives.

Examples of engagement may include:

- Engagement with companies on net zero targets

We expect companies to provide a level of transparency that helps investors understand how they may be impacted by climate-related risks and opportunities, how they have embedded climate change into their strategy, and how they ensure that the benefits of a shift to net zero are shared, while supporting those most impacted by the change.

- Engagement with companies in breach of United Nations Global Compact Principles

If a company is identified as being in breach of one of the principles of the United Nations Global Compact, we consider the company a high-priority engagement target with the purpose of understanding why a breach has been flagged, to promote improvements in governance practices, and to ultimately assess whether the company exhibits good governance.

#### *Monitoring*

We have developed a tracking program by which we monitor the status of each individual engagement action, including the relevant focus area and the aim of each outreach. Once underway, engagement activities are tracked for progress against expected outcomes.

**For further information on Russell Investments approach to stewardship, active ownership and engagement, refer to <https://russellinvestments.com/au/about-us/responsible-investing>.**

### **5. Application of exclusions**

The Fund has a process to exclude certain companies that Russell Investments believe should not be included in a Sustainable Strategy, as follows:

#### **i. Exposure to unsustainable activities and industries**

The first criteria that Russell Investments uses when considering whether a company should be excluded from the Fund is whether the company has exposure to certain activities or industries above applicable materiality thresholds.

Russell Investments has processes in place designed to ensure that the Fund does not invest in companies with

exposure to certain industries or activities above the applicable exposure limits. Russell Investments uses data provided by Sustainalytics to assess whether a company's exposure to an industry or activity is above the Exposure Limit for that industry or activity. The relevant Industries and activities sought to be excluded and the Exposure Limits for each industry or activity is set out in Table 1 below.

#### **ii. Compliance with United Nations Global Compact**

Securities are also screened against a list designed to exclude companies that do not comply with good governance practices by international standards.

Russell Investments considers that a company complies with good governance practices by international standards where that company complies with the United Nations Global Compact (UNGC) Principles.

Generally, the Fund will exclude companies which Russell Investments considers persistently fail to comply with good governance practices by international standards.

Russell Investments utilises the services of Sustainalytics, who identify companies that are aligned to UNGC Principles and are, therefore, deemed by Russell Investments as having good governance practices. Companies deemed to not be aligned with the UNGC Principles are placed on an Exclusions List for the Fund (subject to the exception below) which are updated quarterly.

If a company is identified as being non-compliant with one or more of the UNGC Principles, the company may still be investable if Russell Investments determines, that it does, in fact, follow what it considers to be good governance practices, despite the UNGC Principles assessment by Sustainalytics. In order to reach this conclusion, Russell Investments carries out its own further analysis of the company's governance practices. This additional layer of analysis is undertaken based on advice from an investment manager or from Russell Investments' own research or insights, supplemental to the research provided by Sustainalytics and through its engagement process. Russell Investments may determine, by recommendation from its investment and responsible investing teams and by determination of the Russell Investments' Global Exclusions Committee, that the company does, in fact, demonstrate good governance practices. Only after such a determination is made, can the company form part of the Fund's investments.

If a company already held by the Fund is identified as having breached a UNGC Principle by Sustainalytics during a quarterly update to the Fund's Exclusions List, Russell Investments may undertake the further analysis outlined above to determine whether, in fact, the company follows what Russell Investments considers to be good governance practices. If no such determination is made before the next quarterly update to the Fund

Exclusions List, the relevant company will be added to the Fund Exclusions List.

## General limitations on exclusions

When determining Excluded Securities, Russell Investments relies on data sourced from independent vendors (including Sustainalytics) in order to determine securities that meet its exclusion criteria for the Fund. The independent vendors used by Russell Investments may 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). As a result, Russell Investments (or its investment managers) may acquire or hold a company security in the Fund that has not been assessed by the independent vendors and would otherwise be required to be excluded by the Fund's exclusions criteria.

The exclusions described above apply to companies only. Fund holdings in cash or derivatives (including Equity Index

Futures) do not form part of the holdings of the Fund that are subject to the exclusions or net zero targets. Where the Fund invests in derivatives, including Equity Index Futures, the ESG considerations and exclusions applied in the Fund do not apply. Accordingly, the Fund may be indirectly exposed to companies that would otherwise be excluded.

Where exclusions are employed by the Fund, exclusions lists are reviewed and updated regularly. Russell Investments may identify securities held by the Fund from time-to-time that are required to be excluded by the Fund's exclusions criteria. Unless otherwise specified for the Fund in this PDS, when Russell Investments becomes aware that such securities are held by the Fund, it will divest those securities within 60 days.

<b>Table 1: Exclude companies with exposure to the following activities and applicable materiality thresholds</b>		
<b>Industry/Activity</b>	<b>Exposure Limits (percentage of total Revenue)</b>	<b>Rationale and explanatory notes</b>
Adult entertainment	10%	The production of adult entertainment, and/or owns/operates adult entertainment establishments.
	10%	The distribution of adult entertainment materials.
Arctic Oil & Gas	2%	Revenue from oil and gas exploration in Arctic regions.
Gambling	10%	The company owns and/or operates a gambling establishment.
	10%	The company manufactures specialised equipment used exclusively for gambling.
	10%	The company provides supporting products/services to gambling operations
Oil sands	2%	The company extracts oil sands.
Palm oil	10%	The company is involved in the production and/or distribution of palm oil.

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Shale energy	2%	The company is involved in shale energy exploration and/or production.
Thermal Coal	10%	The company is involved in coal power generation or mining thermal coal (i.e. thermal coal extraction).
Tobacco products	10%	The company manufactures tobacco products.
	10%	The company supplies tobacco-related products/services.
	10%	The company derives revenues from the distribution and/or retail sale of tobacco products.
Controversial weapons (meaning anti-personnel mines, cluster munitions, and nuclear weapons)	Directly: 0% Indirectly: 20%	The company is involved in the production of the core weapon system, or components/services of the core weapon system that are considered tailor made and essential for the lethal use of the controversial weapon.

## 6. The Risks of investing

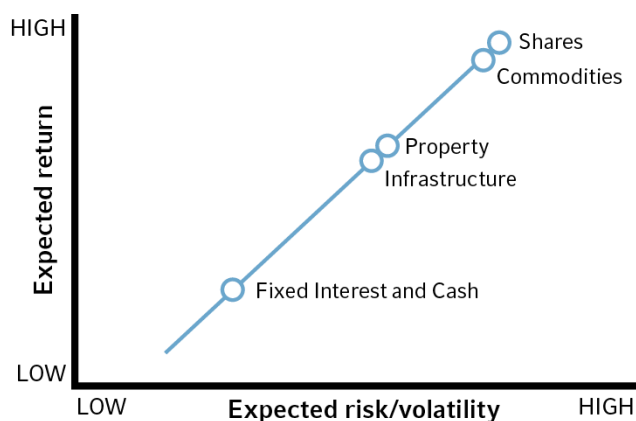
### General risks

All investing involves risk. It is the trade-off for the return that investors seek. Assets with higher expected long term return generally carry a higher level of short term risk. For example, shares and commodities have relatively higher risk, and higher expected return, than fixed interest and cash.

As with most investing, it is not guaranteed that you will make money. The value of your investment can go up or down with the value of the underlying assets.

Short-term fluctuations in the value of investments are common, particularly with respect to shares and commodities. Different types of investments perform differently at different times and carry varying forms of risk.

The relative risk of an investment depends on the assets it holds. The risk/return graph below indicates the relative position of each major asset class.



Source: Russell Investment Management Ltd.

Note: The above risk/return graph indicates potential return volatility for different asset classes. Asset classes with higher volatility of returns are considered to have higher risk, but they are generally expected to produce a greater return over the long-term. Past performance is not a reliable indicator of future performance.

Risks may result in loss of income, loss of principal invested and possible delays in repayment.

You could receive back less than you invested and there is no guarantee that you will receive any income.

Managed investment scheme laws may change in the future and this may affect your investment. Also remember that past returns are not a reliable indicator of future returns. The value of an investment in the Fund and the return on such investment will be influenced by many factors (including factors outside our control), such as market and economic conditions, government policy, political climate, interest rates, currency movements, inflation and investment managers not performing to expectation.

In relation to the Fund, the significant risks you should be aware of are:

**Market risk:** The market price of the Fund's investments may fluctuate as a result of factors such 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.

**Derivatives risk:** The Fund may be directly exposed to exchange-traded futures, and exchange traded warrants, whose underlying reference asset is listed securities. 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 or that there is an adverse movement in 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. That is, 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 derivatives 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.

**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.

**Settlement risk:** The Fund may be exposed to settlement risk as the Fund is reliant on the operation of CHES. The operation of CHES means that the issue of Units can proceed independently of the transfer of the cash consideration in respect of the Units. That is, the Units could be transferred to the Authorised Participant despite the fact the Authorised Participant has not complied with its obligation to pay the cash consideration. If an Authorised Participant fails to comply with its settlement obligations, this may adversely impact upon the Fund. The risk is partly mitigated as participants in CHES are subject to rules of participation, which include sanctions if there is a failure to meet their obligations.

**Trading risk:** The Fund is quoted under the AQUA Rules on the ASX and there is a risk that the ASX may under certain circumstances suspend trading or even remove the

Fund from quotation on the ASX. The underlying assets held by the Fund may also be suspended or delisted.

Under these circumstances, we may take measures, such as suspending the creation and redemption process or we may potentially terminate the Fund.

To mitigate the risk in relation to the Fund, we will use our best endeavours to meet all ASX requirements to ensure the Units in the Fund remain quoted, including putting in place compliance and monitoring procedures. However, there is no guarantee that these requirements will always be met.

Although the Units in the Fund will be quoted on the ASX, there can be no assurance that there will be a liquid market.

There is the risk that the issue price and redemption price applicable to a Unit may differ from the trading price of a Unit on the ASX. The trading price is dependent upon a number of factors, including demand for the Units in the Fund. The risk is mitigated as the application and redemption mechanism is designed to minimise the likelihood that the Units will trade on the ASX at a significantly different price to the issue price or redemption price.

**Market making risk:** Under the AQUA Rules, RIM has certain market making obligations in respect of the Fund. In order to facilitate an orderly and liquid market in the Fund, we have appointed market maker(s) to provide alternate liquidity. Whilst we monitor our market maker(s)' ability to maintain continuous liquidity to the market, there is no guarantee that these requirements will always be met, particularly if there is a failure by a market maker.

**Distributions risk:** There is no assurance that the Fund will pay a distribution. The Fund is reliant on the receipt of dividends and distributions from the Fund's assets. There is no assurance that these assets will declare dividends or make distributions.

**Liquidity risk:** The Fund may be exposed to securities which are traded infrequently or the typical daily trade volumes are small. It may not be possible to sell such securities when it is desirable to do so or to realise what we think is fair value in the event of a sale. We aim to reduce this risk by understanding the liquidity characteristics of the securities in the Fund and planning or trading to minimise the adverse consequences of low liquidity.

**Political risk:** The Fund's investments may be affected by uncertainties such as political developments or changes in government policies.

**Change in law:** There may be a change in law affecting the Fund (including taxation) at any time which may affect your investment in the Fund.

**Fund risk:** As the Fund is a managed investment scheme, there are a number of risks. These include the Fund may terminate under the terms of the constitution, the terms, fees and charges could change, or we could retire or be replaced as responsible entity of the Fund.

**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. Errors may occur on occasions and if they do, we will seek to rectify them. If you identify an error, let us know and we will seek to rectify it.

**Russell Investments risk:** Several members of Russell Investments provide services to the Fund. As discussed at page 25, these related parties are appointed subject to arm's length commercial terms. However, a change in the circumstances of Russell Investments (such as the sale of an entity) could have an adverse impact on the operation or performance of the Fund.

**ESG Investment 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 company securities 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.

### Third Party Data Risk

While we have systems and controls in place to oversee and review information provided by third parties, there is a risk that errors or undisclosed changes from third parties may result in inadvertent exposure to otherwise excluded investments.

**To manage your risks, you should obtain professional investment advice that is tailored to your investment objectives, financial situation and particular needs. A proper risk assessment should take into account your age, your investment timeframe, your risk tolerance and the other investments that you hold.**

## 7. Tax

The following summary of Australian taxation matters is a general guide in relation to the Australian taxation implications applicable to the Fund for Australian resident Unitholders. It is intended as an outline of some of the Australian tax issues which may affect an investment in the Fund and should not be relied upon as a complete statement of all the potential tax considerations which may arise upon investing in the Fund.

The summary assumes that Unitholders will be either stockbrokers, who will acquire or dispose of Units by



application or redemption, or other investors, who will acquire or dispose of Units by buying or selling them on the ASX AQUA market. In the case of stockbrokers, it is assumed that they act as a principal i.e., are authorised as trading participants under the ASX Operating Rules and, where required, have entered into an Authorised Participant Agreement.

It is assumed that stockbrokers hold their Units in the Fund as trading stock as part of a securities trading business, and that other Unitholders hold their Units on capital account.

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 Fund.

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

## Taxation of the Fund

The tax position of the Fund and Unitholders will depend on whether the Fund qualifies as a Managed Investment Trust (MIT) and in turn, an Attributed Managed Investment Trust (AMIT) for the income year, as described below.

It is expected that the Fund will continue to qualify as a MIT and the Responsible Entity has made an election for the Fund to be treated as an AMIT. It is intended that the Fund be treated as 'flow through' for income tax purposes, where for each year of income, the Unitholders of the Fund are taxed on the taxable income of that Fund and not the Responsible Entity (RE).

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

The Responsible Entity has made an irrevocable election to treat eligible assets (such as company shares and units in unit trusts but excluding derivatives and foreign exchange contracts) on capital account. Accordingly, realised gains on certain assets may be eligible for the capital gains discount concession (after capital losses have been recouped).

The Fund may attribute capital gains or income, arising on the sale of securities to meet a significant redemption, on a fair and reasonable basis to the redeeming Unitholder, as permitted by the AMIT regime. Furthermore, whereas decreases in the capital gains cost base of units may arise for trusts including MITs, cost base increases may also be available for units in AMITs.

Refer to 'Taxation of Australian Resident investors' below for more information.

If the 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 the Fund and Unitholders may change for that

year. If the Fund meets the eligibility requirements in a subsequent year, it may resume being treated as a MIT or an AMIT as the case may be.

Even where the 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 (such as cost base increases described below under Taxation of Australian Resident investors).

## Taxation of Australian Resident investors

### General

Under the AMIT regime, Australian Unitholders 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 Unitholder.

Unitholders may also be attributed franking credits attached to dividend income. Unitholders should seek their own tax advice on the additional criteria which has to be met (including the 45 day holding period rule) to claim these credits as an offset against their tax liability. For an Australian Resident individual or complying superannuation entity, the franking credits may give rise to a refund of tax for a given year where the sum of available franking credits exceeds their tax liability for that year, and in certain cases may generate tax losses for corporate entities.

If Unitholders receive distributions of cash in excess of taxable components attributed to them, they may be required to reduce the cost base of their units. Should the cost base of a Unitholder's units be reduced below zero, the amounts in excess of the Unitholder's cost base are a capital gain that should be included in the Unitholder's calculation of their net capital gain or loss for the income year.

Conversely, if Unitholders are attributed taxable amounts from a distribution which they have not received in cash, Unitholders may be able to increase the cost base of their units in the Fund.

Unitholders 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.

### Capital gains attributed by the Fund

The Fund may attribute capital gains to Unitholders on a fair and reasonable basis. In general, it is intended that realised capital gains (if any) arising from in-specie transfers of assets immediately prior to a redemption of Units will be attributed to the redeeming Unitholder (discussed below). Other capital gains will generally be attributed to Unitholders entitled to the final distribution on 30 June each year.

If the Fund attributes a discount capital gain to a Unitholder, the Unitholder must first multiply the discount capital gain by 2 to determine the nominal capital gain. Individual, trust and complying superannuation fund Unitholders 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. No discount is available to corporate Unitholders. Unitholders may also be able to offset other capital losses against the nominal capital gain amount. Capital losses must be offset against gross discount capital gains before any discount concession is applied.

For Unitholders who are stockbrokers, distributions received may be taxable in full as ordinary income. It is recommended that stockbrokers seek their own independent professional taxation advice regarding the tax treatment of distributions from the Fund.

The former Australian Government announced a proposed amendment to the law to remove the capital gain discount at the trust level. Unitholders 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.

## **Application for creation and redemption of Units by Authorised Participants (stockbrokers)**

As the precise taxation implications will depend on each stockbroker's specific circumstances, it is recommended that stockbrokers seek their own independent professional taxation advice concerning the consequences of investing in the Fund. The comments below are general in nature only.

## **Acquisition and disposal of Units on the ASX AQUA market**

For a Unitholder holding Units on capital account, the amount paid for the shares acquired on the ASX AQUA market (plus incidental acquisition costs) will be included in the capital gains cost base of the Units. The sale of Units on the ASX AQUA market, will give rise to a CGT event which may result in a capital gain or loss to the Unitholder. The capital gains discount concession may be available to individuals, trusts and complying superannuation entities where the Units have been held for at least 12 months. 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.

Capital losses must be offset against gross discount capital gains before any CGT discount is applied.

In exceptional circumstances (e.g. where Units are suspended from quotation for more than 5 consecutive trading days), Units of a non Authorised Participant may be redeemed in limited cases. In this event, Unitholders

should seek professional taxation advice regarding the taxation implications of the redemption.

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

The TOFA rules may apply to certain 'financial arrangements' held by the Fund. In broad terms, in calculating the net (taxable) income of the Fund, returns on certain financial arrangements may be recognised on an accruals basis rather than a realisation basis, and on revenue account.

The Administrator will assist the responsible entity with compliance with the TOFA rules, as required by the tax legislation.

## **Foreign Account Tax Compliance Act**

The Foreign Account Tax Compliance Act (FATCA) is US tax law that requires Foreign Financial Institutions (FFIs) to comply with a few additional compliance obligations to ensure that 30% FATCA withholding tax is not deducted from certain US sourced income.

### **Australian Inter-Governmental Agreement**

On 28 April 2014, an Inter-Governmental Agreement (IGA) was signed between Australia and the US. The FATCA regime has been applicable in Australia since 1 July 2014.

Generally speaking, the Fund will fall within the definition of a FFI for FATCA purposes. Accordingly, the Responsible Entity may be required to request unitholders to provide additional information, and report annually to the ATO on US reportable accounts, to comply with its compliance obligations under the FATCA.

## **Common Reporting Standards (CRS)**

Australia has 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 investors. The CRS is also known as 'global FATCA'.

The CRS applies to Australian financial institutions from 1 July 2017. Generally speaking, the Fund will fall within the definition of a 'financial institution' for CRS purposes.

Accordingly, the Responsible Entity may be required to request Unitholders to provide additional information, and report annually to the ATO on non-resident reportable accounts, to comply with its compliance obligations under the CRS.

## **Review of the taxation system**

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



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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 a degree of 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 Fund and its investors. Accordingly, it will be necessary to closely monitor the progress of these reforms, and it is strongly recommended that investors seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Fund.

## **Australian Taxation of Non-Resident Investors**

For non-resident Unitholders, deductions of Australian tax will be made from distributions (or attributions) from certain Australian-sourced income and capital gains. The amounts withheld will depend on the type of income and the country of residence of the Unitholder. Distributions of any foreign source income to non-resident Unitholders would generally not be subject to Australian withholding tax (unless, for example, the income is derived through an Australian permanent establishment of the non-resident Unitholder).

Based on the Fund's investment profile, non-resident investors holding their Units on capital account should not generally be subject to Australian capital gains tax on the disposal of Units in the Fund unless the Units were capital assets held by the investor in carrying on a business through a permanent establishment in Australia. Australian tax may apply in certain circumstances if the non-resident holds their units on revenue account. CGT may also apply in some cases where the Fund has a direct or indirect interest in Australian real property. We recommend that non-resident unitholders seek independent tax advice in relation to the tax consequences of the disposal of their units.

The responsible entity recommends 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.

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

It is not compulsory for an Australian investor to quote their TFN or ABN. If an Australian investor is making this investment in the course of a business or enterprise carried on by the investor, the investor may quote an ABN instead of a TFN. Failure by an investor to quote an ABN or TFN or claim an exemption may cause the RIM to withhold tax at the top marginal rate plus the Medicare Levy on gross payments including distributions of income to the investor. The investor may be able to claim a credit in the investor's tax return for any TFN/ABN tax withheld. By quoting their TFN or ABN, the investor authorises the responsible entity to apply it in respect of all the investor's investments with the responsible entity. If the investor does not want to quote their TFN or ABN for some investments, the responsible entity should be advised.

The following summary of Australian taxation matters is a general guide in relation to the Australian taxation implications applicable to the Fund for Australian resident Unitholders. It is intended as an outline of some of the Australian tax issues which may affect an investment in the Fund and should not be relied upon as a complete statement of all the potential tax considerations which may arise upon investing in the Fund.

The summary assumes that Unitholders will be either stockbrokers, who will acquire or dispose of Units by application or redemption, or other investors, who will acquire or dispose of Units by buying or selling them on the ASX AQUA market. In the case of stockbrokers, it is assumed that they act as a principal i.e., are authorised as trading participants under the ASX Operating Rules and, where required, have entered into an Authorised Participant Agreement.

It is assumed that stockbrokers hold their Units in the Fund as trading stock as part of a securities trading business, and that other Unitholders hold their Units on capital account.

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 Fund.

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

## 8. 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 (<https://www.moneysmart.gov.au>) has a managed funds fee calculator to help you check out different fee options.

The section shows fees and other costs you may be charged. This information can be used to compare between different 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 section 7 of this PDS.

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 SUSTAINABLE GLOBAL OPPORTUNITIES COMPLEX ETF

Type of fee or cost	Amount	How and when paid
<b>Ongoing annual fees and costs<sup>2</sup></b>		
<b>Management fees and costs</b> <b>The fees and costs for managing your investment</b>	Estimated to be 0.95% p.a. of the NAV of the Fund comprised of: 1. A management fee of 0.95% p.a. of the NAV of the Fund <sup>2</sup> ; 2. Estimated indirect costs of 0.00% p.a. of the NAV of the Fund; and 3. Estimated expense recoveries of 0.00% 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. 3. Expense recoveries are paid out of the Fund's assets as and when incurred.
<b>Performance fees</b> <b>Amounts deducted from your investment in relation to the performance of the product</b>	Nil	Not Applicable

<b>Transaction costs</b>	Estimated to be 0.04% p.a. of the NAV of the Fund <sup>4</sup>	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.
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)<sup>3</sup></b>		
<b>Establishment fee: The fee to set up your investment</b>	Nil	Not applicable
<b>Contribution fee: The fee on each amount contributed to your investment</b>	Nil	Not applicable
<b>Buy-sell spread: An amount deducted from your investment representing costs incurred in transactions by the scheme</b>	<p>Nil (if you are buying or selling on an exchange)</p> <p>Buy: 0.18% of the application amount (if you are an Authorised Participant)</p> <p>Sell: 0.13% of the withdrawal amount (if you are an Authorised Participant)</p>	<p>Not applicable (if you are buying or selling on an exchange)</p> <p>Payable by the Authorised Participant at the time of transaction. We may waive this fee in certain circumstances.</p>
<b>Withdrawal fee: The fee on each amount you take out of your investment</b>	Nil	Not applicable
<b>Exit fee: The fee to close your investment</b>	Nil	Not applicable
<b>Switching fee: The fee charged for changing investment options</b>	Nil	Not applicable

<sup>1</sup> See 'Additional explanation of fees and costs' below 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.

<sup>2</sup> 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.

<sup>3</sup> 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. As the Fund is newly established, the costs reflect the Responsible Entity's reasonable estimates at the date of this PDS of those costs that will apply to the Class for the current financial year adjusted to reflect a 12 month period. 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 for more information on fees and costs that may be payable.

<sup>4</sup> The transaction costs disclosed in this section are shown net of any recovery received by the Fund from the buy/sell spread charged to Authorised Participants. Please refer to the 'Additional Explanation of Fees and Costs' section for further details.

## Example of annual fees and costs

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

<b>EXAMPLE: RUSSELL INVESTMENTS SUSTAINABLE GLOBAL OPPORTUNITIES COMPLEX ETF (BALANCE OF \$400,000 WITH TOTAL CONTRIBUTIONS OF \$5,000 DURING THE YEAR)</b>		
<b>Contribution Fee</b>	Nil	If you are buying on an exchange, for every \$5,000 you put in, you will be charged \$0.
<b>PLUS Management fees and costs<sup>4,5</sup></b>	0.95% 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 \$3800 each year.
<b>PLUS Performance fees</b>	Nil	And, you will be charged or have deducted from your investment \$0 in performance fees each year.
<b>PLUS Transaction costs</b>	0.04% p.a. of the NAV of the Fund	And, you will be charged or have deducted from your investment \$160 in transaction costs.
<b>EQUALS Cost of Fund</b>	Nil	If you had an investment of \$400,000 at the beginning of the year and you put in an additional \$5,000 during that year, then for that year you would be charged fees and costs of \$3960 <sup>3,4</sup> . What it costs you will depend on the investment option you choose and the fees you negotiate.

<sup>1</sup> 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 \$400,000 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.

<sup>2</sup> Additional fees may apply. Refer to the section of this PDS titled "Additional Explanation of Fees and Costs" for further information.

<sup>3</sup> Additional fees may apply. Please refer 'Additional Explanation of Fees and Costs' below for more information.

<sup>4</sup> All estimates of fees and costs in this section are based on information available as at the date of this PDS. All fees and costs reflect RIM's reasonable estimates for the current financial year. Please refer to the 'Additional Explanation of Fees and Costs' section below for more information on fees and costs that may be payable.

<sup>5</sup> 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 below.

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## 9. Additional explanation of Fees and Costs

The following information has been provided to help you understand the Fees and Costs section.

### Management fees and costs

Management fees and costs are made up of

- a management fee
- indirect costs; and
- expense recoveries.

The amounts are payable out of Fund assets and are reflected in the Fund's 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

We charge a management fee which consists of an investment management fee for managing and operating the Fund. The management fee is calculated and accrued daily and is generally paid monthly in arrears from the Fund's assets. The management fee is GST inclusive. The management 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 has or will reduce, whether directly or indirectly, a Fund's returns or the amount or value of the income of, or assets attributable to the Fund other than the management fee and expense recoveries.

In particular, indirect costs include but are not limited to a reasonable estimate of the costs (if any) of investing in over-the-counter (OTC) derivatives used for investment exposure purposes.

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

The indirect costs component of the management fees and costs figure set out in the fees and costs summary is calculated on the basis of the actual amount incurred by the 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 PDS 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*

As at the date of this PDS, we pay all expenses relating to the proper performance of our duties (which are recoverable from the Fund) out of the management fee. These expenses include but are not limited to custody, administration, registry, GST (less any reduced input tax credits) legal, reporting, audit and any other recoverable expenses permitted under the Fund's constitution.

The expense recoveries component of the management fees and costs figure set out in the fees and costs summary of the 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 PDS or where RIM was unable to determine the exact amount.

Taxes are set out in section 7 of this PDS.

#### *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 the Fund.

The management fees and costs figure disclosed in the fees and costs summary includes the estimated abnormal expense recoveries of that Fund [being Nil], 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 this PDS 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.

### Changes in fees and costs

We may change the fees and costs described in this PDS at any time, without your consent (including increase fees up to the maximum set out in the constitution). We may decide in the future to recover expenses directly from the Fund in addition to the management costs. Any increase in the Fund's fees and costs will be communicated to you at least thirty days before it occurs. All estimates of fees and costs

in this section are based on information available as at the date of this PDS. 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/etfs> or you may obtain a paper copy of any updated information from us free of charge on request.

## Different fees

We may negotiate different fees with investors who are 'wholesale clients' under the Corporations Act 2001. 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 but are ultimately at our discretion, subject to the Corporations Act 2001 and any relevant ASIC policies. This is generally because they invest large amounts of money in the Fund. We cannot enter into individual fee arrangements with other investors. Please contact us via the details specified in page 2 of this document if you require further details on negotiating fees.

## Commissions and other benefits received

Subject to the Corporations Act and relevant law, we, or members of Russell Investments, 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 Fund to trade only with brokers who will provide best execution, regardless of whether these trades are placed with brokers related to us or not.

## Transaction costs

In managing the investments of the Fund, transaction costs such as brokerage, settlement costs, clearing costs, government taxes and charges and bid/offer spreads may be incurred. Transaction costs of over-the-counter (OTC) derivatives may also be incurred by the Fund. Transaction costs are in addition to other costs you may incur as an investor in a Fund. The amount of transaction costs will vary from year to year depending on the type, size and frequency of transactions.

These costs may be incurred by investing directly in the underlying securities. Such costs arise whenever the Fund buys or sells assets to invest applications, fund withdrawals or to generally manage the Fund in accordance with its investment objective.

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 and are not a fee paid to RIM.

The amount of transaction costs 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 to Authorised

Participants 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 or where RIM was unable to determine the exact amount.

The information in the table below sets out 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 the Fund), presented as a percentage of the Fund's net assets. The resulting estimated net transaction costs are borne by all investors in the Fund and are reflected in the unit price.

ESTIMATED TOTAL GROSS TRANSACTION COSTS (% P.A.)	ESTIMATED COSTS RECOUPED THROUGH BUY/SELL SPREAD (% P.A.)	ESTIMATED NET TRANSACTION COSTS (% P.A.)
• 0.12%	0.07%	0.04%

## Withdrawal costs for non-Authorised Participants

Non-Authorised Participants have a right to redeem their Units with us in exceptional circumstances. In these circumstances, we may charge a fee.

## Stockbroker fees for all other investors

Non-Authorised Participants will incur customary brokerage fees and commissions associated with buying and selling Units on the ASX. This fee should be discussed with a stockbroker prior to investing.

## Related party payments

Members and affiliates of Russell Investments 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 Fund 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 Fund. 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 the abovementioned related party transactions occur on an arm's length basis, member approval is not required. We do not see any risks



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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 our funds 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 monies, so it does not represent any additional cost to you. We maintain records of these benefits as required by the Corporations Regulations. 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.

## **10. Creating and Redeeming**

### **Creations and redemptions**

Only Authorised Participants may apply for Units directly through this PDS.

Other investors cannot apply for Units through this PDS. Such investors may buy and sell Units by trading on the ASX through a stockbroker or via a financial adviser.

Prior to being issued Units, an Authorised Participant must enter into an Authorised Participant Agreement with RIM and will be required to comply with any additional requirements set out in that agreement. For a copy, please contact Russell Investments Fund Operations at [syd-fundoperations@russellinvestments.com](mailto:syd-fundoperations@russellinvestments.com).

For initial creations of Units, Authorised Participants must complete the Application for Creation/Redemption Form attached to this PDS and send it to the Administrator by the 'cut off time'.

To create additional Units or to redeem Units, please contact Russell Investments Fund Operations at [syd-fundoperations@russellinvestments.com](mailto:syd-fundoperations@russellinvestments.com) for further instructions about sending an Application for Creation/Redemption to the Administrator.

Please note that we may, without giving any reason, refuse or accept all or part of an application for creation of Units in our sole discretion.

Investors who are not Authorised Participants may only redeem Units in the special circumstances described under 'Redemptions by investors other than Authorised

Participants' on page 28. Other investors looking to acquire or sell Units in the Fund may purchase or sell Units on the ASX.

### **Minimum creation and redemption**

Except in respect of a reinvestment, the minimum number of Units required for any creation or redemption of Units must be whole multiples of 15,000 Units, where each 15,000 Units represents one creation or redemption Unit.

### **Creations**

An Authorised Participant must apply to create a whole multiple of a Creation Unit by transferring to the Fund cash in Australian dollars. In return, we will issue the Authorised Participant with a Creation Unit. The transfer of the Creation Unit from us to the Authorised Participant is through CHESS.

Under the constitution of the Fund, an Authorised Participant agrees to indemnify us for any liability arising out of a failure to pay for a Unit.

Units issued pursuant to an Application for Creation/Redemption will be quoted under the AQUA Rules on the ASX with effect from the settlement of the issue of the relevant Units through CHESS. We will announce to the ASX via the ASX Market Announcements Platform the Fund's total Units on issue on a monthly basis. We will not be required to hold application moneys prior to the issue of the Units, as the settlement of Units in the Fund occurs via CHESS.

### **Redemptions**

An Authorised Participant may only redeem a whole multiple of a Redemption Unit by transferring a Redemption Unit to us for cancellation and receiving in return from the Fund cash. The transfer of the Redemption Unit from the Authorised Participant occurs via CHESS.

In certain circumstances, we may be required or permitted by the Fund's constitution or by law to deduct or withhold amounts relating to tax and other amounts from the redemption proceeds that would otherwise be payable to a Unitholder. These amounts (if any) will be deducted from the cash amount that would otherwise be payable to the relevant Unitholder in respect of the redemption.

The Fund's NAV and NAV per Unit will be published daily on our website at <https://russellinvestments.com.au/etfs> and this information may also be provided directly to Authorised Participants once it has been published on our website.

### **Processing creations and redemptions**

Generally, applications for creations and redemptions are processed each Business Day. If the Administrator receives your completed Application for Creation/Redemption by the 'cut off time' on a Business Day, the Administrator will generally process your creation or redemption (as the case may be) using the issue or redemption price calculated as at the close of trading on that Business Day.

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### **The 'cut off time' is 4.00pm on each Business Day.**

If your completed Application for Creation/ Redemption is received after the 'cut off time', or on a non-Business Day, the Administrator will generally process your creation or redemption (as the case may be) using the issue price or redemption price calculated at the close of trading on the next Business Day after it has been received.

Settlement in respect of applications for creations and redemptions generally occurs through CHESS on T+2 which is in line with the relevant ASX rules. Further terms are available in the Authorised Participant Agreement.

### **Issue price and redemption price**

The issue price and redemption price is determined as at the close of trading for each Business Day.

The issue price and redemption price is calculated as the NAV of the Fund, divided by the number of Units of the Fund on issue (i.e. Fund's NAV per Unit).

Details of the daily NAV of the Fund and the Fund's NAV per Unit are available on Russell Investments' website at <https://www.russellinvestments.com.au/etfs>.

The redemption amount paid to a Unitholder on the redemption of Units from the Fund may include an entitlement to the distributable income of the Fund.

Assets are valued in accordance with our securities valuation policy, usually at the current market value.

You can contact us for a copy of our policies on exercising discretions when calculating Unit prices, including details of any discretions we may exercise in various circumstances, free of charge.

### **Your account balance**

Your account balance changes as investments are made and as investment returns are added. Fees and taxes, as well as investment losses, reduce your account balance.

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

If the Fund's NAV increases relative to the original NAV at which you received your Units, you have made an investment gain and your account balance rises accordingly. If the Fund's NAV decreases, you've made an investment loss and your account balance will fall.

### **Suspension of creations and redemptions**

We may suspend applications for creations or redemptions in certain circumstances. This will generally occur around the end of a distribution period when we are calculating and paying the distributable income for the relevant period or where there are factors, as determined by us, which prevent the accurate calculation of Unit prices. However, we may suspend applications for creations or redemptions in other

circumstances. We will advise you when such an event occurs.

Applications for creations or redemptions received by us during a period of suspension are deemed to be received on the first Business Day after cessation of the suspension.

### **'Liquid' for the purposes of the Corporations Act 2001**

The redemption conditions described above assume that the Fund remains 'liquid' for the purposes of the Corporations Act 2001. If the Fund is 'liquid', we will redeem Units within 30 days of the date on which a redemption request is accepted by us or such longer period as permitted in the Fund's constitution. We are currently of the view that the Fund is 'liquid'.

Under the Corporations Act 2001, if the Fund is 'illiquid', we may offer Unitholders the opportunity to redeem from the Fund on a periodic basis, but we are not obliged to do so. Where no such offer is made, Unitholders have no right to redeem from the Fund.

### **Transferring Units**

Subject to the constitution of the Fund and ASX requirements, a Unit is usually transferable through the ASX. A Unit may also be transferred by any other method of transfer which is required or permitted by the Corporations Act 2001 and ASX.

### **Fund income – when and how?**

Any income of the Fund is usually distributed quarterly within 30 days after a distribution is declared.

Your share of income will depend on how many Units you hold at the end of the distribution period.

Fund income can be paid directly to your nominated Australian bank account or you can choose to participate in the Distribution Reinvestment Plan (DRP). Details of the DRP are provided below.

Please note that, whilst generally the Fund will distribute income as specified above, there is no guarantee that income will be available for each distribution period.

Information in relation to distributions by the Fund will be disclosed to the ASX via the ASX Market Announcements Platform.

### **Distribution Reinvestment Plan**

A DRP is available to eligible Unitholders so that distributions are automatically reinvested in the Fund.

Partial reinvestment is available. If no election is made, distributions will be automatically paid in cash.

Unitholders can participate in the DRP by registering directly with RIM's share registrar at <https://www.computershare.com.au/easyupdate/RGOS> or contacting them on 1800 RSL ETF (1800 775 383).



Participation is subject to terms outlined in the DRP rules available on <https://russellinvestments.com.au/etfs>.

## 11. Additional Information

### Our legal relationship with Unitholders

In our role as responsible entity, we are responsible for the operation of the Fund. The Fund's constitution provides the framework for the operation of the Fund, and together with this PDS and the Corporations Act 2001, sets out our relationship with Unitholders. A copy of the Fund's constitution is available free of charge on request. We may amend the constitution in accordance with the constitution and the Corporations Act 2001.

Some of the provisions in the Fund's constitution are discussed elsewhere in this 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;
- calling, attending and voting at Unitholder meetings;
- when we are not liable to Unitholders;
- when we may retire as responsible entity; and
- when we can terminate the Fund and what happens if we do (if we terminate the Fund, Unitholders share the net proceeds from us selling the underlying assets).

In our role as the responsible entity, we are not liable for any loss unless we fail to comply with our duties under the constitution and the Corporations Act 2001. A Unitholder's liability is limited by the constitution to the value of their Units but the courts are yet to determine the effectiveness of provisions like this.

### Redemptions by investors other than Authorised Participants

Investors who are not Authorised Participants looking to dispose Units in the Fund may only do so through the ASX via their stockbroker or financial adviser. However, if Units in the Fund are suspended from quotation for more than five consecutive Trading Days, the Fund's Constitution contains a provision that allows investors who are not Authorised Participants to redeem their Units in the Fund directly for cash, except where:

- (i) the Fund has been terminated;
- (ii) the Fund is not liquid as defined in the Corporations Act 2001; or
- (iii) the responsible entity has suspended applications for redemptions as it determines in certain circumstances, or for any reason, where it considers that to do so is in the best interest of Unitholders.

### The Responsible Entity

Russell Investments Management Ltd (RIM) is the Responsible Entity for the Fund and is part of Russell Investments – a global investment solutions partner, dedicated to helping investors reach their long-term goals. Building on an 85+ year legacy of continuous innovation to deliver exceptional value to clients, our core capabilities extend across asset allocation, capital markets insights, factor exposures, manager research and portfolio implementation.

Russell Investments offers investment solutions in 30 countries, managing over A\$436 billion in assets (as of 31 December 2023). Headquartered in Seattle, Washington, Russell Investments has offices in 16 cities, including in New York, London, Tokyo and Shanghai. For more information about how Russell Investments helps to improve financial security for people, visit <https://russellinvestments.com/au>.

Our responsibilities and obligations as responsible entity of the Fund is governed by the constitution for the Fund as well as the Corporations Act 2001 and general trust law. Russell Investment Management Ltd holds an Australian Financial Services License and is a member of the Financial Services Council (FSC).

Under the Corporations Act 2001 the responsible entity may be changed with a resolution passed by at least 50% of the total votes that may be cast by Unitholders entitled to vote on the resolution.

### 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. As at the date of this PDS, there are two classes of units in the Fund. This PDS describes the features of one class of units (the quoted class).

### Compliance plan and compliance committee

The Fund has a compliance plan which describes the means that we take 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.

### Market maker

Under the AQUA Rules, we have certain obligations in respect of the Fund to facilitate an orderly and liquid market in the Fund.

A market maker will create and redeem Units as required to hold inventory of a security and provide buy and sell prices to the secondary market, while potentially hedging their underlying positions also.

Each day the basket of underlying securities for the Fund is provided, allowing the market maker to calculate the total value of a Fund. For a significant part of the Trading Day, the market maker applies a buy and sell spread to the calculated value and publishes these prices on the exchange, continuously updating the prices throughout the Trading Day and trading as orders are submitted.

We understand the importance of the role of the market maker and seek to appoint market makers that have experience in making markets in both Australia and overseas; that have agreements with the ASX to act as a market maker; and that have the necessary skill and expertise to perform market making functions.

Information about the market maker(s) selected by us from time to time can be obtained by contacting us.

The arrangements with the market maker specify certain permitted circumstances where the market making obligations may be suspended. If a market maker defaults on its obligations, we may seek to replace the market maker, although the arrangements with the market maker may limit or exclude any liability on the part of the market maker. The arrangements with the market maker may also provide that the market maker has no liability or responsibility to Investors for any act or omission made in connection with the market making arrangements. Investors should be aware that a market maker will retain for its own account any trading profit and bear any loss which may be generated by its market making activities.

Subject to the AQUA Rules we may replace a market marker appointed in respect of a Fund or appoint additional market makers.

## **Related party contracts**

We have entered into a number of arrangements with related body corporates of Russell Investments. In particular, Russell Investments Implementation Services, LLC will provide us with assistance in our role as the investment manager.

We have appointed the related parties on an arm's length commercial basis. We have also made these appointments after considering the requirements of our conflicts of interest policy and our obligation to manage conflicts of interest under the Corporations Act 2001.

## **Custodian and administrator**

We have appointed a Custodian and Administrator to the Fund. The Custodian and Administrator will provide custodial and certain administrative services to the Fund.

## **Registrar**

We have appointed Computershare Investor Services Pty Limited to maintain Unitholder records such as quantity of securities held, tax file number and details of participation in the DRP. The registrar can be contacted at:

**Computershare Investor Services Pty Limited**  
Yarra Falls

452 Johnston Street  
Abbotsford Vic 3067  
Ph: 1800 RSL ETF (1800 775 383)  
Website: <https://www.computershare.com.au>

Computershare Investor Services Pty Limited has given and, as at the date hereof, has not withdrawn its written consent to be named as the Registrar in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of this PDS other than being named as the Registrar for the Fund. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this PDS.

## **Auditors**

The Fund and the compliance plan for the Fund are required to be audited annually. We have appointed an auditor to the Fund and compliance plan.

## **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 unless you have elected not to receive them. The Annual Report is published on the website at <https://russellinvestments.com.au/etfs>.

## **Interest**

In circumstances where the Fund holds cash after the receipt of application monies any interest earned on these amounts will be retained for the benefit of all the members of the Fund. In addition, the Fund may hold cash pending the payment of redemption proceeds and any interest earned on these amounts will be retained for the benefit of all members of the Fund. The registrar may also hold cash immediately pending the payment of a distribution. Any interest earned on such will be retained by the registrar to offset expenses incurred in relation to the Fund.

## **Investor identification and verification**

In making an application for creation of Units under this PDS applicants must provide and we must verify specified proofs of identity before processing an application. Refer to the Client ID Form for further details of the information and identification that is required, which can be obtained by contacting Russell Investments Fund Operations.

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 (AML/CTF) legislation, we are required to establish and enforce appropriate risk control programs with accompanying ID Procedures and transaction monitoring procedures. The procedures require applicants to provide satisfactory proof of identity which must be verified before an application for creation of 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.

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.

## Complaints

If you make a complaint, we will acknowledge your complaint as soon as practicable after we receive it. We will assess your complaint and inform you of the outcome within 30 days of receiving your complaint. If you have any complaints, please contact us:

### The Complaints Manager

Russell Investment Management Ltd  
GPO Box 3279  
SYDNEY NSW 2001, Australia

Email: [disputeresolution@russellinvestments.com](mailto:disputeresolution@russellinvestments.com)

Fax number: 1300 768 040 (in Australia)

+612 9229 5116 (outside Australia)

Phone number: (02) 9229 5111 (in Australia)

+612 9229 5111 (outside Australia)

We are also a member of an external dispute resolution scheme. If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority ("AFCA"). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Website: <http://www.afca.org.au>

Email: [info@afca.org.au](mailto:info@afca.org.au)

Telephone: 1800 931 678 (free call)

In writing to: Australian Financial Complaints Authority,  
GPO Box 3, Melbourne VIC 3001, Australia

## 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 the Application Form or any other 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 completing the Application for Creation/ Redemption Form accompanying the PDS, you agree to us collecting, holding and using personal information about you, in the way set out in our Privacy Policy, 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

## What you need to remember

This PDS contains 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 obtain financial advice 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. We recommend that you satisfy yourself with respect to the risks associated with an investment in the Fund. Please refer to page 16 for a more detailed description of those risks.

## Updated information

Information in this PDS is subject to change. Where information in this PDS changes which is not materially adverse to a Unitholder, we may update this information by publishing the changes on our website: <https://russellinvestments.com.au/etfs>. You can contact us if you would like a paper copy of this information, free of charge. We may also be required to issue a supplementary PDS as a result of certain changes.

Certain other changes will be deemed to be incorporated into this PDS by reference.

Electronic or paper copies of this PDS can be obtained free of charge from us.

As responsible entity, we are subject to continuous disclosure obligations that require us to make material information available. We will comply with our continuous disclosure obligations under the law by publishing material information about the Fund on our website in accordance with ASIC's good practice guidance for website disclosure. You can obtain a copy of the Fund's continuous disclosure information by visiting our website <https://russellinvestments.com.au/etfs>. We encourage you to regularly check our website for new information that may be relevant to your investment. Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office. A paper copy of this information will also be given to you, on request, without charge. A paper copy of this information will also be given to you, on request, without charge.

## ASIC Relief

### Exemption – Unequal treatment in withdrawal from an AQUA exchange traded fund

ASIC has granted relief under section 601QA of the Corporations Act 2001 from the equal treatment requirement in section 601FC(1) (d), in the ASIC Corporations (Relief to Facilitate Admission of Exchange Traded Funds) Instrument 2024/147 (**Instrument 2024/147**) and in CO 13/721. Instrument 2024/147 came into effect on 15 March 2024, replacing CO 13/721 (which it is due to sunset on 1 April 2024) and will continue to apply after

CO13/721 is no longer in force. The relief is granted to the extent necessary to permit RIM to not treat Unitholders equally to the extent that it restricts redemptions from the Fund to Authorised Participants. For the purposes of this relief, except in exceptional circumstances, only Authorised Participants may redeem from the Fund, but other Unitholders may sell their Units on the AQUA market. However, if the Units are suspended from trading on the AQUA market for more than 5 consecutive Trading Days, Unitholders will have the right to redeem from the Fund and receive payment for their interests in money within a reasonable time of request unless any of the following apply:

- the Fund is wound up;
- the Fund is not liquid as defined in subsection 601KA(4) of the Corporations Act 2001; or
- we suspend redemptions in accordance with the Fund's constitution.

In the event that such a redemption occurs, any transaction fee per Unit payable by Unitholders who are not Authorised Participants will not be greater than the transaction fee per Unit that would generally be payable by an Authorised Participant receiving redemption proceeds in cash when withdrawing the minimum parcel of Units.

### Class Order Relief Ongoing Disclosure

ASIC has granted Class Order relief (Instrument 2024/147) under section 1020F(1)(a) of the Corporations Act 2001 from the ongoing disclosure requirements in section 1017B on the condition that RIM complies with the continuous disclosure requirements in section 675 of the Corporations Act 2001 as if the Fund were an unlisted disclosing entity. RIM will comply with the continuous disclosure requirements of the Corporations Act 2001 as if the Fund were an unlisted disclosing entity.

### Class Order Relief - Periodic Statements

ASIC has granted relief under Class Order 13/1200 which exempts RIM from certain periodic statement requirements. In particular, we are not required to include in periodic statements purchase or sale price information or return on investment information where RIM is unable to determine such information and the periodic statement explains why this information is not included and describes how it can be obtained or calculated. In addition, Class Order 13/1200 requires us to report in the periodic statement whether the Fund has met its investment objective over the last one year and five year periods.

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## Terms used in this PDS

**'Administrator'** refers to State Street Australia Limited.

**'Application for Creation/Redemption Form'** refers to the application/redemption form attached to this PDS.

**'AQUA Rules'** refers to the ASX Operating Rules that apply to AQUA products and AQUA trading.

**'ASIC'** refers to the Australian Securities and Investments Commission.

**'ASX'** refers to the Australian Securities Exchange Ltd.

**'ASX Listing Rules'** refers to the listing rules of the ASX as amended, varied or waived from time to time.

**'ASX Operating Rules'** refers to the operating rules of the ASX as amended, varied or waived from time to time.

**'Australian Resident'** means a person who is an Australian resident for tax purposes.

**'Authorised Participant'** refers to persons who have entered into a relevant Authorised Participant Agreement with RIM.

**'Authorised Participant Agreement'** refers to an agreement between us and an Authorised Participant governing the application and redemption of Units in the Fund.

**'Business Day'** has the same meaning as in the ASX Operating Rules.

**'CHESS'** refers to Clearing House Electronic Subregister System.

**'creation/redemption unit'** means 15,000 Units.

**'Custodian'** refers to State Street Australia Limited.

**'Directly'** refers to companies that are involved in the stated activities. There is no minimum percentage revenue or ownership threshold.

**'Equity Index Futures'** refers to an exchange traded derivatives contract to buy or sell a financial index at a set price today, to be settled at a date in the future.

**'ETF'** refers to an exchange traded fund.

**'Exclusions List'** is a list of securities that are ineligible for inclusion in the Fund.

**'Fund'** refers to the Russell Investments Sustainable Global Opportunities Complex ETF ARSN 666 379 700.

**'Global Exclusions Committee' (GEC)** is responsible for establishing and maintaining a global exclusion framework for implementing exclusions lists. GEC was established in December 2021.

**'Index'** refers to the MSCI ACWI - Net.

**'Indirectly'** refers to companies that own more than 20% of an underlying company that has involvement in the stated activities.

**'NAV'** refers to the net asset value of the Fund.

**'PDS'** means this product disclosure statement as amended or supplemented from time to time.

**'Revenue'** refers to the gross revenue percentage determined by an ESG data vendor, Sustainalytics, either from the company's reported revenues, or from an estimate of the company's revenue made by Sustainalytics.

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

**'Sustainable Strategy'** means the strategy and / or investment approach of an investment manager who has been selected from our investment universe of managers with ESG capabilities in global shares and who has been identified as having sustainable investment strategy.

**'Trading Day'** means a day determined by ASX to be a Trading Day and notified to Market Participants, as defined in the ASX Operating Rules.

**'Unit'** refers to units in a class of the Fund as described in this PDS.

**'Unitholder'** refers to a person holding Units in the Fund.

**'UNGC Principles'** refers to the United Nations Global Compact Principles which is a voluntary framework that has ten principles built around human rights, labour standards, the environment, and anticorruption. These principles promote the integration of sustainable business practices and challenge companies to become more open and transparent about their strategies, policies, and procedures pertinent to sustainability issues.

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**'we', 'our', 'us' or 'RIM'** means Russell Investment Management Ltd ABN 53 068 338 974, AFS Licence Number 247 185, the responsible entity of the Fund.